ORGANIZATIONAL STRUCTURE AND EMPLOYE MORALE*

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1. INTRODUCTION

This discussion will review some of the findings of the research conducted by Sears, Roebuck and Co. in the field of employe attitudes and morale. This research is an integral part of our company’s personnel program; its primary purpose is to assist executives in their efforts to maintain sound and mutually satisfactory employe relationships. Such relationships are conceived by our management not only as a positive good in themselves but as an essential condition for the continued economic success of the enterprise.

We have had 12 years of experience in the formal study of employe morale. During that period our surveys have covered over 100,000 employees, working in several hundred different company units both in Sears, Roebuck proper and in a number of other organizations as well. Types of employees covered include sales and clerical personnel, manual and professional workers, supervisory employees, and executives. The size of units surveyed has ranged from fewer than 25 employees to more than 10,000. Many different types of units have been surveyed, including retail stores, mail order plants, factories, warehouses, and offices. The geographical distribution of employees covered would correspond rather well with the geographical distribution of the U.S. population. By the same token, the communities in which units surveyed have been located cover practically the full range of sociological and cultural categories to be found in this country, except the small town and the rural.

2. METHODS OF STUDY

Time does not permit any detailed account of our survey methods; however, some brief explanation is necessary if only to indicate the extent to which confidence can be reposed in our findings.

Our original surveys were based solely on questionnaires, which were answered anonymously by employees. The questions covered a great variety of subjects—practically every subject, in fact, which we thought likely to have any influence on employee attitudes. In other words, the questionnaires had the simple, straightforward purpose of finding out how well employees liked their jobs, what their attitudes were toward supervision and management, and what factors in their employment situation might be contributing to dissatisfaction or poor working relationships. We assumed that when we had learned these things we would be able to take specific action to correct specific problems and thus restore peace and harmony where any lack thereof was found to exist.

We did find certain things that were sus-
ceptible of direct management action, but we also found many things that were difficult to take hold of. It soon became apparent that we were dealing with an infinitely complex system of influences and relationships, and not with a simple system of logical cause and effect. We began to question the adequacy of questionnaires and found, as we analyzed thousands of employe responses, that we could not even be sure we were asking the right questions or asking them in the right way.

Finally, there were real difficulties in attempting to analyze the significance of questionnaire responses. What was a “good” score on a certain point? Was a 65% “favorable” response to a question about employe discount policy equivalent to a 65% “favorable” response to a question about wage rates? Beyond certain relatively superficial points, there was often great uncertainty as to just what the tabulation of responses meant and what, if anything, could or should be done about it.

We have handled this problem by developing quite a different type of questionnaire and by supplementing it with other techniques (notably interviewing). Instead of covering a great many specific points, the questionnaire we now use seeks only to determine the general “feeling tone” of employes with respect to six key aspects of their working environment: (1) the company in general, (2) the local organization, (3) the local management, (4) immediate supervision, (5) fellow employes, and (6) job and working conditions. Ten items are included under each of these headings on which employes can express varying degrees of satisfaction or dissatisfaction. In scoring, we are not concerned with responses to each particular item in the questionnaire, but rather with the general tendency of responses in each of the six areas. In this respect, the questionnaire is patterned after the familiar “interest” or “personality” schedules used in psychological testing. As with such schedules, our questionnaire results can be expressed in “profiles.” Furthermore, we have enough “cases” (i.e., units surveyed) to be able to translate raw scores into percentiles, thus greatly facilitating the process of interpretation and comparative analysis. As our survey people gain more experience in relating different types of profiles to concrete situations, they are developing real skill in using questionnaire results as a diagnostic tool.

The function of the questionnaire is not, however, to secure detailed information, but rather to “take the temperature” of an organization and its various subdivisions, to determine whether the general level of morale is high or low, and to point out areas of stress and strain which may be tending to undermine cooperative working relationships. In other words, by means of the questionnaire, we are able to locate problem departments and to identify the general nature of employe dissatisfactions. Only within broad limits, however, does the questionnaire tell why morale may be low. The real task of determining the “why” falls to a team of carefully trained interviewers. Because the questionnaire has already indicated the general nature and location of problems, the interviewing team is able to concentrate its time and energies on those departments and employe groups most requiring attention.

