

**Business Empire**

Dr. K. Raghu Naga Prabhakar

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**The Critical Theory**

Dr. G. Sreenivas Reddy

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**Government and it's  
Business Promotion Policy**

Dr. K. Raghu Naga Prabhakar

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**Start-up Culture: A Study**

Dr. K. Raghu Naga Prabhakar

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**Administrative Theory: A Critical Review**

Dr. G. Sreenivas Reddy

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### Manuscript

The Author should send three copies of the final manuscript. The text should be double-spaced on A4 size paper with one-inch margins all around. The Author's name should not appear anywhere on the body of the manuscript to facilitate the blind review process. The Author may send a hard copy of the manuscript to Aurora's Business School or e-mail the MS Word Document at [ajm@absi.edu.in](mailto:ajm@absi.edu.in). The manuscripts should be submitted in triplicate and should have been proof-read by the Author(s) before submission.

The paper should accompany on separate sheets (1) An executive summary of about 500 words along with five key words, and (2) A brief biographical sketch (60-80) words of the Author describing current designation and affiliation, specialization, number of books and articles in refereed journals, and membership on editorial boards

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Acronyms should be expanded when used for the first time in the text. Subsequently, acronyms can be used and should be written in capitals only. Quotes taken from books, research papers and articles should be reproduced without any change. American English is recommended as compared to British English. Keeping the diversity of the readers in mind, it is suggested that technical terminologies should be explained in detail while complicated jargon may be avoided.

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## BUSINESS EMPIRES

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### Abstract

*Family businesses globally contribute to wealth generation and employment creation. They hence contribute towards poverty eradication. In Kenya family businesses employ a significant number of the population. Family businesses ensure quality products and services reach the consumers. They also encourage economic growth and innovation in a nation. They also contribute significantly to the Gross Domestic Product of any country. One of the Kenya Vision 2030 objectives is to create new jobs and continued existence and growth of family businesses is therefore critical to help achieve this objective. Family businesses contribute significantly to the growth of any nation. Many multinational corporations started as family businesses, have grown to be multinational brands and so there is need to ensure family businesses continue to grow. The continued existence and growth of the businesses depend on how management succession is managed as well as the strategies that are in place. One of the key concerns for a family business is to retain the entrepreneurial spirit across generations and overcome retardation or even demise as the business grows. The grooming of next generation leaders should be adopted as a mindset as well as an objective that is implemented over time. The powerful engine for business growth in the family business is the next generation leaders who must be seen and recognized as entrepreneurs in their own right. Management Succession is a double edged sword where on one hand the successor may encourage strategic initiatives that move the business to a higher level and on the other hand stifle growth of the business by having no strategies in place Operational strategies are short-term and are associated with the various operational departments of the company, such as human resources, finance, marketing, and production. Competitive strategies are those associated with methods of competing in a certain business or industry. Corporate strategies are long-term and are associated with deciding the optimal*

*mix of businesses and the overall direction of the organization. To operate as a sole business or as a business with several divisions is part of the corporate strategy. The growth of a business will depend on its strategies and how well they are implemented. It is therefore crucial that family businesses put in place strategic plans for organizational growth. Family businesses should engage in formal strategic planning and use outside boards and consultants to make strategic decisions. They should also develop formal written succession plans for smooth business succession. Family businesses should also consider making use of family councils to deal with succession issues. They should also ensure the successors are well trained, have the experience and competence required to grow the business. Possible successors should also be coached and mentored. They should also consider having non-family employees in the top management. Family businesses should also embrace professionalism in the management of their businesses and establish a culture of open door and supportive management for growth. For more growth family businesses should consider other internationalization growth strategies such as licensing, franchising, joint venture, strategic alliances and mergers.*

## **Keywords**

Business empires, Entrepreneurship, Affiliate markets

## **Introduction**

A business empire is not a standard term really. It could be that there are only a few businesses that provide a certain product or service, or it could be a near-monopoly where everyone just simply buy from that company. Generally speaking however, a company that is an empire will operate all aspects of the product line. They will make the resources for it and distribute the product without any help or trade agreements.

