

# Authority Revisited

## A Proposal to Combine Acceptance and Formal Theories

M. Gene Newport

**A**uthority is the basis of all managerial action. Yet, most management texts discuss authority in terms of line, staff, and functional differentiations while practically neglecting sources of authority as related to managerial effectiveness. This article concentrates on this area.

### Traditional Theories

While sources of authority have been "tabbed" with several different labels, most discussions tend to center around the formal and the acceptance theories as brought out by Chester Barnard and others.<sup>1</sup>

### Formal Theory

Any manager possesses a certain degree of authority by virtue of the position which he holds in the organizational structure. Since such authority is delegated by a superior, it becomes a simple matter, under this theory, of

tracing upward through the scalar chain to discover the ultimate source of authority. In a proprietorship or partnership, the owner-managers would represent this source as would their stockholder counterparts in the corporate form of organization.

The formal theory continues by indicating that the owners receive their authority from society through the institution of private property. And, in this connection, one is cautioned to consider not only the legal aspects of the institution, but the sociological ramifications as well. Such analysis becomes necessary since the will of the people is responsible for forming, amending, and maintaining this legal foundation and since the will of the people is, in turn, influenced by a complex of rights, laws, and mores.

### Acceptance Theory

While the formal theory considers

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1. Barnard, Chester I. "The Functions of the Executive," Harvard University Press, 1938, pp. 162ff.

authority as being delegated from above, this theory advocates the belief that acceptance by subordinates represents the true source of authority. Barnard has described the conditions under which this acceptance is granted. They are: (1) the subordinate understands the order; (2) he views it as being in line with organization purposes and compatible with his own interests; and (3) he is physically and mentally able to comply with it.<sup>2</sup>

Thus, in its purest form, this theory would indicate that the subordinate weighs various factors before accepting a command. And, furthermore, until the subordinate is willing to obey the command, there is no exercise of true authority. However, an examination of these various factors may not always be present before granting some degree of acceptance. Most individuals within an organization recognize the need to conform to certain rules and regulations. Therefore, many orders are automatically obeyed due to a respect of authority even though there may be no genuine acceptance of the manager. Thus, a modified form of the acceptance theory is also indicated.

### An Evaluation

Each position in the scalar chain must possess authority commensurate to responsibilities. This authority is present before the position is staffed and remains should the position be vacated. This continues to be true even though the scope of authority may be changed during the tenure of a particular individual.

Considering these factors, it stands to reason that such authority must be delegated from above. Tracing the

lines of delegation would then uncover the source of authority in society as granted through the institution of private property. Yet, is such authority workable when all other factors are excluded from consideration? In line with this thought, an analogy to our legal system seems appropriate. If there was no acceptance of the law, would the system be effective? Those individuals responsible for administering and enforcing the law could use their delegated authority to arrest and prosecute violators. Our penal institutions could be filled to overflowing. But, would the end result be a net contribution to society? Similarly, how effective is that manager who must always resort to the full use of his delegated authority in threatening or carrying out discharges, demotions, and other negative disciplinary actions?

While certain limitations of the formal theory are indicated above, the acceptance theory also contains inherent shortcomings. Certainly, it is useful in explaining the selection of leaders within the informal group where authority is definitely granted through acceptance. Similarly, the rejection of these leaders is based on a lack of such acceptance. However, in the formal organization, order is dependent upon a network of lasting authority relationships. And, it seems incomprehensible that such relationships could continue in a situation where the possession of authority was dependent upon the will of subordinates as expressed through their acceptance or rejection of given managers.

### Wanted—A Marriage of the Theories

The above assessment provides strong indications that neither the for-

2. Barnard, *op. cit.*, page 163.

mal nor the acceptance theory can stand alone when managerial effectiveness is considered. If acceptance is not present, compliance to commands can be forced through the full use of formally delegated authority. Yet, such practices often lead to increased resentment and a deterioration of managerial efficiency. On the other hand, strict adherence to an acceptance by subordinates does not provide the authority structure necessary for continued organizational success.

Thus, it appears that a combination of the two theories is necessary in explaining the effective use of managerial authority. Through the formal theory, delegation would be shown as the process which provided the hierarchy of authority relationships necessary for continued order in an organization.

However, in superior-subordinate relationships, the long-run success of the manager is also dependent upon voluntary acceptance by the group and not upon the acquisition of compliance through fear, threats, and coercion. For this reason, certain tenets

of the acceptance theory must be combined with those of the formal theory in order to produce a more meaningful totality as related to the effective use of managerial authority. It is not an either/or situation. As stated in *Dun's Review*:

It follows that it is individual competence, skill and knowledge that constitute the hallmark of authority, distinguish the effective from the ineffective manager and differentiate between the directive whose sanction comes from the organization and the directive that compels compliance because it is right. Authority is, after all, an outcome of the behavior of a particular person. To achieve authority, this person must demonstrate knowledge and sound judgment. He must solve problems and make decisions, and his solutions and decisions must get results. If these things characterize a manager's behavior, he need never be concerned about whether others will follow his direction.

Managers, in fact, must provide the kind of direction that subordinates follow because they want to, not because they have to.<sup>3</sup>

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3. "The Imperatives of Authority," *Dun's Review and Modern Industry*, Feb., 1965, page 92.

## Evers Promoted At Kelly Services

Fritz R. Evers has been promoted from the position of Manager of Training to Director of Training for Kelly Services, Inc. according to an an-

nouncement by Richard H. Kelly, President. Mr. Evers is located in the temporary help company's home office in Detroit, Mich.