행정조직이론:
James D. Thompson 연구를 중심으로

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Organizational Theory in Public Administration
Focused Study on James D. Thompson

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= 초록 =

James D. Thompson은 행정학에서 행정적 제량, 조정 등 기술적인 측면을 조직구조와 접목하여 조직이론의 체계화에 큰 기여를 하였다. 특히, Administration Science Quarterly라는 학회의 설립과 조직론의 Contingency Theory의 발전에 공헌한 것은 Thompson의 가장 큰 업적중의 하나로 평가받고 있다. Thompson은 이론적 문제뿐만 아니라 조직론에서 이론을 토대로 한 연구의 새로운 paradigm을 도출하여 다양한 조직이론들을 체계화시켰다. 행정학의 한 분야인 조직론에서의 이러한 공헌들은 조직론 발전에 상당한 기여를 하였다. 본 논문은 Thompson의 학문적인 업적의 재고를 통해 조직론의 기본적인 체계와 미래지향적인 발전방향을 살펴보고자 한다.
INTRODUCTION

Thompson was part of an innovative effort to have several social sciences involved in the style of organizations and their administrations. There were two purposes to this approach: 1) To develop social science research of key problems of organizations; 2) To link practical problems of administration to the general theory of organizations (Avery, Demerath, McEwen, Rushing and Van Houten, 1974, p. 2).

As the bibliography associated with this paper will indicate Thompson was not a prolific writer. All of his writings are included in the reference list even though some are not used in this paper. His style was to write incisive analytic essays. As indicated by Rusing & Zald (1976), his strategy was to make qualitative conceptual distinctions and to focus on relations among conceptual types rather than to state qualitative relations among variables (p. ix). He certainly could not be accused of being wordy.

He avoided the use of jargon and used simple language to get to the point quickly. "Indeed, the reader sometimes feels Thompson gets to the point too quickly; his parsimonious style sometimes leaves the reader behind (Rushing & Zald, 1976, p. ix)."

Thompson was not a deductive theorist. He introduced concepts and logical progression to build analyses from more general assumptions, propositions and concepts. "Consequently, although common themes pervade most of Thompson’s works, different portions stand by themselves and can be read with profit without having read earlier portions" (Rushing & Zald, 1976, p. x).

Jim’s most distinctive achievement lay … in the imagery he evoked by his writing. He intuitively knew that scientific work in his field not only needed to be true, it also needed to conjure up an authentic sense of the real world which it, in abstracted part, was intended to explain (Avery et al., 1974, p. 4).
AREAS OF SPECIALIZATION

On one hand most approaches to the development of organizational theory rely on structural determinism and technology. These theorists give little attention to the decision-makers who occupy the organization.

The human relations school of organizational behavior, on the other hand, focuses almost exclusively on the human side of the organizational equation. One of the basic questions in organizational theory is who predominates - the organizational structures or the human beings who create and occupy them. Thompson's approach has included both dimensions - structure and the decision maker.

Organizational Structure and Decision Making

Thompson’s interest in organizational structure led him to concentrate on technology, administrative discretion, and coordination from an internal perspective. In this regard he authored a number of articles regarding technology, the management of conflict, interdependence and coordination, and organizational decision making.

"Technology, Organization and Administration," is one of the earliest papers in which Thompson addresses the use of discretion and associated constraints. The paper was co-authored with Frederick Bates. This early work was crystallized to a much greater degree later in his writings. The paper demonstrates how organizations use technology, goals, and facilities in different ways. The authors suggest these different uses account for variations in organizational structure of different organizations. In essence, while organizations face common problems, variation in technology and goals create difference in the nature of how the problems are perceived and, conversely, the manner in which they attempt to solve them (Bates & Thompson, 1957).

The nature of the labor force and the task environment are the sources of conflict within organizations. In his 1960 article entitled "Organizational
Management of Conflict" which was published in the Administrative Science Quarterly, Thompson addresses the issue of how technology impacts conflict within an organization. He suggests technology is the determinant of conflict and administrative allocation leads to the strategy of "Organizational Structuring" to deal with the conflicts.

