Environmental Influences on an Industrial Organisation in Ceylon*

SUSANTHA GOONATILAKE

This paper describes a research study of an industrial organisation in Ceylon The object of this study was principally to describe the relation of Western organisa tional methods officially adopted in the organisation to the methods actually i use, and also to trace the influence which the environment had on the working of th organisation. These two questions are intertwined, and the answers to these were se out in a set of models. The description which follows has a brief overview of the lite rature on non-Western organisations specially as they relate to conditions familia to Ceylon. The findings of the study are discussed in relation to this literature.

Western Studies on Non-Western Organisations

Sociological interest in cross-cultural organisations goes at least as far back a Weber, but these early writings are not of direct interest to us as they deal with organi sations of the modern-type only in the Western context and do not deal with modern type organisations in non-Western settings. For example, to use Weberian terminolog the existence of legal-rational organisations in traditional settings is not considere Only organisations and authority structures consistent with, and arising out o their environmental contexts are considered in these early writings, whether the be traditional, rational or charismatic (Weber, 1947, p. 157).

An early, although not a very systematic, contribution to the problems of no Western legal-rational organisations is set out in an article "Persia-China" writte by Engels at Marx's request (Avineri, 1965, pp. 175-186). In this article, Engels refe to the defeat of the Persian army by a very much smaller Anglo-Indian force. Th defeat, which was surprising in that the Persian Army was well equipped with th latest weaponry and its army had been trained by European instructors, was explaine by Engels (and Marx) by the fact that the mere introduction of European technique into a society will not guarantee its effective use; and led to the observation tha there has to be a total change in attitudes and ways of life, and of their total 'We tanschaungen' by the participants in the organisation. "The main difficulty is th creation of a body of officers... totally freed from the old national prejudices an reminiscences... and fit to inspire life into the new formation. This requires a lon time" (Avineri, 1965, pp. 177). The implication of this analysis is that the type o organisation developed in Europe is intimately related to its culture, and in a cultur context different from where it sprang up, these organisational methods would no be very effective.

Both Weber's analysis of authority and organisational structure (rational, trad tional, charismatic) and Engels' analysis are views of the organisation from a societ perspective. These views of organisation from a societal perspective have been cont nued by the new theorists of social evolution that have arisen in the developme

*Editor's Note: This article reached the journal in mid-1973 and represents the preliminar views of the author. Since then his theoretical perspectives are being re-examined.

field. These theorists follow more in the footsteps of Weber's rational-traditional dichotomy rather than in Marx's historical determinism in their evolutionary scenarios. (Although at the substantive level of organisation analysis, both the Marxian and Weberian analyses are very similar). Among the new theorists we may include Parsons, Moore and Smelser.

Smelser (1969) describes the modernisation process as one of structural differentiation, being the establishment of more specialised and more autonomous social units replacing the more generalised ones of traditional society. Transitional societies may be classified on a scale depending on the respective distances that they have moved along differentiation. Migratory labour in the organisational sphere is a compromise resulting in both a wage-labour force and a traditional community life. On the road to modernisation, various organisational problems arise because of the discontinuities arising from the increasing differentiation and the earlier attitudes of traditional society. Compromise solutions of this problem are found, say in Japan, where a mixed form combining family ties and modern organisation provides stable solutions.

Moore (1965) divides the effects of industrialisation into first order and second order consequences. One of the first order consequences is change in the work relationships in productive organisations. The required work relationship in the industrial setting is functionally specific, impersonal and affectively neutral; positions are filled on merit and employer-employee relationships are contractual and specific in nature. In developing countries, the crucial problems in industrial organisations are the occasions for compromise with traditional canons of conduct and the effect they have on efficiency. In transitional organisations participants have to adjust to a new form of authority. They had been earlier used to the notions of authority and to degrees of hierarchical level, but the basis of authority was traditional and it was not restricted as in the modern organisation. There are many examples of compromises with delimited authority relationships, the use of 'native' intermediaries as supervisors being one of these. The intermediaries provide a wider authority relationship than that of a strictly modern organisation. A slow transition to the new industrial order could provide considerable compromises between the old and the new, an example being the quasi-feudal landlord tenant relationship directly transferred to similar relations between factory employers and employees.

Udy (1970) has used a developmental scale of societies, dividing societies from the most primitive to the industrial-modern into five categories, to develop a socio-technical scheme for organisations. The data on which he bases the study are those pertaining to 125 societies taken from the Human Relations Area files. His basic data fit the model but his findings are not of direct use to us, as they deal only with organisations that are a cultural product of their societies, but do not deal with organisations developed in alien cultures and transplanted into traditional cultures.

The main interest in cross-cultural organisations grew after the period of the Second World War, concurrent with the growth of many independent nations and development programmes. Some of the attempts to evaluate administrative systems in the developing countries have arisen within the Comparative Administration Group affiliated with the American Society for Public Administration. A considerable

literature has developed in the field, and the principal workers in the school are Heady (1957, 1959), Diamant (1964), Riggs (1957, 1962, 1964), Presthus (1962), Waldo (1964), Siffin (1966) and La Palombra (1963). The most influential among these is Riggs.

Riggs has, through the years, developed a series of ingenious models based on the observed differences between Western and transitional societies. One of his first schemes drew inductively on the known characteristics of agricultural nations (China) and industrial ones (the U.S.). The resulting scheme of Industria-Transitia-Agraria took into account the transitional societies under the label Transitia. The inductive images he drew up for these societies and their bureaucratic organs were elaborate and did attempt to explain most of the observed characteristics of organisations in the three settings (Riggs, 1957).

In a later attempt at theoretical formulation (1962) he rejected this earlier inductive approach and proposed a deductive model that has, since its publication, been widely quoted. In this formulation he uses an approach that has been taken by certain sociologists such as Talcott Parsons who have arranged societies on a developmental scale (Riggs, 1964, pp. 19-27). The more traditional and less developed the societies are, the more they tend to be largely ascriptive, particularistic, and diffuse. That is, these societies tend to give status on the basis of birth rather than achievement, tend to favour a narrow base for social decisions rather than a larger one, and their social structures would tend to perform a large number of functions rather than a few. The developed societies in contrast tend to be achievement-oriented, universalistic and specific. (These dichotomies of ascription-achievement, etc. being the well known pattern variables of Parsons).

Riggs takes one of these dimensions, namely, specificity-diffuseness, and uses it to develop a societal evolutionary scheme. A structure that is functionally diffuse performs a large number of functions, a functionally specific one a limited number. Traditional society is functionally diffuse, and modern society is specific, and corresponding to these two prototypes and using an optical analogy, Riggs proposes a classification where traditional society is termed 'fused' (diffused) and modern society 'diffracted' (differentiated). The optical analogy is a prism and the traditional societies and modern societies are arranged on opposite sides of the prism; transitional societies are located within the prism itself and hence are termed 'prismatic'. Corresponding to these societal prototypes exist three organisational types which he terms, respectively, 'Chamber', 'Bureau' and 'Sala'. The observed characteristics of the organisations in the three societal situations agree generally with his deductive scheme.

The principal characteristic according to which the transitional 'prismatic-sala' bureaucratic model is different from the other two, is power. The scope of power (meaning the number of values affected in its use) is narrow in diffracted settings and wide in the fused setting. In the prismatic-sala model, power is bifocal (keeping to the optical imagery) as it refers in turn to formal and informal power. Where the bureaucratic structure had been imposed on a society from an external source (the exo-prismatic model) formal power is low but informal power is high. In the reverse case where the bureaucracy grew from within the society (the endo-prismatic model), the situation is reversed, informal power being low and formal power high.

