CHAPTER III

EFFICIENT MANAGEMENT
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SECTION I: EFFICIENCY

3.1 INTRODUCTION

Management is a term that would seem to have been with us since the beginning of human endeavor. We seem to have been managing our lives businesses, people, and the way we do things for almost an eternity. To provide a basis for the meanings that can be given to management, one or more definitions would seem to be needed. In developing these definitions, we must be careful to elicit a definition that will provide "wholeness" about the meaning of management and provide a more specific context in which that term management may seem to reside. Definitions of management suggest the application at measures to ensure that financial, human and physical resources are planned, organized, lead, controlled and staffed effectively, or the achievement of goals through facilitating an effective process of planning, organizing, leading, controlling and staffing.

3.2 MANAGEMENT FUNCTIONS OR THE PROCESS OF MANAGEMENT

There is enough disagreement among management writers on the classification of managerial functions. Some classify these functions into four types, some into five and others into six or seven. The terminology is also not always alike, different authors offering different names for the same functions of management. Newman and summer recognize only four functions, namely, organizing, planning, leading and controlling. Henri Fayol identifies five functions of management, viz., planning, organizing, commanding, coordinating and controlling. Luther Gulick states seven such functions under the catchword POSDCORB that stands for planning, organizing, staffing, directing, coordinating, reporting and budgeting.

3.2.1 PLANNING

Planning is the function that determines in advance, what should be done. It is looking ahead and preparing for the future. It is a process of deciding the business objectives and charting out the methods of attaining these objectives. In other words, it is the determination of what is to be done, how and where it is to be done. This is done not only for the organization as a whole but for every division, department or sub-unit of the organization. Thus, planning is a function, which is performed by managers at all levels-top middle and supervisory. Plans made by the top
management for the organization as a whole may cover periods as long as five or ten years. Plans made by middle or first line managers cover much shorter periods. Such plans may be for the next day’s work, for example, or for a two-hour meeting to take place in a week.

3.2.2 ORGANIZING

To organize a business is to provide it with everything useful to its functioning: personnel, raw materials, tools and capital. All this may be divided into two main sections the human organization and the material organization. Once managers have established objectives and developed plans to achieve them, they must design and develop a human organization that will be able to carry out those plans successfully. According to Allen, this organization refers to the structure, which results from identifying and grouping work, defining and delegating responsibility and authority, and establishing relationship.

3.2.3 STAFFING

Staffing may also be considered an important function involved in building the human organization. In staffing, the manager attempts to find the right person for each job. Staffing fixes, a manager’s responsibility to recruit and to make certain that there is enough labor available to fill the various positions needed in the organization. Staffing obviously cannot be done finally since people are continually leaving, being fired, retiring and dying. Often in addition, the changes in the organization create new positions and these must be filled.

3.2.4 DIRECTING

After plans have been made and the organization has been established and staffed, the next step is to move towards its defined objectives. This function can be called by various names: leading, defining, motivating and actuating, and so on. However, whatever the name used to identify it, in carrying out this function the manager explains to his people what they have to do and helps them do it to the best of their ability. Directing thus involves three sub-functions-communication, leadership and motivation. Communication is the process of process by which a manager guides and influences the work of his subordinates. Motivation means generating desire in the minds of workers to give their best to the enterprise. It is the act of stimulating or inspiring workers. If the workers of an enterprise are properly
motivated, they will pull their weight effectively, give their loyalty to the enterprise, and carry out their task effectively.

The two broad categories of motivation are financial and non-financial. Financial motivation takes the form of salary, bonus, profit sharing, etc. while non-financial motivation takes the form of job security, opportunity of advancement, recognition, praise, etc.

3.2.5 COORDINATING

The manager must ensure that everything occurs in conformity with the plans adopted, the instructions issued and the principles established. This is the controlling function of management, and involves three elements:

1. Establishing standards of performance.
2. Taking action to correct any performance that does not meet those standards.
3. Measuring current performance and comparing it against the established standards

3.3 DEFINITION OF MANAGEMENT

It is difficult to define management. In fact, one definition of management has been universally accepted. One popular definition is by Mary Parker Follett. Management, she says, is the “art of getting things done through people”. The definition calls attention to the fundamental difference between a manager and other personnel of an organization. A manager is one who contributes to the organizations goals indirectly by directing the efforts of others not by performing the task himself. On the other hand, a person who is not a manager makes his contribution to the organizational goals directly by performing the task himself. Sometimes, however, a person in an organization may play both these roles simultaneously. For example, a sales manager is performing a managerial role when he is directing his sales force to meet the organizations goals, but when he himself is contacting an important customer and negotiating a deal, he is performing non-managerial role. In the former role, he is directing the efforts of others and is contributing to the organizations goals indirectly; in the latter role, he is directly utilizing his skills as a salesperson to meet the organizations objectives.
Two weaknesses of Mary Parker Follett’s definition are:

1. It uses the word 'art' in defining management. To say that management is merely an art is to state a half-truth. Art deals with the application of knowledge. Management is not merely application of knowledge. It also involves acquisition of knowledge, i.e., science. Management based on rules of thumb or intuition is not correct management.

