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Two Approaches to Organizational Analysis: A Critique and a Suggestion

The often-used goal model for measuring effectiveness is criticized. A system model is suggested and its advantages over the goal model specified. Mainly, the system model is theoretically more powerful and avoids certain value judgments. Two system models are compared: an often-used survival model and a rarely applied effectiveness model. The impact of either one on social action is briefly outlined.¹

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ORGANIZATIONAL goals serve many functions. They give organizational activity its orientation by depicting the state of affairs which the organization attempts to realize. They serve as sources of legitimation which justify the organization's activities and its very existence, at least in the eyes of some participants and in those of the general public or subpublics. They serve as a source for standards by which actors assess the success of their organization. Finally, they serve as an important starting point for students of organizations who, like some of the actors they observe, use the organizational goals as a yardstick with which to measure the organization's performance. This paper is devoted to a critique

¹I am indebted to William Delany, William J. Goode, Terence K. Hopkins, and Renate Mayntz for criticisms of an earlier version of this paper.
of this widespread practice and to a suggestion of an alternative approach.

GOAL MODEL

The literature on organizations is rich in studies in which the criterion for the assessment of effectiveness is derived from organizational goals. We shall refer to this approach as the goal model. The model is considered an objective and reliable analytical tool because it omits the values of the explorer and applies the values of the subject under study as the criteria of judgment. We suggest, however, that this model has some methodological shortcomings and is not as objective as it seems to be.

One of the major shortcomings of the goal model is that it frequently makes the studies' findings stereotyped as well as dependent on the model's assumptions. Many of these studies show (a) that the organization does not realize its goals effectively, and/or (b) that the organization has different goals from those it claims to have. Both points have been made for political parties,^{2} trade unions,^{3} voluntary associations,^{4} schools,^{5} mental hospitals,^{6} and other organizations. It is not suggested that these statements are not valid, but it seems they have little empirical value if they can be deduced from the way the study is approached.^{7}

Goals, as norms, as sets of meanings depicting target states, are cultural entities. Organizations, as systems of co-ordinated activities of more than one actor, are social systems.

There is a general tendency for cultural systems to be more consistent than social systems.^{8} There are mainly two reasons for this. First of all, cultural images, to be realized, require investment of

^{2}Robert Michels, *Political Parties* (Glencoe, Ill., 1949); Moise Ostrogorski, *Democracy and the Organization of Political Parties* (New York, 1902).


^{5}A nonscientific discussion of this issue in a vocational school is included in E. Hunter's novel, *Blackboard Jungle* (New York, 1956).


^{7}While such studies have little empirical value, they may have some practical value. Many of the evaluation studies have such a focus.

^{8}Talcott Parsons, *The Social System* (Glencoe, Ill., 1951).
means. Since the means needed are always larger than the means available, social units are always less perfect than their cultural anticipations. A comparison of actual Utopian settlements with descriptions of such settlements in the books by the leaders of Utopian movements is a clear, although a somewhat disheartening, illustration of this point.9

The second reason for the invariant discrepancy between goals and social units, which is of special relevance to our discussion, is that all social units, including organizations, are multifunctional units. Therefore, while devoting part of their means directly to goal activities, social units have to devote another part to other functions, such as the creation or recruitment of further means to the goal and the maintenance of units performing goal activities and service activities.

Looking at the same problem from a somewhat different viewpoint, one sees that the mistake committed is comparing objects that are not on the same level of analysis as, for example, when the present state of an organization (a real state) is compared with a goal (an ideal state) as if the goal were also a real state. Some studies of informal organizations commit a similar mistake when they compare the blueprint of an organization with actual organizational practice and suggest that an organizational change has taken place. The organization has “developed” an informal structure. Actually, the blueprint organization never existed as a social fact. What is actually compared is a set of symbols on paper with a functioning social unit.10

Measured against the Olympic heights of the goal, most organizations score the same—very low effectiveness. The differences in effectiveness among organizations are of little significance. One who expects a light bulb to turn most of its electrical power into light would not be very interested in the differences between a bulb that utilizes 4.5 per cent of the power as compared with one

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9See Martin Buber, Paths in Utopia (Boston, 1958).
10Actually, of course, in order for a blueprint to exist, a group of actors—often a future elite of the organization—had to draw up the blueprint. This future elite presumably itself had “informal relations,” and the nature of these relations undoubtedly affected the content of the blueprint as well as the way the organization was staffed and so forth.
that utilizes 5.5 per cent. Both are extremely ineffective. A more realistic observer would compare the two bulbs with each other and find one of them relatively good. The same holds for organizational studies that compare actual states of organization to each other, as when the organizational output is measured at different points in time. Some organizations are found gradually to increase their effectiveness by improving their structure and their relations with the environment. In other organizations effectiveness is slowly or rapidly declining. Still others are highly effective at the initial period, when commitments to goals are strong, and less effective when the commitment level declines to what is "normal" for this organization. These few examples suffice to show that the goal model may not supply the best possible frame of reference for effectiveness. It compares the ideal with the real, as a result of which most levels of performance look alike—quite low.\textsuperscript{11} Michels, for example, who applied a goal model, did not see any significant differences among the trade unions and parties he examined. All were falling considerably short of their goals.