Surveys are conducted by members of the company’s regional personnel staffs, with technical direction and coordination from the national personnel office in Chicago. (Administrative control of survey activities is strictly a regional responsibility.) People conducting the surveys receive special training in non-directive interviewing and in certain aspects of sociological and anthropological theory which we have found to contribute meaningfully to understanding the problems of organizations. In large part, they are trained by the case method, not only through studying reports dealing with “classic” situations (of which by this time we have a fair variety) but also through participating directly in survey work under the tutelage of experienced survey personnel.

In this connection, it should be noted that the entire survey program makes extensive use of clinical methods, not only for training younger practitioners, but for analyzing the significance of survey results and for working
out necessary corrective measures with the executives responsible for the operating units involved. The participation of line executives, with their intimate and long-standing knowledge of their own organizations, in these "clinical sessions" has contributed greatly to both the pragmatic value of the survey program and the growth of knowledge and understanding on the part of survey personnel. Valuable as our extensive statistical data has been and is, most of the insights and hypotheses which the program has produced have been an outgrowth of this clinical approach.

Thus, the scope of our survey program has broadened significantly since its inception 12 years ago. We have found that there is more to good morale than high wages and pleasant working conditions (although these are of unquestioned importance). We have learned that effective leadership involves more than "winning friends and influencing people" (although social skill is an essential ingredient of executive capacity). It has gradually become clear that to understand what might be taking place within any particular working group we must have some knowledge of a variety of factors both internal and external to the group itself, and that, above all, we must have some dynamic conception of the manner in which these factors relate themselves one to the other and to the total situation of which each is an influencing and influenced part.

The scope of the surveys has thus been broadened to include the functioning of the organization as a whole and the entire pattern of technical processes and formal and informal relationships which comprise it. To the extent permitted by practical operating considerations, community and regional factors are likewise taken into account. In recognition of this broader scope, our surveys are no longer known as "morale surveys" but as "organization surveys." Determining the level of morale has ceased to be an end in itself and is now useful chiefly as a means for diagnosing the problems of an organization. Above all, our survey teams seek to deal not merely with the superficial manifestations of problems, but with the basic influences which have created the problems.

Surveys are concerned not merely with discovering the nature and origin of difficulties; their primary purpose is problemsolving. To this end, the survey team attempts to give the local manager a more complete picture of his organization and the way it is functioning, and to help him understand the various factors operative in his particular situation and their effects, not only on the attitudes and behavior of his people, but on the efficiency with which his organization is functioning. With this clearer picture of his organization, the manager is in a better position to take constructive action directed at the root of his problem rather than its superficial symptoms. However, the long-range objective of the survey program is not so much to correct immediate situations as to assist in developing the kind of organizations that can solve their own problems. A survey has failed in this essential purpose unless it leaves the particular store, plant, or department stronger and more self-reliant than it was before.

Our survey program is thus primarily an administrative device: its chief function is to assist local executives in doing a better job of handling the problems of their organizations. However, the surveys have also provided highly useful information about certain fundamental problems of human relations. One of the responsibilities of the research and planning staff of the national personnel office is the constant analysis and evaluation of survey data and the development of working hypotheses based on these data. Time will not permit any general review of our findings to date, but I would like to indicate some of the general directions of our current thinking.

3. A PROBLEM OF INTEGRATION

One line of thought on which we are working is the possibility of developing a typology of the malfunctioning of organization which can be useful in studying social groups as the typologies used by psychiatrists are useful in studying the malfunctioning of personality. This possibility was first suggested by
the frequency with which the questionnaire "profiles" tended to form themselves into patterns with which we began to grow familiar. Our interviewing, likewise, attested that certain types of problems tended to occur in fairly well organized syndromes. For instance, we have found that certain kinds of difficulties typically follow changes in key management staff. We can usually predict not only what difficulties are likely to occur but the exact sequence in which they are likely to appear.

A typology of the malfunctioning of organization would be useful not only for scientific purposes but for administrative purposes as well, for with it could be developed a symptomatology by which problem situations could be diagnosed and acted upon more rapidly and more accurately. As already pointed out, our survey program is primarily an administrative device. Useful as it has been for this purpose, it has certain unwieldy features because sometimes it has to go a rather long way around to reach a fairly simple conclusion. For administrative purposes, we would be far better off if we had a group of people (preferably our administrators themselves) skilled at recognizing and diagnosing symptoms and dealing with the problem thus defined according to whatever therapy had been found useful for that particular type of difficulty.

