CHAPTER-IV — INTERACTION AMONG THE EMPLOYEES IN OFFICE WORK.

4.1 — Bureaucratic functioning in reality

Blau and Meyer have opined that the Weberian ideal-type formulation with its sole emphasis on purely formal organization is misleading. This Weberian principle implies that all departures from the formal requirements should be treated as exceptional and abnormal, being of no interest to the students of organization. But subsequent empirical studies have proved its contrary to be true. Informalities and unofficial practices tend to grow among the officials of a bureaucratic organization and assume an organized form without being officially sanctioned.¹ The co-authors have depicted this phenomenon as under:

A bureaucracy in operation appears quite different from the abstract portrayal of its formal structure. Many official rules are honored in the breach; the members of the organization act as human beings — often friendly and often disgruntled — rather than like dehumanized impersonal machines.²

² Ibid., p.37.
Blau and Meyer have also sought to unravel the source of regularities in social conduct persisting within bureaucratic organizations. They hold that such regularities are the outcome of normative standards which have spontaneously evolved in the work group rather than having been officially enforced by the superiors in accordance with the formal blueprint. The co-authors write, "In the course of social interaction at work, there arise patterned expectations and norms, which find expression in a network of social relationships and in prevailing practices." Social processes in bureaucracies modify bureaucratic structures and operations. Some of these processes, such as informal modifications of formal procedures, make the organization more flexible and responsive to changes. But some other social processes persisting within bureaucratic organizations engender rigidities and resistance to change, an example of this sort being development of bureaucratic ideologies that take precedence over original goals.

In this chapter, we propose to study the patterns of interaction occurring among the officials of the Directorate.

3 Ibid., pp. 46-47.
4 Ibid., p. 50.
of Commercial Taxes in West Bengal. An analysis of such patterns of interaction among the officials requires an analysis of the authoritative relation persisting along official hierarchy among the employees, imperfections of such authoritative relation and complementary devices evolved to make up the deficiencies of the purely authoritative relation. However, the opinion of Blau and Meyer, cited above, is relevant not only in the analysis of patterns of interaction among the officials themselves but also in the analysis of the patterns of interaction of the officials with the visitors. Interaction with the visitors involves interaction with the clients or the dealers and interaction with the middlemen. It will be discussed in the subsequent chapter taking into account the views of both the officers and the dealers.

4.2 — Formal authority

According to Crozier, any organization must ensure certain degree of conformity from its members. Members conform partly voluntarily and partly because of coercion. Whatever may be the proportion, achievement of necessary conformity remains the central problem of the administrative authority of an organization. Modern organizations have evolved systems of
recruitment and training whereby they can extract conformity in a more liberal fashion. The persons, who join the organizations, are generally educated persons who have already internalized the basic rules of conformity and have also attained a general ability to conform to the ways of the organizations they belong to. In the field of training too, the emphasis is more on internalizing the basic values or culture of the organization than on mastering the exact observance of petty details. Also, there has been much progress in the field of human relations and human behaviour is now better understood and is, therefore, more predictable.\(^5\) Crozier writes, "The bureaucratic phenomenon has thus appeared to be a function of the equilibrium between the kind of social control used to maintain the organization as an ongoing system and the reactions of the human group that is submitted to it."\(^6\)

The Directorate of Commercial Taxes in West Bengal, like any other government office, is based upon an elaborate system of formal authority, of hierarchy and command, of rules and regulations, of direction and discretion, of control and

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sanctions. The values, on which this formal authority system rests, are regularly imparted by the organization to its members. Such values become part of subculture of the organization, that is to say, they are, at least, partially internalized by the members of the organization. Every official is highly conscious of the hierarchical order and his particular standing in such hierarchical distribution of the ranks. Insubordination is considered, at least theoretically, a grave offence. Generally speaking, respect, awe and submission to authority are shown to the superior officers in a manner which is generally commensurate with the degree of superiority of such officers. No one generally dares challenge the formal authority of the superior officers in his individual capacity. Such challenges, even when made, are thrown in the forms of collective action, like protesting or agitational activities by the service association, or of legal submission to a higher and more sacrosanct authority, like litigations made in the law court. At the level of the officers, esteem is shown to those who have acquired expertise in service rules and manuals containing the guiding principles of such formal authority. Training of the officials is not the end but the beginning of the process of acquisition of respectful attitude towards
formal authority. To bolster this process, the officers in their discussions weigh different ranks in this Directorate against those in the other comparable services. The senior ranks in this Directorate are compared with the senior ranks in the Secretariat.