2. This definition does not throw light on the various functions of a manager. George R. Terry gives a somewhat more elaborate definition of management. He defines management as a process consisting of “planning, organizing activity and controlling, performed to determine and accomplish the objectives by the use of people and resources”. According to this definition, management is a process of planning, organizing, actuating and controlling.

Planning means that managers think of their actions in advance. There those actions are usually based on some method, plan, or logic, rather than on a hunch. Organizing means that managers coordinate the human and material resources of the organization. Actuating means that managers motivate and direct subordinates. Controlling means that managers attempt to ensure that there is no deviation from the norm or plan.

If some part of their organization is on the wrong track, managers take action to remedy the situation. Finally, this definition states that management involves the act of achieving the organizations objectives. These objectives will, of course, vary with each organization. The objective of a university might be to give students complete education in a congenial environment.

3.4 PRODUCTIVITY

Productivity like efficiency is expressed as a ratio of outputs to inputs. Unlike efficiency, it is concerned with only a subset of all inputs. For example, labor productivity describes the number of units of output or the dollar volume of outputs produced per person-hour worked or per dollar of wages. Frequently, sociologists and psychologists measure productivity by the number of units of output produced by a single worker or small group of workers (controlling for the number of workers). When productivity is measured in this fashion, subunits of organizations
rather than organizations as a whole constitute the typical unit of analysis.

Productivity is a ratio between the output and input of the resources used in any economic activity. The concept of productivity has always been a challenging area of study. The changes in productivity levels as noted earlier greatly influence a wide of human, economic and social considerations, such as higher standard of livings as also at the national level, its rapid economic growth, improvement in balance of trade payments, and control of inflation and culture of the nation itself.

3.5 GOALS

Although efficiency generally is thought of in terms of striving to achieve a goal, the concept itself, the goal, raises several major problems. It is often said that the publicly stated goal of an organization may differ from those actually being pursued. A number of paired words have been used to describe goal related activity, and they reflect this distinction: manifest-latent, formal-informal, official– unofficial, open–hidden, public-private, dejure, defacto. Meanings may overlap and distinctions may be unclear but the general idea is that there are differences between what one says and what one actually does. Second, some people are able to formulate their goals more precisely than others. For example, in otherwise similar companies one owner may say that his goal is to maximize profits, another that his goal is to maximize return on investment, a third that he is trying to sell as many gadgets as possible, and still another that he is out to make the world a better place.

On the other hand, if one wishes to find out what the “real” goals are, one may start by observing the behavior of the owner. Do his actions support or belie his words? If they contradict or are not congruent with his assertions, then goals may be inferred from the observed behavior. However, measuring efficiency in terms of an inferred goal can lead to error. A relatively inefficient organization might be presumed efficient because its inferred goal might be the achievement of a particular objective in a particular fashion, i.e., its goal might be inefficiency. This an extreme position, since intent can also be inferred from behavior. However, inferring organizational goal from behavior could lead to the assumption that all organizations achieve their goals all the time. The concept of efficiency would then become meaningless. Assuming goal structures measurable, whose goal is the relevant one?
The owner’s, the worker’s, the manager’s, the consumer’s, or societies? These may be very different; for example, a company’s stockholders may wish to create a monopoly, while Society might benefit more from competition. Share of the market has been used to measure efficiency, the assumption being that the inefficient firm eventually will be driven out of business while the more efficient enterprise will survive. This is a more short run measure than survival and therefore possibly a more useful one. One must, however, be careful in using this as a measure of efficiency because of cases where share of market and efficiency are unrelated. For example, share of the market may depend on luck, environmental influences, and governmental policy rather than on a firm’s efficiency.

Katz and Kan make a distinction between efficiency, which for them is akin to the goal attainment of Caplow and Parsons, and effectiveness, which is the maximization of return to the organization. By efficiency, Katz and Kahn appear to mean the cost of producing a unit of output where cost includes only the salaries of production, personnel, and supplies. They rightly argue that in addition, the organization must be concerned with morale, public image, legal constraints, wear and tear on the plant, etc. In other words, organizational maintenance. For them, effectiveness includes both the narrowly defined accounting measures of efficiency and appropriate organizational maintenance activities. This is schematically portrayed in Table 3.1 to some degree, this distinction between efficiency and maintenance parallels the distinction between line (efficiency) and staff (maintenance), and between direct costs (efficiency) and indirect costs (maintenance).
Table No. 3.1: Relation between efficiency and effectiveness for some Organizational theorists who use the systems approach

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>Organizational Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Attainment</td>
<td></td>
</tr>
<tr>
<td>Adaptation</td>
<td>Capacitance</td>
</tr>
<tr>
<td>Integration</td>
<td>Caplow</td>
</tr>
<tr>
<td>Latency</td>
<td></td>
</tr>
<tr>
<td>Stability Integration</td>
<td></td>
</tr>
<tr>
<td>Voluntarism</td>
<td>Katz, Khan</td>
</tr>
<tr>
<td>Morale, Public</td>
<td></td>
</tr>
<tr>
<td>Image, Customer</td>
<td></td>
</tr>
<tr>
<td>Satisfaction, etc.</td>
<td></td>
</tr>
</tbody>
</table>