## **Seven Essential Qualities of Business Empire**

The following are some of the more important qualities required to build a business empire:

**Doing Things Differently:** There is a quote floating around out there which says:

"Entrepreneurship is living a few years of your life like most people won't, so that you can spend the rest of your life like most people can't." This does not merely apply to entrepreneurship. If you want more wealth than most people have, you have to work harder and do more than most people will. You have to differentiate yourself and separate yourself from the pack. Richard Branson, serial entrepreneur and multi-billionaire, frequently preaches the value of doing something different and standing out from the crowd. He credits his own success in part to this principle.

**Taking Risks:** Making cautious, conservative investments and sticking with the life you're comfortable with will help relieve some stress in your life, but it will also stifle your potential for growth. People who are not afraid to take calculated risks tend to perform better in the long run. Take Donald Trump, for example and forget any notion of his attempts at running for president. Public-facing caricature aside, he is a successful and wealthy businessman with a multibillion-dollar net worth. But he only got to that point because he was willing to take substantial risks. Even though some of those risks burned him, such as when his business declared bankruptcy with \$3.5 billion in debts, he still powered through.

**Keeping What Works:** When it comes to empire building, you can't just gobble up everything in your path. You have to look at what you have, keep whatever's working, and let go of whatever isn't. John D. Rockefeller, one of the wealthiest people who have ever lived, employed a similar strategy as he built the Standard Oil Company empire of the late 1800s. Say what you will about his predatory practices and his monopolistic strategies--he acquired new businesses and ventures under the Standard Oil umbrella, weeded out the ones that didn't suit his purposes, and held on to anything that kept his empire moving. He started small, and ended up with a massive fortune this way.

**Staying Frugal:** Frugality is a strategy that anyone can employ. Living below your means is a sure-fire way to ensure your expenses never outpace your salary, whether you make minimum wage or skim off the top of a multimillion-dollar portfolio. Take, for example, the extreme frugality of billionaire T. Boone Pickens. Pickens scrutinizes every detail of his basic grocery lists, and pays only cash for his



regular expenditures. It's not picture of billionaire-Dom that most people envision, but it's a habit that allowed him to get to that point and it's what keeps him from losing it all.

**Persisting:** It would be a mistake not to mention Steve Jobs, who at the time of his death was worth nearly \$11 billion. After a brief rise to the top of Apple, Jobs was fired as the CEO of his own company. That would have crushed most people, but instead, Jobs started a new company, Next. Next wasn't a breakout success either, but Jobs kept pushing and kept innovating despite his numerous setbacks. Eventually, he was welcomed back to Apple, which at the time was greatly struggling, and he helped turn it into the massive tech powerhouse it is today.

**Learning from Mistakes:** Everyone makes mistakes, but only the people who learn from their mistakes prevent those mistakes from being made again. Consider Bill Gates, one of the wealthiest people on the planet. His first company wasn't Microsoft; it was a startup called Tarff-O-Data, which ultimately failed because of a flawed plan and an even more flawed execution. Gates took point number five and persisted to start a new company, but he also learned from the mistakes that made Traf-O-Data such an embarrassing failure. He applied those lessons to his new company, Microsoft, and we all know what happened from there.

**Setting Goals:** Goals, in theory, are very simple. All you have to do is create a vision for where you want to be, and work actively to get there. Yet 80 percent of the world's richest people set goals, compared with only 12 percent of those in poverty. Goals make a big difference in your life--they inspire you, encourage you, reward you, and help you plan and execute your actions better. They take fantasies and convert them to a tangible, achievable form.

### **Skills needed to build a business empire**

**Sales:** You need to be able to sell, if people aren't buying what you are selling you won't take off. Now before anyone goes crazy, sales do not just mean buying items. If you can't sell your vision, to potential partners or employees, that is no bueno.

**Learning Mentality:** You need to be willing to learn, take criticism, learn new skills, and most importantly learn to listen but not always follow. Everyone has an

opinion on everything, even if they are extremely experienced does not mean that they are right. You need to be able to investigate if the advice or opinions you are receiving are valid.

**Grit or mental toughness:** you learn a lot of this in sales, but you need to be able to weave through the no's and deal with pain and push through failure. This is business, you are going to get shut down, you are going to fail, and you are going to lose money. The ones that are successful are the ones that don't give up. (Now, there is always a time to stop and rethink what you are doing)

**Self Belief:** a major piece of starting your own business is going against the grain, you will have doubters, haters, and people who feel bad for you. There is truly a large variety of people who will have their opinion on what you are doing and most of them won't be good. You need to have enough faith in yourself to push through those.