But conformity is not always habitual. The training and socialisation process in this Directorate often fails to achieve necessary amount of conformity to formal authority. The tendency of some officials to disobey formal authority and to deviate from normative and standardized behaviour pattern prescribed by the rules and regulations makes the application of some sanctions necessary. Consequently, instances of violation of rules and regulations and of defiance of the orders of the superior officials by their subordinate officials are becoming frequent. Some of the officials, having long experience in the Directorate, are of the opinion that such disregard for formal authority is a comparatively recent phenomenon and, two or three decades ago, such incidents, although not altogether absent, rarely happened. There is perhaps some truth in this assertion. With the dilution of respect for formal authority at the wider societal sphere in the contemporary period, it is
quite likely that the same phenomenon would pervade this organization also. Not only the content, but also the form of formal authority is dishonoured. That is to say, not only the instructions of the superior officers are disobeyed and their authority is challenged, but also the symbolic reverence to formal authority (like standing before a superior officer when the latter is also standing within the same chamber) is denied.

According to the report of Sales Tax Study Committee, the administrative and financial powers of the superior officers have three components -- powers relating to establishment matters, disciplinary proceedings and performance appraisal. The Committee has discussed about such powers in its recommendation for decentralization and devolution of effective powers up to the lowest unit possible. Our concern would be to examine the efficacy of such powers in ensuring conformity and obedience to formal authority.

a) Establishment power -- It includes the power to pay the salaries and to accord sanctions of loans, permission for purchase of land etc. But, under the governmental rules, the salary of an official is fixed and assured; it cannot be arbitrarily withheld or varied to the disadvantage of the concerned official. Sanctions of loans and permissions for purchase of land etc. are also accorded on the basis of some fixed guidelines, and these have almost been reduced to routine formalities. Besides, the applications seeking the aforesaid approvals are made only by a handful of officials and therefore, exercise of such powers cannot affect all the officers.

b) Disciplinary power -- The powers relating to disciplinary proceedings for disobedience to formal authority are rarely used. The administrative authorities feel shaky to use this weapon for fear of agitation by the service associations. Generally, the service associations comprising employees of the lower echelons are very powerful owing to the numerical strength of their members. Even the higher authorities of the Directorate hardly dare antagonise the above-mentioned service associations,
not to speak of the officers of the middle tier. The position of the Administrative Assistant Commissioners and of the Charge Officers is particularly vulnerable since they have to look after the administration of the Circles and the Charges respectively and have to deal with a number of lower level employees. They are often compelled to mildly try to discipline such lower level employees by verbal rebukes, by withholding the assignments or curbing the powers and responsibilities of highly deviant officials, and by similar other comparatively soft measures. And, consequently, they are confronted with the protest made by the respective service associations. Instances are frequent wherein some Charge Officers were 'gheraoed' (confined through encirclement) by groups of lower level employees making slogan-shoutings. In a particular issue of 'Amader Katha' (Our Voice) — the Bengali mouthpiece of erstwhile Solidarity Forum (a pressure group of the extremist officers) which has, of late, been converted into Commercial Tax Officers' Association -- a case of 'gherao' of a Charge Officer, although for a different cause, was reported.  

In case of severe types of disciplinary proceedings like termination of service etc., recourse to the judiciary is a commonplace affair in addition to agitation by the service associations. In the same issue of 'Amader Katha', an interesting case was reported. An orderly-peon was sacked for violation of an order of transfer posting. The affected employee challenged the matter in the court of law. He was reinstated by an order of the High Court of Calcutta. However, the organizational authority of the Directorate challenged the verdict of the High Court in the Supreme Court and obtained 'special leave' against the particular orderly-peon. The subsequent developments have not been reported in 'Amader Katha' and, hence, remain unknown.\(^9\)

c) Performance Appraisal --

In matters relating to performance appraisal, Confidential Annual Reports were prepared by appropriate officers in respect of their subordinates. The Government of West Bengal, by an order issued in 1978, took an interim decision to ignore these reports for promotions within

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the so-called non-gazetted ranks.  