When a goal model is applied, the same basic mistake is committed, whether the goals an organization claims to pursue (public goals) or the goals it actually follows (private goals) are chosen as a yardstick for evaluation of performance. In both cases cultural entities are compared with social systems as if they were two social systems. Thus the basic methodological error is the same. Still, when the public goals are chosen, as is often done, the bias introduced into the study is even greater.\textsuperscript{12} Public goals fail to be realized not because of poor planning, unanticipated consequences, or hostile environment. \textit{They are not meant to be realized}. If an organization were to invest means in public goals to such an extent that it served them effectively, their function, that is, improving the input-output balance, would be greatly diminished, and the organization would discard them.\textsuperscript{13} In short, public goals, as criteria, are even more misleading than private ones.

\textsuperscript{11}Paul M. Harrison, \textit{Authority and Power in the Free Church Tradition} (Princeton, 1959), p. 6. Harrison avoids this pitfall by comparing the policy of the church he studied (The American Baptist Convention) at different periods, taking into account, but not using as a measuring rod, its belief system and goals.

\textsuperscript{12}Some researchers take the public goals to be the real goals of the organization. Others choose them because they are easier to determine.

\textsuperscript{13}Public goals improve the input-output balance by recruiting support (inputs)
An alternative model that can be employed for organizational analysis is the system model. The starting point for this approach is not the goal itself but a working model of a social unit which is capable of achieving a goal. Unlike a goal, or a set of goal activities, it is a model of a multifunctional unit. It is assumed a priori that some means have to be devoted to such nongoal functions as service and custodial activities, including means employed for the maintenance of the unit itself. From the viewpoint of the system model, such activities are functional and increase the organizational effectiveness. It follows that a social unit that devotes all its efforts to fulfilling one functional requirement, even if it is that of performing goal activities, will undermine the fulfillment of this very functional requirement, because recruitment of means, maintenance of tools, and the social integration of the unit will be neglected.

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to the organization from groups which would not support the private goals. This improves the balance as long as this increase in input does not require more than limited changes in output (some front activities). An extreme but revealing example is supplied in Philip Selznick's analysis of the goals of the Communist party. He shows that while the private goal is to gain power and control, there are various layers of public goals presented to the rank and file, sympathizers, and the "masses" (The Organizational Weapon [New York, 1952], pp. 88–84).


16The use of concepts such as goals, means, and conditions does not imply the use of a goal model as defined in the text. These concepts are used as defined on the more abstract level of the action scheme. On this scheme see Talcott Parsons, The Structure of Social Action (Glencoe, 1937).

17Gouldner distinguished between a rational model and a natural-system model of organizational analysis. The rational model (Weber's bureaucracy) is a partial model since it does not cover all the basic functional requirements of the organization as a social system—a major shortcoming, which was pointed out by Robert K. Merton in his "Bureaucratic Structure and Personality," Social Theory and Social Structure (rev. ed.; Glencoe, Ill., 1957), pp. 195–206. It differs from the goal model by the type of functions that are included as against those that are neglected. The rational model is concerned almost solely with means activities, while the goal model focuses attention on goal activities. The natural system model has some similarities to our system model, since it studies the organization as a whole and sees in goal realization just one organizational function. It differs from ours in two ways. First, the natural system is an observable, hence "natural" entity, while ours
A measure of effectiveness establishes the degree to which an organization realizes its goals under a given set of conditions. But the central question in the study of effectiveness is not, “How devoted is the organization to its goal?” but rather, “Under the given conditions, how close does the organizational allocation of resources approach an optimum distribution?” “Optimum” is the key word: what counts is a balanced distribution of resources among the various organizational needs, not maximal satisfaction of any one activity, even of goal activities. We shall illustrate this point by examining two cases; each is rather typical for a group of organizational studies.

**Case 1: Function of Custodial Activities**

One function each social unit must fulfill is adjusting to its environment. Parsons refers to this as the “adaptive phase” and Homans calls the activities oriented to the fulfillment of this function “the external system.” This should not be confused with the environment itself. An organization often attempts to change some limited parts of its environment, but this does not mean that adjustment to the environment in general becomes unnecessary. The changes an organization attempts to introduce are usually specific and limited.\(^\text{19}\) This means that, with the exception of the elements to be changed, the organization accepts the environment as it is and orients its activities accordingly. Moreover, the organization’s orientation to the elements it tries to change is also highly influenced by their existing nature. In short, a study of effectiveness has to include an analysis of the environmental conditions and of the organization’s orientation to them.