### **Quick way to build a business empire**

These are just three simple strategies you can start with today to get on the fast-track to business success.

1. Uncover what has already been created or invented, then implement or install. Don't reinvent the wheel.
2. Think like a business owner, not an employee. Delegate, hire or trade.
3. Model the processes of others who have already achieved the level of success you're seeking.

They've already made the mistakes for you and know what works.

### **Building an online business empire**

Technology is often blamed for killing traditional businesses and jobs. The Internet is an easy way to communicate with each other in today's digital world. However, at the same time, these new technologies are creating tons of new jobs and business opportunities ready to be taken by anyone. It has never been easier to start your own online business and generate income streams. You can do it from the

comfort of your home with just a computer and an internet connection. There is no need to invest huge amounts of money to get started.

If someone tells you that you can invest a lot of money and take a shortcut / get rich quick, then it's likely a scam. Stay away from it.

You can start a business on the Internet with less than 99 US dollars.

The ideas we're sharing in this article are about building legitimate online businesses, and you'll still have to work hard to succeed.

The ideas I'm sharing in this article are about building legitimate online businesses, and you'll still have to work hard to succeed.

**Become an affiliate marketer:** Affiliate marketers make sale commissions by recommending other people's products or services or other online company's digital products and services. Most affiliate marketers recommend these products and services by running their own blogs, websites, email lists. They need to learn different online marketing strategies like SEO and content marketing to build an audience. You don't even need any previous experience or any prior technical skills if you promote other company's digital products. You also don't need any customer support, office, or employees because it occurs on the Internet.

### **Build an e-commerce store:**

Selling things online had never been easier. Anyone can easily create an online store in minutes and start selling products. These products can be physical goods or things that need shipping or digital downloads like eBooks, music, software, and more. Before getting started, you need to do your research. Here are some tips to help you brainstorm ideas:

Find a niche with high demand and low competition

Think of ways you will make your ecommerce store stand out by doing things that other ecommerce stores are not doing.

Think of the costs involved in getting products from the manufacturer to customers. Choose a pricing model, so that your products can compete and offer great value to your customers. Last, but not least, your profit margins must be

reasonable enough to ensure that your business can sustain and grow in the long run.

**Become a content marketer:** Content marketers help businesses promote their products and services by generating useful and highly engaging content. All businesses need content to attract customers. There is an increasing demand for content marketers that is not expected to slow down anytime soon. Content marketers are good at writing content, but they are not just bloggers. They specialize in finding content ideas that will bring more visitors and potential customers to a website.

**Become a you tuber:** If you like to be seen in front of the camera, making videos, then becoming a you tuber is an excellent business opportunity. YouTube is the world's largest video hosting platform, the second most popular search engine, and a massive global community of content creators. It allows anyone to upload their videos, create channels, and make money from advertisements, sponsorships, and deals. Some you tuber make millions of dollars each year, and there are thousands of you tuber earning a six-figure income.

**Build a online membership or join online educational community:** Membership in the right place doesn't require so much money to start building their own online business. I realized that by myself when I joined an online educational company. Sometimes is odd how people don't value what is at one online platform. It took me 4 Days to watch Free 4-Day Workshops learn about Affiliate Marketing And E-Commerce business models + access to Linked. In Learning including more than 10.000 online courses related to online business. The amazing thing is that LinkedIn Learning cost is about 200 US dollars, but the membership in this online community included access to LinkedIn Learning for free. LinkedIn Learning offers courses in everything: SEO, Digital Marketing, E-Commerce, Google Ads, E-mail Marketing, Online Business Foundations, Blogging, YouTube and so much more - that's valuable!

**Become a SEO specialist:** If you want to learn how to build your own online business empire, you need a website. SEO or Search Engine Optimization helps website owners get more visitors from search engines. It is a skill that requires

continuous learning and keeping up with the latest trends. SEO specialists can run their own agencies, work as freelancers, or join a company as a full-time employee. You can become an SEO specialist by running your own successful websites or by getting certifications online. You can find clients on freelancing websites like Up Work and Freelancer. SEO is a very competitive industry, and you will need to make the most out of the

SEO tools available on the market. You would also need to learn the basic Word Press SEO techniques, keyword research tools, and content marketing tools.