Subsequently, the system of Open Performance Report in respect of the lower level employees was initiated by the Government. In this system, an employee could himself indicate the level of his performance on the basis on some well-defined categories of task performance. But this system of OPR was also abandoned owing to the opposition collectively made by such lower level employees. Now-a-days, the system of performance appraisal continues to operate only in the case of the higher level officials. Even at this stage, an officer with an adverse confidential report is not considered for promotion; but one with an excellent performance report is not preferred to another with an average performance report but having a longer seniority. What R.P. Taub has remarked in his discussion of deviation of the Indian Administrative Service from the Weberian model, so far as maintenance of discipline and control is concerned, holds good in the case of services in this Directorate too: " ... if firing is difficult and salaries are fixed, so that officials may have some measure of

10 Report of Sales Tax Study Committee, p.96.
11 Ibid., p.97.
independence; and if promotions are largely based on seni­rity, the weapons an administrator has at hand to maintain strict and systematic disciplines are extremely limited."\textsuperscript{12}

There is striking similarity between the instruments of discipline and control identified by Taub with those identified by Sales Tax Study Committee.

However, a more effective weapon of controlling the subordinates is the power to make transfer postings which is exercised by the organizational authority of this Directorate. Of course, transfer is generally made on the basis of some fixed and general guidelines. As for instance, in case of transfer outside Calcutta, the principle of 'longest stay in Calcutta' is adhered to. That is to say, among the officials of equal standing the person who has stayed in Calcutta for the longest period should be transferred first outside Calcutta. But given this broad guideline, there is ample scope for exercising discretion by the authority making transfer postings. When two officials are transferred outside Calcutta on the basis of the principle of longest stay, one may be transferred to a

distant place. While most of the postings of this Directorate are centered in or around Calcutta, transfer to a 'mofussil' or suburban area, especially transfer to a remote area, is highly dreaded by the Calcutta-based officials. The timing of such a transfer posting is also highly relevant. An official, having school-going children, is placed in a highly difficult situation if he is transferred outside Calcutta in the middle of the school session. Even the nature of postings within Calcutta may be of particular concern to the particular official, so posted. An official, who is willing to shoulder responsibility and exercise power, would be unhappy in a posting of meagre importance. Again, a corrupt official would dislike a particular posting wherein the chances of taking bribe are nominal. Finally, some particular postings may entail highly hazardous duty, and some peace-loving officials may not like to shoulder such hazardous duty. Generally, a series of requests follow, after a transfer order having been made, to partially modify the order so that a few officials are accommodated in view of their particularly difficult situation. Often requests are made to temporarily suspend the operation of a transfer order relating to a particular official so that the latter gets adequate time to accomplish his imminent
domestic assignments or to get the particular academic
session of his children completed. The same picture is
visible in the case of transfers to Calcutta from outside areas
too if the officials, so transferred, are ordinarily non-
residents of Calcutta. It is difficult to agitate against
inconvenient transfer orders under the banner of service
associations provided the general guidelines are obeyed and
exercise of discretion is made in a subtle manner. Also,
the difficulty of organizing successful agitation against
an inconvenient transfer order stems from the fact that
transfer orders are made by the organizational authority
of the Directorate. It is easy to create pressure upon an
officer at the local level; it is difficult to win over the
centralised authority through agitation.

Formal authority should not be equated with the negative
power to apply sanctions. Positively viewed, formal
authority rests upon voluntary compliance with the rules.
So far as satisfactory performance of duties -- especially
exercise of quasi-judicial powers by the officials of the
Directorate -- is concerned, voluntary compliance with the
rules is of paramount importance. But the subordinate
officers may conform to the rules not for proper performance
of their duties but for eradication of the possibility of interference in their works by the superior officers. Crozier has described the phenomenon of strict conformity to the rules as a part of "resistance of the human means" at the disposal of the employees to be applied against the organizational authority. Ponderousness and bureaucratic routine can be taken as aspects of such resistance of the human means.\textsuperscript{13} Subordinates can develop a kind of rigidity and can use their conformity to the rules as a bargaining weapon to be applied against the higher authorities. They can thus prevent the management from interfering with their own independence by taking recourse to strict conformity to the rules and the resultant rigidity.\textsuperscript{14}

Table 4.1

<table>
<thead>
<tr>
<th>Rank of officers</th>
<th>Fully agree</th>
<th>Partly agree</th>
<th>Disagree</th>
<th>Can't say</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCT</td>
<td>1 (8.33%)</td>
<td>5 (41.67%)</td>
<td>6 (50.00%)</td>
<td>0 (0.00%)</td>
<td>12</td>
</tr>
<tr>
<td>CTO</td>
<td>13 (21.67%)</td>
<td>28 (46.67%)</td>
<td>18 (30.00%)</td>
<td>1 (1.66%)</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>14 (19.44%)</td>
<td>33 (45.83%)</td>
<td>24 (33.33%)</td>
<td>1 (1.39%)</td>
<td>72</td>
</tr>
</tbody>
</table>

\[ \text{Chi}^2 = 2.376 \quad \text{Df} = 3 \quad P < .50 \]