In both fused and diffracted society, the weight of bureaucratic power, meaning the degree of participation in decision making, is low, but in prismatic society it is high. The heavy weight gives rise to a number of dysfunctions; formalism, low efficiency, unequal distribution of services, institutional corruption, wastefulness and nepotism characterise the 'prismatic-sala' model. A strong emphasis in Riggs' model, repeated with greater emphasis in another paper of his (Riggs, 1963), is the recurring theme of the appropriation of political function by the bureaucracy, the bureaucracy ruling over the political arena and not the other way round.

Diamant (1964), another student of comparative administration, has developed another typology based on the political environment of administrative systems. He deals principally with one political type which he terms 'development movement regimes' and he analyses administrative systems in these 'regimes'. The type of political system designated 'development movement regimes' are those developing countries having one-party political systems committed to development.

Heady (1966, pp. 73-97) also classifies administrative systems according to the political regime and he identifies six categories. His scheme places Ceylon in the category of a 'Polyarchal competitive system' where there are political alternatives in the form of competing parties and which are similar to the political systems of say, the U.S. or the U.K. The main characteristic of administrative systems in these regimes, in contrast to other categories, is the subordination of the bureaucracy to the political arm of government.

Thompson (1964) admitted to the dysfunctions of organisations in non-Western countries as reported by other workers in the field, but he differed in his analysis of the causes. His diagnosis was that a wrong form of organisation had been used. He saw the main requirement of transitional organisations as an ability to adapt to rapidly changing conditions; often the organisations themselves are the chosen instruments of change in these societies in addition to the fact that they themselves are subject to change. The organisations of the West have been built for more static conditions and emphasise control as opposed to change. Thompson's view is that organisations of the developing countries should be so designed as to handle innovation and change. An organisational form that could handle change and innovation is described in the work of Burns and Stalker (1966) who, after a comparative study of organisations among certain industrial situations in England, suggested two organisation prototypes which they termed 'organic organisation' and 'mechanistic organisation'. The former type of organisation is suitable to conditions of change and innovation and is characterised by the fact that tasks are not distributed among specialist roles within a clearly defined hierarchy; instead, duties and responsibilities are redefined continually by interaction with other participants in the organisational task. Interaction among participants occur laterally as well as vertically and omniscience is not imputed to the head of the organisation. Thomson's prescription for developing countries is the adoption of an organisational form similar to the organic form of Burns and Stalker (Thompson, 1964 and 1965).

Milne (1970) has taken Thompson's ideas and subjected them to criticism in the light of empirical work by others. He notes that one of the findings of the Burns and Stalker study is that participants of organic organisations are subject to anxiety

and feelings of insecurity and hence they must have a high degree of trust among themselves. Yet, trust among officials in transitional societies is one feature that is extremely lacking, a fact noted by many workers in different lands. An extreme lack of personal security, distrust and suspiciousness prevails in transitional organisations. Milne concludes that organic organisations will be as ineffective as the more normal ones in developing countries (Milne 1970).

Apart from the theoretical studies on transitional organisations which we have been so far considering there are many case studies of individual organisations in various societal contexts that bear mention. Some of these studies have highlighted interesting facets of organisation that have a bearing on Ceylon organisations. Among these studies we would draw attention especially to those by Bendix (1956), Abegglen (1956), Rice (1958), Presthus (1962) and Willner (1963).

Bendix studied the transition from traditional to modern in industrial organisations of the West and the East (the European East) as examples of ideologies of management. In his study he gives two examples of successful strategies that were adopted in the West and the East respectively in work relations during the transitional period. In England the theory of dependence ensured that elements of the old order were carried through to the new industrial setting so that workers found it familiar. Foremen were used who would recruit from their relatives and friends or through them, and who would then act as intermediate supervisors between the owner and the workers. In this latter function they would use their personalised relationship with the workers effectively and this relationship was stable and adaptive to the situation. In Russia, the use of a dual hierarchy, consisting of two separate strands belonging respectively to the Party and to the normal managerial hierarchy, allowed the organisation to adapt to revolutionary changes. The normal managerial hierarchy looked into the relatively static problem of control, and the Party hierarchy looked after the problem of motivation and adaptation to rapidly changing conditions (Bendix, 1956).

Abegglen's study of Japanese factory organisations gives another example of a successful strategy. The firm is actively modelled after the family and has many of the characteristics of the latter, like membership for life, an attitude of welfare on the part of employers and one of loyalty on the part of employees, etc. In the Japanese factory, elements of modernity and tradition are combined in correct proportions to provide for a successful transition strategy (Abegglen, 1958).

Rice describes three problems tackled successfully by him as a consultant to an Indian textile manufacturing firm. One of his problems centered around the fact that, in spite of the introduction of modern machinery, the output of a certain section remained static at the pre-automation level. His analysis of the problem was that the imposed management system, which was also imported, was not suited to Indian concepts of group relations. He consequently adjusted the work group structure to fit Indian concepts resulting in a dramatic increase in production. The other two problems studied by him were likewise problems of adjusting organisational form (Rice, 1958).

Presthus' study of the coal industry in Turkey led him to postulate that Turkish bureaucracies show basic differences in the notions of time, motivation, economic

incentives and educational values when compared with Western organisations (Presthus, 1962). Willner studied an industrial organisation in Indonesia before and after independence and her study revealed how traditional modes of interaction, which were kept suppressed during the colonial period, emerged after independence and invalidated the proper functioning of the organisation. Her study also revealed how, later, a change of management form and style more suited to the Indonesian environment gave rise once again to effective organisation control (Willner, 1963).

Studies on Ceylon organisations are few in number. Harris and Kearney (1963) did a comparative study of the administrative organs of Ceylon and Canada from an environmental viewpoint as advocated by Riggs (1962). The three environmental variables they looked at were the geographic and economic environment; the social environment; and the political environment. On the geographic dimension, they found that a large proportion of government employees were clustered around Colombo, a situation opposite to the Canadian parallel. In Ceylon, the concept of equal pay for equal work does not apply and there is a considerable variation in salary for persons performing the same function.

On the social dimension, they found that over 80% of the officials were lower service personnel, an elite 1% being occupied by University graduates drawn principally from a narrow social stratum of the wealthy English speaking elite. The class structure, caste affiliations, and kin groups affect the Ceylon system much more than stratification systems affect the Canadian bureaucracy.

In the political sphere the Ceylon system is liable to intense political pressure to appoint relatives or political supporters to posts, specially at the lower levels. At the higher levels, it was felt that the government officials tended to run their departments without paying much heed to ministerial directives. A cultural conflict was also perceived between politicians, who were largely Sinhala educated, and the top bureaucrats, who were English educated (Harris and Kearney's study was based on data collected in the early 'sixties).

La Porte (1970) studied a similar situation in one individual government corporation and came to conclusions similar to those of Harris and Kearney. His main conclusion was that the organisation was hampered by bad administrative organisation and practice, erratic political support and social tensions and conflicts. A large factor in the organisation studied, the River Valleys Development Board, contributing to its mixed success, was the constant political interference and appointments based on a political spoils basis (La Porte was writing nearly ten years after the Harris and Kearney report).