### **Conclusion**

Business empires are important for wealth creations. A country's economic development depends on the number of high profile business empires present or operating in a country. The seven essential qualities of business empires are: doing things differently, Risk taking, Keeping what works, Staying free from greed, Persisting with tenacity, learning from mistakes and Setting up goals. Skills needed to build business empires include robust sales, learning mentality, grit and self-belief. Young entrepreneur's having ambition to build business empires should remember these and work their way up.

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## THE CRITICAL THEORY

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### Abstract

*Critical theory is an approach to social philosophy that focuses on society and culture with an object to understand, critique and challenge and change the power structures in that society. Its goal is advancing the emancipator function of knowledge. It approaches this goal by promoting the role of criticism in the search for quality of anything to which the theory is applied such as society, education or administration. It assumes that the quality is proportional to the depth of analysis that the analysts have at their disposal. It's ideas are mostly drawn from sociology and literary criticism. It's ideas are widely applied in sociology, history, philosophy, psychoanalysis, communication theory and feminist theory. There is also some application of this theory to the field of public administration. Interestingly, this theory is one of the major components of both modern and postmodern thought, and is widely applied in the humanities and many fields of social sciences today.*

*The critical theory is built on three assumptions. First, it assumes that the contemporary society is neither democratic nor free. Second, that modern global capitalism creates a citizenry that is flooded with limitless consumer goods. Thirdly, it is unaware of alternative ways of living.*

*The objectives of this article are to explain the meaning of critical theory, list out contributors to this theory, explain its key ideas and features and asses its importance in understanding the administrative phenomenon and administrative realities.*

### Keywords

Critical theory, Psychoanalysis, Normative theory

## **Introduction**

Critical theory is an approach to social philosophy that focuses on society and culture with an object to understand, critique and challenge and change the power structures in that society. Its goal is advancing the emancipator function of knowledge. It approaches this goal by promoting the role of criticism in the search for quality of anything to which the theory is applied such as society, education or administration. It assumes that the quality is proportional to the depth of analysis that the analysts have at their disposal. Its ideas are mostly drawn from sociology and literary criticism. Its ideas are widely applied in sociology, history, philosophy, psychoanalysis, communication theory and feminist theory. There is also some application of this theory to the field of public administration. Interestingly, this theory is one of the major components of both modern and postmodern thought, and is widely applied in the humanities and many fields of social sciences today.

Critical theory is built on three assumptions. First, it assumes that the contemporary society is neither democratic nor free. Second, that modern global capitalism creates a citizenry that is flooded with limitless consumer goods. Thirdly, it is unaware of alternative ways of living.

## **Definition**

The Stanford Encyclopedia of Philosophy views critical theory as belonging to the class of philosophical approaches that include feminism, critical race theory, and forms of post-colonialism. Max Horkheimer first defined critical theory, used in German language as 'Kritische Theorie', in his 1937 publication entitled "Traditional and Critical Theory". He described any theory as critical if it seeks "to liberate human beings from the circumstances that enslave them." Horkheimer views critical theory as a social theory oriented toward critiquing and changing society as a whole. This theory is in contrast to traditional theory that is oriented only toward understanding or explaining it. He criticized both the dominant models of social science put forward by logical positivism, and orthodox Marxism and Communism. Horkheimer views critical theory as a radical and emancipator form of Marxist philosophy.



## **Arguments and Core Concepts**

Its main argument is that social problems arise more from social structures and cultural assumptions than from individuals or their failures. This means societal structures and our cultural assumptions are more important to understand society, economy or the system of public administration. It also argues that ideology is the main impediment for achieving human liberation. There are two core concepts of critical theory. One, it is directed at the totality of society in its historical specificity. Two, it seeks to improve our understanding of society by integrating all the major social sciences, including geography, economics, sociology, history, political science, anthropology, and psychology.