With this point in mind let us examine the basic assumptions of a large number of studies of mental hospitals and prisons con-
ducted in recent years on the subject "from custodial to therapeutic care" (or, from coercion to rehabilitation). Two points are repeated in many of these studies: (1) The goals of mental hospitals, correctional institutions, and prisons are therapeutic. "The basic function of the hospital for the mentally ill is the same as the basic function of general hospitals . . . that function is the utilization of every form of treatment available for restoring the patients to health." (2) Despite large efforts to transform these organizations from custodial to therapeutic institutions, little change has taken place. Custodial patterns of behavior still dominate policy decisions and actions in most of these organizations. "In the very act of trying to operate these institutions their raison d'être has often been neglected or forgotten." Robert Vinter and Morris Janowitz stated explicitly:

Custody and care of delinquent youth continue to be the goals of correctional agencies, but there are growing aspirations for remedial treatment. The public expects juvenile correctional institutions to serve a strategic role in changing the behavior of delinquents. Contrary to expectations, persistent problems have been encountered in attempting to move correctional institutions beyond mere custodialism. . . . Despite strenuous efforts and real innovations, significant advances beyond custody have not been achieved.

The first question the studies raise is: What are the actual organizational goals? The public may change its expectations without necessarily imposing a change on the organization's goals, or it may affect only the public goals. As Vinter and Janowitz suggest, much of the analysis of these organizations actually shows that they are oriented mainly to custodial goals, and with respect to these goals they are effective.

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20Quoted from M. Greenblatt, R. H. York, and E. L. Brown, From Custodial to Therapeutic Patient Care in Mental Hospitals (New York, 1955), p. 3; see also H. L. Smith and D. J. Levinson, "The Major Aims and Organizational Characteristics of Mental Hospitals," in M. Greenblatt, D. J. Levinson, and R. H. Williams, eds., The Patient and the Mental Hospital (Glencoe, Ill., 1957), pp. 3–8.

21Greenblatt, York, and Brown, op. cit., p. 3.


23R. H. McCleery, who studied a prison's change from a custodial to a partially "therapeutic" institution, pointed to the high degree of order and the low rate of escapes and riots in the custodial stage. See his Policy Change in Prison Manage-
But let us assume that through the introduction of mental health perspectives and personnel—psychiatrists, psychologists, social workers—the organization's goal, as an ideal self-image, changed and became oriented to therapy. We still would expect Vinter's and Janowitz's observation to be valid. Most prisons, correctional institutions, and mental hospitals would not be very effective in serving therapy goals. Two sets of reasons support this statement. The first set consists of internal factors, such as the small number of professionals available as compared to the large number of inmates, the low effectiveness of the present techniques of therapy, the limitations of knowledge, and so on. These internal factors will not be discussed here, since the purpose of this section is to focus on the second set, that of external factors, which also hinder if not block organizational change.

Organizations have to adapt to the environment in which they function. When the relative power of the various elements in the environment are carefully examined, it becomes clear that, in general, the subpublics (e.g., professionals, universities, well-educated people, some health authorities) which support therapeutic goals are less powerful than those which support the custodial or segregating activities of these organizations. Under such conditions, most mental hospitals and prisons must be more or less custodial. There is evidence to show, for example, that a local community, which is both an important segment of the organizational environment and which in most cases is custodial-minded, can make an organization maintain its bars, fences, and guards or be closed.

The [prison] camp has overlooked relations with the community. For the sake of the whole program you've got to be custodially minded.... The community feeling is a problem. There's been a lot of antagonism.... Newspapers will come out and advocate that we close the camp and put a fence around it.²⁴

²⁴Oscar Grusky, Role Conflict in Organization: A Study of Prison Camp Officials, *Administrative Science Quarterly*, 3 (1959), 452–472, quoted from p. 457. McCleery shows that changes in a prison he analyzed were possible since the community, through its representatives, was willing to support them, op. cit., pp. 30–31.
An attempt to change the attitudes of a community to mental illness is reported by Elaine and John Cumming. The degree to which it succeeded is discussed by J. A. Clausen in his foreword to the study. "The Cummings chose a relatively proximate goal: to ascertain whether the community educational program would diminish people's feelings of distance and estrangement from former mental patients and would increase their feelings of social responsibility for problems of mental illness." They found that their program did not achieve these goals. It should be noted that the program attempted by education to change relatively abstract attitudes toward former mental patients and to mental illness in general. When the rumor spread that the study was an attempt to prepare the grounds for the opening of a mental hospital in the town, hostility increased sharply. In short, it is quite difficult to change the environment even when the change sought is relatively small and there are special activities oriented toward achieving it.