3.6 PERFORMANCE

This word is the most nebulous of those being compared here. Sometimes it is related to goal directed activities and sometimes it is not, it seems to be a catch all term for a variety of approximate measures of efficiency, including morale share of the market, innovation, etc. Sometimes it simply seems to mean what is happening in the organization, which might include a baseball team’s league standing or an army’s combat record, factors, which may or may not be related to the goals of the organization.5

3.7 MANAGERIAL SKILLS

Katz (1974)6 identified four basic skills that managers use in the pursuit of their managerial endeavors. A skill is a learned ability to deal with a problem that
can be repeated successfully, overtime. Thus, the skill of riding a bicycle is learned through practice overtime and can be repeated, even years later. These skills identified were:

3.7.1 TECHNICAL SKILLS

Technical- skills developed to effect proficiency in a given task. e.g. finance or production.

3.7.2 HUMAN-SOCIAL AND RELATED SKILLS

Human-social and related skills that help a manager relate to others effectively, e.g. a manager motivating and communicating with subordinates conceptual. The ability to evaluate, holistically and systematically, problems within and outside an organization, discerns interrelationships and evaluates a balance of outcomes.

3.7.3 ADMINISTRATIVE -THE REGULATION OF THE ACTIVITIES UNDER CONSIDERATION

They may relate, to some degree, to conceptualization, but may not be catered for within a given situation. The use of each of these skills within the organization differs for managers and is seen to depend upon the managerial level. Therefore, it would also seem to depend on the role the manager is allowed to play within the organization. Illustrates the types of skills and the level found to be predominantly used or required within an organization. Here, technical skills are seen to be more important in lower management than at other management levels.

3.7.4 HUMAN SKILLS

Human skills have similar importance to all levels in the organization. However, human skills are required by all levels, because each level requires communicating effectively, horizontally and vertically in the organization, conceptual skills are very important at top management level, but not as important at middle or lower management.

3.8 CONCEPT OF EFFICIENCY

In its simplest form, organizational efficiency refers to the way in which the resources of an organization are arranged. In the maximally efficient organization, the resources are so arranged that no other method would produce as profitable a return. In order to operationally this concept it is necessary to define organizational
goals, measure the degree of goal attainment as well as the value of organizational resources, and know all possible alternative arrangements for these resources. Short of such perfection, researchers have measured “efficiency” and labeled their findings variously as efficiency, quality, performance, effectiveness, goal achievement or success.

Efficiency is generally measured by the ratio of outputs (returns, benefits) to inputs (costs, effort). Ideally, all inputs and outputs are included, the researcher who applies this measure of efficiency assumes the organization has inputs, a production process, and outputs, the unit of measurement in empirical research in which these yardsticks have been used is that part of the organization which includes the production process, frequently the entire organization.7

3.9 PRINCIPLE OF EFFICIENCY

1. Public administration must apply the principle of increasing rationality to the conduct of public affairs.
2. The transformation of one set of social conditions into another by public administration involves effort and cost, which is the “coefficient of social transformation” or the cost of public administration.
3. Public administration must achieve its ends by the expenditure of least means, that is, it must keep the coefficient of social transformation as low as possible.
4. Administrative action will be effective in proportion as due care is taken to perfect administrative methods which include, besides organization public relations and research.
5. Achievement of operative efficiency, eliminating unnecessary office-work and delays.
6. Devising efficient internal controlling authority and the mechanism by which it operates.

3.10 MANAGERIAL EFFICIENCY (MF)

Managerial efficiency is not an aspect of personality; it is not something a manager has. To see it this way is nothing more or less than a return to the now discarded trait theory of leadership, which suggested that more effective leader had
special qualities not possessed by less effective leaders. Efficiency is best seen as something a manager produces from a situation by managing it appropriately. The manager must think in terms of performance, not personality. It is not so much what a manager does, but what he achieves. As an extreme example: A manager's true worth to his company may sometimes be measured by the amount of time he could remain dead in his office without anyone noticing it. The longer the time, the more likely it is that he makes long-run policy decisions rather than short-run administrative decisions.

The key decisions in a company are long run and may refer to market entry, new-product introduction, new-plant location, or key man appointments. The person making these should not get involved, as can happen, with short-term issues. If he does, he has not decided on the output measures of his job or does not have the skill or opportunity to create conditions where only policy issues reach him. Once a manager has decided that he wants to become effective, he should initially focus on how he can contribute more, or contribute more effectively than he is now doing. Some managers have narrow views of their jobs. What they do they may do well, but what they leave undone is enormous. Some managers let the in basket define the nature of their potential contribution and the clock its limit. One manager might view his contribution as simply that of managing an ongoing concern and keeping it on even keel, while another might see the same job as having large components of subordinate development and creative problem solving in it. Still another might see his position primarily as a linking pin connecting with other parts of the firm, and thus might take a wider view of his responsibility.

