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Employed by American Telephone & Telegraph, 1909-1948
President, New Jersey Bell Telephone (1927-1948)
Director, New Jersey State Emergency Relief Administration 1931-1934
President, United Service Organizations (USO), 1942-1945
President, Rockefeller Foundation 1948-1952
Chairman, National Science Foundation, 1952-1954

Chester Irving Barnard From Our Readings...

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Defining Formal Organization

A system of consciously coordinated activities or forces of two or more persons.

Not the Physical Plant

Not the Social Elements (except with respect to the law)

Not the Individual, but the Interactions of Individuals

Includes transactions with Suppliers, Customers, Creditors

An organization is more than the sum of its subordinate parts

Prime importance of time.

An individual may belong to many organizations: the United States, the University of Minnesota, an employer, a church, a club, a political party and to the individual herself.

Theory of Formal Organization

Three Elements of the Organization...

- 1) Willingness to serve
- 2) Common purpose
- 3) Communication

COOPERATION
is Foundational

WILLINGNESS

- ✓ Intensity of attachment to the cause – Loyalty, solidarity
- ✓ Surrender of control of personal conduct – depersonalization
- ✓ Preponderance of individuals lie on the negative side in reference to one organization.
- ✓ Aggregate willingness of contributors is unstable

PURPOSE

- ✓ Often not formulated, but a pattern observed.
- ✓ Essential function is for executives to ensure that contributors believe the common purpose.

COMMUNICATION

- ✓ Communication brings together the willingness and purpose
- ✓ Specialization in organizations is often to maintain communication requirements
- ✓ Structure and scope are defined by communication

Effectiveness and Efficiency

EFFECTIVENESS

Ability to carry out its purpose
 Depends on its environment
 Must disintegrate if it cannot achieve its purpose
 Matter of technological purposes with physical objectives
 More complicated with social organizations
 Generalization of purpose defined by day-to-day events
 Authority exists when subordinates are willing to accept it

EFFICIENCY

Relative to the securing of necessary personal contributions to the cooperative system
 Not the ordinary industrial efficiency
 Expanded view of efficiency has more meaning in social organizations
 People are not sufficiently induced by monetary considerations
 Realized that it is a challenge to structure non-economic inducements

- ✓ Organizations are impersonal systems of coordinated human efforts
- ✓ Always a purpose as the coordinating or unifying principle
- ✓ Complexity appears to modify the quality and form, but not the principles

Major Contributions

Defining the Nature of Organizations

Importance of Cooperation

Zone of Indifference

Communication

Informal Organization

Moral dimension to Management

Variability of individual behaviors critical to organizational effectiveness

Bottom-up View of Authority