Apart from the studies referred to here, there are also brief references to aspects of Ceylon organisations in various other publications. It is unnecessary however to refer to them here.

Summary Conclusions of Case Study

The present case study has brought into question the relevance of some of the observations of the writers on transitional organisations referred to earlier, when their conclusions were applied to Ceylon conditions. Whilst confirming Presthus' findings

in Turkey of the existence of space and time concepts different from Western ones, it has questioned the validity of some of the findings of Moore, Udy, Riggs and Thompson. Moore's view that 'modern' administrative theory is inapplicable in transitional settings has been proved correct, but his deduction that flatter participatory structures do not appear in these settings is not borne out. Thompson's prescription of a flatter participatory structure, leading to innovation and more adaptive behaviour, has likewise not been borne out. Riggs' views on the weight of power in transitional organisations as well as his contention that a spoils based bureaucracy would lead to greater efficiency has not been proved. A more important conclusion of the study is that some facets of modernisation like political democracy, industrialisation and 'modern' organisational forms may generate contradictory and dissonant features when transferred to a setting like Ceylon.

The Plant and the Setting

The industrial organisation studied belongs to a government corporation and is in the category of heavy industry. It is situated in a village on the outskirts of a large town (population over 50,000). The town is a market town for the adjacent, largely agricultural, province; in addition to this commercial activity, the town has a few privately owned small to medium industries, as well as five government owned commercial-industrial enterprises.

The plant studied employs about 250 persons. About 35 of these consist of workers (principally unskilled) recruited from families displaced by the siting of the plant, the recruitment being a partial compensation for loss of residence. The other employees of the plant are from the surrounding town (mostly unskilled workers and clerks). The technical personnel, executives and skilled workers in the plant are largely drawn on an all-island basis.

The plant is new, construction of the plant having begun in 1962 and operations beginning by 1965. The period under discussion in this paper extends from the period 1962 to the end of 1970, but the period 1969-1970 is treated more extensively as this was the period during which participant observation of the plant was carried out.

A Note on the Methodology

Data for this study was collected by participant observation from January 1969 to September 1970 as an executive in the plant studied. To obviate the observer bias that arises from observation at any single position in a hierarchy, participant observation was augmented by data given by respondents and informants along the entire hierarchy. Further, access was had to all the records of the plant. On the basis of the information obtained, a questionnaire was filled on every employee, giving such data as age, marital status, membership in groups in and outside the plant, significant incidents relating to the individual, etc. Where these sources did not yield sufficient data to fill a particular part of the questionnaire, other sources of data were sought after to meet these deficiencies.

Analysis of the data was principally by the method of grounded theory generation as proposed by Glaser and Strauss (1968). The collected data was written as a set of 'cases', which could be descriptions of significant incidents, important individuals (formal and informal) in the organisation, various institutions, etc. The collected

cases were 135 in number and varied in length from 10 typewritten pages to half a page depending on the particular subject matter described. These 'cases' gave a more or less complete description of the plant as viewed from different perspectives. These cases were then subjected to the method of "constant comparative method of qualitative analysis" as described by Glaser and Strauss. The model described here arising from this analysis, therefore, is, in the words of Glaser and Strauss, grounded and directly induced from the data.[1]

The Organisation and the Environment

The principal dimension on which the organisation studied (which we shall call by the pseudonym "Rajya Karmantha") differed from Western organisations was the manner in which the external environment entered the organisation. Both Western organisations and Rajya Karmantha operate in an external environment which could be considered to have three aspects, namely: (1) a legal framework that sets limits to the operations of the organisation; (2) a market on which the organisation operates and in turn is operated on by; and (3) a social-cultural matrix consisting of such patterns of structure as class, caste and kin in the environment.

Generally, in the ideal-typical rational organisation only the first two of the above aspects, namely the legal framework and the market situation, affect its operations; the organisation is assumed to work without class, caste, or kin bias and, generally speaking, without the external social-cultural matrix intruding into the organisation. In the Rajya Karmantha situation, the social-cultural matrix not only enters the organisation but it also interacts with the other two environmental aspects, distorting thereby the legal framework as well as the market situation. The social cultural matrix distorted all three away from behaviour expected from the ideal-typical model of an organisation. Of these three it was the entry of the social-cultural matrix into the organisation that affected the latter's functioning profoundly.

The environment, in the form of the social-cultural matrix, enters the organisation of Rajya Karmantha in three ways: namely, *co-optation*, *direct mapping* of the external structure and *indirect mapping* through political channels. Co-optation was the process by which a group from the village which was displaced by the siting of the plant entered the organisation as a bloc, because of an undertaking given by the plant that persons displaced by its siting would be given preference in employment. The co-opted members attempted to maintain their traditional authority ties to persons outside the organisation concomitantly with the authority ties demanded by the rational organisation of the plant. These members, before the introduction of the plant, held ties of economic and social dependence to a powerful family in the immediate environment of the plant. The establishment of the plant, by changing the previous economic and dwelling patterns, changed the substratum on which the dependence relations rested. The intrusion of environmental factors into the organisation occurred when the powerful family attempted to re-establish the patterns of dominance.

1. In the thesis where this research was first presented the cases were attached as an appendix and the analytical intepretative material was contained in the main body, the analytical intepretative chapters constantly referring to the cases as supporting material for a particular theoretical standpoint (Goonatilake, 1971).

The attempts of the former environmental power structure to re-establish earlier patterns of dominance took the form of attempting to influence the award of minor contracts, using the co-opted group as an internal pressure group within the plant, 'planting' its members as key officials in the unions and other secondary organisations, etc. This co-optation results in the distortion of the formal organisations in the plant as co-opted members attempt to hold dual roles with respect to authority; firstly a role orienting them to the new authority, namely, to the plant and, secondly, one to the traditional (i.e. previously existing) authority.

The second process by which the social-cultural matrix entered the organisation was by direct 'mapping' of the external power structure within the plant. This mapping is done usually by particularistic pressures applied at the moment of entry into the organisation by powerful elements in the environment on behalf of their nominees, usually their kin. Arising partly from this, there are networks of family and kin ties in the plant at the officer level. Thus, the leadership in the outer environment is partially mirrored within the organisation. It is only partially mirrored, as formal requirements of entry into the organisation preclude entry into the organisation by every powerful element in the environment. Sometimes the mirror is inverted, as weak elements in the environment occupy relatively strong positions within. But such inversion is not helped by the environment, there being no direct external pressure to appoint them.

Another way in which the external power structure attempts to intrude into the organisation is by attempting to influence action within the plant by the exercise of traditional authority vested in members of the external power structure. This may be done by cajolement, appeal and threats to go to higher levels, either within the organisation itself, or in outside politics.

A third, and perhaps the most significant, manner in which the environmental social-cultural matrix enters the organisation is by a process of indirect mapping, whence environmental pressures are channelled into the organisation by politicians. A study of the areas in which political influence was attempted shows a wide spectrum of organisational matters ranging from the siting of the plant, employment, dismissal and transfer of personnel, and sales of product to award of minor contracts. Employment is by far the largest area of concern to politicians. The main target of political pressure is the higher hierarchy of the plant, although unions too come under frequent pressure.

