

## Theory of Organisations. Stakeholder interplay.

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### Overview: Organisations, and Stakeholder interplay

1. The world view of the course
2. An example: Greece; and your role in an organisation
3. Theory of organisations
  - Functionalist views
  - Alternatives
4. The Leavitt-Whisler model of organisational change

Presentations: China, ..

5. Actors, and policy issue networks
6. Stakeholders and their interplay

### The world view of the course

Societal Values and Resources  
condition  
**Organisational *interactions* on Development**  
of cadastral systems comprising of

**Owners &  
Property Rights**

**Government  
& Rules**

*Transactions*

**Terrain Objects**

**Databases**

### Organisational aspects of cadastral development project in Greece

Agency type

- Ministries, e.g. environment, agriculture, taxation
- Public organisations and services, e.g. utility companies
- Private sector companies, e.g. computer facility management
- Professional organisations, e.g. surveyors, notaries

**Organisations involved (1)**

Commission of EU, DG Regional policy	Funding project 75%, supervision
<u>Greek ministries:</u> Environment, Planning, Publ. Works Justice Economics Agriculture Interior, Public administration Foreign affairs Culture	Supervises project Land Registry Offices Public land Forest areas Public administration Owners living abroad Archaeological sites
<u>Public organisations and services:</u> Hellenic Mapping and Cadastral Org. Hellenic Cadastral 'n Mapping Service Hellenic Military Service Hydrographic Service of Hellenic Navy Registry offices Universities (Athens, Thessalonika)	Planning and coordination Unit within M.Envir.; work Permission for aerial phot. Mapping seashore Work Scientific advice

**Organisations involved (2)**

<u>Private sector firms:</u> Ktimatologio S.A. (Hellenic Cadastral) The Hellenic Cadastral Consult Design (engineering) offices Aerial photogrammetry firms Marketing communication firms Telephone support firms	Company; Develops cadastre Internat.l consulting consort. Collects cadastral data Makes aerial photomaps Communicates .. awareness Answers questions
<u>Professional associations:</u> Technical Chamber of Greece ... ..	Developed proposal, price list ... ..

**Organisational experiences**

"The most complex and delicate issues to be resolved included the rivalry between the public and the private sector agencies concerning the role that each would play in the development and operation of the cadastre. ..."

P Lolonis (2000) Public and private sector cooperation in developing the Hellenic National Cadastre. Bertinoro III, 14 Dec 2000. Final report, chapter 4.3

### **Your role in an organisation (1)**

*What do you want to change?*

'You'

- are prepared to improve cadastral system in a specific country
- conceives cadastral system as an administrative entity (not a technical tool)
- have facilitating, rather than directive power

'What' includes

- change of content of information flows
- change of information channel network (new, reorganised)
- change of organizational units, incl. committees (new, reorg.)
- change of rules, norms and competencies

### **Your role in an organisation (2)**

*Why change?*

- What does your superior /boss want?
- Who (groups in society) benefits? How?
- Is land used more efficiently? more sustainably?

*How to achieve change ?*

- Does *resources* match *tasks*? (Money, know-kow, reputation, ..)
- What are the others doing ? (Analyse interaction of org. units)

### **Theory of organisations**

An organisation is

- a named entity, made up of
- a group of individuals, who
  - perform work in specialized units
    - coordinated by rather permanent relations and procedures
    - as stated in written articles,
- to achieve the goal of the organisation

Articles/ Statutes structure relations: hierarchial, matrix, project, ..

Decision patterns: Subsumption under rules, or rating among alternatives.

