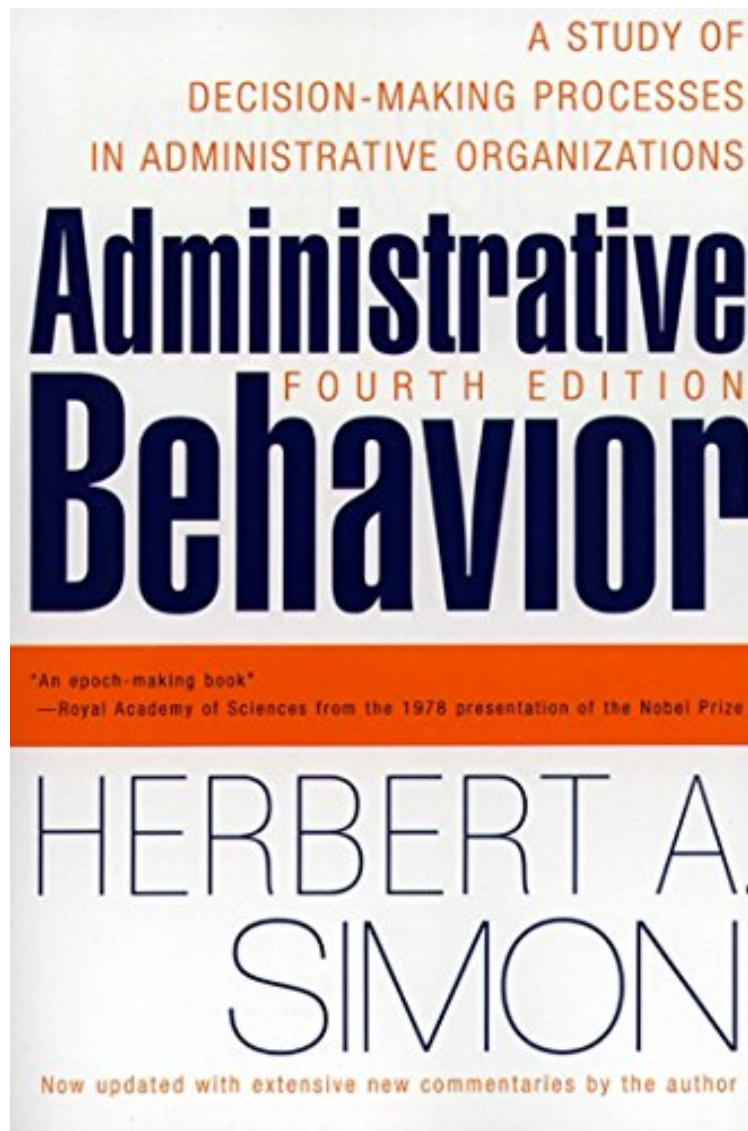


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Administrative Behavior, 4th Edition: A Study of Decision-making Processes in Administrative Organisations

Herbert A. Simon

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Herbert A. Simon : Administrative Behavior, 4th Edition: A Study of Decision-making Processes in Administrative Organisations before purchasing it in order to gage whether or not it would be worth my time, and all praised Administrative Behavior, 4th Edition: A Study of Decision-making Processes in Administrative Organisations:

15 of 16 people found the following review helpful. An Under-the-Radar ClassicBy J. M HeumannQuick: Choose the

two most influential people in business and industry in the latter half of the 20th century. If you chose people in the news, like Bill Gates or Tim Berners-Lee, you'd be wrong. People who make news are the exceptions, the high fliers, the men who bite dogs. The real movers fly under the radar, because they don't bother with exceptions: they define the rules. So it was with Claude Shannon, who defined the rules of information theory: signal/noise ratios, feedback, errors--the foundation stones for telecommunications and so much more. For the best overview of Shannon's contribution to understanding that "so much more"--molecular biology, linguistics, brain function, etc.--read Jeremy Campbell's *Grammatical Man: Information, Entropy, Language and Life* (1982). And so it was with Herbert A. Simon (1916-2001), who won the Nobel Prize in Economics in 1978 for his work in administrative decision-making. *Administrative Behavior* is his definitive work in this area. He went on to expand his thinking into areas such as artificial intelligence. The book started out as his doctoral dissertation at the University of Chicago, and it is presented here in its 4th and final edition, which gives the original 1st edition text, but with each chapter followed by an update that corrects misconceptions, responds to critics, and shows how new developments in information technology affect his thinking--which, given the precision and strength of the original ideas, isn't really much at all. I was introduced to Simon's work through the first paper in one of his volumes of collected papers. The argument, which corrected a standard solution to a standard decision problem, covered three pages--a quick read at the bookstore--and was so clear and obvious that I remember it exactly and can explain it in minutes. Perhaps because of that experience, I read the chapters of the original *Administrative Behavior*--clear, but a bit dry and old fashioned--and then appreciate the update chapters, which are more easy-going and conversational. Each is confident, but in a different way. As for usefulness, well, I've always been a believer in telling people what they already know: it confirms and organizes the knowledge that they've pulled together from many different sources and gives them a common basis for understanding. As a business analyst, mediating between business and IT, I find that *Administrative Behavior* helps me make sense of everything I know about business processes, enterprise architecture, and automated solutions. For an assessment of Simon's contribution to modern thought, read the Wikipedia article. There, he is characterized as a political scientist, though the bulk of the discussion is given over to his contribution to decision sciences. But I like to consider Simon and Shannon together, as, respectively, the business side and the IT side of modern business, industry, and government.