The politicians are only channels of transmission for the pressure applied. Detailed study of the points of origin of the political pressure in the external social structure showed that these were largely points of influence within the external structure, which the politicians could later tap for votes. The pressures that were channelled into the organisation by the politicians were therefore largely pressures arising from the external power structure. The result was that the external environment was again mirrored within the organisation. The external power structure here was not a static one but a changing one with new power elements arising, for instance, from new entrepreneurs supplementing and sometimes supplanting the traditional (previous) power structure.

Sometimes the points of origin of political pressure lay within the organisation. Recourse to political channels was more frequent at the lower levels of the hierarchy, presumably to counteract the relative lack of power within the lower levels. In this function the political channel acted as a countervailing power to the authority of the formal organisation. This was in addition to the more normal countervailing force of labour unions. The political countervailing power acted sometimes in unison with the unions, sometimes with no regard to it and sometimes in opposition to it.

The Environmental Inflow into the Organisation

The three modes by which the environment flows into the organisation, namely by co-optation, direct mapping and indirect mapping through political channels, have profound effects on the internal working of the organisation. Before discussing these internal dynamics it is useful to trace the sociological reasons for the environmental inflow.

We can conceive of the external social structure of any organisation in two ways. It can consist of authority centres interconnected by traditional bonds of fealty (or of the 'sacredness' of the traditional authority relationships); in short, the external social structure can be a traditional authority structure in the Weberian sense. Or, it can be a 'modern' social structure where there is affective neutrality in interactions within the social structure (using Parsons' pattern variables; vide p. 5, above), and where social relations are governed by more impersonal criteria.

If a formal rational organisation is introduced into a social environment as defined respectively by the above two types of social structures we find the following possibilities. If the introduced formal organisations were kept socially separate from the environment, then no interaction between the two would occur. This could be done, for example, by a no-fraternising rule in the case of an occupying army in a conquered land. A similar aura of aloofness from the native social structure and of a cocoon-like sheath of coercive protection surrounds a colonial bureaucracy in a colonized country. We could say that the organisation of government institutions in Ceylon before 1956, by and large, conformed to this general pattern: the bureaucracy was alo of from the surrounding social structure, was self-contained, and generally followed in its internal structure the imposed rational criteria.

A second instance of non-interaction between the environmental social structure and the organisation which does not lead to distortion of the latter occurs in the case of an environmental social structure of the 'modern' type. Here there is a very loose social structure; no strong bonds of kinship and of traditional ties govern human behaviour. If a rational organisation was introduced into such an environment even without a protective "cocoon" there would be no great interaction between the two so as to distort the organisation. Both the environment and the organisation would be operating on criteria of affective neutrality and would therefore be matched in the ideal-typical case to each other.

In a third case if we consider a traditional work organisation (as for instance those studied by Udy, 1970) in a traditional setting, we would again see the organisational structure and the environmental social structure as matched to each other. The positions in the work organisation would be chosen not by work criteria but by

social criteria. So that the work organisation is then but an extension of the social structure, the one reinforcing the other.

In the case of Rajya Karmantha we have a case that is outside the three possibilities considered above. It is a rational organisation imposed on a traditional social structure. The protective cocoon that would have prevented interaction between the two during colonial times was eroded as a result of the 1956 "cultural revolution". The events of 1956 and of subsequent years resulted in an increased social awareness in the general population and in a polity directly responsive to social pressures (Wriggins, 1960; Singer, 1964; Woodward, 1969). The development of this social responsiveness has resulted in the penetration of aspects of the external environment into governmental organisations as has been the case at Rajya Karmantha.

We could summarise the cases discussed here in a table as below:—

	Traditional Organisation	**'Modern' Organisation**
Traditional Social Structure	Traditional Organisation in traditional setting No distorting interactions.	Modern Organisation in traditional setting (*a*) Organisation and social structure separated: no interaction effects. (*b*) Organisation interacts with traditional social structure: interaction effects.
Modern Social Structure	Traditional Organisation in modern setting. Case not considered here.	Modern Organisation in a modern social structure. No distortion effects.

Structural Effects

In the third case we have seen that a traditional work organisation in a similar social setting is a projection of this (traditional) social structure (Udy, 1970), the social structure being mapped one to one in the organisation structure. In the mixed case at Rajya Karmantha where the external social structure flows into the organisation, we would expect at least a partial mapping to take place.

The numerous instances of social relationships prevalent outside the plant which intrude into the organisation are examples of such mapping of the external structure within it. The networks of family, caste and other primordial ties that operate within the plant are examples of this. Thirty eight such examples of internal mapping of the external structure have been noted in the case study. This authority structure operates in addition to the normal rational authority structure. Sometimes it aids the rational structure, sometimes hinders it, and sometimes it is neutral to it.

For instance, a visiting monk praises a subordinate official publicly for the latter's Buddhist activities and labels him a good and honourable official, but ignores mentioning the official's superior. The subordinate official's authority is legitimated according to non-organisational criteria in the eyes of the employees and the supe-

rior official perceives the situation as a reversal of their formal authority relationship, and this results in a long-standing feud between the superior and subordinate official.

Or to take another example, traditional strong families in the vicinity try to exert their strength within the organisation by 'planting' their relatives in positions of power within the organisation. Sometimes formal authority is strengthened by this process, as for instance when both the supervisor and worker belong to a caste with a strong sense of common identity.

Although this internal mapping of the external power structure occurs at all levels within the plant, the overtly accepted authority structure is the formal rational one. There are many instances where the encroachments of the external structure have been resented and protested at. Collective bodies like the trade unions have been in the forefront of these protests. Generally, acts of particularism and decisions that go against the official rational ethos are subject to criticism by members. This is criticism in the form of gossip, snide remarks, etc. or even of written complaints by unions against alleged partiality, etc. These feelings against traditional bases of legitimacy are also publicised during times of strife between union and management; for instance, during a wild-cat strike many placards were carried by the picket lines protesting against "family power" within the plant.

Although the overt ethos is that of the rational organisation and of universalistic criteria, traditional and particularistic actions are in fact carried out by many members of the organisation, so that there is a second and equally important framework of action.

However, the rational framework is overt and openly recognised while the traditional one is covert and its legitimacy denied in public. The latter could thus be considered an *'underground'* frame of reference. An indication of the pervasiveness of this frame is the fact that even union leaders, who are often vociferous in their condemnation of this *'underground'* framework for action, have in their activities on a face to face level with management resorted to such criteria. For instance Kalu, a union leader who was interdicted for using violence on a supervisor, an incident which sparked off a wild-cat strike, used powerful elements in the environment to intercede on his behalf with the management. The behaviour of individuals entering the organisation through personal ties or through patronage (which we have noted is largely a process of channelling traditional ties) are exercised in this underground ethos. But, true to this underground nature, no one openly admits to having entered the organisation using particularistic criteria. Because of the underground nature of the traditional structure, actions taken on the basis of tradition and particularism are overtly legitimated by rational criteria to give the impression of rational legality. For instance, employees taken in on particularistic bases are marked on rating forms like others, but their marks are inflated by use of subjective categories of assessment such as marks for 'Sports', 'Social activities', 'Personality', etc. The selection has then been actually on particularistic criteria, but it is presented in official records as being based upon universalistic rational criteria.

But both the structures are indirect reflections of the wider social structure in Ceylon. The 'modern' rational structure is a reflection of the need to modernise and is in effect partly the result of decisions taken by Parliamentarians collectively. The underground structure, in turn, is partly a reflection of the sources of power of the Parliamentarians (in cases of particularism channeled through M.P.s); these sources being traditional sources of influence in the M.P.'s home seats away from Colombo—in this case the traditional authority structure at Navapura, the town adjacent to the plant.