Specialists seldom focus on contributions; they often see themselves simply as a knowledge bank: “I am not paid for what I do but for what I know.” This view can and does insulate the specialist from the firm, the professor from the student, and the university from the society. Managerial efficiency can seldom be obtained by achieving a single objective, no matter how broadly it is written. Profit, for instance, may be obtained at the risk of losing customers or by sacrificing human resources. Any manager who sees his efficiency criteria in simple black-and-white terms may perform well in the short run but may not in the long run. Efficiency is multidimensional. Before a manager can operate with full efficiency, he must:
a) Understand the overall contribution his unit should make, which means knowing that his superior is responsible

b) Understand his role in his unit, which means knowing what he is responsible for achieving and knowing what his superior thinks, is a good job.

c) Establish specific objectives which he intends to achieve in the predetermined time.

d) Have the help of his superior in overcoming obstacles which may prevent the attainment of these objectives.

e) Receive concrete objectives

3.11 EFFECTIVENESS AND EFFICIENCY

Management efficiency implies the ratio of output to input while managerial effectiveness is the extent to which a manager achieves the output requirement of this position. Effectiveness is concerned with what a manager achieves and what not he does. Efficiency and effectiveness are the central issues in management.

Effectiveness is not a quality a manager brings to a situation. However, it is something a manager produces from a situation by managing it appropriately. It is in performance rather than in resources or inputs. It implies that the quality of performance in an organization is not merely a personality trait of its managers but the whole process of learning from new situations, experience and trial and error. However, it is not practical that all managers learn the fundamentals of management from experience and trial and error. The alternative is to make use of established management principles and techniques, which will provide uniformity of approach and save resources from wastage due to trial and error methods. It depends on the manager as to how to apply his knowledge in his given situation.10

3.12 RELATIONSHIP BETWEEN EFFICIENCY AND EFFECTIVENESS

Efficiency is concerned with minimization of the call on resources. The aim in education and training is to deliver in ways that are both efficient and effective. However, these goals sometimes compete. Increasing efficiency does not imply improving effectiveness. While the concept of efficiency implies having the desired effect, it does not imply maximizing effectiveness. The pursuit of efficiency can
compromise effectiveness and effectiveness can be pursued at the expense of

efficiency. For example, increasing the extent of tutor, student interaction can
increase the effectiveness of student learning. However, it also increases the cost per
student of delivering the course. The aim is therefore to strike an appropriate
balance within the limits of available resources.

3.13 THE BASIS OF EFFICIENCY MOVEMENT

Action immediately is the secret of efficiency. Energy well directed and a
good system in the industry is contributors of efficiency. Efficiency is the best
method of doing things; which enables you to find the right way to do the work. One
of the best definitions given of efficiency is, “the highest percentage of results with
the lowest percentage of trouble”.

Efficiency is based on the following factors:
1. Policies, practices, means and method;
2. Personal qualities;
3. Human nature;
4. Findings of science

3.14 MANAGERIAL EFFECTIVENESS

It is a very difficult term to define because it suffers from a multiplicity of
meanings in literature. It applies more to the individual than to the organization or
institution. Managing human resource is very essential in any organization now. The
role of human element in the development and growth of an organization is the least
known and least understood everywhere.

Even the people in the business frequently do not know what they are doing
at their place of work. More precisely, the concept of managerial effectiveness is one
of the priority areas, which differs from organization to organization. In every
organization, there are some effective managers while others are less or ineffective
managers. Moreover, this term has to be distinguished from leadership, efficiency
and organizational effectiveness. Managerial effectiveness is a distinguishing
characteristic of individual rather than of an organization. When the individual tries
his best to achieve the objectives of his enterprises even in adverse circumstances. In
other words, he tries to integrate the two deficient situations into a positive as well as
productive situation based on his rationality and intuition.
3.15 STUDY ON MANAGERIAL EFFECTIVENESS

Managerial effectiveness appears to be a single term, which it is not, when attempts are made to analyze its hidden meanings. Unfortunately, hardly any researches exist in this area, but whatever exists is scattered in literature. Therefore, this term is an open research frontier-awaiting invasion by the research workers. However, the available of literature sums up the whole literature in the form of the following key statements:

1. It has proved difficult exercise to define managerial effectiveness. This term needs to be distinguished from leadership efficiency, organizational effectiveness and managerial style.

2. We know very little about the varied ways in which managers think, feel, react and solve problems when confronted with change and uncertainty of job. Currently, there is a lot of talk about managerial abilities and skills.

3. The automobile industry is an important and prestigious industry from the national point of view. It should be interested in determining and developing the potentialities of its managers.

4. It is believed firmly that the future of the automobile industry depends upon the cultivation of science and technology among people on gigantic scale. On the close analysis, it appears to be one of the important factors among several other factors such as socio cultural environment, changing technology, government’s attitude, maintaining the competitive edge, changing tastes and preferences of customers, etc.

5. It is, seen when international comparisons are made, that certain uniformities and differences exist among managers of different countries in attitudes, beliefs, values and modes of solving problems. There are regional differences not only within the country, but also in grouping the countries.

6. It is further seen that variations in standards of management are important variables, which influence significantly the growth of enterprises. It saves the business from disaster at times. In certain ways, the exercise of formal authority goes a long way in enhancing managerial effectiveness.

7. Peters’ Principle is not supported. In addition, the popular view that effective managers plan and structure their subordinates to carry out the work assigned
to them is also not supported. However, effective managers are characterized by above average intelligence.