D. R. Cressey, addressing himself to the same problems, states: "In spite of the many ingenious programs to bring about modification of attitudes or reform, the unseen environment in the prisoner's world, with few exceptions, continues to be charged with ideational content inimical to reform."

This is not to suggest that community orientation cannot be changed. But when the effectiveness of an organization is assessed at a certain point in time, and the organization studied is not one whose goal is to change the environment, the environment has to be treated as given. In contemporary society, this often means that the organization must allocate considerable resources to custodial activities in order to be able to operate at all. Such activities at least limit the means available for therapy. In addition they tend to undermine the therapeutic process, since therapy (or rehabilita-

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26 Ibid. It is of interest to note that the Cummings started their study with a goal model (how effective is the educational program?). In their analysis they shifted to a system model (p. 8). They asked what functions, manifest and latent, did the traditional attitudes toward mental health play for the community as a social system (ch. vii). This explained both the lack of change and suggested possible avenues to future change (pp. 152-158).
28 Grusky, op. cit.; see also Cressey, "Foreword," to D. Clemmer, op. cit.
tion) and security are often at least partially incompatible goals.\textsuperscript{29} Under such circumstances low effectiveness in the service of therapeutic goals is to be expected.

This means that, to begin with, one may expect a highly developed custodial subsystem. Hence it seems justifiable to suggest that the focus of research should shift from the problem that, despite some public expectations, institutions fail to become primarily therapeutic to the following problems: To what degree are external and internal\textsuperscript{30} organizational conditions responsible for the emphasis on security? Or are these conditions used by those in power largely to justify the elaboration of security measures, while the real cause for that elaboration is to be found in the personal needs or interests (which can be relatively more easily changed and for which the organization is responsible) of part of the personnel, such as guards and administrators? To what degree and in what ways can therapy be developed under the conditions given? Do external conditions allow, and internal conditions encourage, a goal cleavage, i.e., making security the public goal and therapy the private goal of the organization or the other way around?

We have discussed the effect of the two models the researcher uses to study the interaction between the organization and its environment. We shall turn now to examine the impact each model has on the approach to the study of internal structure of the organization.

\textit{Case 2: Functions of Oligarchy}

The study of authority structure in voluntary associations and political organizations is gradually shifting from a goal model to a system model. Michels' well-known study of socialist parties and trade unions in Europe before World War I was conducted according to a goal model.\textsuperscript{31} These parties and unions were found to have two sets of goals: socialism and democracy. Both tended to be undermined: socialism by the weakening of commitments to revo-

\textsuperscript{29}See Cressey, Contrary Directives.

\textsuperscript{30}It seems that some security measures fulfill internal functions as well. They include control of inmates till the staff has a chance to build up voluntary compliance and safety of other inmates, of the staff itself, of the inmate in treatment, of the institutional property, as well as others. These internal functions are another illustration of the nongoal activities that a goal approach tends to overlook and that a system approach would call attention to.

\textsuperscript{31}Michels, \textit{op. cit.}
volutionary objectives and overdevotion to means activities (developing the organization) and maintenance activities (preserving the organization and its assets); democracy by the development of an oligarchic structure. A number of studies have followed Michels’ line and supplied evidence that supports his generalizations.\(^{82}\)

With regard to socialism, Michels claims that a goal displacement took place in the organizations he studied. This point has been extensively analyzed and need not be discussed here.\(^{83}\) Of more interest to the present discussion is his argument on democracy. Michels holds that an organization that has external democracy as its goal should have an internal democratic structure; otherwise, it is not only diverting some of the means from goal to nongoal activities, but is also introducing a state of affairs which is directly opposed to the goal state of the organization. In other words, an internal oligarchy is seen as a dysfunction from the viewpoint of the organizational goals. “Now it is manifest that the concept dictatorship is the direct antithesis of the concept democracy. The attempt to make dictatorship serve the ends of democracy is tantamount to the endeavour to utilize war as the most efficient means for the defence of peace, or to employ alcohol in the struggle against alcoholism.”\(^{84}\) Michels goes on to spell out the conditions which make for this phenomenon. Some are regarded as unavoidable, some as optional, but all are depicted as distortions undermining the effectiveness of the organization.\(^{85}\)

Since then it has been suggested that internal oligarchy might


\(^{84}\)Michels, *op. cit.*, p. 401.