Behavioural Effects

This duality within the organisation is reflected not only in the structure of the organisation but also in its behavioural aspects.

Relations between members in a rational-legal organisation are assumed to be impersonal and functionally specific. Generally, at Rajya Karmantha, the overt organisation behaves in this fashion. But there is a very strong element of personal and diffuse interaction within the organisation that overrides these formal aspects.

Interaction between members tends to be personal, either in the positive sense or the negative sense. Relations between colleagues, which are in an ideal typical rational organisation assumed to be limited to polite exchanges, are often replaced by personalised relations of friendliness or of bitterness. In assessing subordinates, personal relations between the superior and subordinate are often a deciding criterion. Management-union agreements are sometimes reached by means of personalised 'deals' between union leader and manager on a personal, even secret, basis, as for instance the settlement of one strike or the settlement of a job evaluation impasse. Such 'deals', it was seen, were specially likely to occur with leaders from traditional non-urban backgrounds. Sometimes, especially with workers of rural origin, the subordinate-superior relationship is the personal, paternalistic traditional one of master-servant. Personal loyalty to superiors in the traditional manner of somewhat exaggerated civility is sometimes an instrument of personal advancement. In cases where a new superior has replaced a superior who had had a personalised relationship with the subordinate and where the new supervisor adopts a universalistic impersonal stand it has been noted that the subordinate feels spurned and turns the former positive relationship into a negative personal relationship. That is, the subordinate feels bitter and resentful.

Conflict in an ideal typical (Weberian) organisation would presumably take place in an impersonal setting without the personalities of those involved playing a part.

Yet in real life Western organisations too, personal conflicts do occur, as has been documented by, for example, Dalton (1959) and Burns and Stalker (1966). These conflicts are played out in two forms, either by direct personalised interaction or by proxy. In the latter, personal conflict is channelled through the rational organisation and is projected by the combatants to matters affecting official affairs, like say disagreements on the budgetary allocations or on reasons for a drop in production. The emphasis is more on conflict through proxy than on personalised conflict.

At Rajya Karmantha, the reverse process often occurs. Conflict on the official plane is often played out on the personal level. Failings in the official function of an employee are often interpreted according to personalised criteria. Actions of unions are similarly seen sometimes as being not motivated by impersonal criteria, but are attributed to the personal requirements of its leadership. Similarly, ineffective management action is viewed not in impersonal terms as a failure in terms of efficiency, etc., but as arising from bad intent and maliciousness. (For a similar situation in Iran, see Westwood, 1965.)

Traditional leadership patterns in Ceylon are characteristically broad in scope and diffuse, that is, they cover a range of values (after Riggs and Laswell, Riggs, 1964). A holder of traditional authority exerts influence over large areas of life. This has been observed by many students of transitional organisations and is one of the key concepts in the various models of such organisations which Riggs has constructed. We have seen earlier that the traditional leadership in the community outside the plant has this multiscope character and that in fact this external leadership attempts to extend its power into the organisation.

But within the organisation of Rajya Karmantha, authority does not generally have a large scope. Persons in authority cannot extend their power over a wide spectrum of their subordinates' activities. Attempts to make the specific leadership relationship more diffuse (for instance, by an executive, Diaz, who having married into a feudal family of the area attempted to establish a traditional multiscope leadership pattern over his subordinates), have been unsuccessful. In this limitation of power of the formal leadership the nature of authority at Rajya Karmantha differs from most organisations in transitional societies hitherto studied.

The reason for this is that, as shown below, legitimacy for action by a superior is based on two frames, an overt rational-legal one and an underground traditional one. Now, the former is by nature limited. The latter, traditional, personalised frame is actually not one unitary frame but provides, in the context of contemporary Ceylon, many frames.

Let us elaborate. The social structure external to the plant which is partially mapped inside is not a harmonious structure. It has social groups that are in competition with each other. For instance, new entrepreneurs like Dharmasena, a regular customer of the plant, provide a challenge to the old established power centres. The external social structure is itself in a state of flux, and has lost its harmonious unitary character which it would have presumably possessed in more static times. Mapping of this external social structure internally creates various sub-groups having correspondingly different frames of reference. Any superior who operates on the underground organisational structure would act in response to one of these groups, by using its criteria of legitimacy for his action. But in the presence of competitive groups having opposing criteria, such actions would be looked upon with disfavour by these latter groups.

The latter aspect implies that any action taken by a superior on the basis of the underground organisation would not have universal legitimacy throughout the organisation. In fact, in the context of conflicting groups such acts would tend to reduce the

legitimacy of even the other, rational based actions, by bringing into question the correctness of the action by imputing illegitimacy. For instance, the recruitment of a cashier under particularistic criteria due to external pressure reduced the legitimacy of management's action as this action was criticised by many other groups. In fact, because the prevailing overt ethos is the legal-rational one, any action by management on the underground frame would automatically evoke criticism. Yet, as we have seen, because of the particular position management is placed vis-a-vis the external forces such covert action is often taken.

Thus at Rajya Karmantha the scope of power is narrow and limited, although the basis for some managerial action is on parochial legitimacies supplied by a wide variety of groups. In such a situation of conflicting groups where legitimacy of action is always under question even 'correct' action taken under rational criteria is brought into question, so that the scope of power is narrower even than that of a rational-legal bureaucracy. For instance, in the case of a "Service Break" of unskilled workers, where workers were being discontinued for regular routine reasons, the action was represented as being due to the management being 'reactionary'.

This narrow scope of managerial authority is in contrast to many observations made of other transitional organisations (Riggs, Diamant, Heady, for instance). In these studies it has always been emphasized that managerial authority had a large scope and covered areas outside those strictly defined by the formal organisation. We can account for this difference by noting that these studies have been done in countries where the external authority structure is still traditional and unitary and the organisation is either an intruding organism akin to a colonial civil service (like Pakistan), where the organisation and the immediate social structure are kept apart, or where the organisation is merely a pure reflection of the external unitary social structure (Thailand).

The formal organisation has rules of conduct and other social mechanisms which help to make it an integrated whole. The traditional elements that are super-imposed on the formal organisation at Rajya Karmantha have sometimes an integrative function and sometimes a disintegrative function. Buddhism is the religion of the majority of the employees at Rajya Karmantha, and Buddhist activities undertaken by the plant as a whole, in which both the management and employees participate, help to integrate the plant into a community. Quite often, however, the incursions of traditionalism create disintegrative characteristics. For instance, antagonistic feelings have developed towards co-opted groups among other members of the organisation.

The intrusion of the external environment into the plant also creates status inconsistencies and hence disintegrative behaviour patterns among employees. An employee with high traditional status outside the plant who fills a low-status role in the plant brings in such problems, specially when he has to associate with persons from his immediate external environment now placed in roles which carry different, relatively elevated, statuses. The attempted suicide of a toilet cleaner Jinasena was due to such reasons. Or, the indefinite nature of relative status within the plant may also create similar situations. The many quarrels that trade apprentices, both individually and collectively, have been having with clerks indicate such situations: for the

trade apprentices, although they are under training to become skilled manual workers, are of the same educational level as the clerks.