8. It is suggested that the dimensions of managerial effectiveness are to be determined mathematically. The “management effectiveness profile system” is an attempt in this direction.

9. It is a matter of serious concern when it is seen that the industry is not making the right use of their first level managers. It is also observed that the develop negative attitudes on the job.

10. There is seen a close relationship between managerial effectiveness/executive effectiveness of managers and personality variables such as intelligence, creative adaptability, ego development, neuroticism, adjustment patterns and finally, job satisfaction. Knowledge of such relationship is highly desirable for the selection and training human resources.

3.16 SELECTION OF EFFICIENCY

Unsatisfactory and dissatisfied employees are the cause of much inefficiency. An unsatisfactory worker is problem not only to the company but often, also, to himself. The way he perceives his own performance and his defensive feelings about it often have an adverse effect on his morale and motivation. In numerous important areas, misjudgments in selection result in serious and sometimes far reaching personnel problems. Erroneous estimates of the applicant’s capacity, motivation, and interest make for in efficiency—for example, when an ambitious and able person cannot on the gob satisfy his needs for growth and development, or when an employee lacks the ability to perform a given job.

The employee who has been placed in the wrong job becomes disgruntled, does not produce as he should, or leaves the organization. If he stays, he is likely to become a discipline problem to his supervisor who may be ignorant of the real reasons for his behavior. If he leaves, the company has the costly task of selection to undergo all over aging. This last is no trivial problem depending on skill level needed and training time required.

Selection provides the raw material for molding. If that raw material is in fervor, flaws appear in the finished product, sometimes during training and
sometimes long after training has been completed. More specifically, if a new employee takes fifteen weeks to reach a minimum acceptable standard of production normally achieved in ten weeks, he has already cost the company a sum of money and may continue to do so. If at the end of a training period a man operates at 90 percent efficiency when others produce at 120 percent, the company is not realizing advantages possible through good selection. An employee of little potential constitutes an impediment of another sort. Since he cannot move ahead, he blocks the man behind who must move around him in order to progress in the organization. Even if a sub standard employee works at quite a low-level job, his work is likely to deteriorate in time and his anxieties to increase as he sees others promoted ahead of him.\textsuperscript{14}

3.17 ORGANIZATIONAL EFFICIENCY AND GOALS

Both conceptually and operationally, the lack of agreement on what constitutes “efficiency” presents a major obstacle to the synthesis of research on organizational efficiency and consequently of construction of models of the efficient organization. On a conceptual level, it seems evident that efficiency can only be thought of in relation to a goal. Almost everyone, though by no means all, agrees with that assumption, but with very little beyond that. First assuming some goal, there are disagreements on what efficiency is and how it is measures. Second, there are disagreements on defining the relevant goal, and finally, there are disagreements on whether the relevant goal is intra or inter organizational.\textsuperscript{15}

3.18 RESOLVING SOME ISSUES

Our task now is to devise a measure of efficiency, which retains the informative quality intended by users of the systems approach and which conforms to our definition of the concept. Theoretically, organizational efficiency refers to the degree of return on investment, where “return” is defined by organizational goals. It is impossible to make this concept operational since estimating the maximal return requires familiarity with every possible arrangement of resources. However, we can conceive of and measure relative organizational efficiency either across independent organizations or for the same organization over a period. This measure of
organizational efficiency requires identification of goals and measures of degree of goal attainment relative to some base of either another organization or set of organizations or relative to previous goal attainment of the same organization.

In either case, be it attainment relative to other organizations or relative to past functioning, problems of size may arise. Larger organizations usually have more resources invested, and this could result in higher output; however, this does not necessarily denote greater efficiency. To adjust for size, relative efficiency should be measured as a ratio of outputs to inputs. Having identified the relevant goals, we still have the problem of the various methods of verbalizing them. This confronts us with a dilemma, and our solution is based on expediency. First, we confine analytical studies to organizations with similar central functions by that we mean comparing a certain type of hospital, with others of the same type or comparing insurance companies providing certain kinds of services with others offering similar services. In this way, we compare organizations doing the same thing, functioning in the same market at the same time and under the same legal restraints or advantages. Given all these similarities, we feel justified in assuming that the goals of these organizations are similar enough to justify a comparison of their relative efficiency. This assumption can be partially verified by talking with the owners or their surrogates. If, ignoring minor differences in wording, the stated goal structures are in accord with the central function of the organization then measures of how efficiency is achieved constitute a good gauge of relative organizational efficiency.16

SECTION II: MANAGEMENT IN PRIVATE AND PUBLIC SECTORS 3.19 INTRODUCTION

While collaboration between public agencies has been an important development in recent years, the involvement of the private sector in the provision of public services is growing rapidly, compulsory competition and market testing have waned, the private sector's involvement now occurs through the private finance initiative and public private partnerships. The difference is partly a matter of the extent to which services are handed over to the private contractors and the length of the agreements. The labor government is keen for schools to involve the private sector in building and other capital projects. It encouraged public-private
partnerships both for complete new school and for refurbishment and rebuilding. Collaborative working as a way of managing public services was a central part of the agenda of 'joined-up' government. In the case of the collaborative way of working that the government has been pushing in many sectors, these are confused. The development of contracting companies and their growth in size in making an imperfectly competitive market for service providers available to public authorities. Collaboration is preferred, the purchaser having good assessed to the suppliers' costs, other information, and a collaborative attitude to problem solving.\textsuperscript{17}