Thompson addressed organizational decision making in an article in which he collaborated with Arthur Tuden. Here, the authors attempt to build on economic and psychological models of decision making and to incorporate them into a sociological frame work. The article entitled "Strategies, Structures and Processes of Organizational Decisions" (1960) reveals that decisions are computational, compromise, judgment and inspiration as opposed to the Weberian concept of being only computational once all the bureaucratic rules are followed. In this article Thompson and Tuden develop a number of typologies for decision issues.

**The Organization and its Environment**

Thompson approached the interface of the organization and the environment at two levels - microinteraction and macrointeraction. His most famous work on this subject is contained in "Organizational Goals and Environment: Goal Setting as an Interaction Process". The effort was co-authored with William McEwen. According to Rushing and Zald (1976, p. 113) this paper is important because it demonstrates that goals are not static rather they are dynamic at a point where the organization interacts with the environment.

Thompson and McEwen also postulate that goals are a product of the environment. Interaction may take the form of competition, bargaining, co-optation, or coalition. The form of the interaction is contingent on the organization's: (a) analysis of power contingencies with the environment; (b) perception of the opportunity to alter goals; (c) identification of alternative courses of action; and, (d) assessment of the consequences of each
alternative (McEwen & Thompson, p. 118).

In "Organizational Output Transactions" (1962) Thompson examines the interface of the organization and the environment. He analyzes the organizational output roles or boundary spanning roles involved when members and non-members of the organization interact. Thompson asserts that the nature of the interaction is characterized by the varied contingencies and the outcome is the result of how members and non-members respond to each other as the interaction unfolds (Rushing & Zald, 1976, p. 114). In conclusion Thompson states:

It is hoped that this paper has called attention to the need for further consideration by organization theorists of the output relationship, by showing that it occurs in transaction structures built in part of elements not within the organization and hence it cannot be authoritatively dictated (Thompson, 1962, p. 146).

Thompson relies heavily on the writings of Simon, Gouldner, Blau, Chandler in his writing and analysis of organizational structure. In his writing on the organization’s interaction with the environment, in addition to Simon, he builds on Selznick, Boulding, March and Simon, and Robert W. Hawkes.

**MAJOR CONTRIBUTIONS**

During his lifetime, Thompson made his largest contribution in two general areas. First his founding of the Administrative Science Quarterly. His second major contribution was the development of the contingency theory of organizational study.

**Administrative Science Quarterly**

Thompson significantly contributed to the integration of a multidisciplinary
social science approach to the study of organizations. While at Cornell University his interest in a multidisciplinary approach to the study of organizational theory led him to the of Administrative Science Quarterly. The effort to develop organizational theory and the accompanying communication problems among disciplines and social scientists, created the opportunity and need for a journal. Launching the journal required planning, organization, innovative ideas to allow new applied research exposure among a number of disciplines. This cross-pollination of ideas manifested itself in the formation of a new academic journal devoted to the administrative sciences. James Thompson was the founder and founding editor of Administrative Science Quarterly. The first issue of this journal appeared in 1956. Its success continues.

**Contingency Theory of Organizations**

The second major accomplishment for James D. Thompson occurred in the area of organizational theory as one would expect. He was one of the first organizational theorists to develop theory which focused on the concept of organizational contingency theory. Although he never used the term “contingency theory”, Thompson’s specification of technology and environment as major contingencies facing organizations has led directly to the structural-contingency view. It has sparked contingency theory research throughout the last two decades (Astley, 1992, p. 499). However, other writings as you will see later in this paper do not consider Thompson a contingency theorist but rather a control-system theorist. These writers contend control-system theorists were predecessors to the actual open-system contingency theorists.

**GENERAL ORGANIZATIONAL THEORY: THE FOUNDATION OF ORGANIZATIONS IN ACTION**

The foundation of Thompson’s seminal work in organizational theory is
that work can be reviewed it is necessary to review the historical
development of organizational theory. This review will demonstrate
Thompson’s contribution to the field and will offer a spring board to an in
depth review of his book.