### Theory of organisations

The class of organisations include

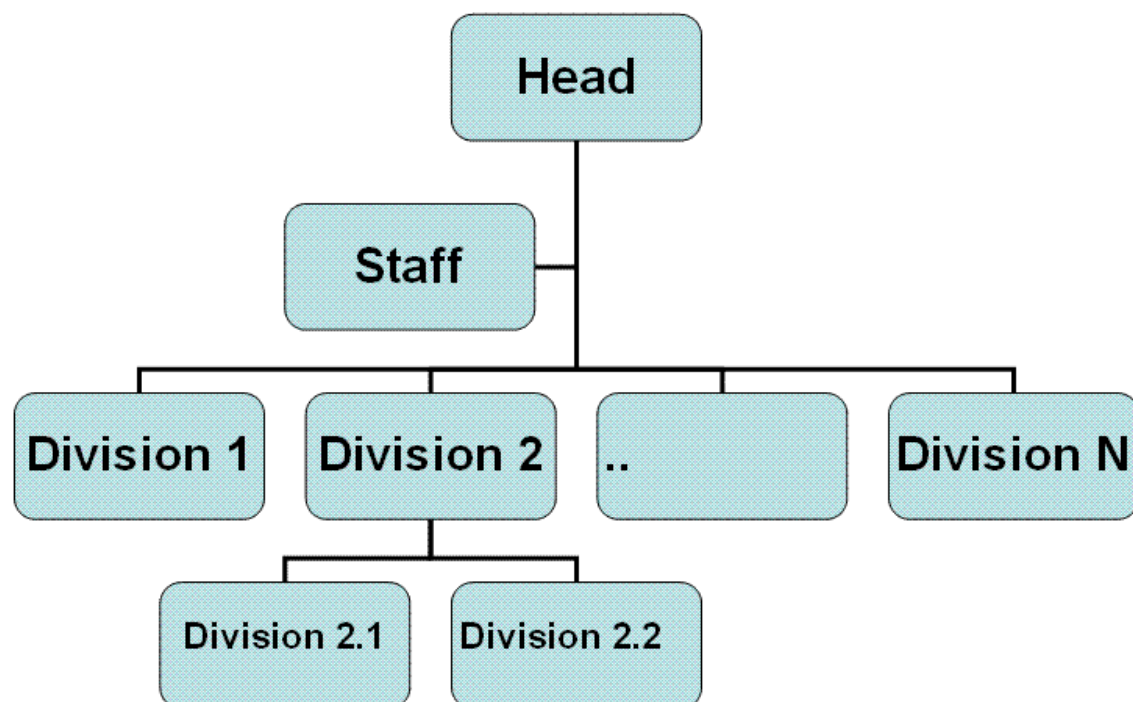
- Companies and enterprises (computer.., farms, consultant..)
- Governmental units
- Associations (of chess players, farmers, party members)
- Kindergartens, and other (social) institutions

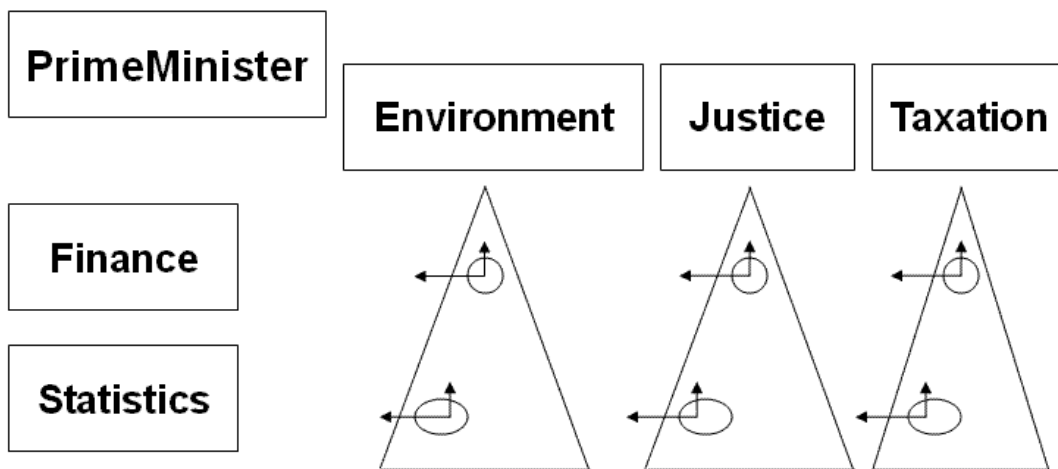
In scientific literature on cadastral issues, *institutional* often means *legal and organisational*

### Functionalist views (~1920s ->)

- Perception of tasks: Mechanistic:
  - Taylor, 1911: Scientific management (Descartes: Divide task into smaller units, solve, and combine)
  - Simon, 1947: Rational man, administrative man
- Perceptions of man: Human relations:
  - <> Mayo, 1933; McGregor, 1960

### Scientific management 1: Hierarchical structuring of tasks



**Scientific management 2: Matrix structuring of tasks****Scientific management 3: Rational decision processes**

Steps in rational problem solving:

- define problem
- establish criteria of solution
- develop alternatives
- rate alternatives
- select solution, and implement it
- restructure problem conception