3.20 MANAGER, MANAGING AND MANAGEMENT

All those responsible for the work of others, at all levels and in any type of enterprise may regard themselves as managers. Redding is of the view that "a manager is a person occupying a position in a formal organization who is responsible for the work of at least one other person, and who has formal authority over that person. Persons whose work he is responsible. Are his subordinates? A person he works with, who is neither his superior, nor a subordinate, is a co-worker. The person responsible for the manager's work is his superior. Managing is considered as a process, which may include a variety of functions, principles, techniques, skills and other measures of accomplishing the work and activities of organization. Management is perhaps a broader term designed to cover the managers, the task of the managers and the managing process in the effective achievement of predetermined objectives of an organization. Management is a culture, and a rational activity performed by managers through dynamic and distinct processes of planning, organizing, coordinating, directing and controlling the available resources men and materials under a given working environment in which people contribute the maximum with minimum of costs to the attainment of organizational goals. Management as a discipline attempts to organize and present in practical way the fundamental knowledge-underlying manager.\textsuperscript{18}
3.21 MANAGEMENT IN PRIVATE AND PUBLIC SECTOR

Public management shares quite a deal of commonality in tasks with its private sector counterparts: every manager has to allocate resources, decide on priorities, review progress and plan for future needs. Government is defined as a right manner of disposing things so as to lead not to the form of the common good, as the jurists' texts would have said, but to an end which is 'convenient' for each of the things that are to be governed. This implies a plurality of specific aims: for instance, government will have to ensure that the greatest possible quantity of wealth is produced, that the people are provided with sufficient means of subsistence, that the population is enabled multiply, etc.

There are dangers if, consciously or unconsciously, management in the public domain adopts models drawn from outside organizations. That is not to say that management in the public domain cannot learn from management in the private sector, vice versa specific management ideas can be transferable. What is not transferable is the model of management its purposes, conditions and tasks, one is old that public sector organization does not aim for profit, but not what it does aim at. This is no basis on which to develop a purposive approach to management in the public domain. The private sector model defines the nature of management in relation to the purposes and conditions of the private sector. Although a management approach developed for the private sector can have relevance to the public domain that approach may have to be transformed in its application. There are many aspects of management in the public domain that find no ready parallel in the private sector. 19

3.22 STRATEGY IN THE PRIVATE SECTOR

Strategy is a term deriving from the military, where it refers to the objective of winning the war, as opposed to 'tactics' the objective of winning a particular battle. Normal management processes may be adequate for ordinary operations but it is also necessary to, from time to time, reassess the fundamental reason the organization exists, what it is trying to do and where it is going. Even given the intrinsic attraction of strategic concepts in the private sector, it is really only in the immediate postwar period that they begin to be applied in a coherent way. Strategic management aims to extend the strategic vision throughout all units of organization,
encompassing every administrative system. Instead of being mechanistic, it recognizes the central role played by individuals and groups and the influence of corporate culture. It is easy to see that strategic management fits the private sector and, if implemented well, would provide a company with an information base to make decisions, which would not necessarily arise from normal operations. It helps an organization to, at times, step back from the normal management process or the day-to-day and asks fundamental questions about the existence and the future of the organization.  

3.23 STRATEGY IN THE PUBLIC SECTOR

Public organizations do have long-term existences and problems in deciding focus. They could conceivably benefit from a strategic perspective, although some modification of the private sector perspective may be necessary. There way always some kind of planning in the public sector and the methods used has closely followed the five stages of planning set out earlier for the private sector. Budgeting and financial control started very early in the public sector. This planning stage could be argued to be the quintessence of organizations in the traditional model of administration, where the main planning aim is simply to spend the budget allocation. Long range planning was also used in the same way as in the private sector and with the same problems of forecasting. However, strategic planning and strategic management are private sector concepts and it cannot be taken for grant that the ideas will work in the public sector. Exactly what is involved in strategy in the public sector is not settled in detail. Bozeman and Straussman say strategy involves dealing with external environment, and the broad missions and goals of organizations. They argue there are three major features of a strategic approach: defining goals and objectives, developing an action plan that mediates between the organization and the environment, and designing effective methods of implementation.

3.24 MANAGERIAL EFFICIENCY AND PRIVATIZATION

The efficiency argument for privatization claims that private management is inherently superior to public management. There are argued to be theoretical or
practical influences on public enterprise management that lead to inferior performance. Managements of private and public sector organizations do operate in quite different environments and often have quite different objectives. There are theoretical differences between them in the structure of incentives available to management, and because of public enterprises operate in a political environment, management there may be said to be less straightforward. Perhaps public service conditions are not conducive to excellence. However, the managerial argument is more than this. It is that public management is inherently inferior. The private sector is assumed to have a time-tested set of incentives and accountabilities in place, and as these are not present in the public sector, there must be inefficiency. The only problem with this view is that evidence is hard to find, and far from persuasive when it is found.