It would be even more useful to be able to predict with reasonable accuracy the probable consequences of a given event or a given set of circumstances and to set in motion early a series of moves designed to minimize any adverse possibilities. We are able to do precisely this on a number of counts (for instance, cases of key executive changes) and our success here encourages us in our efforts to broaden the area in which we can predict with confidence.

As to our survey program as a whole, we are, as things stand now, somewhat in the position the medical profession would be in if the physician had to give a basic metabolism to determine whether a patient had a cold in the head. To continue the analogy, if we had a workable symptomatology (no matter how tentative), we could recognize the head cold and treat it accordingly. On the other hand, if the symptoms in the case indicated a more dangerous or more complicated disability, we could always apply our equivalent of the basic metabolism or such other procedure as the circumstances might require.

Any typology of malfunctioning must relate, of course, to the underlying dynamic system and not merely to the symptoms. All of our research testifies to the frequency with which the identical symptom can arise from entirely different factors. In one context, complaints over wages can be a danger signal; in another, merely an indication of the normal desire of everyone to be making a little bit more than he is. Sometimes, complaints over wages can really be complaints over wages; at other times, they can be merely a convenient target against which to direct verbalizations of resentment that arise out of situations that have little to do with wages. Because of the unreliability of symptoms taken in isolation we have found it more and more useful to think in terms of syndromes. The fact that our questionnaire is so constructed as to yield results in the form of profiles has greatly aided this purpose.

The psychiatrists have found the concept of integration a useful one around which to organize their ideas about personality and its disorders. We think a similar concept, related to group phenomena, could form the basis of a useful typology of the malfunctioning of organization. Certainly, the degree of integration (internal and external) of any organization relates very directly to the underlying dynamic factors in operation. One type of failure of integration leads to one type of difficulty which is different from that likely to arise from another type of failure of integration. Moreover, the methods for dealing with the two sets of circumstances are likely to differ, although often many of the superficial symptoms may be identical.

The scope of this paper does not permit a systematic exposition of the concept of integration. One of its aspects, however, is suggested by consideration of the problem of size of the organizational unit. Our re-
searches demonstrate that mere size is unquestionably one of the most important factors in determining the quality of employe relationships: the smaller the unit the higher the morale, and vice versa. It is clear that the closer contact between executives and rank and file prevailing in smaller organizations tends to result in friendlier, easier relationships. To employes in such units the "big boss" is not some remote, little-known, semi-mythical personage but an actual, flesh and blood individual to be liked or disliked on a basis of personal acquaintance.

In broader terms, the smaller organization represents a simpler social system than does the larger unit. There are fewer people, fewer levels in the organizational hierarchy, and a less minute subdivision of labor. It is easier for the employe to adapt himself to such a simpler system and to win a place in it. His work becomes more meaningful, both to him and to his associates, because he and they can readily see its relation and importance to other functions and to the organization as a whole. The organization operates primarily through the face-to-face relationships of its members and only secondarily through impersonal, institutionalized relationships. The closer relations between the individual employe and the top executive in such a situation are only one aspect—but an important one—of the relatively simple and better-integrated social system of the smaller organization.

The importance of both external and internal integration is emphasized by other findings of our surveys. One of the most suggestive of these is that morale tends to be substantially lower in the large, industrialized metropolitan centers and higher in the smaller and less complex communities. For closely related reasons, morale tends to be lower in the Eastern sections of the country and higher in the West and South. Likewise, the simpler the industrial base of the community and the more homogeneous its population, the higher the level of employe morale.

These factors obviously relate, by various means, to the social characteristics of employe groups, and these social characteristics have an important bearing on the problem of integration. In certain cities of the south, a high percentage of employes grew up in small towns or in the country. Often their first job, after migrating to the "big city," is with our company. A great many of these young people have had religious upbringing which, together with parental admonitions, emphasizes the rightness of hard work for its own sake and the moral obligation of the employe to give his employer a full day's work for a fair day's pay.

Employes of units in large metropolitan centers, particularly those located in the East, are likely to have somewhat different social characteristics. Instead of coming from smaller towns and rural communities, most of them are likely to have originated within the metropolitan area itself. Likewise, many of them are likely to be the children or grandchildren of foreign-born stock whose personalities have been strongly molded by the special circumstances and influences of growing up within ethnic communities. The marked tendency toward lower morale among employes drawn from such groups seems, in part at least, to reflect the high degree of social disorganization characteristic of the great metropolitan agglomerations.