15 of 15 people found the following review helpful. Masterpiece on decision-making within organizations
By Gerard Kroese
The late Herbert A. Simon was Chaired Professor in Psychology and Computer Science at Carnegie-Mellon University. He was awarded the Noble Prize in Economics in 1978, for his work on rational decision-making in business organizations. This book was originally published in 1947; this fourth edition was published in 1997. This book is a result from Simon's research into decision-making processes within administrative organizations (with a larger emphasis on public organizations). The aims of the book are to describe decision-making processes within human organizations and to examine how modern technology are changing management and decision-making. The book is split up in five parts. The first part, Chapters 2 and 3, lay out conceptual issues to the structure of human choice. The second part, chapter 4 and 4, describe and explain the realities of human decision-making and the influences on the decision-making environment. The third part, chapter 6, discusses the motivational link between the individual and the organization, with a particular emphasis on the influence of authority. The fourth part, chapters 7, 8, 9, and 10, looks in detail at the main organizational influence processes and how these affect the decision-making process. The final part, chapter 11, links analysis to organization structure. Each chapter is very detailed and there is an commentary to each chapter discussing old and new themes impacting on each subject within that chapter. Yes, yes, yes, this is probably the best book ever written on decision-making and decision-making processes. Perhaps it is not simple and easy to read, since it is very detailed and specific. The extensive commentaries with each chapter is extremely useful and brings this book up-to-date. Highly recommended to all people interested in management and decision-making. The author does not use very simple business-language and there is plenty of psychology terminology, making it not a very quick read. A fantastic masterpiece from a true genius!

34 of 37 people found the following review helpful. Immortal Classic
By TD
According to Simon, much has been written about actual doings in administrative theory, but less has been written about the processes that precede action, that is, decision-making processes. The main objective of the book is to understand the organizations in terms of decision-making processes. Comprehending the decision-making processes in administrative settings, according to Simon, will give the executives the opportunity of influencing the decisions of lower-level decision makers. The book starts with a sarcastic criticism of classical administrative theory that has organized itself according to the schools and based mostly on principles. Simon demonstrates the limitations of principles--he calls these proverbs--offered by administrative theory scholars by illustrating how these principles contradict each other under specific circumstances. As an example, the author uses the conflict between unity of command and efficiency. When these two principles conflict with each other under some circumstances, these principles themselves do not give us any criteria that will provide us with the priority ranking that will help us to apply one of them. That is, a set of criteria that will guide the application of these principles must be developed. Instead of gathering around schools, Simon proposes that each theory deal with different domains of administrative organizations and knowledge cumulated about these domains be related to each other and be placed in a larger structure. Also, Simon asserts that the fact and value must be separated from each other in a

decision-making situation. The truth or wrongness of any decision in any administrative setting must be assessed according to the factual content of the decision, believes the author. I am not sure about how can we separate the value from fact, and Simon does not give any satisfactory answer to this problem. This problem belongs not only to Simon, but also belongs to all scholars that follow logical positivistic tradition of science. The most contributive and thought-provoking chapters of the book are the fourth and fifth chapters in which the author develops the concept "bounded rationality", a concept that has positioned itself in the history of management thinking. First of all, Simon introduces the concept "means-ends hierarchy" to base the rationality on a robust foundation. Rationality is defined as the behavior alternatives (means) that will help the organization members achieve the stated ends above his level of hierarchy. That is, instrumental rationality is accepted. But, Simon asserts that rationality of an individual is bounded because "the number of alternatives he must explore is so great, the information he would need to evaluate them so vast that even an approximation is hard to conceive" (p. 92). Because of the limitations of the psychological environment of the individual, it is impossible for any decision-maker to be purely rational. According to Simon, the pattern of human choice is often more a stimulus-choice pattern than a choice among alternatives (p. 117). Due to information-processing limitations of individual workers the design of the decision-making system becomes very important in that Simon believes that the system must be designed in such a way that brings the "necessary" data (not much data) to the zone of attention of the individual decision makers. The objective for the executives, Simon believes, is to influence "givens" of the employees. Division of work, establishment of work practices, hierarchy of authority, communication system, training and indoctrination are some tools to be used to influence the givens of the individuals in a way to better serve the larger goals of the organization. Based on bounded rationality, "administrative man" makes a decision not to maximize the utility as does the "economic man", but to "satisfice". I think this is a great contribution that has taken a respectable position in the field of organization theory, though the economists are still at rational economic man. There are very interesting chapters in the book that symbolize the breaking points from the classical administrative theory. However, one of the most important flaws of the book I believe is its assumption that organizational goals (at the top level) are known so that means-ends hierarchy serves a useful purpose. If the members of the organization at the top (top management) are not aware or are "consciously unconscious" of the organizational goals, the whole theory of Simon collapses. I think and see that the later scholars of administrative theory have not followed the advice of Simon to establish a coherent framework and theory regarding organizational thinking, instead the theory has been splintered into different schools, each of which draws a different picture of organizations based on different premises. I believe this is the indication of richness, not the proof of the immaturity of the field. Overall I highly recommend this classic to every student of organization theory. This book is worthy of reading several times, despite the discussible points I mentioned.