\textsuperscript{13} Michel Crozier, \textit{op.cit.}, pp.6-7.
\textsuperscript{14} Ibid., p.185.
It is evident from the above table that most of the total number of respondents strongly or moderately believe in the efficacy of conformity to the rules to prevent interference in the work of and issue of arbitrary direction to the employees by their superior officers. Only one-third of the total number of respondents reject this assertion. But the extent of disagreement with the above assertion is greater among the Assistant Commissioners of Commercial Taxes than among the Commercial Tax Officers. It is natural for the Assistant Commissioners of Commercial Taxes, in view of their comparatively higher status and authoritarian position, to belittle the efficacy of any instrument which the employees can use to protect themselves from authoritarian control by their superior officers. Still fifty per cent of the Assistant Commissioners of Commercial Taxes fully or partly confirm the efficacy of conformity to the rules to prevent bossism. It can be noted that the chi square is significant only at less than fifty per cent level of probability. Therefore, rankwise variation of opinion is not very spectacular in this respect. There is a dominant view in favour of effectiveness of conformity to the rules to prevent excessive authoritarian control in the forms of interference and issue of arbitrary direction.
Formal authority should not be equated with predominance of rules. Crozier points out that at times of crisis, personal authority supersedes the rules. At that time, personal initiative of some strategic individuals may become mingled with their arbitrary whims running contrary to the provisions of rules. But others tolerate this because the personal endeavour of such authoritative figures, and not strict compliance with the rules, can provide an easy solution to the immediate problem. Thus, a Commercial Tax Officer posted at a Checkpost was forced to order the seizure of a consignment of liquified petroleum gas because the consignment was not supported by requisite permit. At the same time, he was afraid that the tanker, full of liquified petroleum gas and placed near the Checkpost premises, could lead to a fire accident in the Checkpost. He was glad when he received a direction from the Assistant Commissioner of Commercial Taxes in charge of that Checkpost to release the consignment immediately without imposition of penalty.

The Assistant Commissioner of Commercial Taxes was not authorised by law to give such direction except on legal challenge against the order of the Commercial Tax Officer.

15 Ibid., pp.196-197.
to be made by the transporter or owner of the consignment in the prescribed manner which would have been a time-consuming procedure. The Commercial Tax Officer might himself release the tanker without imposition of penalty for the threat of fire accident. But, being a comparatively lower level officer, he was shaky to take that decision in view of his job security. The Assistant Commissioner of Commercial Taxes shouldered the risk and saved the Commercial Tax Officer from the horns of this dilemma.

There is another problem, as pointed out by Alvin Gouldner, emanating from the rules. Impersonal bureaucratic rules were evolved with a view to alleviating the tension created by too close supervision and control. But an intimate knowledge of the rules makes the employees aware of the minimum task they are required to perform to retain their jobs. This leads to low motivation and poor performance of the employees. Such negative impact of the rules reinforces the need for close supervision and control. Thus, the very purpose of evolution of impersonal rules is frustrated by the ultimate effects of such rules. The vicious cycle of control and supervision operates in this manner.  

The above argument appears to hold good in the context of the Directorate of Commercial Taxes. Performance of some of the functions by the officials, especially those relating to exercise of their quasi-judicial authority, is indispensable for job security. There is generally no necessity of supervision in such affairs. The officials themselves remain highly meticulous to complete those works regularly. As for instance, it is almost the statutory duty of a Commercial Tax Officer to complete his assessment cases before those are being hit by limitation. If a number of assessment cases of a particular Commercial Tax Officer get time-barred and if it is detected, his service may be endangered. In fact, a particular Commercial Tax Officer was placed under suspension when it was disclosed that many of his assessment cases had been time-barred. Although subsequently he was reinstated, his salaries were reduced. The Assistant Commissioners of Commercial Taxes and other superior officers feel no need of asking the Commercial Tax Officers to complete their assessment cases within the prescribed time limit. The Commercial Tax Officers themselves complete the assessment cases with posthaste before the date-line fixed for time-bar. Rather, the problem on the part of the Assistant Commissioners of Commercial Taxes and other senior
officers becomes to induce the Commercial Tax Officers to perform other administrative functions (e.g. participation in the collection drive before the Budget) which the latter often neglect owing to their excessive preoccupation with the assessment cases. Participation in the collection drive and making request to the dealers to tender advance payment of taxes are not the part of statutory obligations of the Commercial Tax Officers, and they cannot be penalized for insincerity in the performance of such duties. Hence, it becomes necessary to issue administrative directions to the Commercial Tax Officers in order to ensure their active participation in the collection drive. This is an illustration of how an intimate knowledge of the rules makes the officials aware of the minimum task required to be performed in order to ensure their job security. The functions, not so crucial for ensuring job security, are often neglected or, at least, are not performed with the same zeal which is manifested in the discharge of essential obligations. Administrative direction and supervision becomes necessary for ensuring performance of those tasks which are not so essential from the officials' point of view but are, nonetheless, crucial for the functioning of the organization and, hence, considered important by the organizational authority.
Table 4.2