An important element of this disorganization is the tendency for sharp cleavages to develop between different groups comprising the community, and one of the most significant of these cleavages is that between workers and management. Where the rank and file members of an organization have been drawn largely from working class homes in which factory employment has been the chief means of family support for two or three generations, their patterns of thinking and systems of value will be those of the urban working class. One characteristic of their way of life, growing out of their family and neighborhood experiences and traditions, is often a latent or overt distrust of the employer and a strong tendency to identify their security and well-being with their fellow-workers and not with the employer. The management of an organization employing large numbers of people with this type of background is thus likely to involve compli-
ocations seldom encountered in what is sometimes described as the "less mature" regions of the country.

The problem, however, is by no means an insuperable one. No better testimony is needed than the survey showings of many of our own company units. Despite the fact that in some locations employees may be drawn from backgrounds representing all that is worst in social disorganization, morale in many such units is unusually high. A thoroughgoing urban working class background on the part of the rank and file is significant chiefly because it tends to create attitudes and values which do not correspond fully with those usually characteristic of management and executive groups, and because this difference in outlook frequently leads to mutual misunderstanding and lack of confidence. Under these circumstances, not only are management's action and motives frequently misinterpreted by the rank and file, but management itself is often at a loss as to ways and means by which it can effectively mobilize the interest and cooperation of employees in achieving the aims of the enterprise.

This gap can be bridged—and our surveys provide striking proof of that fact—by skillful and understanding leadership operating in an organizational structure which facilitates rather than inhibits effective integration. Both leadership and structure are of crucial importance. The structural aspect, however, has received relatively less attention. Moreover, there are a number of curious and significant interrelations between type of structure and character of leadership that will bear close investigation.

4. ORGANIZATIONAL STRUCTURE

The results of our research suggest that over-complexity of organizational structure is one of the most important and fundamental causes of poor management-employee relationships in our modern economic system, and that until this problem is faced and corrected no substantial improvement in those relationships is likely to be possible.

In viewing many business enterprises, one cannot but be impressed by the number of different departments and sub-departments into which they are divided, and the extent to which the activities of both individuals and groups have been highly specialized. In a very large number of cases, employees perform only elementary, routine functions because jobs have been broken down "scientifically" into their most elementary components. The resulting specialization undoubtedly has certain advantages, such as requiring less skilled people, shorter training time, etc. In many cases, however, the process has been carried to such extremes that jobs have little inherent interest or challenge; operations have been reduced to the simplest possible repetitive level and the worker makes nothing he can identify as a product of his own skill.

One has the feeling of division of labor having gone wild, far beyond any degree necessary for efficient production. Peter F. Drucker, in a penetrating analysis, has pointed out that over-specialization is not an inevitable consequence of mass production and that, "The traditional assembly line is simply a piece of poor engineering judged by the standards of human relations, as well as those of productive efficiency and output."²

The evidence of the studies conducted in our own company strongly support this conclusion, for we have found that where jobs are broken down too finely we are more likely to have both low output and low morale. Conversely, the most sustained efforts are exerted by those groups of employees who perform the more complete set of tasks (e.g., salesmen, supervisors, master mechanics, etc.), and these likewise exhibit the highest levels of morale and esprit de corps.

The sharp trend toward over-specialization in our economy has not been limited, of course, to individual jobs. Just as particular activities have been broken down into their simplest possible components and each component assigned to a different person, so many operations (often after having been...
highly "simplified") have been separated out of the broader complex of activities of which they are a part and set up as specialized and semi-independent organizational entities. While over-specialization of individual jobs is serious enough, this over-specialization of the functions of entire departments and sub-departments has even more far-reaching consequences.

For one thing, it brings together in one place large numbers of employes on the same job level (and that level is likely to be fairly low where there has been any considerable over-specialization of individual jobs). This is another way of saying that the size of the administrative unit has been greatly expanded. Let us suppose an organization which performs three essential functions, A, B, and C. Let us suppose further that the volume of output requires three units of each function. Under these circumstances the organization could be set up in either of two ways:

1. It could be set up in three divisions, each function (A, B, and C) being represented in each division and each division, therefore, being a relatively independent administrative entity.