## **Features**

Critical theory is built on a multidisciplinary knowledge base. It is a normative theory because it involves a normative dimension. It criticizes society in terms of some general theory of values or norms (ought's), or by criticizing society in terms of its own espoused values. *The very heart of the critical theory of society is its criticism of ideology by assuming that ideology is what prevents the agents or people in the society from correctly understanding their true situation and real interests. The theory therefore suggests that if people want to free themselves from social repression, they must first get rid of their ideological illusion. Critical theory challenges modernist-era constructs such as meta-narratives, rationality, and universal truths, while politicizing social problems "by situating them in historical and cultural contexts, to implicate themselves in the process of collecting and analyzing data, and to relativism their findings.*

## **Contributors**

Critical Theory is the product of several generations of German philosophers and social theorists of the Frankfurt School. It is a philosophical approach that seeks emancipation for human beings and actively works to change society in accordance with human needs. Other philosophical approaches within this broader definition include feminism, critical race theory, and forms of postcolonialism. Frankfurt School's first generation Critical theorists include Herbert Marcuse, Theodor

Adorn, Walter Benjamin, Erich Fromm, and Max Horkheimer. In addition it has also been influenced by political philosophers and scholars such as GyörgyLukács, Antonio Gramsci and Jürgen Habermas. The following are some important contributors and their contributions to the critical theory.

**Immanuel Kant:** The term "critical" in critical theory is derived from the use of the term critique by Immanuel Kant in his Critique of Pure Reason. For Kant critique means establishing the limits of the validity of a faculty, type, or body of knowledge, especially by highlighting the limitations of that knowledge system's fundamental concepts. Kant's notion of critique has been associated with the overturning of false, improvable, or dogmatic philosophical, social, and political beliefs.

**Karl Marx:** Marx explicitly developed the notion of critique into the critique of ideology. He linked ideology with the practice of social revolution. Marx observed that "The philosophers have only interpreted the world, in various ways; the point is to change it". Thus Marks adds the point that the purpose of knowledge is not only that of understand reality but also to change it.

**Theodor Adorno and Max Horkheimer:** A very important feature of critical theory, according to Adorno and Horkheimer is an ambivalence about the ultimate source or foundation of social domination. For them state intervention in the economy had effectively abolished the traditional tension between Marxism's "relations of production" and "material productive forces" of society. The market according to them is an "unconscious" mechanism for the distribution of goods had been replaced by centralized planning.

**JurgenHabermas:** JurgenHabermas is another important proponent of critical theory. He raised the epistemological discussion by identifying critical knowledge as based on principles that differentiated it either from the natural sciences or the humanities.Habermas held the view that the era of modernity marks a departure from the liberation of enlightenment and toward a new form of enslavement. Perhaps his two most influential ideas are the concepts of the public sphere and communicative action. Habermas pursued three aims in his attempt to combine social science and philosophical analysis: it must be at once explanatory,

practical, and normative. This meant that philosophy could not, as it did for Kant, become the sole basis for normative reflection.

**Paulo Freire:** Paulo Freire was the first to apply critical theory to education /pedagogy. His best-known work, *Pedagogy of the Oppressed*, contains a philosophy and social movement of critical pedagogy. Dedicated to the oppressed this book is based on his own experience in helping Brazilian adults learn to read and write, Freire did Marxist class analysis in his exploration of the relationship between the colonizer and the colonized. He condemns the traditional pedagogy as the "banking model of education", because it treats the student as an empty vessel to be filled with knowledge. He argues that pedagogy should instead treat the learner as a co-creator of knowledge. In contrast to the banking model, the teacher in the critical-theory model is not the dispenser of all knowledge, but a participant who learns with and from the students—in conversation with them, even as they learn from the teacher. The goal is to liberate the learner from an oppressive construct of teacher versus student, a dichotomy analogous to colonizer and colonized. Thus critical theory pedagogy seeks to empower the learner to reflect and act on that reflection to challenge an oppressive status quo.

**Others:**In addition to the above old timers some contemporary scholars have also focused on critical theory. They include Axel Honneth and Rahel Jaeggi. Honneth, explains the purpose of Critical Theory in a modern context by proposing a theory of recognition, in which he asserts that in order for someone to be responsible for themselves and their own identity they must be also recognized by those around them and that without recognition from peers and society, critical theory could not occur. Jaeggi focuses on both the original intent of critical theory and a more modern understanding that some argue has created a new foundation for modern usage of critical theory. Jaeggi cautioned about capitalism's cost to society.

### **Critical theory of Public Administration**

Coming to the public administration, critical theory suggests that governing systems are influenced, if not controlled, by the wealthy and powerful, leaving public professionals to decide whether to serve those interests or the interests of a broader public. The goal of critical theory of public administration is to encourage

awareness among public administration scholars and practitioners of social conditions that tend to shape and constrain scholarship, practice, teaching, and social change.