Effect of excessive direction, if any, from higher authorities:

<table>
<thead>
<tr>
<th>Rank of officers</th>
<th>Presence of excessive direction ensuring efficiency but being disliked by employees</th>
<th>Presence of excessive direction hampering efficiency and being disliked by employees</th>
<th>Non-presence of excessive direction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCT</td>
<td>0 (0.00%)</td>
<td>5 (41.67%)</td>
<td>7 (58.33%)</td>
<td>12 (100.00%)</td>
</tr>
<tr>
<td>CTO</td>
<td>7 (11.67%)</td>
<td>29 (48.33%)</td>
<td>24 (40.00%)</td>
<td>60 (100.00%)</td>
</tr>
<tr>
<td>Total</td>
<td>7 (9.72%)</td>
<td>34 (47.22%)</td>
<td>31 (43.06%)</td>
<td>72 (100.00%)</td>
</tr>
</tbody>
</table>

Chi$^2 = 2.274$  Df = 2  P < .50

From an analysis of the responses, it transpires that 43.06 per cent of the respondents do not perceive presence of excessive direction while 56.94 per cent (100.00% - 43.06%) perceive presence of excessive direction. Such perception is comparatively less among the Assistant Commissioners of Commercial Taxes than among the Commercial Tax Officers. The Assistant Commissioners of Commercial Taxes, being higher level officers, habitually give directions and make supervision forgetting or being unconcerned with the excesses of such habits. It is quite natural that they
would not treat many actions as involving excessive direction to the subordinates although the Commercial Tax Officers, owing to their comparatively lower standing, would treat the same actions as being manifestations of excessive administrative control. For the same reason perhaps, a more interesting feature is discernible in rank-wise variation of opinion about the effect of excessive direction on the employees. Out of the Commercial Tax Officers, 11.67 per cent opine that excessive direction is given to the employees and it ensures efficiency but is disliked by the employees. But no Assistant Commissioner of Commercial Taxes subscribes to this opinion. In other words, no Assistant Commissioner of Commercial Taxes observes any positive effect in the nature of augmenting efficiency to emanate from excessive direction. General supervisory activities, which are treated by the Commercial Tax Officers as constituting excessive direction, are capable of augmenting the efficiency of the employees in spite of being disliked by them. But only the actions being in the nature of too much undue interference in the works of the subordinates or of excessive administrative highhandedness would be considered by the Assistant Commissioners of Commercial Taxes as
constituting excessive direction. The Assistant Commissioners of Commercial Taxes are aware of the fact that actions of such extreme authoritative nature cannot augment efficiency. However, the dominant trend of opinion in this respect in terms of percentage of responses obtained -- whether taken totally or rankwise -- is that excessive direction in official work is given to the employees by the higher level administrative authorities in the Directorate with the consequence of generating disliking and hampering efficiency of the employees. The extent of rankwise variation of opinion is not very spectacular. The chi square is significant only at less than fifty per cent level of probability.