\(^{85}\)The argument over the compatibility of democracy and effectiveness in “private government” is far from settled. The argument draws from value commitments but is also reinforced by the lack of evidence. The dearth of evidence can be explained in part by the fact that almost all voluntary organizations, effective and ineffective ones, are oligarchic. For the most recent and penetrating discussion of the various factors involved, see Seymour M. Lipset, “The Politics of Private Government,” in his *The Political Man* (Garden City, 1960), esp. pp. 360 ff. See also Lloyd H. Fisher and Grant McConnell, “Internal Conflict and Labor Union Solidarity,” in A. Kornhauser, R. Dublin, and A. M. Ross, eds., *Industrial Conflict* (New York, 1954), pp. 132–143.
be a *functional* requirement for the effective operation of these organizations.\textsuperscript{36} It has been suggested both with regard to trade unions and political parties that conflict organizations cannot tolerate internal conflicts. If they do, they become less effective.\textsuperscript{37} Political parties that allow internal factions to become organized are setting the scene for splits which often turn powerful political units into weak splinter parties. This may be dysfunctional not only for the political organization but also for the political system. It has also been pointed out that organizations, unlike communities and societies, are segmental associations, which require and recruit only limited commitments of actors and in which, therefore, internal democracy is neither possible nor called for. Developing an internal political structure of democratic nature would necessitate spending more means on recruitment of members' interests than segmental associations can afford. Moreover, a higher involvement on the part of members may well be dysfunctional to the achievement of the organization's goals. It would make compromises with other political parties or of labor unions with management rather difficult. This means that some of the factors Michels saw as dysfunctional are actually functional; some of the factors he regarded as distorting the organizational goals were actually the mechanisms through which the functions were fulfilled, or the conditions which enabled these mechanisms to develop and to operate.

S. M. Lipset, M. A. Trow, and J. S. Coleman's study of democracy in a trade union reflects the change in approach since Michels' day.\textsuperscript{38} This study is clearly structured according to the patterns of a system model. It does not confront a social unit with an ideal and then grade it according to its degree of conformity to the ideal. The study sees democracy as a process (mainly as an institutionalized change of the parties in office) and proceeds to determine the

\textsuperscript{36}For a summary statement of the various viewpoints on the effect of democratic procedures on trade unions, see Clark Kerr, *Unions and Union Leaders of Their Own Choosing* (New York, 1957).

\textsuperscript{37}Ibid.

external and internal conditions that enable it to function. It views
democracy as a characteristic of a given system, sustained by the
interrelations among the system's parts. From this, a multifunc-
tional theory of democracy in voluntary organizations emerges.
The study describes the various functional requirements necessary
for democracy to exist in an organization devoted to economic
and social improvement of its members and specifies the conditions
that have allowed these requirements to be met in this particular
case.  

Paradox of ineffectiveness: An advantage of the system model is
that it enables us to conceive of a basic form of ineffectiveness
which is hard to imagine and impossible to explain from the view-
point of the goal model. The goal approach sees assignment of
means to goal activities as functional. The more means assigned
to the goal activities, the more effective the organization is expected
to be. In terms of the goal model, the fact that an organization can
become more effective by allocating less means to goal activities is
a paradox. The system model, on the other hand, leads one to
conclude that, just as there may be a dysfunction of underrecruit-
ment, so there may be a dysfunction of overrecruitment to goal
activities, which is bound to lead to underrecruitment to other
activities and to lack of co-ordination between the inflated goal ac-
tivities and the depressed means activities or other nongoal
activities.

Cost of system models: Up to this point we have tried to point
out some of the advantages of the system model. We would now
like to point out one drawback of this model. It is more demanding
and expensive for the researcher. The goal model requires that
the researcher determine the goals the organization is pursuing and
no more. If public goals are chosen, they are usually readily avail-
able. Private goals are more difficult to establish. In order to find

Limitations of space do not allow us to discuss a third case of improved under-
standing with the shift from one model to another. Although apathy among
members of voluntary associations as reflecting members' betrayal of their organiza-
tional goals and as undermining the functioning of the organization has long been
deplored, it is now being realized that partial apathy is a functional requirement
for the effective operation of many voluntary associations in the service of their
goals as well as a condition of democratic government. See W. H. Morris Jones,
out how the organization is really oriented, it is sometimes necessary not only to gain the confidence of its elite but also to analyze much of the actual organizational structure and processes.

Research conducted on the basis of the system model requires more effort than a study following the goal model, even when private goals are chosen. The system model requires that the analyst determine what he considers a highly effective allocation of means. This often requires considerable knowledge of the way in which an organization of the type studied functions. Acquiring such knowledge is often very demanding, but it should be pointed out that (a) the efforts invested in obtaining the information required for the system model are not wasted since the information collected in the process of developing the system model will be of much value for the study of most organizational problems; and that (b) theoretical considerations may often serve as the bases for constructing a system model. This point requires some elaboration.

A well-developed organizational theory will include statements on the functional requirements various organizational types have to meet. These will guide the researcher who is constructing a system model for the study of a specific organization. In cases where the pressure to economize is great, the theoretical system model of the particular organizational type may be used directly as a standard and a guide for the analysis of a specific organization. But it should be pointed out that in the present state of organizational theory, such a model is often not available. At present, organizational theory is dealing mainly with general propositions which apply equally well but also equally badly to all organizations. The differences among various organizational types are great; therefore any theory of organizations in general must be highly abstract. It can serve as an important frame for specification, that is, for the development of special theories for the various organizational types, but it cannot substitute for such theories by serving in itself as a system model, to be applied directly to the analysis of concrete organizations.