**Not so scientific management: Satisfying decision process**

Steps in satisfying problem solving (Simon, Administrative man, 1947):

- realize problem (not: define)
- suggest feasible solution(s)
- select solution that leaves you with the greatest amount of freedom

**Legal decision processes: Subsumption**

- define problem relative to relevant cluster(s) of law
- identify and attribute weight to relevant rules
- subsume the defined problem to these rules
- articulate the solution and its motivation, and communicate it
- restructure problem conception

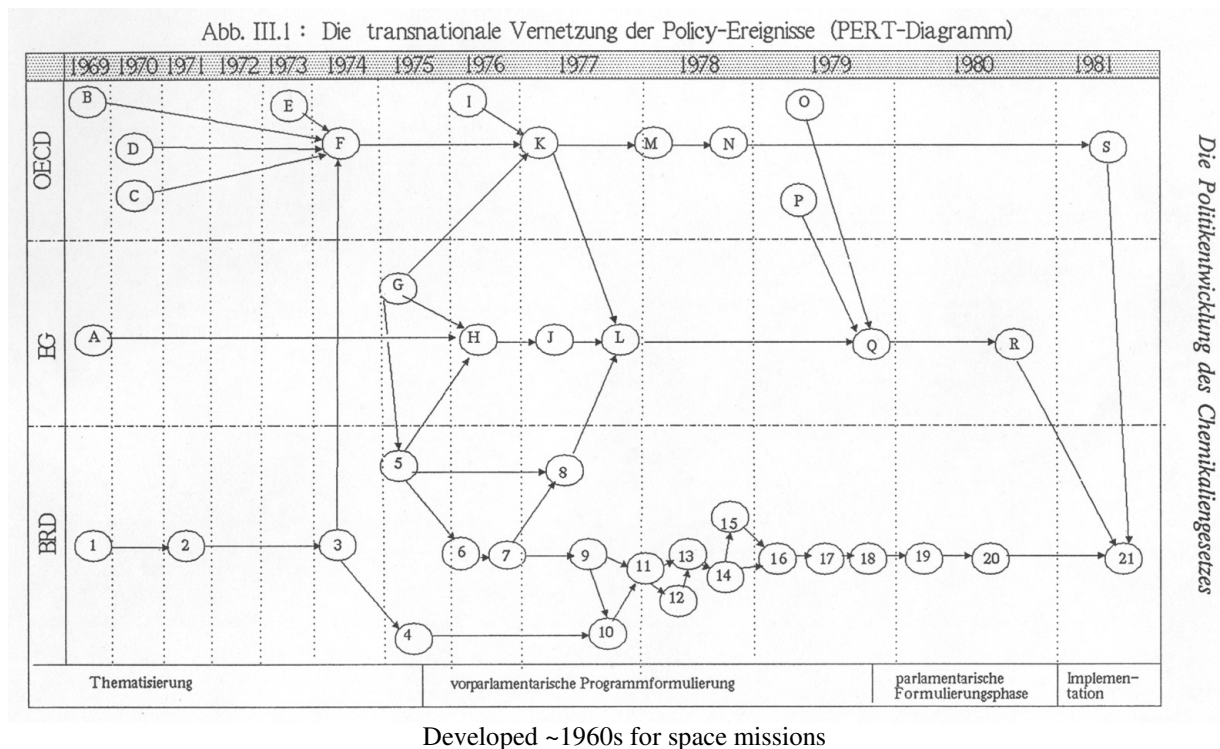
**Max Weber (1924) on bureaucracy**

"..the exercise of control on the basis of knowledge"  
in church, government, and enterprise

- Decisions by subsumption of cases to rules, in writing
- 'Bureau' (office: authority) with specific competence/ task
- Officials act impersonal, duty /service, have no ownership of means
- Promotion is based on technical skills, obtained through superiors' rating

Recently quoted in

Roberts and Hite (2000) From modernization to globalization, ... Blackwell, UK.  
Randal Collins (1986) Max Weber - A Skeleton Key. Sage Publications, London

**Scientific management: Program Evaluation and Review Technique (PERT)****Scientific management: Program Evaluation and Review Technique (PERT)**

Observations (Denmark, ~1973)

Project	Person NIS	Property NIS
Planning technique	PERT (2 sq.m.)	Shopping list (A4)
Outcome	Development delayed 2 years	Developed on time