Excessive direction to and supervision of the works of even the officers are aspects of bureaucratic functioning having recent origin in this Directorate. A few years ago, most of the Commercial Tax Officers took pride in the fact that bossism and interference in official work are virtually absent in this organization. But things have changed in the recent period, especially owing to the financial crisis faced by the Government of West Bengal in the contemporary period. Most of such excessive direction and
corresponding supervision are oriented towards making the officials vigorously active in collection drive. Formerly, it was customary on the part of the officials to request the dealers to tender advance payment of taxes in the month of March only. Now collection drive runs throughout the year. The Commercial Tax Officers are directed to cut short their desk work and to regularly visit the business places of the dealers to ascertain, on examination of the books of account maintained by such dealers, whether the latter are making regular and correct payment of taxes. The Commercial Tax Officers have to remain particularly vigilant that no due tax of any dealer remains unpaid. In course of their visits, they have to instruct the defaulting dealers, if any, to pay the due tax immediately. Many of the functions mentioned above were formerly performed by the Commercial Tax Officers in their office. But, now-a-days, the organizational authority has made it imperative for the Commercial Tax Officers to undertake regular visits and to discharge their duties in respect of ensurance of proper collection of tax in course of such visits. Even the Assistant Commissioners of Commercial Taxes often participate in such visits, not to speak of the Inspectors of Commercial Taxes because visits to the business places of the dealers are primary obligation
of the latter. In course of informal discussion with some of the Commercial Tax Officers, the futility of rushing to the dealers' places of business, which has been made imperative by the administrative direction, were pointed out by such officers. In their opinion, while the input in the form of the officials' time and energy and also in the form of conveyance expenses is tremendous, the output in the form of augmentation of revenue collection is not that significant. In their opinion, they could otherwise perform this function satisfactorily had they been given the necessary liberty and assisted by the necessary infrastructure. One such Commercial Tax Officer lamented that he did not have a telephone at his chamber. He asserted that he could make necessary verifications about tax payment by some complying and law-abiding dealers through telephonic conversation with them and through examination of their answers with reference to the files maintained in respect of such dealers. But, in spite of pointing out the fact of lack of telephone connection in his chamber to the organizational authority for several times, no telephone has yet been installed in his chamber. Since, the organizational authority views visits to the dealers' places of business as the most effective method of augmenting tax collection, it undermines the efficacy of other
alternative methods and urges upon the officers to undertake such visits regularly. Such visits, some Commercial Tax Officers opine, have been routine job-saving operations, their effect in terms of augmenting tax collection being negligible. The predominant opinion of the officers in this respect, either expressed in course of informal discussions or in the form of responses to the questions set in the schedule, is also corrobated by some recent studies in the organizational sphere. It has been pointed out by Kahn and Katz that most of the employees resent close supervision. Also old-fashioned bossism does not appear to contribute to the effective functioning of the organization.17

Therefore, we see that formal authority fails to provide necessary leadership in managing the organization. But the organization must find out some other alternative source of authority to remain active and alive. The vitality of an organization lies in its ability to invent alternative source of authority if the existing method of control and command

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fails. That this Directorate has still now remained highly instrumental in the governmental system of West Bengal proves that the organization has been able to solve the aforesaid problem. This is not to suggest that formal authority has become totally irrelevant; rather the suggestion is that formal authority is supplemented here by some more effective source of authority. This alternative source of authority is informal authority.

4.3 — Informal authority

Informal authority seeks to meet the crisis occasioned by the challenge posed to formal authority. In the opinion of Blau, "... bureaucratic authority is indistinguishable from informal leadership." Gouldner distinguishes between bureaucracy based on expertness and bureaucracy based on punition. The concept of bureaucracy based on punition is almost indistinguishable from our concept of formal authority. And the concept of bureaucracy based on expertness bears a proximity to our concept of informal authority. However,


19 Alvin W. Gouldner, *op.cit.*, p.177.
the two are not identical as there are other elements than expertise which contribute towards informal leadership. Blau views not expertise as such but the readiness to use such expertise for the good of others -- that is to say, to give proper advice by utilising expert knowledge when asked for -- as constituting a good source of authority. He also points out other qualities necessary to promote informal leadership. He discusses the whole matter in the context of bureaucratic functioning in a federal agency in the following manner:

Informal leadership emerges in the process of interaction among a group of equals. Personality differences among the members of the group are reflected in their conduct. Some possess qualities that are highly valued by the group, such as outstanding ability to solve complex problems, and consistently adhere to the group's most valued norms; for instance, they never report bribes and always give advice when asked. The individual whose behaviour in the group -- as judged by the common value orientation -- wins the highest respect of the others will exert most influence over them. ... Their own evaluation of his performance in social interaction induces the members of the group to treat him as their leader.

20 Peter Michael Blau, op.cit., p.162.
21 Ibid., p.224.
We would seek to examine the phenomenon of informal leadership in the Directorate of Commercial Taxes from three different angles — expert knowledge, popular support and good human relations.

