

## **On the Remolding of the Administrative Organizational Structural System**

by

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The transition of the Chinese society that began in the late 1970s has been a systematic transformation of society. It has occurred not only in economic or ideological and cultural formation, but also in the administrative organizational structural system closely related to political formation. Since the mid-1990s, administrative reforms in China have involved those of government functions. The changes in the economic profit bodies, in resource distribution, in the improvement of intellectual level of society as a whole and in the development of technology have deprived the old administrative organizational structural system of its reasonable and effective nature. There is urgent need for the system to be replaced by a new one. The remolding of the administrative organizational structural system is synchronous with the reconstructing of power system. It is of both practical and theoretical value to conduct studies in the reasons for the changes in administrative organizational structural system and the contradictions arising from the remolding.

### **Factors that support the old administrative organizational structural system**

Before the systematic changes in society, the old administrative organizational structural system of the Chinese society was stratification, besides the fact that it is combined with the ownership of the means of production. The typical and mature form of stratification is bureaucracy, the standard form of which occurred in the European society during early industrialization. That is why Max Weber, living in the industrial civilization of the European society, became an authority on bureaucracy. However, the administrative organizational structural system before the reforms in China differed considerably from the typical bureaucracy marked by its features of industrial civilization of the West.

Bureaucracy during industrial civilization is not merely combined with market economy and the political system of individual democracy. It is based on centralization of administrative management power limits and the resulting rigid and near-mechanized stratification. It guarantees a certain number of technology experts. As long as these factors are ensured, the administrative organizational structural system will more or less take the exterior form of bureaucracy. As a result, the span of social form and economic system where bureaucracy applies is considerably big. Viewed from the exterior, central and local administrative system of the Tang dynasty were similar to bureaucracy as described by Weber, which lasted into the period of socialist planned economy.

The administrative organizational structural system of China under the old political and economic systems are characterized by a great unity of administrative power, rigid stratification and a high intellectual level. Yet, the system operated in a backward, closed and ossified administrative environment. Below are the factors that support its basic structure and application. The first is an industrial structure consistent with a national economy where agriculture takes the lead. The second is the unity of social bodies resulting from strict planned economy, the coagulation of profit bodies

and the monotony of information. The third is the great unity between politics and administration, whose functions are merged by the former. The last factor is that the level of education, science and technology of the whole society is low, and people are short of knowledge.

### **Conditions for the remolding of the administrative organizational structural system**

The administrative organizational structural system is the result of the system of administration as a whole or of the interaction between the administrative environment and the constituent systems of administration. It is also the product of the interaction among the smaller systems within the whole system of administration. As a result, there are numerous factors for the changes in the administrative organizational structural system. Of course, the factors are not equal. During the transition from a traditional society to a modernized society, the factors that affect the administrative organizational structural system include the structure of power system, the degree of administrative cultivation, management professionalism, the constitution of social profit bodies and the channels of information flow. To summarize in a formula,

$AOSS \rightarrow (ps+ac+mp+pb+if)$ , where

AOSS stands for administrative organizational structural system, ps for power system, ac for administrative cultivation, mp for management professionalism, pb for profit body and if for information flow.

The progressive reforms conducted in the transition of the Chinese society has not only shaken the old system but prepared the conditions for a new administrative organizational structural system.

In the first place, radical changes have occurred in the economic system. With the restoration of commodity economy, the coexistence of non-state economy with state economy, the separation of ownership and management as well as the clarification of property rights has been established an economic system where the market distributes resources. It has posed a great challenge to the sharing of profit and the fuzziness of profit body formed by planned economy. Thus, differences in profit distribution and the polarization of profit groups stand out.

In the second place, with the collapse of the old economic system and the gradual construction of the socialist market economy, government functions have changed. The government no long looks after everything. Some of its functions are weakened, some power polarized, some transformed, some strengthened and some purified. With the weakening, polarization, transformation, strengthening, purification and legalization, government power system is rebuilt, which must be followed by the remolding of the administrative organizational structural system.

In the third place, in the transition from a traditional society to a modernized society, industrialization is accelerated. The establishment of the modern enterprise system and the appearance of large groups of career entrepreneurs lead management of the Chinese society to a scientific and standard level. The development of the administrative science, and the teaching and research in management at institutions of higher learning, has seen organizational theories different from the traditional administrative organization. It has produced numerous professionals in administrative management, who are replacing those who could only observe rigid regulations and cater to superiors, with outdated knowledge, professional skills and poor adaptation to the rhythm of a modern society.

In the fourth place, the reforms have penetrated commodity economy into the vast rural areas. Domestic agricultural economy is being industrialized and urbanized, which has triggered the large-scale flow of rural population. Farmers who would have stuck to their plots are going to the city for new opportunities. The most important basis of power centralization is now collapsing.

In the fifth place, the policy of opening to the outside world has made it possible for the Chinese

society to grow in the high and new technology of the modern world. With the rapid changes of social values, the general improvement of intellectual level, the appearance of career management experts and the formation of conditions for office automation, mass media have changed in both quantity and means. Information comes no longer from stratification, and the content of transmission has changed from government domination to fact and description.