Further, Critical theory of public administration advocates a change the role and orientation of public administrators, public officials and civil servants. It advocates them to shed their neutral and conformist role and to embrace criticism as a method of operation. It advocates them to be both self-critical and critical of others to improve the quality of organisational life.

At a time when concern for public interest and a civil society have largely been displaced by the goals of economic efficiency and the "New Public Management," Critical Social Theory in Public Administration presents a viable alternative that incorporates the latest views of postmodern thinking with the central elements of critical social theory.

### **Criticism**

The critical theory is faulted for not offering any clear road map to political action, or praxis, explicitly repudiating earlier solutions. While critical theorists have often been called Marxist intellectuals, their tendency to denounce some Marxist concepts and to combine Marxian analysis with other sociological and philosophical traditions has resulted in accusations of revisionism by Orthodox Marxist and –Marxist-Leninist philosophers. Perhaps the major criticism of them is that they fail to provide rational standards by which they can justify themselves, by which they can show themselves to be "better" than other theories of knowledge, science, or practice. Martin Jay has said that the first generation of critical theory is best understood not as promoting a specific philosophical agenda or ideology, but as "a gadfly (meaning critic of others to provoke them into action) of other systems.

### **Conclusion**

From the above we can conclude the unit by highlighting the important features of critical theory thus. Firstly, it is an attempt to look at social reality from an interdisciplinary perspective. It improve understanding of society as well as public administration by integrating knowledge of all the major social science including

geography, economics, sociology, history, political science, anthropology, and psychology. This way the approach has better chance of grasping the reality because of multiple analytical tools that come from multi-disciplinarity. Secondly it's objective is not merely one of understanding, explaining and analysing the reality. It extends to changing that reality but to install a better reality. Thirdly, it has an emancipator or liberating angle to it since it seeks to liberate the people from false ideology which victimises them.

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## GOVERNMENT AND IT'S BUSINESS PROMOTION POLICY

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### Abstract

*Governments formulate an Industrial Policy to provide a framework which will not only make the industries to stabilize and competitive but also increases its scope for national and international investments in industrial sectors. Businesses should be flexible enough to respond to changing rules and policies. The government policies are applicable at all the levels from the national level to local levels such as states and municipalities, and these local authorities have their own sets of rules. There are few international treaties which can influence the way companies to do business. Governments get revenue to spend from taxation. Increased spending requires increases in taxes or borrowing. Any tax increase will discourage investment, especially among entrepreneurs, who take the risks of starting and managing businesses. Increased spending also eats into the limited pool of savings, leaving less money for private investment.*

### Keywords

Government policy, Economic growth, Liberalization, Globalization, Privatization.

### Introduction

All governments establish policies and procedures that guide businesses. The government can promote or retard business by making changes in fiscal policy which leads to changes in taxes, trade, subsidies, regulations, interest rates, licensing and more. Businesses should be flexible enough to respond to changing rules and policies. The government policies are applicable at all the levels from the national level to local levels such as states and municipalities, and these local authorities have their own sets of rules. There are few international treaties which can influence the way companies to do business. Governments get revenue to spend from taxation. Increased spending requires increases in taxes or borrowing. Any tax

increase will discourage investment, especially among entrepreneurs, who take the risks of starting and managing businesses. Increased spending also eats into the limited pool of savings, leaving less money for private investment.

### **Effects of Government Policies on Businesses**

There are several effects of government policies on businesses. They include economic growth, employment generation, contribution to government revenue etc. can discuss below.

**Economic growth:** **Economic growth** is the increase in the value of national output, measured by the annual percentage of change in real GDP. Economic growth is important as it ensures better living conditions for citizens within an economy. Sustainable economic growth also contributes to a lower unemployment rate and higher tax revenues for public spending. The government can stimulate economic growth through demand-side and supply-side policies:

**Demand-side policies** include **fiscal policies**, such as reducing tax and increasing public spending, and **monetary policies** such as lowering interest rates.

**Supply-side policies** include non-interventionist and interventionist policies.

**Non-interventionist policies** emphasize the role of the market in economic growth and include policies such as tax cuts, free-markets agreements, privatization, and deregulation.

**Interventionist policies**, on the other hand, give the government more control over economic activities. Some examples include increased funding for training, education, and infrastructure. Demand-side policies aim to increase **aggregate demand** (national expenditure) whereas supply-side policies try to improve **aggregate supply** (national output) and productivity.

