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Industrial Democracy and Regional Decentralization¹

To some this may seem a peculiar, idiosyncratic juxtaposition of themes. I chose the title because this is precisely what I wish to discuss. In our studies of the democratization of work we have had to learn some lessons and think through some notions that are of central relevance to regional decentralization. Let me hasten to add that the “regional decentralization” I am thinking of is the decentralization of federal government departments and some of the political power of the federal parliament. The two areas where I think a transfer of learnings is possible and desirable are

- decentralization as a problem of maintaining control and coordination with respect to centrally defined objectives; a problem that is with us even if the objectives are broadly defined;
- decentralization as a problem of getting closer to and mobilizing controlling forces from among the people of the region, not just getting geographically nearer to them.

It comes as no surprise to me that in thinking about the problems of administrative decentralization these two areas emerged as focal. For about 20 years I have been haunted—if that’s the word—by Philip Selznick’s observation in *Leadership in Administration* (1957) that organizational decentralization cannot be achieved by administrative measures alone because “institutional integrity is characteristically vulnerable *when values are tenuous or insecure*” (p. 120, his italics). Selznick further observed that “this variation in the strength of values has received little scientific attention” (p. 120). My own work in the late 1950s with the National Farmers Union in Britain, the British Prison Commissioners and organizations like Unilever and Bristol-Siddeley Aero Engines powerfully confirmed, in my mind, the centrality of Selznick’s proposition for an adequate understanding of organizational decentralization. His solution for defense of institutional integrity in the face of decentralization—embodiment of values in a fairly autonomous elite—bothered me. It seemed to be the best that could be done within the framework of organization theory as we knew it but only exacerbated the problems in the second area of

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getting closer to the administered. The techniques that such elites use to get close to the people are those of cooptation and gently nudging democratic representative processes by the exercise of favors and threats. Selznick's earlier (1949) study of the Tennessee Valley Authority as a grassroots exercise in planning was a classic study of the processes of cooptation. He did not confront this dilemma in *Leadership and Administration* (1957).

I now think that there is a solution to the dilemma Selznick's thoughts posed for us. A solution started to emerge when we realized that there was not just one basic organizational design and that the differences in organizational effectiveness were not just differences in ability to realize this basic design through management training, consultants or native wit. As we brought into being organizations that were patently different in nature and obviously more effective, we probed for more general theoretical explanations as to why this could be so. I have not been alone in this probing but my own conclusion is that we have, in fact, two basic organizational designs to choose from; we are not limited to choosing how far we will go with one design. Let me settle down to discussing the reasons for my conclusion. After this discussion I will go on to the problems of getting closer to the administered.

The Two Basic Organizational Designs

In choosing their organizational designs people do not confront an infinite range of choice. Far from it. If their organizations are to be purposive they have to be adaptive over a wide range of evolving circumstances. The alternative is some sort of servomechanism with a fixed repertoire of responses and capable of surviving only within a very narrow range of foreseeable conditions. To achieve this adaptiveness redundancy has to be built into the system. This is an important property as with each arithmetic increase in redundancy the reliability of the system tends to increase exponentially (Pierce, 1964).

There are two basic ways by which redundancy can be built in:

- first, by adding redundant parts to the system, each part is replaceable; as and when one part fails another takes over and
- second, by adding redundant functions to the parts; at any one time some of the functions of any part will be redundant to the role it is playing at the time; as and when a part fails in the function it is performing, other parts can assume the function. So long as a part retains any of its functional capabilities (i.e., functional relative to the system requirements) it is of some value to the system.

The first design of redundant parts has been described by Mumford (1967) as the *megamachine*, and he has traced its long Asian history and more recent Western debut. Feibleman and Friend (1969:36) characterized the logical properties of the first design as *subjective seriality*, in which "the governing

relation is *asymmetrical* dependence. The sharing of parts is necessary to one of the parts but not to both.” The second design is characterized as *complementary seriality*, in which “the governing relation is *symmetrical* dependence. The sharing of parts is necessary to both of the parts. Neither part can survive separation. . . . [The] parts are on a parity with respect to their relations with other parts, and each is dependent upon the other” (p. 38). Note that their analysis of “the structure and function of organization” revealed only these two basic designs at the level of purposeful systems.

If redundancy is sought by having redundant parts, then there must be special control mechanisms (specialized parts) to determine which parts are failing and have to be rendered redundant, and which have to be activated for any particular response to be adaptive. If the control is to be reliable it too must have redundant parts and hence the question of yet another level of control emerges. The more difficult it becomes to determine the failure of dependent parts in time to make adaptive replacements, the more the levels of control tend to proliferate (compare the many levels of control to be found in an army or an oil refinery with the few that are found necessary in a car assembly plant).

One can expect a bias toward choosing the first design if (a) the costs of the individual parts is cheap and (b) there are long lead times available for the organization to learn new modes of response. Once this first basic design is chosen efforts will be made to keep down the cost of the individual part by sustaining a pool of unemployed, obtaining access to pools of poor and preferably dispossessed peasantry (e.g., the *Gastarbeiter* of Germany and Australia’s postwar migration scheme) or specializing and standardizing the function of the individual parts to minimize costs of training and retraining.

Regarding the second source of bias toward the megamachine, it is worth starting our considerations from the oft-made observation that this is a great way to run a railway or an army:

There are irrefutable advantages to this kind of organisation. Discipline is good, errors in routine procedures rarely go unchecked, and if the very top man is an exceedingly able executive he can usually make the whole organisation jump to his command very quickly. It usually takes a long time to build, and it is at its most successful where the function of the organisation is to control a very large number of people all doing more or less the same thing. It is the way most armies are organised—platoon, company, battalion, brigade, division, corps, army—and if you want to make a million men advance or retreat at a few hours notice it is hard to think of a better system. (Jay, 1970: 73)

Armies fight for short periods of their life under conditions of great uncertainty, great turbulence. Hence it is hard to reconcile Jay’s enthusiasm for or-