



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

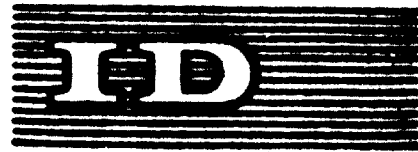
Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



D03208



Distr.
LIMITED

ID/WG.121/2
22 February 1972

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Training Workshop for Public
Industrial Administrators
of the Arab Countries of the
Middle East and North Africa

Kuwait, 18 March-6 April 1972

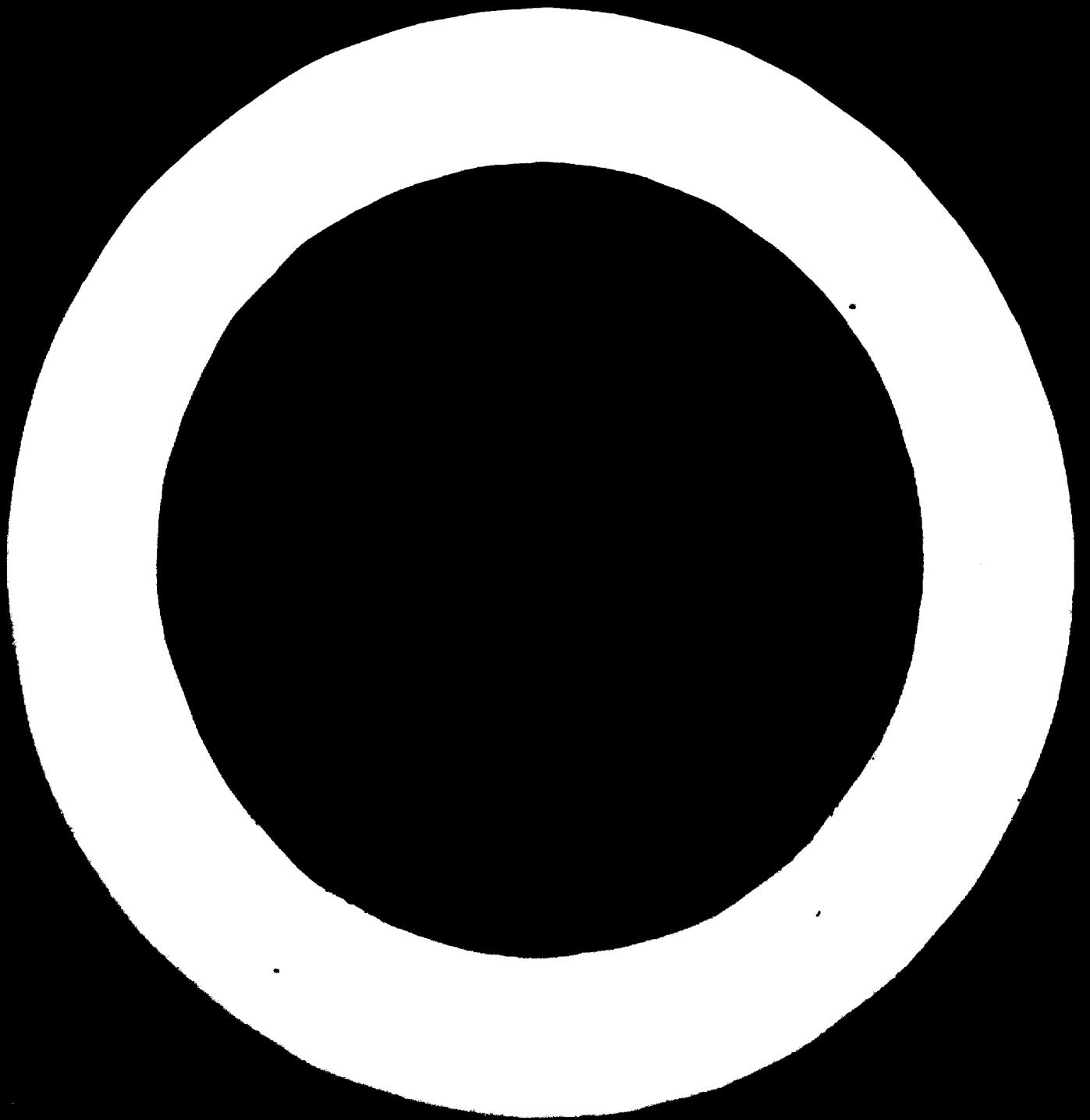
PRINCIPLES AND PRACTICES OF INDUSTRIAL ADMINISTRATION ✓

Summary of Classical Conventional
Organization Theories and Methods

prepared by
the Secretariat of UNIDO

✓ This document has been reproduced without formal editing.

