MODELS OF ORGANIZATIONAL GOVERNANCE

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Abstract

This study reviewed the mode of running human organizations in democratic and non-democratic environments. The study used the following models to identify and describe the governance of an organization: Oligarchy, Democratic centralism, The Logic of collective action and Centre periphery. These models had communist, capitalist and moderate orientations and explained the running of organizations in terms of the number of persons that constitute the governing class of any organization. Using secondary methods of data gathering, the study found that only a small group of persons can run the affairs of an organization to avoid chaos and confusion. It found also that the co-operation of majority of organization members must be enlisted for the small group to succeed in governing the organization. Consequently, the research recommended the reduction in the level of disharmony of interest between the minority governing class and the majority governed. It further recommended the decentralization of the governing elite and the regular use of democratic methods of governing human organizations.

Keywords: models, organization, personnel, reform, methodology and oligarchy

1. Introduction

It is common to describe organizations as having been taken over or "hijacked" by a small group of individuals. This description tends to convince its audience that this take-over of the administration of an organization by a small group is abnormal and not in line with standard procedures for running an organization. This method of organizational governance is seen as undemocratic because it does not involve majority of the members of that organization. To this extent, decisions of this small group are seen as minority decisions imposed on the majority of the people.

Proponents of this view point employ some derogatory terms to describe such situations. Terms like, kitchen cabinet, cabal, caucus, oligarchy, etc are used to

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describe organizational governance by a small group. These proponents further seek ways to enlarge the governors of an organization to give the requisite semblance of democratic governance. Their interest in this structural re-organisation of governance is not in the enhancement of the profit motive of the organization, some organsations are not profit oriented. The motive is not also in improving the efficiency of the organization in the discharge of its mandate. The interest is only in the nominal structuring of the governance of such organization to reflect a majority participation in the running of that organization. However, it is necessary to establish a course of organizational governance that has wide practical acceptability in both democratic and non-democratic organisations.

It seems to be the natural order that human organisations are governed by a small group of people. In order to reduce incidents of conflict of roles interest etc, it is only proper that a small compact well organized group of people directs the affairs of any human organization. This group forms spontaneously in the course of running the organization and its members arise mainly because of their expertise, popularity, affluence etc. The formation of this group is an important aspect in the growth and development of any organisation. This group tends to exist in perpetuity once it has emerged. It exists as long as the organization lives. The exit of one or more members by any means does not destroy the group. Exited members are quickly replaced so as not to jeopardize the performance of the organization. This self-perpetuation quality of these small groups is assisted by the compact nature of the group.

This study intends to establish and to emphasize that it is neither an individual nor the majority of individuals in an organization that govern such organization. It is rather a small group of individuals behind the glare of the public that runs the organization and that this situation applies in both democratic and non-democratic organisations. In support this assertion, the work shall begin by describing the process of the governance of human organisations and identify the small groups of persons which govern them. It shall be made abundantly clear that organizations are not run by majority participation of its members.

In studying and understanding the governance of organizations, there is the need to present some models that dwell on such governance. These also explain the composition and course of such governance. The models used in the explanation of organizational governance are Oligarchy**,** Democratic Centralism**,** Logic of

Collective Action and Centre-Periphery. This study relies mainly on secondary sources of data gathering and empirical experiences and observations of the researcher. These are used to explain the governance of organisations in modern times.

1. **Models of Organizational governance**

2.1 Oligarchy

Oxford Advanced Learners Dictionary describes oligarchy as a small group of people having control of a country or organization. Wright Mills (1961) sees the term as a power elite, a power structure where power resides with a small group of people in any organization. Robert Dehl (1985) similarly describes oligarchy as a dominant and influential group of people who manage a society. The oligarchy is the highest decision making arm of any organization and they theoretically own that organization. It is not an all-inclusive body as membership is highly restricted.

The oligarchy is made up of experts who are highly knowledgeable in the area of operations of the organization. It is also composed of influential and wealthy members of that organization who have extra ordinary qualities relevant to the success of that organization. However, in spite of the massive influence of this group in controlling the organization, the oligarchy needs to enlist the support of the entire members of the organization. This is done by decentralizing the functions of this body to regional and sub regional replicates. This devolution of functions is designed to present a picture of mass participation of members of the organization when in reality, the organization is being controlled by a small group. The further purpose of this decentralization is to prevent mass discontent and uprising in the organization.

Oligarchy is a feature of both democratic and non-democratic organization. It is a natural method of organizational governance which cannot be by passed.

2.2 Democratic Centralism

This is a communist party method of governing the socialist party. It could be adopted in the ordinary governance of any human organization with its emphasis on a centralized decision making method. In this method of governance, decisions are taken at the top of the hierarchy composed of a small group of people. It is believed that these decisions had inputs from the lowest level of the organization. For this model of governance to succeed, it needs to constantly interact with

members of the lower levels of the organization. This equally presents a semblance of majority participation in the decision making process of the organization. This interaction between the top and the base also acts as a feedback mechanism.

On this, it ensures that the top echelon takes cognizance of the feelings of the base in the governance of the organization. It integrates the lower elements of the organization with the decision centre in order to reduce the incidents of rebellion, what Claude Ake called "revolutionary pressure from below." The stability of the organization is assured by this method of governance.