Systematic evidence on the relative efficiency of public and private production is extremely limited and universal generalizations are drawn based on a few empirical studies and impressionistic examples. Millward and Parker studied available evidence on public and private enterprise efficiency in numerous countries and industries and concluded that there was no systematic evidence that public enterprises are less cost effective than private firms are. Perhaps the proponents of privatization make the mistake of comparing actual public sector management practices with an idealized private management world. In some cases, these views may be realistic, but private managers are often averse to taking risks, treat their shareholders with contempt, and take over may be concerned with making paper profits rather than improving management. The available evidence seems to suggest no measurable difference between the two sectors. The differences that do exist are more related to the regulatory environment than to ownership and some parts of the public enterprise sector may have greater inefficiencies than others may.

3.25 ACCOUNTABILITY IN THE PRIVATE SECTOR

Accountability is not a purely public sector concept. The basic notion of accountability is that those acting on behalf of another person or group, report back to the person or group or are responsible to them in some way. In other words, this is a principal agent relationship where the agent carries out tasks on behalf of the principals and reports on how they have been performed. The private sector is
presumed to have clear avenues of accountability available to it. Accountability relationships in the private sector are increasingly seen as a model—the best available practice for the public sector. This is so in two ways. First, the general move to privatization in government is, at least in part, a move to improve accountability and thereby efficiency. The contracting of delivery functions to the private sector is argued to be more efficient because private managers are more accountable. In this way, the private sector serves as the model of accountability. Secondly, private sector accountability methods are being introduced into the public sector. Some parts of the public sector have greater accountability problems than others. For example, public enterprises—those parts of the public sector most comparable with the private sector do seem to show accountability problems when compared to private companies doing similar things. Accountability in the public sector is quite different from that of the private sector. It is often argued that governmental institutions are neither responsible nor accountable when compared to the private sector. However, there must be some differences between government and private forms of accountability. The private sector has no real equivalent to political accountability. 22

3.26 ACCOUNTABILITY IN THE PUBLIC SECTOR

Any government requires a system of accountability, so that it acts in ways, which are broadly approved by the community. Accountability is fundamental to any society with pretensions to being democratic. Government organizations are created by the public, for the public and need to be accountable to it. The relationship between government and citizen forms the system of accountability, where by the governmental organization carries out its function and the citizenry allows it to do so, but on condition those powers are not exceeded and that the agent is accountable. Government is distinguishable from other societal institutions by its ability to be coercive with its power being in the end by the police and the armed forces. Citizens did not give up their power lightly and insisted that the force of the citizens themselves back the political or administrative actions of governments.

This is done in two ways. First, all governmental actions must be soundly based on law. These laws apply to all in the society, to not only all in the society, not only to the citizens, but those in the apparatus of government itself. Secondly,
some particular person is accountable for each of the actions of government. A member of the society is presumed to be able to find someone in government to assume responsibility for every action, from the counter staff to the highest level, without both of these points working reasonably well government and the bureaucracy may still operate, but the absence of accountability could mean that government and the bureaucracy were omnipotent, omnipresent and potentially corrupt. A system of accountability is an exchange arrangement where both governors and governed exchange part of their power but one in which both parties need the other.

3.27 WHAT IS MANAGEMENT IN THE PUBLIC SECTOR?

Management in the public sector means many different things. First, there is a distinction between administration and management, the former involving the orderly arrangement of resources to follow previously defined procedures and rules, the latter involving discretion in the management of resources to achieve a set of objective. In practice, both activities occur in public services. Many activities require administration rather than management, and many managers are engaged in both. The distinction may in any case be more a matter of language than practice. Management, in the sense of exercising same discretion, requires that managers think and act to find the best ways of achieving some target or objective, using other peoples’ skills. In this sense, the managers become distinct from the various professions in the public sector. Such as teachers, doctors, nurses, social workers, engineers, lawyers and accountants, who use their own professional skills and knowledge to produce results? The distinction between a manager and a professional has been promoted by those who believe in management and by the professionals, who like to remain different from managers.

Managers develop or learn them as a way of keeping in control. The techniques include strategic planning, budgeting, project management, marketing, personnel management, performance management, quality procedures and the whole apparatus of contracting. In the public sector, politicians also claim a legitimacy to manage. After all, if they are elected to positions of authority and are held accountable for the money spent on public sector, they have a right to influence how they are run. In many cases where activities have been contracted out to the private
sector, the management activity of public sector managers does not consist of directly managing resources. Rather, the task is how to specify services and make sure that contractors provide them in accordance with the specification.