14.72-1233



Principles and Practices of Industrial Administration
A summary of classical-conventional organization
Theories and Methods

A. Introduction.

1. The purpose of this summary paper is to provide background material sufficient to open a discussion on the method normally used today "both in Government and industry" to build up their organizations.

2. During the discussion it will be assumed that the organization structure of a ministry and an industrial firm to a certain extent are alike.

3. A repetition will be made of the theories of organisation. Definitions will be checked, various models discussed and conclusions drawn as to the advantages and weaknesses in the classical-conventional approaches.

4. At this stage, the details of the concept of administration will not be treated. It may, however, be remembered that Fayol, perhaps the most quoted author in his field, once upon a time defined the concept of administration as a combination of the following activities of a ministry, a firm, a department or a section:

- i. planning
- ii. organization
- iii. co-ordination
- iv. directing
- v. controlling

In this paper, we will concentrate on the organisation aspect and some adherent concepts.

5. In two subsequent summary papers, discussion material on

- i. new approaches to the study and functioning of an organization; and
- ii. new approaches to organise and administrate a ministry or Government department

will be presented.

B. The objective. The organization chart.

6. In all the literature, it is assumed that the role of an organization is to strive towards fulfillment of an objective (W-35). In doing so, the organization (W-36) performs a series of activities (W-01). These, in turn, are distributed between a number of components (W-14).

7. The relation between the components is shown by the use of an organization chart (W-37). This is a kind of a model (W-34) by use of which it is possible to analyze and discuss the methods for contacts between the components.

8. The components of an organization are given various kinds of contents, also the contents can be shifted in between them. In addition, the components can be put together in different combinations. As a result, we get models that are different from each other. We express the different ways that exist to build up and run an organization.

9. The prototype of an organization chart is shown in Appendix 004, part a). In this way, the various organization levels (W-38) are shown. Example to be discussed (X-015).

Principles for the division of work and the responsibilities of the components (the horizontal and vertical approaches) will be analyzed (X-016). It may be noted that job assignments once given to a particular division, department, section or post, often remain unchanged. Is such a method sufficiently flexible?

C. Delegation of authority and responsibility.

10. The organization chart also indicates the division of authority (W-03). Posts at higher levels involve more power. To be discussed: What is the real concept of power, should authority always be concentrated to a few posts at the top-centralization (W-05)? Which have been the reasons for such an approach? What has it not always been possible to decentralize (W-15)? Would decentralization be one method that could result in the speed up of the industrialization process? Responsibility, what is that (W-45)? Is it the same as control (W-07)?

D. Line, staff, functional and committee type of organization.
(W-29, 48, 19, 11).

11. Conventionally, four different types of organization exist. The principle of each will be discussed. In most cases, an organization is put together as a combination of line, staff and committee components. The prototype of such an organization is shown in chart 004 (parts b) and c). It will be discussed how the various components function individually (X-017), also how they should work in an integrated manner (X-018).

E. Job and job description.

12. A division, a department or a section (all of them are considered to be a component), each is supposed to have its own particular task to perform. Alternatively, it is also assumed that each individual employee has a particular job to perform.

At this job level, an important matter has to be decided upon. Should a specific description (W-28) be prepared for each job and consequently a suitable person recruited to fit its profile, or alternatively, should a "good man" be recruited and it thereupon be left to him to develop and establish the work content of the job he is going to be responsible for? This question will be analyzed more in detail (X-019).