2.3 The Logic of Collective Action

In his book, "Public Goods and the Theory of Organisational Behaviour" Mancur Olsen (1965) propounded the model of the logic of collective action. This model originally expressed the behavior of individuals in large collectivities. It states that as rational beings, people usually act selfishly to satisfy personal rather than group interests. A person's efforts and contributions towards the achievement of group goals will tend to be proportionate to his expected gains, not usually less than what he hopes to benefit from the group. In the case of collective goods, like good governance, efficiency in organizational performance etc, individuals in the organization will each benefit if this good is achieved. Even though all members of the organization would enjoy the benefit of the achieved goods, only few individuals contributed heavily towards the achievements. The collective success belongs to all while only few individuals worked disproportionately hard towards this achievement.

In every human organization there are collective and non-collective benefits. While the collective benefits belong to all organization members, the non-collective benefits like board appointments, shareholding etc belong to few individuals who make disproportionate efforts towards the achievement of the goals of the organisation. These selfish non-collective benefits motivate the few who invest in its more than the collective benefits which motivate the many.

Consequently, it is more rewarding in an organization to place the responsibility for task performance on the shoulders of members of that organization who seek the selfish non-collective benefits of that organization. These members are usually the office/stakeholders who seek personal gains in relation to the investment they

make in the organization. Their appeal for the support and effort of the other members of the organization is actually a by-product of their selfish desires. It is therefore necessary in an organization to identify the selfish non-collective goals of leaders of the organization and to integrate these goals as the collective goals of the organization. In the course of achieving these selfish non-collective goals, the collective goals of the organization are achieved.

It is imperative that those who seek selfish non-collective benefits should offer commensurate inducements to the other members the organization to enlist their mass support in the pursuit of their selfish goals. If individual interests within the organization are appropriately harnessed, they could serve as group interests and would create the requisite harmony of interest for the progress of the organization. The interest of the majority of organization members would appear as by-products of the satisfaction of the desires of the minority.

Olesen did not see this as an imposition or oppression of the majority members of the organization. He sees it as a necessary and inescapable method of organizational governance. This method applies in both democratic and non-democratic organizations. This model is relevant to this study in as much as it describes and explains the governance method of all human organizations.

Centre-Periphery Model

This model was adopted by Johan Galtung to describe the structure of imperialism at the time he conducted the research. He used the model to explain how the developed metropolitan nations (centre) governed the less developed territories (periphery). It also explained how the centre in the periphery governed the periphery in the periphery. The study will explain this model in a cursory manner, to the extent that it helps us understand the governance of human organisations.

The Centre-Periphery model has been found to be capable of explaining the governance of organizations. Its underlying principles are relevant not only for governing states under imperialism but also in the running of human organizations both in socialist and capitalist environments. The model views the relationship between the centre nations (advanced capitalist countries) and the periphery nations (less developed countries) as a relationship of dominance where the centre nations govern the periphery nations. This governance is done through a complex mechanism in which the centre nations create a centre in the periphery nations.

The centre in the centre nations is made up of the capitalist ruling class while the centre in the periphery nation is also made up of the ruling local capitalist class, who serve as a bridgehead through which metropolitan capitalism penetrates periphery nations.

According to this model, there is harmony of interest between the centre in the centre nations and the centre in the periphery nations. This harmony of interest or compatibility is foisted on the centre of the periphery by the creation and maintenance of a local capitalist class prone and loyal to the centre in the centre nation. This local capitalist class therefore acts as a link, a bridge head through which international capitalism penetrates and governs periphery nations. The dominance and governance of the periphery nations is facilitated by the creation and reinforcement of a disharmony of interest between the centre in the periphery and the periphery in the periphery by the centre nation. The periphery in the periphery is a term used to describe the masses of the people in the less developed nations.

Even though this model was designed for the governance of states in the periphery nations, it is applicable in the running of ordinary organisations anywhere. This is because, every Organization's governance can be likened to the Centre being composed of a small group of people who govern and a large proportion of people who are governed known as the periphery. There is an inherent disharmony of interest between the Centre and the periphery to the extent that a high degree of compromise is needed for the Centre to effectively govern the organization.

Summary and Conclusion

Structural principles for the running of organisations in both democratic and non-democratic dispensations indicate that governance of organisations by the few is the norm, not the exception or an imposition. Similarly, organistional decisions must have the sanction of majority members of the organization before they can be well implemented. It follows therefore that a certain level of a harmony of interest must be created and maintained between the minority governors and the majority members of the organization. This will remove all elements of rancor in the organization and create an acceptable balance for the smooth governance of that organization.

Recommendations

1. The governance of human organisations should seek to adopt democratic governance method, since it is the most modern method of the running of organizations.
2. Since it is inevitable that the minority members of an organization governs the organization, there should be an appropriate integration of the interests of the majority members so that there will be a harmony of interests between the minority and majority members.
3. There should be a calculated decentralization of the governing elite to the lower levels of the organization. This will create a sense of belonging and responsibility at this level. More members would hope to enter the ranks of the governing elite in the near future. This hope will act to stabilize the organization.

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