**Early Theorists: The Closed-system Approach**

Early work on organizational theory viewed organizations as closed
systems. These theorists were part of a once dominant structuralist
perspective. Structuralists seek to define organizations by the structural
attributes of the organizations themselves. Such a view was embraced by

In most cases, the system had a “prime mover.” The prime mover was
the individual who provided the mandate for the existence of the
organization. Of course the prime mover must be external to the organization
and as such provides the only external link to the environment (Bidwell &
Kasarda, 1985; pp. 2-3).

Weber assumed the constant influence of a prime mover in organizational
genesis and that concept deeply pervades his theory of bureaucracy.
Stinchcombe (1965) took a different view of organizational genesis by
analyzing the occurrence of organizations through the impact of a founding
entrepreneur. In the case of an entrepreneur, the impact only occurs once and
is not constant during the life of the organization.

Frederick Taylor as well as the investigators and theorists such as Mayo
and Roethlisberger of the human relations school of management also held
the view that the organization was a closed system. In their view, the
human beings were the primary cogs of the organizational machine.

In either case structuralists, view the organization as a “machine-like”
mechanism whose internal functioning was virtually unaffected by the
external environment. According to Bidwell and Kasarda (1985)
closed-system theories share the same basic Weberian idea that organizations are instrumental or achieving collectivities (Bidwell & Kasarda, 1985; p. 4).

**The Control-systems Approach**

A group of organizational theorists attempted to reconcile the machine-like Weberian approach to organizations by creating theory based on the organization's ability to moderate the influences of the environment. Organizational theory that considers truly open systems have significant problems in defining the boundaries of the organization. As Bidwell and Kasarda state, "In this fundamental sense system and environment interpenetrate" (p. 6). This conflict with the closed-system approach where the "prime mover" is the sole interface to the environment.

In an attempt to set clear boundaries for the organization and to allow the organization to interface with the environment, theorists have employed two concept in this organizational theory which have been defined as "operators" and "regulators". The operator is the machine-like aspect of the defined organization. The regulator is the organizational mechanism that receives information about the environment and adjusts activity. The organization can then respond by modifying the level or type of activity demanded by the environment (Bidwell & Kasarda, pp. 6-7).

Control-system theory represents an improvement over the simple closed-system approach. First it provide for an interface with the environment. Second, that interface is continuous or occurs in real time. Thus, such a theory provides for dynamic analysis of the system structure that was not possible in the closed-system approach (Bidwell & Kasarda, p. 7).

However, the control-system theorists continue to rely on many of the structuralists concepts of the organization as instrumental collectives. The machine-like aspect of the organization centers on the cost-achievement equilibrium (Bidwell & Kasarda, p. 7).

Control-system theory has taken two approaches. One - the behavioral
theory of the firm - approach focuses on the behavior of the human being in the organization. The other - the sociotechnical approach - centers on technology the organization may employ as it attempts to interact with the environment.

**Behavioral Theory of the Firm**

The behavioral approach stresses the actions of the decision makers in the organization. March and Simon (1958) and Cyert and March (1963) were major proponents of this approach. The theory tends to focus on the limits of the abilities of the individuals to agree on goals or to obtain adequate information on which to base decisions. In contrast to the closed-system approach, this theory treats the constraints as inefficiencies. The behavioral approach looks at the regulators of the firm - not the operators. Behavioral theory is not a theory of organizational structure. It is a theory of organizational decision making and individual actors (Bidwell & Kasarda, 1985; p. 9).

One of the major limitations of this approach is that it treats information for decisions as the single and preeminent environmental impact. Obviously, organizations are impacted by many more influences than just information.

**Sociotechnical Theories**

This approach to organizational theory tries to explain structural variation of organizations that result from environmental influences. In the sociotechnical area two writers had significant influence. Joan Woodward in her first work (1985) attempted to draw a relationship between certain organizational variables such as administrative structure and worker discretion. While she could establish their simultaneous occurrence, such as worker discretion with centralization, she could not establish a mechanism to account for this isomorphism (Bidwell & Kasarda, p. 10).

In her second work (1970), she and her collaborators sought to correct
that deficiency. However, ultimately they could not explain the relationships between the structures of production and administration.