Table 4.3

Reliance on formal and informal authority in different situations:

<table>
<thead>
<tr>
<th>Rank of officers</th>
<th>(I) Regarding clarification of rules</th>
<th>(II) Regarding trouble in transfer posting</th>
<th>(III) Regarding ensurance of cooperation from subordinate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Leader of authority making transfer</td>
<td>Maintenance of good personal relations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>classification (informal)</td>
<td>(informal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-categorical response</td>
<td>(formal)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>Boss (formal)</td>
<td>12 (100.00%)</td>
<td>1 (8.33%)</td>
<td>1 (8.33%)</td>
</tr>
<tr>
<td>A colleague possess expertise (informal)</td>
<td>10 (83.34%)</td>
<td>1 (8.33%)</td>
<td>1 (8.33%)</td>
</tr>
<tr>
<td>Non-categorical response</td>
<td>12 (100.00%)</td>
<td>1 (8.33%)</td>
<td>12 (100.00%)</td>
</tr>
<tr>
<td>Total</td>
<td>2 (16.66%)</td>
<td>11 (91.67%)</td>
<td>0 (0.00%)</td>
</tr>
<tr>
<td>Boss (formal)</td>
<td>4 (25.00%)</td>
<td>55 (55.00%)</td>
<td>2 (1.67%)</td>
</tr>
<tr>
<td>C TO</td>
<td>60 (100.00%)</td>
<td>60 (100.00%)</td>
<td>60 (100.00%)</td>
</tr>
<tr>
<td>Non-categorical response</td>
<td>60 (100.00%)</td>
<td>60 (100.00%)</td>
<td>60 (100.00%)</td>
</tr>
<tr>
<td>Total</td>
<td>72 (100.00%)</td>
<td>2 (2.78%)</td>
<td>72 (100.00%)</td>
</tr>
<tr>
<td>Chisquare</td>
<td>7.233</td>
<td>4.266</td>
<td>0.255</td>
</tr>
<tr>
<td>Df</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>P</td>
<td>&lt; .05</td>
<td>&lt; .20</td>
<td>&lt; .99</td>
</tr>
</tbody>
</table>

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Part (i) of the table demonstrates that the reliance of the respondents on informal authority (a colleague having necessary expertise) is greater than that on formal authority (boss) in matters relating to clarification of the service rules or sales tax rules. This greater reliance on informal authority is manifest in the case of both the Assistant Commissioners of Commercial Taxes and the Commercial Tax Officers. Nevertheless, reliance on formal authority is five times greater in the case of the Assistant Commissioners of Commercial Taxes than in the case of the Commercial Tax Officers. On the other hand, reliance on informal authority is significantly greater among the Commercial Tax Officers than among the Assistant Commissioners of Commercial Taxes. The officials subordinate to the Commercial Tax Officers seldom perform functions entailing legal complications and, hence, they do not have to consult the Commercial Tax Officers on legal points. But the Commercial Tax Officers themselves perform functions that entail sufficient amount of legal complications. For solution of such problems, they often consult their bosses, the Assistant Commissioners of Commercial Taxes. It is comparatively difficult for the latter, who are in the habit of giving legal advice to
their subordinates, to accept the fact that a colleague of equal standing, although he may possess necessary expertise, is a more competent legal advisor than a superior officer. The chi square, being significant at less than five per cent level of probability also demonstrates the intensity of rankwise difference of opinion in this sphere.

Part (ii) of the table makes it clear that in case of any trouble in matters relating to transfer posting, a significant majority of the total number of respondents (68.05%) would rely more on formal authority (the authority making the order of transfer posting) than on informal authority (leader of the service association) for redressal of the difficulty. Quite likely, the Assistant Commissioners of Commercial Taxes have comparatively greater leanings towards formal authority vis-a-vis the Commercial Tax Officers in this matter also. What is more important is that near about two-thirds of the Commercial Tax Officers would like to rely on formal authority in this matter as against only one-third of them preferring reliance on informal authority. The extent of rankwise variation of attitude in this respect is not that spectacular, the chi square being significant only at less than
twenty per cent level of probability. The impression obtained here bolsters our previous assertion that the power to make transfer posting is a very potent weapon in the hand of the formal administrative authority of the Directorate of Commercial Taxes. Because of this, the capacity of the leadership of the service associations to significantly interfere in this sphere is highly restricted.