Maybe the best support for the thesis that a system model can be

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40The point has been elaborated and illustrated in Amitai Etzioni, Authority Structure and Organizational Effectiveness, Administrative Science Quarterly, 4 (1959), 43–67.
formulated and fruitfully applied is found in a study of organizational effectiveness by B. S. Georgopulos and A. S. Tannenbaum, one of the few studies that distinguishes explicitly between the goal and system approaches to the study of effectiveness. Instead of using the goals of the delivery service organization, they constructed three indexes, each measuring one basic element of the system. These were: (a) station productivity, (b) intraorganizational strain as indicated by the incidence of tension and conflict among organizational subgroups, and (c) organizational flexibility, defined as the ability to adjust to external or internal change. The total score of effectiveness thus produced was significantly correlated to the ratings on "effectiveness" which various experts and "insiders" gave the thirty-two delivery stations.

Further development of such system-effectiveness indexes will require elaboration of organizational theory along the lines discussed above, because it will be necessary to supply a rationale for measuring certain aspects of the system and not others.

Survival and effectiveness models: A system model constitutes a statement about relationships which, if actually existing, would allow a given unit to maintain itself and to operate. There are two major subtypes of system models. One depicts a survival model, i.e., a set of requirements which, if fulfilled, allows the system to exist. In such a model each relationship specified is a prerequisite for the functioning of the system, i.e., a necessary condition; remove any one of them and the system ceases to operate. The second is an effectiveness model. It defines a pattern of interrela-

\[\text{Footnotes:}\]
\[\text{41A Study of Organizational Effectiveness, American Sociological Review, 22 (1957), 534–540.}\]
\[\text{42For a brief report of another effort to "dimensionalize" organizational effectiveness, see Robert L. Kahn, Floyd C. Mann, and Stanley Seashore, "Introduction" to a special issue on Human Relations Research in Large Organizations: II, Journal of Social Issues, 12 (1956), 2.}\]
\[\text{43What is needed from a methodological viewpoint is an accounting scheme for social systems like the one Lazarsfeld and Rosenberg outlined for the study of action. See Paul F. Lazarsfeld and Morris Rosenberg, eds., The Language of Social Research (Glencoe, Ill., 1955), pp. 387–491. For an outstanding sample of a formal model for the study of organizations as social systems, see Allen H. Barton and Bo Anderson, "Change in an Organizational System: Formalization of a Qualitative Study," in Amitai Etzioni, ed., Complex Organizations: A Sociological Reader (New York, forthcoming).}\]
tions among the elements of the system which would make it most effective in the service of a given goal.\textsuperscript{44}

The difference between the two submodels is considerable. Sets of functional alternatives which are equally satisfactory from the viewpoint of the survival model have a different value from the viewpoint of the effectiveness model. The survival model gives a "yes" or "no" score when answering the question: Is a specific relationship functional? The effectiveness model tells us that, of several functional alternatives, some are more functional than others in terms of effectiveness. There are first, second, third, and \( n \) choices. Only rarely are two patterns full-fledged alternatives in this sense, i.e., only rarely do they have the same effectiveness value. Merton discussed this point briefly, using the concepts functional alternatives and functional equivalents.\textsuperscript{45}

The majority of the functionalists have worked with survival models.\textsuperscript{46} This has left them open to the criticism that although society or a social unit might change considerably, they would still see it as the same system. Only very rarely, for instance, does a society lose its ability to fulfill the basic functional requirements. This is one of the reasons why it has been claimed that the func-

\textsuperscript{44}For many purposes, in particular for the study of ascriptive social units, two submodels are required: one that specifies the conditions under which a certain \textit{structure} (pattern or form of a system) is maintained, another which specifies the conditions under which a certain level of activities or \textit{processes} is maintained. A model of effectiveness of organizations has to specify both.


\textsuperscript{46}One of the few areas in which sociologists have worked with both models is the study of stratification. Some are concerned with the question: is stratification a necessary condition for the existence of society? This is obviously a question of the survival model of societies. Others have asked: which form of stratification will make for the best allocation of talents among the various social positions, will maximize training, and minimize social strains? Those are typical questions of the effectiveness model. Both models have been applied in enlightening debate over the function of stratification; see Kingsley Davis, A Conceptual Analysis of Stratification, \textit{American Sociological Review}, 7 (1952), 309–321; Kingsley Davis and Wilbert E. Moore, Some Principles of Stratification, \textit{ibid.}, 10 (1954), 242–249; Melvin W. Tumin, Some Principles of Stratification: A Critical Analysis, \textit{ibid.}, 18 (1953), 887–894; Kingsley Davis, Reply, \textit{ibid.}, 394–397; W. E. Moore, Comment, \textit{ibid.}, 397. See also Richard D. Schwartz, Functional Alternatives to Inequality, \textit{ibid.}, 20 (1955), 424–430.
tional model does not sensitize the researcher to the dynamics of social units.47