In this fourth edition of his ground-breaking work, Herbert A. Simon applies his pioneering theory of human choice and administrative decision-making to concrete organizational problems. To commemorate the fiftieth anniversary of the book's original publication, Professor Simon enhances his timeless observations on the human decision-making process with commentaries examining new facets of organizational behavior. Investigating the impact of changing social values and modern technology on the operation of organizations, the new ideas featured in this revised edition update a book that has become a worldwide classic. Named by Public Administration Review as "Book of the Half Century," Administrative Behavior is considered one of the most influential books on social science thinking, and was referred to by the Nobel Committee as "epoch-making." Written for managers and other professionals who wish to understand the decision-making processes at the heart of organization and management, it is also essential reading for students in business and management, economics, sociology, psychology computer science, government, and law.

About the Author Herbert A. Simon is Chaired Professor in psychology and computer science at Carnegie Mellon University. Awarded the Nobel Prize in Economics in 1978, Professor Simon currently works in the field of artificial intelligence. Excerpt. copy; Reprinted by permission. All rights reserved. Chapter 1 Decision-Making and Administrative Organization Administration is ordinarily discussed as the art of "getting things done." Emphasis is placed upon processes and methods for insuring incisive action. Principles are set forth for securing concerted action from groups of men. In all this discussion, however, not very much attention is paid to the choice which prefaces all action -- to the determining of what is to be done rather than to the actual doing. It is with this problem -- the process of choice which leads to action -- that the present study is concerned. In this introductory chapter the problem will be posed and a survey made of the topics to be taken up in the remaining chapters. Although any practical activity involves both "deciding" and "doing," it has not commonly been recognized that a theory of administration should be concerned with the processes of decision as well as with the processes of action. This neglect perhaps stems from the notion that decision-making is confined to the formulation of over-all policy. On the contrary, the process of decision does not come to an end when the general purpose of an organization has been determined. The task of "deciding" pervades the entire administrative organization quite as much as does the task of "doing" -- indeed, it is integrally tied up with the latter. A general theory of administration must include principles of organization that will insure correct