Perrow in his work (1970) took a different approach to the sociotechnical analysis of the organization. He attempted to explain variable production organization by reference to the impact technology has on the raw materials of production. "Production organization (in Perrow’s words, ‘task structure’) in turn is broadly conceived to include the interdependence of work roles and work groups, the way production activities are controlled, and the way power is distributed among work roles and groups” (Bidwell & Kasarda, p. 11). Perrow was able to systematically demonstrate that when an organization’s technology emerges it in turn affects the production process. Hence, he established a relationship between these variables where Woodward could not. While Perrow’s analysis established the relationship, he could not establish the possible causal relationships among them.

His analysis did, however, move toward a dynamic theory. His variables, raw materials and information about how the product could be produced established clear organizational boundaries, but, again, considered only these two impacts from the environment. Because the use of these two variables still rely on the internal structural aspects of the organization, he did not move significantly beyond closed-system theory.

**Contingency Theory**

Lawrence and Lorsch (1967) are credited with giving contingency theory its name. The crux of theory is that organizational structure and decision making is contingent on the environment. Environments generate information that makes it necessary for lower level managers to direct the work of their subordinates based on the information they receive from the environment. Different units with different functions receive different information from the external world.

Consequently, it becomes incumbent on the higher level management to
resolve conflicting adjustments different units have made to the environment.

To resolve these conflicts, Lawrence and Lorsch, contend that upper management design or modify the organizational structure to ensure that each lower level manager deals with a unit that uses information as homogeneous as possible. This design results in functional differentiation.

With functional differentiation comes the need to integrate the efforts of diverse units. This integration is accomplished by administrative regulation (i. e. structuring decisions) according to Lawrence and Lorsch.

In spite of this somewhat comprehensive analysis of the effect the environment has on the structuring of the organization, Bidwell and Kasarda still view this effort as part of the control-system approach. "Lawrence and Lorsch, like Perrow, gave us only a picture of concomitant variation ... They assumed, and did not examine, the regulatory process said to mediate this covariation" (p. 13).

Thompson was able to synthesize sociotechnical and contingency theory in his single major work of Organizations in Action (1967). "He broadened sociotechnical theory to include environmental stimuli to manager's decisions about changes in the organizational theory" (Bidwell & Kasarda, p. 13). Bidwell and Kadarda characterize Thompson's theory, "His is an interesting depiction of formal organizations as control systems that is subject to the shortcomings of the control-system formulation" (p. 13).

Thompson's theory was built on a number of contributors to organizational theory. To some extent, Thompson extended Woodward's work. However, he relied to a much greater degree on Talcott Parsons (1960) and Alfred Chandler (1962).

Chandler analyzed cases of decentralization in large firms. The decentralization decisions were driven in his view by product and market differentiation. These managerial decisions were made by the administrative regulator. As a consequence, his work falls into the control-system category.

Parsons (1960) identified three principal functional levels within organizations. They are: 1) technical; 2) managerial; 3) institutional. For
Parsons the organizational operator is the technical level while the organizational regulator is the institutional and managerial.

In this view the managerial level develops certain external political and environmental concerns. At the same time Parson notes that the technical level develops certain power over knowledge about the work process. Technical workers are drawn away from production oversight towards supply and product markets.

As a result each level holds certain power over the other levels in the organization. Each level can decide to participate and make contributions to the organization or it can choose not to contribute. Parson in this case extends the regulation function in the organization to more than setting targets such as goals or to structuring the organizational machine.

Thompson developed a set of propositions about organizational activity that formulates a rudimentary dynamic theory of organizations. While his theory considerably extended the efforts of other students of organization, according to Bidwell and Kasarda he fell short of the open-systems theory because he failed to demonstrate how the managerial decisions, which his propositional structure or otherwise limit the behavior of organizational actors (p. 17). Nevertheless, James D. Thompson is credited with the development of the most comprehensive contingency theory to date.

A more critical discussion of his monograph, Organizations in Action, will be undertaken in the next section.