3.28 ACCOUNTABLE MANAGEMENT

Public servants themselves are more often personally accountable for their actions and the achievement of results. The balance of accountability is passing from old forms of responsibility to other forms, especially more efficient and accountable management systems. The basic aims of a managerial approach are to achieve goals rather than comply with rules or procedures, to improve responsiveness to clients, and to inject a concern with costs and the most effective use of limited resources. We have two parts to the adoption of accountable management. One part is that accountability wills by improved by clearer specification of that is actually done by all organizations within government. This means that achievement of results of the lack of achievement of results should be quite transparent. Those in favor would argue that doing these things should help improve management by providing incentives for organizations to achieve targets. In the traditional model, there was never any real way of deciding whether results had been achieved, so public servants could and did hide performance from political or public gaze. The other part is the personal said of accountability, as distinct from the organizational. A manager is, by definition, someone who takes personal responsibility for the achievement of results. This may require some form of contractual arrangement so that targets are specified for the manager to work towards. Both organizationally and personally, accountability is improved by managerially because the principals the politicians and the public have far better information on the activities of their agents—the public service.

3.29 DIFFERENCES IN QUALITY MANAGEMENT BETWEEN THE PRIVATE AND GOVERNMENT SECTORS

Quality management, as with many government reforms, has its roots in the private sector. There are been considerable debate as to whether private sector management principles can be transferred to the government sector. In the case of quality management, two issues have to consider in this context. First, most quality management approaches, including total quality management (TQM), have
originally been developed for the performance. Second, given the private sector origins of most quality management approaches, there is an absence from the TQM vocabulary of many of the key concerns, which have characterized debates about the provision of public services. This does not mean that (Private sector) quality management concepts do not work in a public sector setting. However, they have to be adapted to the context of public sector organizations.  

3.30 THE CRITERION OF EFFICIENCY IN PUBLIC AND PRIVATE SECTOR  

The criterion of efficiency is most easily understood in its application to commercial organizations that are largely guided by the profit objective. In organization the criterion of efficiency dictates the selection of that alternative, of all those available to the individual, which will yield the greatest net return to the organization. This ‘balance sheet’ efficiency involves, on the one hand, the maximization of income, if costs are considered as fixed; and on the other hand, the minimization of cost, if income is considered as fixed. The simplicity of the efficiency criterion in commercial organizations is due in large part to the fact that management provides a common denominator for the measurement of both output and income, and permits them to be directly compared. The concept must be broadened, therefore, if it is to be applicable to the process of decision where factors are involved that are not directly measurable in monetary terms.  

3.31 THE GENESIS PHILOSOPHY OF THE PRIVATE AND PUBLIC SECTORS  

Every institution needs to have well trained and experienced people to perform the activities that have to be done. If the current or potential job occupant can meet this requirement, training is not important. But when this is not the case, it is necessary to raise the skill levels and increase the versatility of employees. Inadequate job performance, a decline in productivity, changes resulting out of job redesigning or a technological require some type of training and development efforts. As the jobs become more complex, the importance of employee development also increases. In a rapidly changing society, employee training and development are not
only an activity that is desirable but also an activity that an organization must commit resources to, if it is to maintain a viable and knowledge work force.

The main aims of genesis these institutes are to provide educational facilities to the students.

i. To increase the standard of education.

ii. To improve the quality of education in society.

iii. To give up to date knowledge in syllabus for learning.

iv. To organize refresher courses for degrees.

v. To conduct examinations.

vi. To provide education as preparation and reconstruction in society.

vii. To make available different courses for the students.

viii. To undertake special studies in the field of training techniques

ix. To improve institutional climate

x. Personal growth

3.32 MANAGEMENT DECISION IN AN INSTITUTE

Many institutes attempt transparency in their management systems by publishing plans or diagrams in institute handbooks and in communications with parents, in order to show the formal management structures. This is an attempt to show official decision-making routes: it is an explanation of who goes to whom and in which order to discuss problems and possibilities within the structure of the institute. The structure is meant to address both case and flow of communication within an institute, and to allow for effective consultation processes. In writing about educational organizations, decision-making and communication are sometimes closely linked. However, this is only the case where the leaders of the institute are committed to open decision-making and where they believe that all should take part in decision-making. In practice however, it seems that the formal management and decision-making structures very rarely work in the way they are intended to work. When members of staff who are middle and senior managers attempt to define the formal and the informal decision-making processes and un-official power-bases of their institute, they often find intriguing connections and liaisons within the informal power balances which block or circumvent the formal decision-making processes.
Some surprisingly influential members of the staff are formally quite powerless in that their roles in the structure of the school do not officially give them much of voice. However, informally, through friendships and through other liaisons, they hold a great deal of power within discussions, which eventually sway the opinion of the rest of the staff. They may hold this power through quick and articulate verbal contributions to discussions; through humor; through having been at the institute and developing a history and a knowledge of how the college works; or through alliances and contacts with other, more formally powerful, members of staff.

Excessive micro political activity within an institute may be indicative of blocked or ineffective decision-making routes. For example, there might be individual members of the management structure who do not fulfill their management roles, and in this case do not act as a conduit for information and opinion, so other colleagues work round them, approaching other members of staff in order to expedite or clarify or it may be that the structure cannot function as such a conduct because it is not intended to do so, the senior management team does not wish together opinion and does not wish to share information. Whatever the cause of the excessive micro political activity, those with management responsibilities within an institute need to be aware when they are overactive and to make some basic decisions about whether to use or to ignore the unofficial structures. However, a well manage institute will ensure that where relevant, everybody on the staff, and young people and the local community and other stakeholders, will be canvassed in order to inform democratic decision-making.\textsuperscript{28}
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