All this has formed great power that crashes down on the pyramid of the old, monotonous and centralized power system. The result is 'flattened stratification,' which leads structural variety, operational flexibility, elitism in the middle levels and professionalism of managerial decision-making.

### **Differences in the remolding of the administrative organizational structural system between China and the West**

The changes in the administrative organizational structural system during the transition of the Chinese society correspond with the reforms of the administrative system during the post-industrial era of the West, which began after the 1970s. Bureaucracy who's side-effects had already appeared in the industrial era lost its reason of existence. A post-stratification administrative organizational structural system consistent with post-industrialization and the information era was established in many countries. Britain was where reforms in the administrative system went to greater length with considerably more success.

However, in the reforms of the administrative organizational structural system, China is both similar and different from Britain. As far as their similarities are concerned, efficiency is given top priority in both countries. The reforms in Britain were centered round effect appraisal, and efficiency was the first criterion for their success or failure. In China, a similar principle of efficiency was followed. In fact, the very reason that bureaucracy has no meaning in the modern era is that it does not emphasize efficiency.

Secondly, power transfer is the major means. A significant symbol of bureaucracy is the high centralization of administrative power, realized through the power pyramid. The reforms in the administrative organizational structural system in Britain only imposed certain power limits but transferred much administrative power to communities or folk groups. Similarly, after the collapse of the single planned economy in China, power transfer weakens certain government functions. Thus, government, especially the central government, no longer controls administrative power.

Thirdly, the major channels are organization retrenchment and stratification compression. Earlier, British organizations had many intermediate levels. Under the ministry was the bureau, which was followed by the department, which was more often than not followed by more intermediate levels, which was eventually closed by the office. By making direct and standard contact between the ministry and the office, organizational establishment was retrenched. Administration in China, too, took personnel retrenchment as its major means, where a work responsibility system was established by position classification on the basis of functions.

Fourthly, the aim of both countries was scientific decision-making. In Britain, the principle and methods of efficiency of an enterprise were introduced into an administrative organization while qualified management personnel were invited from a private institution to work in a government department, which brings the role of experts in decision-making. China also emphasized the scientific nature of decision-making, and proposed the establishment of advisory organizations to ensure the validity of the decisions made.

On the other hand, numerous differences exist in the remolding of the administrative organizational structural system in the two countries. First, their conditions for the renewing of the system are different. Under the conditions of the post-industrial era, Britain follows post-

stratification. In contrast, China has established post-stratification at a time of transition from a traditional society to an industrialized society.

Second, the prerequisites for the remolding are different. In Britain, administrative decision-making functions are separated from its executive functions. In China, however, the appropriate separation of politics and administration is the truth.

Third, the personnel systems involved in the remolding are different. In Britain, the public servant system has a long history with a set of strict standards. The major feature of the British public servant system is political neutrality, coordinating with the anonymous principle. The collapse of British stratification was preceded by the principle of political neutrality and the anonymous principle in the public servant system. In China, however, the transition of the administrative organizational structural system to post-stratification is represented by the very establishment of the public servant system.

### **Contradictions in the establishment of post-stratification**

In the course of the going of stratification and the coming of post-stratification, some contradictions arise in the administrative organizational structural system, which are roughly divided into two categories. One is the contradiction between the old and new administrative organizational structural systems. It is true that stratification is outdated, yet as a long-time system, it has inertia, which is not only systematic but also cultural. Therefore, much time and energy is needed to eliminate its influence. When stratification is not yet eliminated and post-stratification is being improved, their contradiction is unavoidable.

The other type of contradiction comes from the establishment of the new system.

Firstly, as 'flattened stratification' is achieved by power transfer, power scattering is basically inevitable, which results in the loss of control of administrative behavior and operation. As intermediate levels in stratification are not few, and are clear-cut, power is centered round the top levels, forming a pyramidal organizational chart. Post-stratification, on the other hand, is aimed at the flattening of such a structure.

Secondly, as the expert decision-making system is relied on, organizational targets in the center of administrative decision-making may easily be switched, and so does replacement of organizational targets. For example, the observation of regulations is a means to the achievement of administrative targets, yet in stratification, some administrators view that observation as the observation of every single regulation. As a result, the instrumental value of means become the ultimate value, which is a feature of bureaucracy.

Thirdly, the cost of the remolding of the administrative organizational structural system is high. As numerous intermediate levels must be retrenched, it means that a large group of administrators must change jobs. Of the cut personnel, some have no special skills apart from their administrative ability, so that it is difficult for them to find jobs outside their original field. The administrative organizations must look after them. The training of some others for new employment is also costly. Moreover, a considerable number of test-qualified administrators are needed to replace those who are no longer qualified. Their training, whether taken care of by institutions of higher learning or by specialized administrative training organizations, requires considerable investment. It is also possible that some organizations make use of the chance of retrenchment and establish profit-orienting administrative organizations on the basis of their administrative power and economic information. It will not only cause loss of government power but damages government image. In that case, there will be considerable loss of cost.

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