### Perceptions of the subordinate person

- Perception of tasks:
  - Scientific management (cf. Descartes: Divide task into smaller units, solve, and combine)
  - Administrative man
- Perceptions of man: Human relations:
  - Mayo, 1933: Hawthorne experiments
  - McGregor, 1960: Theory X and theory Y

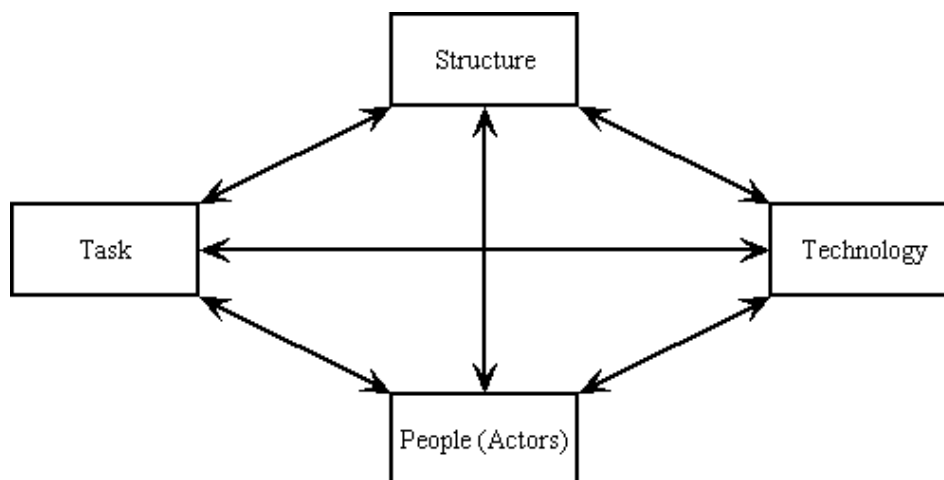
### Later views on organisations

- Information theory/Ecology (Roman Jakobson, 1960;..)
- Rationality questioned: Open systems, loose coupling (1970s)
- Meaning questioned: Discourse analysis, e.g. Foucault, 1977; Manning: Symbolic communication, 1988.

Implications for information systems development:

- Soft Systems Methodology, Checkland & Scholes (1990)
- but alternatively:  
Institutional Analysis and Design, E. Ostrom (2002)

### The Leavitt-Whisler model of organisational change



Kilde: Leavitt, 1965. Fig 1, side 1145

**Shifting views on public administration (Koupus, 1989)**

Dominant conception	Before 1970s	After 1970s
Context	Public administration	Business
Source	Germany	USA
Science	Law	Economy
Task	A signed decision according to law	A service or advice
Addressee	Citizen	Client
Quality measure	Decisions in accordance with law	Services according to resource plans
Conception of information	Archive. Paradigms	Data flows. Market in data

**Conclusion: Organisations**

Improvement of land management depends on change at several layers of abstraction:

- Institutional (land tenure)
- Organisational (government units, etc)
- Procedural (transfer of unit, subdivision, ...)
- Physical (marks, plates, terrain objects)

Today focused on *Organisations*

**Conclusion: Organisations (2)**

1. Cadastral development is an organisational affair (Greece)
2. You must understand and navigate in an organisation
3. You have been introduced to 'Theory of organisations'
4. The Leavitt-Whisler model: Focus on
  - structure
  - technology
  - personnel, knowledge
  - outcome, 'product'

**Stakeholder interplay**

- Repetition: The development of the Danish Building and Dwelling Register (BBR) 1973 - 1981
- A methodology for analyses of cadastral development
  - a. The investigation by Volker Schneider 1988
  - b. Corresponding Danish research
  - c. Lessons to be learnt from my work in Slovenia 1995 - 1999



**Experiences gained from the development  
of the Danish Building and Dwelling Register**

- State and municipal units (stakeholders, actors) cooperated
- New practise was introduced without knowing relevant theory
- There are other ways of expressing location and spatial relations than through coordinate systems.
- There is theory available to explain interaction of organizational units

**PERT - tool for rational planning,  
but also for the recording of past events ?**

- USA, 1960s:  
PERT as means of rational planning (Space missions)
- DK, 1970s:  
PERT as planning tool for development of population NIS
- D, 1980s:  
PERT as tool for reconstruction of structure of past events

**The development of German law on chemical substances**

Research methodology:

- Identify scope of study: The law making process
- Collect reports and other written material, to identify *actors*
- Perform preliminary interviews, to identify further *actors*, and locate places, where they meet: *arenas*
- - - - ('Snowball method')
- Prepare and conduct essential interviews,
- Reconstruct sequence of events and interrelation of *events* (PERT)
- Establish mutual assessment of *resources*
- - - - e.g. to identify type and amount of *resources* ('power')

**The concept of 'Actor'**

An *Actor* is a physical person, [could be called *stakeholder* as well]  
acting on behalf of an organisation(al unit)

The *actor* is free as any human, e.g. to meet another person or not, but bound by the norms and articles of the organisation s/he represents.

**Examples of the concept of / Instances of the class of 'Arena'**

- Parliament
- Permanent councils and committees
- Task forces and working groups
- Recurrent events (conferences, seminars) with strong themes
- Professional associations (e.g. of Notaries, or Geodetic Engineers)

**Application of V. Schneider's approach**

Schneider's sub-classes of actors (cf. Greece):

- Governmental bodies
- Political parties
- Organised interests (Industry, Trade Unions, 'Green' organizations)
- Scientific bodies
- International organisations

**Application of V. Schneider's approach: Governmental bodies**

Governmental bodies	
Management of chemical substances	Cadastral development (examples)
Min of Labour Min of Agriculture Min of Interior Min of Health Min of Commerce and Industry Min of Research Agency of Materials Testing Agency of Security at Work ... Agency of Environment	Cadastral Agency Courts (Land Registry) Property tax authorities National Statistics .. Local government

**Application of V. Schneider's approach: Political parties, etc.**

Political parties	
Management of chemical substances	Cadastral development (examples)
SPD, CDU, FDP	MPs in relevant Parliamentary committees
Organised interests (Industry, Trade Unions, 'Green's')	
Association for Chemical Industry Corporation for Chemistry, Paper and Ceramics German Chamber of Commerce ...	Big land owners Foreign, economic interests. Semi-public computer facility management. Computer and software companies. Consultants

**Application of V. Schneider's approach: Scientific bodies, etc.**

Scientific bodies	
Ass. of Chemical Engineers (BGChemie) German Research Corporation (DFG) Expert Committee on Environmental Issues	Association of Geodetic Surveyors; .. of Notaries; University departments
International organisations	
EU OECD Europ. Ass. for Chemical Industry	OECD FIG CLGE

**Schneider: 'Similarity of resources'**

## Knowledge:

- Laboratories (staff and equipment)
- Expertise

## Organisational skills:

- Accomplishing timely decisions
- Making money
- Keeping contact with other decision centres
- Motivate high degree of membership
- Direct (govern) use of resources

## Access to news media:

- Reputation
- Ability in mobilising interest

**Power and resources - A Danish account (F. Valentin, 1980)**

- Power is rooted in social relations
- Specific access to one type of resources may be traded against another types

**Stakeholder analysis**

Stakeholders	Active opposition	Passive opposition	Not committed	Passive support	Active support
Suppliers			XO		
Executive directors				X —————→	O
Staff	X —————→		O		
National politicians				XO	
Finance Director				O ←————	X
Local politicians		XO			

X = current position      O = required position

Figure 42.7 Stakeholder commitment matrix

**Summing up**

- Slovenia had (1995+) no articulate interest groups, while in Germany you have
  - a high level of bureaucratic maturity, articulated goals
  - a national appreciation of rational approaches
  - specific expertise is objectivised (big and competitive country)
- In small countries (DK, SLO, ..), similar investigations may be difficult to perform, because physical persons (rather than competing bodies) control expert knowledge.

**The lesson from Slovenia**

Social behavior is culturally bound (and methodologies should reflect that!)

Concept set: actor [stakeholder], network, arena, resources, .. is still useful

Use the concept set to structure problem and analyse 'next step' like playing Chess

Other literature with similar approach:

Marsden, Peter V. & Nan Lin (publ.): Social structure and network analysis, Sage Focus Editions, nr. 5, PUBL. DATA. 2. Printing Sage, Beverly Hills, California, 1985

**Conclusion on stakeholder interplay**

- Volker Schneider: Major administrative changes are the outcome of power 'games'
- Lessons learnt from Slovenia: Schneider's methodology does not fit all countries. We can somehow explain why.
- Stakeholder analyses apply the theory

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