James G. March and Herbert A. Simon pointed out explicitly in their outstanding analysis of organizational theories that the Barnard-Simon analysis of organization was based on a survival model:

The Barnard-Simon theory of organizational equilibrium is essentially a theory of motivation—a statement of the conditions under which an organization can induce its members to continue participation, and hence assure organizational survival. . . . Hence, an organization is "solvent"—and will continue in existence—only so long as the contributions are sufficient to provide inducements in large enough measure to draw forth these conditions.48 [All italics supplied.]

If, on the other hand, one accepts the definition that organizations are social units oriented toward the realization of specific goals, the application of the effectiveness model is especially warranted for this type of study.

MODELS AND NORMATIVE BIASES

The goal model is often considered as an objective way to deal with normative problems. The observer controls his normative preferences by using the normative commitments of the actors to construct a standard for the assessment of effectiveness. We would like to suggest that the goal model is less objective than it appears to be. The system model not only seems to be a better model but also seems to supply a safety measure against a common bias, the Utopian approach to social change.


48Organizations (New York, 1958), p. 84. See also Gouldner, op. cit., p. 405, for a discussion of "organization strain toward survival." Theodore Caplow developed an objective model to determine the survival potential of a social unit. He states: "Whatever may be said of the logical origins of these criteria, it is a reasonable assertion that no organization can continue to exist unless it reaches a minimal level in the performance of its objective functions, reduces spontaneous conflict below the level which is distributive, and provides sufficient satisfaction to individual members so that membership will be continued" (The Criteria of Organizational Success, Social Forces, 32 [1953], 4).
Value Projection

In some cases the transfer from the values of the observer to those of the observed is performed by a simple projection. The observer decides a priori that the organization, group, or public under study is striving to achieve goals and to realize values he favors. These values are then referred to as the "organizational goals," "public expectations," or "society's values." Actually they are the observer's values projected onto the unit studied. Often no evidence is supplied that would demonstrate that the goals are really those of the organization. C. S. Hyneman pointed to the same problem in political science:

A like concern about means and ends is apparent in much of the literature that subordinates description of what occurs to a development of the author's ideas and beliefs; the author's ideas and beliefs come out in statements that contemporary institutions and ways of doing things do not yield the results that society of a particular public anticipated.\(^{49}\)

Renate Mayntz makes this point in her discussion of a study of political parties in Berlin. She points out that the functional requirements which she uses to measure the effectiveness of the party organization are derived from her commitments to democratic values. She adds: "It is an empirical question how far a specific political party accepts the functions attributed to it by the committed observer as its proper and maybe noblest goals. From the point of view of the party, the primary organizational goal is to achieve power."\(^ {50}\)

There are two situations where this projection is likely to take place: one, when the organization is publicly, but not otherwise, committed to the same goals to which the observer is committed; the other, when a functional statement is turned from a hypothesis into a postulate.\(^{51}\) When a functionalist states that mental hospitals have been established in order to cure the mentally ill, he often does not mean this as a statement either about the history of mental


hospitals or about the real, observable, organizational goals. He is just suggesting that if the mental hospitals pursued the above goal, this would be functional for society. The researcher who converts from this “if-then” statement to a factual assertion, “the goal is . . .,” commits a major methodological error.

But let us now assume that the observer has determined, with the ordinary techniques of research, that the organization he is observing is indeed committed to the goals which he too supports; for instance, culture, health, or democracy. Still, the fact that the observer enters the study of the organization through its goals makes it likely that he will assume the position of a critic or a social reformer, rather than that of a social observer and detached analyst. Thus those who use the goal model often combine “understanding” with “criticizing,” an approach which was recommended and used by Marx but strongly criticized and rejected by Weber. The critique is built into the study by the fact that the goal is used as the yardstick, a technique which, as was pointed out above, makes organizations in general score low on effectiveness scales.⁵²

Effects of Liberalism

The reasons why the goal model is often used and often is accompanied by a critical perspective can be explained partially by the positions of those who apply it. Like many social scientists, students of organizations are often committed to ideas of progress, social reform, humanism, and liberalism.⁵³ This normative perspective can express itself more readily when a goal model is applied than when a system model is used. In some cases the goal model gives the researcher an opportunity to assume even the indignant style of a social reformer.