F. Co-ordination, co-operation, decision making.

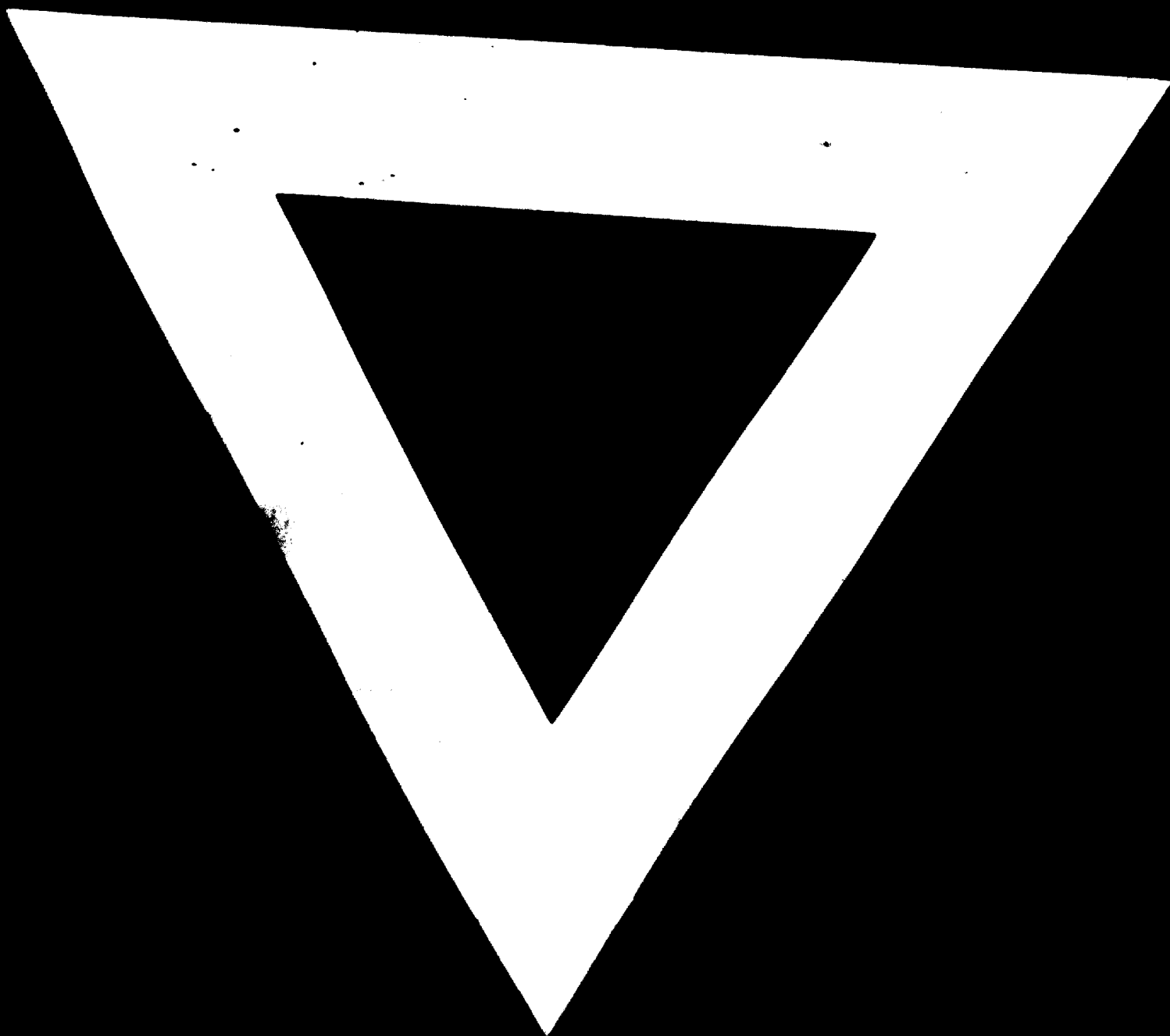
13. The co-ordination work (W-08) is a conceptual part of administration as presented by Fayol. The concept is also important in the studies of the principles and practices of an organization.

Co-ordination conventionally means that the tasks of the various components as well as the working interrelationship in between them should be proportioned in such a manner that the goal of the organization is obtained with the least amount of efforts, with the least possible amount of waste. Co-ordination involves a decision making process of a very systematic nature, i.e. to avoid overlapping of work between the components. We will come back to this concept in connection with the discussion of the decision making process.

14. Co-operation (W-09) may be considered as a more human-relations oriented, less formal concept of working rules - often on a voluntary basis - between persons, sections, departments, ministries and industry.

15. Co-operation is often the working approach in an organisation that is not strictly using job descriptions. Such an organisation may not always be the most efficient one. The introduction and application of sets of co-ordination rules in combination with well defined posts together constitute the foundation for an efficient organisation. Can an organisation, particularly when it is growing, be fully efficient (X-020)?





10.8.73