2. On the other hand, the organization could be set up in three functional divisions, one division having all three A units, another all three B units, and the third all three C units. In this case, none of the three divisions has any independence; each can operate only in closest coordination with the other two. Under the first alternative, there are really three administrative units; under the second only one, and that, by definition, three times as large.

This second type of arrangement is typical of much modern organization practice, both in industry and government. It is assumed that this separation and specialization of activities will permit better supervision, make possible smoother scheduling, and generally improve efficiency. There may be a certain spurious efficiency in this kind of organization but it is likely to have many off-setting liabilities.

One of the most serious of these liabilities is the fact that it so greatly expands the size of the administrative unit. Much of industry's present vast scale of operation is required not so much by economic or technical factors as by an unhappy and unnecessary principle of organization. The experience of many companies, of which my own is one, demonstrates that it is entirely possible to have many of the economic and technical advantages of large size without sacrificing too many of the essential human advantages of small size.

A further liability of over-functionalization is the fact that, from the standpoint of the individual employe, it tends to destroy the meaning of the job. He and those around him are working at highly specialized tasks which have meaning to management because they are a necessary part of a total process. But the worker cannot see that total process; he sees only the small and uninteresting part to which he and his fellows are assigned. In a real sense, the job loses its meaning for the worker—the meaning, that is, in all terms except the pay envelope.

Thus a very large number of employes in American industry today have been deprived of the sense of performing interesting, significant work. In consequence, they have little feeling of responsibility for the tasks to which they are assigned. Management in its efforts to maintain production in face of the resulting apathy is likely to resort to increasing supervisory pressure, but this procedure only creates more resistance on the part of employes. Sometimes the resistance is only passive, in the sense that employes fail to respond to the pressure or find means of avoiding it. Under certain circumstances, however, it can take more active form and lead to the creation of resistance groups in which employes band together (commonly through union organization) to exert a corresponding pressure against supervision and management.

Over-functionalization thus requires close and constant supervision at the work level to maintain production. Furthermore, the supervisors themselves must be closely supervised and controlled to assure the necessary degree of coordination between the many
different units into which the organization has been sub-divided. In a simpler type of organization structure, coordination can usually be achieved on a fairly informal basis because there are fewer artificial barriers in the form of departmental separations and lines of authority.

Where the work of the organization is broken down into so many functional divisions, however, cooperation can no longer be achieved spontaneously. After all, each functional unit was set up as a distinct entity in order that it might achieve a more efficient system. Each unit, therefore, tends to operate primarily in terms of its own systems rather than in terms of the needs of the other departments with which it must cooperate. Each unit becomes jealous of its own prerogatives and finds ways to protect itself against the pressure or encroachments of others. Conflict develops on the employee as well as the supervisory level, thus forcing an extra load on higher levels of management who must be constantly reconciling differences.

In order to achieve the necessary degree of coordination and cooperation between administratively separated functions, management is thus forced not only to build up an elaborate hierarchy of many supervisory levels, but to institute a wide variety of formal controls. Unfortunately, these controls are themselves often a source of conflict, because the individual supervisor or manager is under strong compulsion to operate in such a manner as to make a good showing in terms of the particular set of controls to which he is subject, and often he can do so only at the expense of impairing the service he is expected to render to other departments. This conflict is particularly acute when two closely related functions report up two different administrative lines and operate under two different systems of standards and controls.

The management of organizations which have been over-functionalized to the extent characteristic of much of modern business imposes a severe burden on the top administrative staff. Functions and activities have been so subdivided and specialized that no individual unit can operate except in closest coordination with others, and the system is often so complex that this coordination cannot take place spontaneously. If it is to occur at all, it must occur on the basis of specific administrative action from the top, which requires the development of a specialized staff to assist the top administrator.

This growth of staff complicates the situation still further, because an inevitable consequence is the elaboration of formal controls of various kinds to permit the staff to perform the functions and exercise the responsibilities which have been delegated to it or which it gradually assumes in an effort to strengthen its own position or extend its own authority. The result is a gradual undermining of the line organization for the benefit of the staff, an impairment of flexibility and adaptability, and a weakening of the effectiveness of the entire organization.