Some writers suggested that those who use the system models

⁵²One of the reasons that this fallacy does not stand out in organizational studies is that many are case studies. Thus each researcher discovers that his organization is ineffective. This is not a finding which leads one to doubt the assumptions one made when initiating the study. Only when a large number of goal-model studies are examined does the repeated finding of low effectiveness, goal dilution, and so on lead one to the kind of examination which has been attempted here.

are conservative by nature. This is not the place to demonstrate that this contention is not true. It suffices to state here that the system model is a prerequisite for understanding and bringing about social change. The goal model leads to unrealistic, Utopian expectations, and hence to disappointments, which are well reflected in the literature of this type. The system model, on the other hand, depicts more realistically the difficulties encountered in introducing change into established systems, which function in a given environment. It leaves less room for the frustrations which must follow Utopian hopes. It is hard to improve on the sharp concluding remark of Gresham M. Sykes on this subject:

Plans to increase the therapeutic effectiveness of the custodial institution must be evaluated in terms of the difference between what is done and what might be done—and the difference may be dishearteningly small. But expecting less and demanding less may achieve more, for a chronically disillusioned public is apt to drift into indifference.54

Intellectual Pitfall

Weber pointed out in his discussion of responsibility that actors, especially those responsible for a system, such as politicians and managers, have to compromise. They cannot follow a goal or a value consistently, because the various subsystems, which they have to keep functioning as well as integrated, have different and partially incompatible requirements. The unit’s activity can be assured only by concessions, including such concessions as might reduce the effectiveness and scope of goal activities (but not necessarily the effectiveness of the whole unit). Barnard made basically the same point in his theory of opportunism.

Although the structural position of politicians and managers leads them to realize the need to compromise, the holders of other positions are less likely to do so. On the contrary, since these others are often responsible for one subsystem in the organization, they tend to identify with the interests and values of their subsystem. From the viewpoint of the system, those constitute merely segmental perspectives. This phenomenon, which is sometimes referred to as the development of departmental loyalties, is especial-

ly widespread among those who represent goal activities. Since their interests and subsystem values come closest to those of the organization as a whole, they find it easiest to justify their bias.

In systems in which the managers are the group most committed to goal activities (e.g., in profit-making organizations), this tendency is at least partially balanced by the managers' other commitments (e.g., to system integration). But in organizations in which another personnel group is the major carrier of goal activities, the ordinary intergroup difference of interests and structural perspectives becomes intensified. In some cases it develops into a conflict between the idealists and the compromisers (if not traitors). In professional organizations such as mental hospitals and universities, the major carriers of goal activities are professionals rather than administrators. The conflict between the supporters of therapeutic values and those of custodial values is one case of this general phenomenon.55

So far the effect of various structural positions on the actors' organizational perspectives has been discussed. What view is the observer likely to take? One factor which might affect his perspective is his structural position. Frequently, this resembles closely that of the professional in professional organizations. The researcher's background is similar to that of the professionals he studies in terms of education, income, social prestige, age, language, manners, and other characteristics. With regard to these factors he tends to differ from managers and administrators. Often the researcher who studies an organization and the professionals studied have shared years of training at the same or at a similar university and have or had friends in common. Moreover, his position in his organization, whether it is a university or a research organization, is similar to the position of the physician or psychologist in the hospital or prison under study.56 Like other professionals, the researcher is primarily devoted to the goal activities of his organization and has

55Another important case is the conflict between intellectuals and politicians in many Western societies. For a bibliography and a recent study, see H. L. Wilensky, *Intellectuals in Labor Unions* (Glencoe, Ill., 1956).
56These similarities in background make communication and contact of the researcher with the professionals studied easier than with other organizational personnel. This is one of the reasons why the middle level of organizations is often much more vividly described than lower ranking personnel or top management.
little experience with, understanding of, or commitment to, non-goal functions. The usual consequence of all this is that the researcher has a natural sympathy for the professional orientation in professional organizations.\textsuperscript{57} This holds also, although to a lesser degree, for professionals in other organizations, such as business corporations and governmental agencies.

Since the professional orientation in these organizations is identical with the goal orientation, the goal model not only fails to help in checking the bias introduced by these factors but tends to enhance it. The system model, on the other hand, serves to remind one \((a)\) that social units cannot be as consistent as cultural systems, \((b)\) that goals are serviced by multifunctional units, and hence intersubsystem concessions are a necessary prerequisite for action, \((c)\) that such concessions include concessions to the adaptive subsystem which in particular represents environmental pressures and constraints, and \((d)\) that each group has its structural perspectives, which means that the observer must be constantly aware of the danger of taking over the viewpoint of any single personnel group, including that of a group which carries the bulk of the goal activities. He cannot consider the perspective of any group or elite as a satisfactory view of the organization as a whole, of its effectiveness, needs, and potentialities. In short, it is suggested that the system model supplies not only a more adequate model but also a less biased point of view.

\textsuperscript{57}Arthur L. Stinchcomb pointed out to the author that organizations whose personnel includes a high ratio of professionals are more frequently studied than those which do not.