From part (iii) of the table it becomes evident that informal authority (maintenance of good personal relations) is regarded by 91.67 per cent of the respondents as more effective than formal authority (issue of formal instructions) in ensuring cooperation from the subordinates. It is highly significant that there is no difference in the rankwise composition of the respondents having reliance on informal authority in this respect. The percentage of the Assistant Commissioners of Commercial Taxes having reliance of formal authority is only slightly higher than that of the Commercial Tax Officers holding similar view. The rankwise difference of attitude of the respondents in this respect is almost non-existent, the chi square being significant only at less than ninety-nine per cent level of probability.
Making a comparative analysis of different parts of this table, we can infer that (1) possession of expert knowledge is an effective mechanism of wielding informal authority -- so far as proper interpretation of the rules is concerned -- although the higher level officers show greater deviation from this prevailing viewpoint; (2) the leadership of service association does not effectively confer informal authority especially in matters relating to transfer posting, and the deviation of the lower level officers from this prevailing viewpoint is not that significant; and (3) in respect of the efficacy of informal authority exercised through maintenance of good human relations for ensuring cooperation from the subordinate, there is almost an unanimity of opinion, and rankwise variation of opinion in this respect is virtually absent. Good human relations as a method of wielding informal authority far outweighs other measures used for the same purpose. Crozier expresses the view that exercise of power alone cannot ensure coordination, conformity to order and initiative. The importance of human relations -- although generally undervalued by the proponents of the rationalist approach in the field of bureaucracy and organization -- have to be taken into serious consideration to solve the problem of successful exercise of
In the view of Crozier, human relations approach is almost equated with permissive leadership. In order to maintain good human relations with the subordinate, the superior officer has often to take recourse to permissiveness. Whether to insist on strict compliance with the rules or to allow or overlook minor violations thereof by the subordinate is a dichotomous situation for the superior officer. Crozier beautifully narrates this position in the following manner:

The manager has two sets of conflicting weapons: rationalization and rule-making on one side; and the power to make exceptions and to ignore the rules on the other. His own strategy will be to find out the best combination of both weapons, according to the objectives of the unit of which he is in charge and to the degree to which members of the unit are interested in those objectives. Proliferation of the rules curtails his own power. Too many exceptions to the rules reduce his ability to check other people's power.  

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22 Michel Crozier, *op.cit.*, p.149.
Blau also makes a pointed reference to permissive leadership in his study of a federal organization. He shows how the supervisors, by allowing the agents to make violation of minor rules, enhance their own position and ensure compliance with their instructions by such agents. Blau writes, "An unenforced rule that is regularly violated extends the discretionary powers of superiors, because it furnishes them with occasions to use legitimate sanctions whenever they see fit."  

Bureaucratic functioning and exercise of authority in the Directorate of Commercial Taxes cannot be divorced from emphasis on maintaining good human relations with the subordinates including indulgence to the latter. Such permissiveness consists of allowing or overlooking delayed attendance and early departure by the subordinates, allowing the subordinate to use a car to which the superior officer -- and not the subordinate -- is legally entitled to, ignoring minor mistakes or rule-violation by the subordinates etc. Even the strict authoritarian officers, at times, give indulgence to the subordinate officials of their liking. In this way, the challenge to formal authority on the part of the subordinate officials by using human means at their  

24 Peter Michael Blau, op.cit., p.215.
disposal is sought to be overcome on the one hand and the ruthlessness of formal authority is made tolerable on the other.

Apart from expert knowledge about the rules, popular support and good human relations including permissiveness whenever necessary, there are other ingredients of informal authority. As for instance, efficiency and a high level of honesty are greatly appraised here; and the officials having such virtues are generally given habitual respect by other officials. Often several ingredients or virtues necessary for wielding informal authority are combined in one individual. Such an individual, then, forms a sort of charismatic personality. The achievements made and the roles played by a handful of such charismatic personalities are shining in the history of this Directorate. The achievements of such personalities are extolled no less than the attainments of some higher level officers who were promoted to the cadre of the Indian Administrative Service or to other highly prized posts.

An important function of informal leadership is that it often bridges the gulf between formal position and actual worth. Under the present system of recruitment and promotion, a
person may occupy a subordinate official position which is not keeping with his actual worth. This may lead to generation of frustration in the mind of the concerned official. But he may get an alternative avenue of ego satisfaction through attainment of informal authority by utilising his hidden qualities. Informal authority wielded by some exceptionally brilliant officials may get the approval of formal organizational authority of this Directorate in that the latter may entrust some highly significant and honourable functions to the former or may pay heed to their suggestions. In this process, the placement in the official hierarchy no more indicates the actual position of the concerned official. His real position becomes much more powerful and honourable. To cite an illustration, the power and position enjoyed by an Assistant Commissioner of Commercial Taxes a few years ago were envied even by some of the Additional Commissioners of Commercial Taxes. Obviously, the concerned Assistant Commissioner of Commercial Taxes had the support of the highest administrative authority behind him. Critics referred to him as constituting 'an unconstitutional source of power' in that his official position was not commensurate with his powers. Informal authority is,
therefore, not only crucial in the bureaucratic functioning of an organization, it is often approved by the formal authority. The formal organizational authority invites the persons wielding significant amount of informal authority to come to its aid.