Again, the traditional underground organisation at Rajya Karmantha operates according to different concepts of space and time from the western organisational model. The overt formal organisation operates on definitely laid down time intervals for various activities in the plant. Time and its use is defined rigidly in the formal organisation. Although these time constraints are followed more or less exactly, there are often instances where traditional concepts of time emerge. In traditional village life, time is not a tightly controlled commodity. At Rajya Karmantha traditional time concepts emerge in leave of absence, intervals and punctuality. Many workers absent themselves from work without notification and are missing from their work places for considerable lengths of time, severe fines and suspension of increments having no effects on their behaviour. Similarly during the intervals for tea and lunch employees tend to linger a while in the canteen and only gradually stroll back to their work. During the lunch interval executives take longer lunch breaks, usually combining it with a siesta.[2]

Areas like the canteen, mill house, and laboratory are places where definite groups in the organisation meet and gossip and discuss problems. These areas tend to be more than just the places of recreation and relaxation which they would be in a Western plant. They serve in the plant a very similar function as the tea house and other similar meeting places do in the village. Information is exchanged in these places by means of gossip; innuendo and snide remarks used in these places provide also a form of social control.

Generally, in a rational legal organisation, control is by application of the rational rules (although there are exceptions to this). In Rajya Karmantha gossip and innuendo, both traditional forms of control, provide another channel for communication and control. For instance, the rumour that an executive had entered the organisation through particularistic pressures without having adequate qualifications (proved to be false) lessened his capacity to exercise control. Management has also employed gossip and rumour to promote their own ends.

Conflict of the Dual System within the Organisation

The legal-rational organisation and what we have called the underground organisation are often in conflict with each other. The authority structure reacts to these pressures in various ways. Management may bend the official rules of the legal-rational organisation to fit the demands of tradition. To fit the traditional concept of time which prevails so pervasively, management would often ignore the official rule that leave of absence should be notified without delay. Or to prevent escalation of personal conflict between employees, the rule that all correspondence be filed is ignored and personal complaints of employees against others are not recorded or, action on such complaints may be purposefully delayed for similar reasons. Or during recruitment, ratings of interviews would be deliberately adjusted to fit the external requirements.

2. See also Gurvitch (1964) on social time.

Sometimes both the cross-pressures are strong and it is not possible for either one or the other to prevail. In such instances, management action is governed by caution, fear, indecision, uncertainty, and a posture of playing safe is adopted. In incidents where management was subjected to strong pressures from within, as well as from environmental forces channelled through politicians, caution was a keyword in the actions taken.

The underground organisation as well as the formal organisation have been used in various combinations by supervisory personnel, with varying degrees of success in effecting control. In traditional Ceylonese society, the role of a person in a supervisory position is not delimited or specified. He is addressed by the honorific "Mahattaya", and a mahattaya in traditional society carries his high status to every role he plays. His manner is authoritarian and his form of address to his subordinates would be "Umba". At Rajya Karmantha, the various supervisors are called 'Mahattaya'. The elements of tradition and modernity they brought into the superior-subordinate relationship varied from person to person. The following examples illustrate various combinations of tradition and modernity used by supervisors and the relative effectiveness of these mixed styles.

Only one of the supervisory staff used "umba" in addressing his subordinates. The overt ethos in Rajya Karmantha is democratic and the use of "umba" is resented, especially by the younger workers. The supervisor who used "umba" was Hassan, a senior supervisor. The workers excused his use of "umba" because he was a Muslim and hence unfamiliar with Sinhalese and because of the fact that he was old. In spite of the strict authoritarian control he exercised, Hassan maintained a coherent work force.

Younger officers who have tried to establish authoritarian patterns have met with mixed success. Wickrama, for instance, is a strict disciplinarian who supervises his workmen very minutely and strictly. His style of supervision has met with failure and, as a consequence, management has moved him from section to section with the same negative results. Ratnaweera, another supervisor, also exercises authoritarian control, but he does it by the use of two intermediary workers whom he has picked among the workers. The two intermediaries hold a strong position as informal leaders in the work group and one is also involved in the formation of a self-help society in the plant. One of the two belongs also to the same caste as his supervisor (a caste with a very strong sense of identity). The supervisor Ratnaweera is a believer in strict control of his subordinates and he maintains this by use of the two intermediary workers, who have strong personal ties to him and who in turn are accepted by the work group.

Diaz, an executive, is married to a feudal family in the area and he has attempted to exercise the strict and diffuse authority patterns of feudalism inside the plant. However, because his attempts have been very direct and the overtly prevailing ethos in the plant is a more democratic one, his strict disciplinarian attitudes have been resented and have not met with success. Perera, another senior supervisor, has met much success in his control function, his authority being rarely challenged. This is probably because he holds relatively high status in both the traditional scale and the more modern one.

The Control Function

We have seen how the control function at Rajya Karmantha, which in the ideal model is exercised through rational rules, is sometimes also carried through the underground system of gossip, innuendo, etc. The control function at Rajya Karmantha differs from that of a Western plant in another dimension. Management in a Western plant largely involves the control of variables inside the plant. Many of these internal variables are expressed in measurable terms like tons output, cost per ton, etcetra and relate fundamentally to the product that is turned out in the plant. Human behaviour that is subject to control within the plant also relates to production. Absenteeism, discipline, motivation, etc. are all formally related to daily production. Other matters on the behavioural plane which are only indirectly related to the production process, like annual wage deals and conditions of employment, are decided jointly by unions and management periodically, allowing the day-to-day affairs of the plant to be carried out on production related criteria. Also, the environmental inputs for the plant, like raw materials, finance and personnel, are generally impersonal matters that could be expressed as numbers and controlled as such.

In Rajya Karmantha there is a large behavioural element unrelated formally to production which bears on the authority structure. These behavioural aspects and the behavioural patterns and relations which bear on the authority structure are those brought about by the network of intense interpersonal relationships which exist on a group basis within the plant. These exist outside the formal work groups within the plant and their existence provides centrifugal pulls which interfere with the coherence and effectiveness of the work groups. Besides, the existence of these underground personal relationships distorts the normal rational lines of communication and control, often by questioning their legitimacy. Examples have been given earlier.

We have shown that many of these internal sub-groupings are the result of the mapping of the external social structure within the plant. And as the result of this mapping is the creation of relationships in the underground organisation which bear on the production process, control of the production process implies control of the behaviour arising from these relationships. For instance, a situation at a customer lorry queue where local customers attempt to jump the queue by extra legal means affects the daily sales; or the relations which outsiders have with packers on a personal basis affect the output of the packing section.

This brings out an important difference in the control function between a Western plant and Rajya Karmantha. In a Western plant, the behavioural aspects that have to be controlled by management generally are those *within* the rational-legal framework and relate to such aspects as motivation, assessment, promotion, etc. At Rajya Karmantha, a significant part of the control effort is directed at attempting to control behavioural aspects arising *outside* the rational-legal framework. If behavioural control in a Western plant is restricted *within* the plant, at Rajya Karmantha behavioural aspects that have to be controlled for the efficient running of the plant extend *outwards* to environmental relationships.

We have, however, shown that the authority of the management at Rajya Karmantha is narrow and not multiscope like that of other situations (as in Thailand). Because the social structure outside the plant is in a state of flux, the subgroups which

are mapped within the plant provide a variety of frameworks of legitimacy on which to judge managerial action. We have shown that the effect of this is to make the scope of managerial authority even narrower than in a Western rational legal organisation. So that, although the presence of environmental relationships within the plant demand their control by a multiscope authority structure, the fact that these same relationships result in a diminishing of the scope of the authority structure prevents this happening.

