

A second misconception is that informal organization is restricted to the lower levels of the company. Informal organization has to do with how people behave and since vice-presidents as well as machine operators are people, informal organization exists at the top as well as the bottom. A group of vice presidents may agree "informally" that certain information should not be transmitted to the president. A group of supervisors may agree that certain decisions are to be accepted without argument, but see to it that they are implemented very, very slowly.

The psychologist needs to know about the informal organization in the particular company where he may be working and to know some general hypotheses about how informal organizations come about and how they operate.

Some investigators are primarily interested in the formal structure of organizations, i.e., formal organization. These people explore questions of who should report to whom, how many people should report to one boss, what is the relationship between line activities and staff activities. They want to know how the pieces of a company should fit together. Sometimes students and researchers with this type of interest give the impression that people in organizations are at best a nuisance. Other investigators are primarily interested in how people behave in organizations. To them the important questions are why and how informal organizations come into being, what is the effect of people's attitudes on their performance, how do leaders be-

have, and whether people behave differently in work groups than they do in other kinds of groups. These investigators sometimes give the impression that formal structure, rules and policies are a nuisance.

The structural approach and the behavioral approach are complementary, not contradictory (Bass, 1968; Leavitt, 1962; Pugh, 1966). More and more psychologists agree that how people act in organizations depends both on the particular skills, abilities and personalities they have and on the kind of organization in which they work.

Goals of Organizations

What is a goal? This simple question is hard to answer. It is somewhat easier to answer for an individual, but it becomes more and more difficult as we go from the goals of one person to two people to a small group to a large organization.

An individual's goal may be defined as a stating of what he hopes will be true at some time in the future. The student may say, "My goal is to get a bachelor's degree in four years". This can be expressed in a way more consistent with the definition as, "Four years from now I hope that this is a true statement: I have a bachelors degree." This way of thinking about goals raises several problems even at the individual level. Two major ones are: How far into the future do you need to go before the statement is true? How general or how specific is the statement? --

Right now your goal may be to read the next sentence within one second. That is a specific and short-range goal. On the other hand, one of your goals may be to devote your life to productive service to your fellow man. -- That is a very broad and general goal and a very long range one. A third problem is how to measure progress toward a goal. The more specific and short-range the goal, the easier it is to know if you are making progress; the more general and long-range the goal, the harder.

If we try to define a goal for an organization, we still have the three problems of range, specificity and measurement. We also have an additional problem, for an organization is a group of people. "It is difficult to introduce the concept of organizational goals without refining the organization-treating it as something more than a system of interacting individuals". (Simon, 1964, p.2). If the organization is a small one, the goals of one especially powerful person may be the goals of the group or the members may talk until there is complete consensus about the goals. If all the members of the group share a very powerful belief, e.g., there is only one true God, then the goals of members and the goals of the organization will quite likely correspond to a high degree.

How does a group of people go about --

making statements about the future when it disagrees not only about what the future -- should be but about what the present is? How great a variety of statements, over how great a time span, with how much generality or specificity, can an organization permit and still be an organization? Even if an organization can reach consensus or wide agreement on its goals at one time, how can the goals be changed as individuals within the group change or as the environment in which the organization exists changes?

Despite the problems and unanswered questions associated with defining goals, measuring progress toward goals, and finding ways of making statements of goals, organizations do have goals. They even try to state them explicitly. Some people leave organizations because their personal goals are incompatible with those of the organization. Others join the organization because they like its goals. In the end, whether the organization thrives or dies is based on whether there are enough people who will join and stay with the organization and whether the physical and social environment surrounding the organization is compatible with its goals?

Categories of Goals

All organizations have three different categories of goals. In one category are the --

production goals. Organizations form to do something, and that something must be done efficiently and effectively. The army must win battles, the church must win converts, the hospital must provide aid and comfort, and the automobile company must produce cars and trucks.

In a second category are the integration goals. The organization must stay together long enough to get the jobs done and must remain intact to accomplish future jobs. Even if the rules which define the organization change, or particular jobs change, or particular people leave and others join the organization, the chances of continued existence must remain high. State University is still State University but the rules which students and faculty relate to each other have changed greatly in the last thirty years. Chrysler Corporation no longer makes 1929 Plymouths and does not make DeSoto automobiles at all but it is still Chrysler Corporation. The United States Army of 1812 and the United States Army of 1972 are recognizable as the same organization.

In a third category are the morale goals. The people in the company must find the jobs to be done interesting, engaging, stimulating, or at least worth doing. If the job is not or does not seem worth doing, then eventually it is not done and the production and integration goals are threatened.

Psychologist working with organizations need to know the goals of the company. They are aware of the three general categories of goals, but for each company they need to know the specific goals in each category. From knowledge of the specific goals psychologists attempt to develop criteria for measuring goal performance and thereby make their major contribution to the company.