**THOMPSON'S MAJOR WORK: ORGANIZATIONS IN ACTION**

After years of studying and writing about organizational theory, Thompson integrated all his efforts on organizational theory into a single monograph that was published in 1967 under the title Organizations in Action. The work represents a collection of 86 propositions which attempt to explain the behavior of current complex organizations.

The book only consists of 192 pages; however, within these pages, he
intended this work to be a conceptual point of departure and a vehicle for framing theoretical inquiry rather than a precursor to empirical testing (Astley, 1992, p. 499). Frankly this is one of the major attractions of Dr. Thompson’s work for this writer.

As mentioned previously Thompson built upon Chandler’s and Parson’s work. Chandler viewed the environment as a major determinant to organizational structure. Thompson shared that view. He also identified technology as a reason for structural variation. Here he extended Woodward’s 1965 monograph. Finally, he used and relied on Cyert, March and Simon to frame the propositions associated with the decision makers in the organization. In the preface to the book Thompson mentions his effort may be considered a conceptual inventory (viii).

The structure of the book is interesting. Thompson divided it into two separate sections. Part I is devoted to the structural and environmental aspects of organizations. Part II of the book is devoted to the human process of decision making. It explores: who participates in the exercise of discretion; relationships among participants; what discretion is about, and how it is expressed.

The monograph focuses on a number of aspects of the organization. Thompson addresses the issue of boundaries and the organization. He indicates that organizations tend to build boundary-spanning roles depending on the size and complexity of the organization and how dependent these sectors of the organization are on the environment.

Since his theoretical approach tends to clearly define the organizational boundaries, he has been criticized as not being a pure open-system theorist (Bidwell & Kasarda, p. 15).

Thompson also points out that the more divers the environment is the more likely the organization will suffer uncertainty in the environmental interface. In order to minimize the number of points of conflicting information and uncertainty, the organization will try to develop homogeneous units at various points of interface with the environment.
Thompson suggests that organizations will react in predictable ways to uncertainty in the environment. For example, the organization will buffer its technical core (technology) to insulate it from environmental uncertainty. It will also stockpile resources in an attempt to smooth environment fluctuations.

The mechanism Thompson uses to make these adjustments is the administrative decision process. In this case the regulator is broadly adaptive because it allows adjustment of the organizational structure as well as altering the environment.

The primary function of the regulator in Thompson's theory is boundary maintenance. In his conception this function is continuous. Other theorists such as Chandler did not see the regulator acting in a continuous manner.

Thompson treated top level management as the regulator function and further assumed that these managers would act "under norms of rationality". Thus to him, top level administrators made decisions utilizing environmental information and organizational structure to achieve organizational goals.

Bidwell and Kasarda criticize Thompson for failing to indicate how these decisions aggregate to form organizational structure (Bilwell & Kasarda, 1985, p. 17). However, Thompson's concepts are highly endorsed by Emily E. Schultheiss in her June 1991 Journal of Management Review of Organizations in Action. She says that Thompson, "...set forth a series of propositions about the behavior of organizations that appear to be at least as true today as they were when he penned them 25 years ago" (p. 497).

Robert B. Denhardt in Theories of Public Organization (1984) utilizes Thompson's work to describe the strategies for studying complex organizations. While Bidwell and Kasarda did not feel that Thompson's work fell into the category of open-system theory, it is interesting to note that Denhardt clearly sees Thompson as an open-system theorist (p. 85).

**SUMMARY AND CONCLUSIONS**

James D. Thompson made significant contributions to the development of
organizational theory. This contribution was not only limited to theoretical specifics, he was largely responsible for introducing a new paradigm for the study and theory development of organizations – contingency theory.

In addition, he fostered communication of organizational theory by founding an academic journal that would allow theory to be discussed from a multidisciplinary perspective among the various social and behavioral scientist who would choose to study organizations.

In both these areas he leaves a significant legacy. However, it is interesting to note, information on James D. Thompson his life and contributions have not been memorialized to any great extent beyond the memorial printed in the January 1974 issue of Administrative Science Quarterly and the work of Rushing and Zald (1976).

Simply stated, James D. Thompson, while widely cited and accepted academically, has not been recognized for his true contribution to the understanding of complex organizations.

REFERENCES


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