There is, of course, one method of exercising multiscope leadership without reducing the legitimacy of action, in that these actions are made covertly and in secret. For instance, the management appeals to politicians to control environmental forces like Dharmasena, a politically influential customer who often intimidated other customers; but this is kept secret. A case where such recourse to the political channel had been made public was when the management approached the M.P. to settle the dispute with the inhabitants of the site before the plant was built. This action was considered legitimate because at that time there were only a few people employed by the corporation, all of whom had a unitary frame of legitimacy, in that they were all from the same residential group.

Thus, generally, control of behavioural factors affecting production is incomplete; more production decisions are left to random or uncalculated factors than would be the case in a Western plant. In assessing job evaluated scales of pay, the procedures have been criticised by different personnel on particularistic criteria; and the settlement of a crisis created by the job evaluated scales being not acceptable to some was likewise reached by the use of particularistic personal 'deals'.

This brings into question the direct applicability of formal rational controls such as operations research, job evaluation, etc. The fact that the underground structure sometimes abets, sometimes is indifferent to, and sometimes obstructs the rational framework implies that such techniques would not necessarily be, by themselves, successful if applied at Rajya Karmantha. Success or failure of these formal techniques would depend on the particular interplay between the formal and underground structure.

It may be possible to trace the significant underground factors that affect the plant, but this knowledge would not necessarily provide a universal prescription for control. The control function itself depends on the legitimacy of the person exercising authority. Even if details of the underground forces were known and such knowledge applied in the control function, in view of the many overlapping sub-groups with varying frames of legitimacy, it is possible that such actions would be questioned by some subgroups on grounds of legitimacy, thereby making the control ineffective. A further point is that particular underground forces are particular to one organisation so that a universally codified set of rules, in the manner say, of those covering union-management relations in the West, could not be formulated to apply to all such organisations. It would further appear that a search for an effective control system, if such were feasible under the circumstances, should begin with the fact of multiple frames of legitimacy.

Implications

It is fruitful at this stage to review the literature of transitional organisations and see how they bear on the conclusions of this study. Four writers referred to earlier, Moore, Udy, Riggs and Thompson, have theoretical frameworks that do not agree with the situation at Rajya Karmantha. Discussing the pyramidal authority structure and modern problems of co-ordination, of communication and of morale tied basically to the problem of how 'steep' or 'flat' the organisation pyramid should be, Moore notes that modern theorists advocate a flatter, participatory structure. This, he asserts, is a culture-bound concept; newly recruited labour in transitional societies is unskilled and unfamiliar with the rules of the industrial environment, so that a flatter participatory pyramid would not be appropriate. The particular administrative mode that would be valid would depend on the education of the workers, both general and specialised, the legitimacy of their mode of employment and the incentives used in the organisation. This means, Moore concludes, that most modern theories of administration would be inappropriate in a transitional setting.

We have seen that the last statement of Moore is correct in our observation of the control system at Rajya Karmantha. But his remarks about the flatness of the authority structure is not borne out. For, as we have seen, in the organisation studied, multiple frames of legitimacy of authority exist. The existence of these multiple frames implied that a particular action legitimated on one frame could well be considered illegitimate on any of the other parallel frames; and in fact, was often so considered. The result was that, in effect, the pyramidal authority structure took a form more flat and participatory than that arising from the purely legal-rational organisation. So that, although Moore considers a flatter pyramid unsuitable for transitional organisations, a flatter pyramid has unintentionally come into being at Rajya Karmantha.

Udy (1970) in his study of socially determined traditional organisations notes that such organisations have more rungs in the pyramidal structure than is forecast from purely physical criteria. The society around Rajya Karmantha fills Udy's requirements of traditional society. Rajya Karmantha is, however, not a traditional work organisation, but, as its members are from a more or less traditional society, we would expect the authority structure at Rajya Karmantha to be steeper than that of a similar one in a Western country (which according to Udy would be an organisation based on more or less purely physical criteria). Yet, the actual situation is that the Rajya Karmantha organisation is effectively flatter than a comparable Western one, presumably because the traditional authority structures Udy studied, unlike that at Rajya Karmantha, were unitary structures having only one frame of legitimacy.

Thompson (1964) has recommended a flatter participatory, innovative, adaptive and organic organisation to overcome the dysfunctions of traditional organisations. Although Rajya Karmantha has a flatter structure and is in a sense participatory in that there are many rival seats of decision, the organisation does not have innovative and adaptive characteristics. This is evidently because it lacks the other prescriptions of Thompson, namely, the sharing of goals and the minimization of parochialism, due to the existence of many parallel frames of reference within the organisation.

Of the many observations Riggs (1962, 1963) has made on transitional societies, two stand undemonstrated at Rajya Karmantha. First, his contention that the weight of power in transitional organisations is small is not true of the present case, the incumbents of authority at Rajya Karmantha having less power than their formal positions prescribe. This disagreement is due to the fact that Riggs' theoretical model is induced from the bureaucracies of such countries like Thailand where traditional patterns of power still hold intact and where popular democracy is absent.

A recommendation flowing from Riggs' concept of high bureaucratic power is the need for a weaker, political-spoils based bureaucracy on the American pattern. His recommendation is purely on the economic grounds of increased efficiency. The experience of Rajya Karmantha, where political influence is high, seems to negate this view. From the somewhat different viewpoint of social control of the organisation by the larger environment, the Rajya Karmantha experience might be a useful pointer for other transitional organisations.

Further Implications of the Study

The region around the Rajya Karmantha plant is subject to the same socio-economic-cultural changes that are rapidly transforming the island. In discussing these changes we would like to isolate three factors that bear on each other, and have a not inconsiderable effect on the direction and the speed at which these changes are occurring.

The first factor is the base from which these changes are occurring, that is, the base of a more or less 'traditional' society (useful ideal-typical models for such societies are those of Weber, Parsons and Riggs). The second factor is that a large number of these changes are a result of a political commitment at the highest level to such change. These politically defined macro goals (as opposed to the micro goals of politicians operating in the town in which Navapura is situated) are a commitment to industrialisation and 'modernisation' generally (meaning here the striving for a host of socio-economic objectives like high literacy, social security, amelioration of high disparities between incomes, etc.). The third factor is the occurrence of these political decisions in a political democracy which has had adult suffrage since 1931 and which constitutes a politically conscious electorate aware of its ability to change its rulers, a right which it has exercised by changing governments with every election since 1956.

Let us now examine the interplay between these three factors, namely, the two factors of commitment to industrialisation (and modernisation) and to political democracy; and the third factor of the base from which these commitments elicit changes, namely, a traditional society.

The commitment to industrialisation and modernisation, coupled with another political goal, that of socialism and state ownership, has created the institution of government-owned corporations, one of which is the corporation which owns Rajya Karmantha. The commitment to modernisation has further resulted in Rajya Karmantha officially adopting western organisational methods and creeds.

We have seen that the combination of political democracy working in a traditional social environment siphons into the organisation factors that threaten the legitimacy of its legal-rational basis. We have also seen how these environmental social

factors in the organisation create many parallel frames of legitimacy, so that at times no frame of legitimacy holds universally. The result is that the more or less unitary control structure, which is the framework through which the organisation's objectives are reached, is subverted. It would appear, then, that 'modern' organisation methods adopted as a part of the modernisation commitment come into conflict with political democracy, supported as the latter is by a strong political commitment.