decision-making, just as it must include principles that will insure effective action. **DECISION-MAKING AND THE EXECUTION OF DECISIONS** It is clear that the actual physical task of carrying out an organization's objectives falls to the persons at the lowest level of the administrative hierarchy. The automobile, as a physical object, is built not by the engineer or the executive, but by the mechanic on the assembly line. The fire is extinguished, not by the fire chief or the captain, but by the team of firemen who play a hose on the blaze. It is equally clear that the persons above this lowest or operative level in the administrative hierarchy are not mere surplus baggage, and that they too must have an essential role to play in the accomplishment of the agency's objectives. Even though, as far as physical cause and effect are concerned, it is the machine gunner and not the major who fights battles, the major is likely to have a greater influence upon the outcome of a battle than any single machine gunner. How, then, do the administrative and supervisory staff of an organization affect that organization's work? The nonoperative staff of an administrative organization participate in the accomplishment of the objectives of that organization to the extent that they influence the decisions of the operatives -- the persons at the lowest level of the administrative hierarchy. The major can influence the battle to the extent that his head is able to direct the machine gunner's hand. By deploying his forces in the battle area and assigning specific tasks to subordinate units he determines for the machine gunner where he will take his stand and what his objective will be. In very small organizations the influence of all supervisory employees upon the operative employees may be direct, but in units of any size there are interposed between the top supervisors and the operative employees several levels of intermediate supervisors who are themselves subject to influences from above, and who transmit, elaborate, and modify these influences before they reach the operatives. If this is a correct description of the administrative process, then the construction of an efficient administrative organization is a problem in social psychology. It is a task of setting up an operative staff and superimposing on that staff a supervisory staff capable of influencing the operative group toward a pattern of coordinated and effective behavior. The term "influencing" rather than "directing" is used here, for direction -- that is, the use of administrative authority -- is only one of several ways in which the administrative staff may affect the decisions of the operative staff; and, consequently, the construction of an administrative organization involves more than a mere assignment of functions and allocation of authority. In the study of organization, the operative employee must be at the focus of attention, for the success of the structure will be judged by his performance within it. Insight into the structure and function of an organization can best be gained by analyzing the manner in which the decisions and behavior of such employees are influenced within and by the organization. **CHOICE AND BEHAVIOR** All behavior involves conscious or unconscious selection of particular actions out of all those which are physically possible to the actor and to those persons over whom he exercises influence and authority. The term "selection" is used here without any implication of a conscious or deliberate process. It refers simply to the fact that, if the individual follows one particular course of action, there are other courses of action that he thereby forgoes. In many cases the selection process consists simply in an established reflex action -- a typist hits a particular key with a finger because a reflex has been established between a letter on a printed page and this particular key. Here the action is, in some sense at least, rational (i.e. goal-oriented), yet no element of consciousness or deliberation is involved. In other cases the selection is itself the product of a complex chain of activities called "planning" or "design" activities. An engineer, for example, may decide upon the basis of extensive analysis that a particular bridge should be of cantilever design. His design, further implemented by detailed plans for the structure, will lead to a whole chain of behaviors by the individuals constructing the bridge. In this volume many examples will be given of all varieties of selection process. All these examples have in common the following characteristics: At any moment there are a multitude of alternative (physically) possible actions, any one of which a given individual may undertake; by some process these numerous alternatives are narrowed down to that one which is in fact acted out. The words "choice" and "decision" will be used interchangeably in this study to refer to this process. Since these terms as ordinarily used carry connotations of self-conscious, deliberate, rational selection, it should be emphasized that as used here they include any process of selection, regardless of whether the above elements are present to any degree. **VALUE AND FACT IN DECISION** A great deal of behavior, and particularly the behavior of individuals within administrative organizations, is purposive -- oriented toward goals or objectives. This purposiveness brings about an integration in the pattern of behavior, in the absence of which administration would be meaningless; for, if administration consists in "getting things done" by groups of people, purpose provides a principal criterion in determining what things are to be done. The minute decisions that govern specific actions are inevitably instances of the application of broader decisions relative to purpose and to method. The walker contracts his leg muscles in order to take a step; he takes a step in order to proceed toward his destination; he is going to the destination, a mail box, in order to mail a letter; he is sending a letter in order to transmit certain information to another person, and so forth. Each decision involves the selection of a goal, and a behavior relevant to it; this goal may in turn be mediate to a somewhat more distant goal; and so on, until a relatively final aim is reached. In so far as decisions lead toward the selection of final goals, they will be called "value judgments"; so far as they involve the implementation of such goals they will be called "factual judgments." Unfortunately, problems do not come to the administrator carefully wrapped in bundles with the value elements and the factual elements neatly sorted. For one thing, goals or final objectives of governmental organization and activity are usually formulated in very general and ambiguous terms --

"justice," "the general welfare," or "liberty." Then, too, the objectives as defined may be merely intermediate to the attainment of more final aims. For example, in certain spheres of action, the behavior of men is generally oriented around the "economic motive." Yet, for most men, economic gain is not usually an end in itself, but a means for attaining more final ends: security, comfort, and prestige. Finally, the value and factual elements may be combined, in some cases, in a single objective. The apprehension of criminals is commonly set up as an objective of a municipal police department. To a certain extent this objective is conceived as an end in itself, that is, as aimed toward the apprehension and punishment of offenders against the law; but from another point of view apprehension is considered a means for protecting citizens, for rehabilitating offenders, and for discouraging potential offenders. The Hierarchy of Decisions. The concept of purposiveness involves a notion of a hierarchy of decisions -- each step downward in the hierarchy consisting in an implementation of the goals set forth in the step immediately above. Behavior is purposive in so far as it is guided by general goals or objectives; it is rational in so far as it selects alternatives which are conducive to the achievement of the previously selected goals. It should not be inferred that this hierarchy or pyramid of goals is perfectly organized or integrated in any actual behavior. A governmental agency, for instance, may be directed simultaneously toward several distinct objectives: a recreation department may seek to improve the health of children, to provide them with good uses for their leisure time, and to prevent juvenile delinquency, as well as to achieve similar goals for the adults in the community. Even when no conscious ...