An objective appraisal suggests that to too large an extent work processes have been analyzed from a strictly “rational” or mechanical point of view with too little attention to the human factors involved. As a result, functions have been separated out of their context and set up as semi-independent activities. Necessary collaboration and cooperation between the units thus artificially separated becomes possible only through an elaborate system of controls and a complicated administrative hierarchy. Under these circumstances, management necessarily becomes strongly centralized, despite the frequently expressed concern of business leaders over the need for greater delegation of authority and responsibility. Too often, this is simply impossible because the nature of the organization structure makes effective decentralization impossible. For much the same reason, such organizations often require from their top administrators a high degree of driving pressure to hold the system together and make it operate with a reasonable degree of efficiency.

Where this is the case, executives and supervisors down the line quite understandably tend to pattern their own methods after those of their superiors. In many case
the copying may be done unskilfully and in such a way as to exaggerate the worst features of the pressure methods. As a result, supervisory methods at the middle and lower levels of over-functionalized organizations are often crude and inept.

Furthermore, the degree of pressure often required from the top is likely to create an atmosphere of anxiety and apprehension within the executive and supervisory group. This atmosphere tends to amplify the severity of pressure as it moves downward in the organization, so that even a moderate amount of pressure at the top is often greatly magnified by the time it reaches the lower levels. Attitudes of mind characterized by fear and apprehension are not particularly conducive to real skill in managing and leading subordinates. Above all, poor supervisory techniques at the lower levels of an organization generally reflect the experience and type of supervision to which the supervisors themselves have been subjected over the years and which they have come to accept as normal and expected behavior.

The significant point in all this, however, is that the over-complex, over-functionalized organization structure is likely to require the driver type of leader; the over-use of pressure as a tool of supervision is thus related primarily to the character of the structure and only secondarily to the character of the individual at the head of it. (On the other hand, it is recognized that the personality of the top man may have a great deal to do with the kind of organization structure he sets up. This entire problem of the reciprocal relationships between structure and personality should be studied carefully.)

5. SYSTEMS COMPARED

The most striking feature of the over-elaborate type of organization structure is its lack of integration, a deficiency which can only partially and very unsatisfactorily be overcome by driving pressure from the top. Our studies suggest that this type of structure is not only bad human relations but equally unsound from a standpoint of productive efficiency. Our studies also suggest that alternative systems of organization are conceivable and eminently practical.

For one thing, we seriously question the necessity for much of our present high degree of over-specialization and over-functionalization. The so-called "scientific management movement" which has given such impetus in this direction is based to a considerable extent on an extremely inadequate conception of human motivation and social organization. It has tended to approach the problems of management from an almost purely mechanistic point of view and has tried to organize human efforts in much the same way an engineer might design a machine. Much of our present over-specialization is based on this type of thinking.

However, the experience of a number of companies indicates that individual jobs and departmental functions need not be broken down to this degree in order to achieve productive efficiency. Quite the contrary; their experience has been that both efficiency and morale are best served by keeping specialization to a minimum. The experience of these companies likewise indicates that organization structures and administrative hierarchies can be vastly simplified, thus making possible a far higher degree of decentralization of authority and responsibility.

In the course of our survey work we have had an opportunity to study a fairly wide variety of organization structures. We have been struck by the sharp contrasts between otherwise comparable units which differ mainly in the complexity of their organizational structure and in the degree to which authority and responsibility are effectively decentralized to those farther down the line. A review of some of these contrasts may be instructive.

In the more elaborate and complex organizations, the individual supervisor or executive is subject to constant control and direction and has little opportunity to develop the qualities of initiative and self-reliance. In systems characterized by extensive management decentralization, primary reliance is placed on the personal initiative and capacity of the people in the organization. There is usually a conspicuous lack of detailed
supervision and of formal controls, and executives and supervisors (and to a large extent rank and file employees) enjoy considerable freedom in the way they accomplish their jobs.

They are judged primarily by their results, not on the details of the way they get those results. This concentration on end-results rather than on system and controls, together with management's alertness to recognize and reward good results, develops initiative and self-reliance and generates a far more powerful driving force than could ever be imposed from the top down. This pattern of administration not only gets today's job done better but permits the individual to grow and develop in a way that is impossible in more centralized systems. Furthermore, it contributes strongly to morale because employees work in an atmosphere of relative freedom from oppressive supervision and have a sense of individual importance and personal responsibility which other types of arrangements often deny them.

A number of highly successful organizations have not only paid little heed but have gone directly counter to one of the favorite tenets of modern management theory, the so-called "span of control," which holds that the number of subordinate executives or supervisors reporting to a single individual should be severely limited to enable that individual to exercise the detailed direction and control which is generally considered necessary. On the contrary, these organizations often deliberately give each key executive so many subordinates that it is impossible for him to exercise too close supervision over their activities.