The implication of this process is that the particular development of economic organisations and the rapidity and direction of their development, as well as their internal characteristics, are dependent on the interplay between the variables of political democracy and the traditional base from which industrialisation takes off. In such a setting as that represented by Rajya Karmantha this leads one to speculate that the development process could take different forms from the Western experience.

One result emanating from the existence of multiple frames of legitimacy at Rajya Karmantha is that the lower members of the hierarchy have a greater say in the decisions taken within the organisation than would be the case of a legal-rational unitary authority structure. The effect is that decision making is spread more horizontally along the organisation structure (though perhaps not the responsibility for such decisions). The ensuing situation is that the organisational structure is in effect flattened and made more participatory because of these parallel reference frames. These multiple, underground, frames of reference, and the many rival seats of decisionmaking these create, evoke a comparison with a Western situation, the case of unions and management.

If one compresses the development of unions in western industrial organisations into a brief paragraph, one could say that unions were the institutionalisation of an underground frame of reference that had been used by workers as opposed to that arising from the management philosophies used by owners. Because of the inherent conflict between owners and employees in a social context which emphasised equality (Bendix, 1956) a frame of reference denying the legitimacy of the owners' actions was often used by workers. The rise of unions and their acceptance by management as a legitimate countervailing force is the institutionalisation of this underground frame.

One result of the institutionalisation of this underground frame has been to make a certain amount of conflict overt and acceptable, freeing the day-to-day running of the organisation from the worst results of such conflicts. Any conflict arising from the dual frames of reference are settled in management union confrontations and/or negotiations, which take place at intervals.

The multiple frames of reference at Rajya Karmantha have not been made overt by a process of institutionalisation, so that there is no legal mechanism by which conflicts can be acknowledged and resolved.

A formal recognition of the existence of the underground frames at Rajya Karmantha would have another important effect on the control function in the organisation. As has been mentioned, most of the overt managerial ideology at Rajya Karmantha is that brought in by a direct formal transfer of Western managerial knowledge. Most of this managerial equipment consists of a battery of techniques, like job

evaluation, work study, incentive payments, operations research, etc., which operate according to such market factors as men, machines and money (in the three-fold division of the organisational environment into the legal framework, market, and social-cultural matrix (see above, p. 43). As a market factor, men are considered in these management techniques to exist as purely impersonal, mobile, legal-rational, "economic men". Rarely, specially in numerical techniques, are social factors taken into account.

But in the Rajya Karmantha situation the existence of a preponderance of such social bonds, has been one of the significant characteristics observed. The formal recognition of the existence of the underground frames would imply that such social factors are taken into account in the control situation, and would mean that managerial control is no longer a mimetic exercise which follows techniques suited to a non-existent Western type organisation.

References

Abegglen, J. C. 1958: *The Japanese Factory*, Free Press.

Avineri, S. 1968: *Karl Marx on Colonialism and Modernisation*, Doubleday, New York.

Bendix, R. 1956: *Work and Authority in Industry*, New York, John Wiley & Sons.

Burns, T. and Stalker, G. M. 1961: *The Management of Innovation*, Tavistock, London.

Dalton, M. 1959: *Men Who Manage*, Wiley, New York.

Diamant, A. 1964: *Bureaucracy in Development Movement Regimes: A Bureaucratic Model for Developing Countries*, Comparative Administration Group Occasional Papers, Indiana University.

Glaser, B. and Strauss, A. 1968: *The Discovery of Grounded Theory*, Weidenfeld & Nicolson, London.

Goonatilake, S. 1971: *A Study of the Authority Structure of an Industrial Organisation in a Transitional Setting*, Unpublished M.A. Thesis, Exeter University.

Gurvitch, G. 1964: *The Spectrum of Social Time*, Reidel, Holland.

Harris, R. L. and Kearney, R. N. 1963: "A Comparative Analysis of the Administrative Systems of Canada and Ceylon", *Administrative Science Quarterly*, Vol. 8, pp. 339-360.

Heady, Ferrel 1957: "The Philippines Administration System: A Fusion of East and West", in William J. Siffin (ed.), *Towards the Comparative Study of Public Administration*, Indiana University, 1957.

Heady, Ferrel 1966: *Public Administration: A Comparative Perspective*, Prentice Hall, New Jersey.

La Palombra, Joseph 1963: *Bureaucracy and Political Development*, Princeton University Press.

La Porte, R. 1970: "Administrative, Political and Social Constraints on Economic Development in Ceylon", *International Review of Administrative Studies*, vol. 36, No. 2, pp. 158-171.

Milne, R. S. 1970: "Mechanistic and Organic Models of Public Administration in Developing Countries", *Administrative Science Quarterly*, March 1970.

Moore, W. E. 1965: *The Impact of Industry*, Prentice Hall, New Jersey.

Presthus, R. V. 1962: "Weberian vs Welfare Bureaucracy in Traditional Society", *Administrative Science Quarterly*, vol. 6, pp. 1-24.

Rice, A. K. 1958: *Productivity and Social Organisation*; *The Ahamedabad Experiment*, Tavistock, London.

Riggs, F. W. 1957: "Agraria and Industria: towards a Typology of Comparative Administration", in Siffin, W.J.(ed.), *Towards the Comparative Study of Public Administration*, Indiana.

1962: "An Ecological Approach: the Sala Model", in Heady, F. and Stokes, S. (eds), *Papers in Comparative Administration*, University of Michigan.

1963: "Bureaucracy and Political Development: Paradoxical View", in La Palombra, J. (ed), *Bureaucracy and Political Development*, Princeton.

1964: *Administration in Developing Countries: The Theory of Prismatic Society*, Boston, Houghten, Mifflin.

Siffin, William J. 1966: *The Thai Bureaucracy*, Honolulu: East-West Press.

Singer, M. R. 1964: *The Emerging Elite*, M.I.T. Press.

Smelser, N. J. 1969: "Mechanisms of Change and Adjustment to Change" in Burns, T. (ed), *Industrial Man*, Penguin.

Thompson, V. A. 1964: "Administrative Objectives for Development Administration", *Administrative Science Quarterly*, vol. 9, pp. 91-108.

1965: "Bureaucracy and Innovation", *Administrative Science Quarterly*, vol. 10, pp. 1-20.

Udy, S. H. 1970: *Work in Traditional and Modern Society*, Prentice Hall.

Waldo, Dwight, 1964: *Comparative Public Administration: Prologue, Problems and Promise*, Chicago, Comparative Administration Group, American Society for Public Administration.

Weber, M. 1947: *Theory of Social and Economic Organisation*, Henderson, A. M. & Parsons, Talcott (Trans.), Free Press.

Westwood, Andrew F. 1965: "Politics of Distrust in Iran", *Annals of the American Academy of Political and Social Science*, vol. 358, pp. 123-141.

Willner, A. R. 1963: "Problems of Management and Authority in a Transitional Society: A Case Study of a Javanese Factory", *Human Organisation*, vol. 21-22, pp. 133-141.

Woodward, C. A. 1969: *The Growth of a Party System in Ceylon*, Providence.

Wriggins, W. H. 1960: *Ceylon: Dilemmas of a New Nation*, Princeton.