In this type of organization structure, the individual executive is thrown largely on his own to sink or swim on the basis of his own ability and capacity. He cannot rely to more than a limited extent on those above him, and these superiors, by the same token, cannot too severely restrict, through detailed supervision and control their subordinates' growth and development.

Not all individuals can function effectively in this type of set-up. It requires a very large measure of self-confidence and personal capacity. The system tends to weed out those who lack these qualities in adequate degree. Those who are able to adapt to this type of organization, however, are likely to be not only better executives but also the type of people who can build and maintain teamwork and cooperation and a high level of employee morale, not so much because they consciously attempt to do so but because these results are a natural by-product of their ways of operating and a reflection of their own personalities.

On the other hand, in organizations characterized by many levels of supervision and elaborate systems of controls, the individual not only has little opportunity to develop the capacities of self-reliance and initiative but the system frequently weeds out those who do. Furthermore, those who survive in this type of organization are often likely, by virtue of the very qualities which enabled them to survive, to have personalities and ways of operating which do not make for greatest skill in building employee teamwork and cooperation.

An organization with few layers of supervision and a minimum of formal controls places a premium on ability to stimulate and lead. The driver type of executive, who functions through maintaining constant pressure and whose chief sanction is fear cannot operate as effectively in such an organization. In the more simple types of organization structures, where management has been effectively decentralized, an executive accomplishes results and moves to higher levels of responsibility chiefly to the extent that he is able to secure the willing, enthusiastic support of his colleagues and subordinates; he does not have the "tools" (with which a more centralized system would to some extent provide him) to accomplish the result in any other manner. The outcome is not only a higher level of accomplishment but, at the same time, a more satisfying type of supervision and a higher level of employee morale.

6. CONCLUSION

Our studies have shown that employee morale and operating efficiency are closely
related to the degree the organization is integrated. Integration is not necessarily achieved, however, when the organization meets the requirements of machine-logic. As a matter of fact, what may appear to be logical from a purely technical standpoint may run directly counter to the personal and social demands of employees. We have seen a number of organizations which have a logical technology, division of labor, and hierarchy of control but which are badly disorganized from the standpoint of the actual working relationships of the people involved. Such organizations are well-integrated only on paper. In actual fact, they are irritating and frustrating from the standpoint of employees and inefficient, troublesome, and costly from the standpoint of management.

Our research indicates that two trends in particular are making effective integration difficult and contributing to the progressive deterioration of management-employee relations. One is the trend toward increasing size of the administrative unit; the other, the trend toward increasing complexity of organizational structure. Both trends appear logical in terms of widely held theories of business organization, but in both cases improvements in mechanical efficiency are at some point over-balanced by losses in the willingness and ability of employees to cooperate in the system. Moreover, the larger, more complex organizations are likely to become unadaptive and rigid, and to find it difficult to meet the requirements of economic and social change.

Intelligent planning on the part of management in setting up the formal structure of organizations can do much to improve the quality of human relations in industry. Flatter, less complex structures, with a maximum of administrative decentralization, tend to create a potential for improved attitudes, more effective supervision, and greater individual responsibility and initiative among employees. Moreover, arrangements of this type encourage the development of individual self-expression and creativity which are so necessary to the personal satisfaction of employees and which are an essential ingredient of the democratic way of life.

THE STRUCTURE OF FACTORY CONTROL IN THE SOVIET UNION

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THIS PAPER is concerned with the system of control operating in the Soviet factory as a socio-economic and administrative unit. The discussion will begin with an enumeration and brief description of individual control agencies. This will be followed by an effort to define government, Party, public, and voluntary systems of control in terms of their distinctive features. In the end a survey of the basic aspects of the over-all system of factory control will be essayed.

The concept of control, as it will be used here, refers to the entire gamut of agencies and channels devised and used by the Soviet government and the Communist Party for the purpose of forestalling any deviations from the legal and normative provisions sustaining the Soviet system. It differs from the very narrow meaning of the official Soviet concept of “control,” which has been defined by Stalin as “checking up on the fulfillment of the decisions of the central bodies of the Soviet government” (government control), and “of the decisions of the Party and its Central Committee” (Party control).1 Our concept is substantially broader. In addition