**Employment Generation: Unemployment** is a major problem. Unemployment is the percentage of people in the workforce without a job. This does not include people who are unable to work or not willing to work. Unemployment can be caused by a reduction in output or employee misconduct. Unemployment can put a strain on the economy as it reduces the living standards of unemployed people and

limits their spending. This also puts businesses in a financial struggle as they make fewer sales.

**Political Stability and Political Culture:** Government policy will always depend on the political culture of the moment. Policy crafted in a politically stable country will be different that formed in an unstable country. A stable political system can make business-friendly decisions that promote local businesses and attract foreign investors. Unstable systems present challenges that jeopardize the ability of government to maintain law and order. This has a negative effect on the business environment.

**Government Taxation and Spending:** Governments get money to spend from taxation. Increased spending requires increases in taxes or borrowing. Any tax increase will discourage investment, especially among entrepreneurs, who take the risks of starting and managing businesses. Increased spending also eats into the limited pool of savings, leaving less money for private investment. Reduction in private investments shrinks production of goods and services. That, in turn, may lead to the elimination of jobs.

**Setting Interest Rates:** Government policy can influence interest rates, a rise in which increases the cost of borrowing in the business community. Higher rates also lead to decreased consumer spending. Lower interest rates attract investment as businesses increase production. The government can influence interest rates in the short run by printing more money, which might eventually lead to inflation. Businesses do not thrive when there is a high level of inflation.

**Regulations and Permits:**Trade regulations, the federal minimum wage, and the requirements for permits or licenses have effects on business. For example, periodic health inspections must be carried out in all restaurants. Businesses might spend a lot of money and time to comply with regulations that ultimately prove to be ineffective and unnecessary. Fair and effective regulations, however, promote business growth.

**Government Policies for Business Growth:** Government policies for business growth have a wide-ranging impact on business. A government policy affects



almost every aspect of business, from production to finance to marketing. A company's life cycle is permeated with the present policies and laws. In addition, there is also the fact that both central and state-level policies impact business. As a result of the country's independence in 1947, India's business sector has been reinvigorated. The first industrial policy was introduced in 1948, showing how highly the government regarded stimulating industrial activity and economic growth as urgent. Economic planning was initiated in 1951 with the First Five Year Plan launch. As outlined in the Industrial Policy Resolution 1956, direct government ownership of businesses was to be implemented through departmental undertakings, statutory corporations, and government companies in sectors where private investment was either unable or unwilling to occur. During the first three to four decades after independence, India's economy was dominated by the public sector. In addition, licenses were required for the establishment of industrial units. To maintain a smooth operation in India, many industrial and labor laws were enacted.

A new era of economic policies in India emerged in the 1990s (specifically in 1991), commonly referred to as the era of liberalization and privatization. Taken all at once, the economic policies represent a shift in emphasis away from central planning toward what is known as neo-liberal economics, which places a greater emphasis on market mechanisms to address current economic and social issues.

**Liberalization:** Removal or loosening of restrictions implies liberalization. To achieve this, licensing and permits are being eliminated, regulations are loosened, approvals are being streamlined, and legislative and administrative restrictions on business are gradually relaxed. Before the 1990s, the policy regime was characterized by various facts.

Restrictions that had already been imposed seemed to have outlived their purpose. Liberalization could be described as expanding and improving economic freedom for the private sector systematically.

**Privatization:** As a management strategy, privatization involves the transfer of government-owned institutions to private ownership. There are times when privatization is advantageous because of the increased scope and scope for

innovation it provides and the savings it can bring. It seeks to hold the production and service systems accountable and improve their quality. There are four main types of privatization viz., delegation, divestment, disinvestment and displacement as discussed below.

**Delegation:** The government retains responsibility, but private enterprise handles the delivery of products and services fully or partially. Involvement from the government is present.

**Divestment:** The government gives up some of its stake in the company and sells the majority stake overtime to several different private entities.

**Disinvestment:** Selling a portion of a public company's stock to private investors.

**Displacement:** As the private sector grows, it gradually supplants the government-run organization. Privatization is encouraged if the private sector can challenge a government monopoly through deregulation.

**Globalization:** The free flow of people, goods, and services across borders is meant by globalization. Unification and integration are the watchwords of this movement's management. Furthermore, it can be viewed as a strategy to open the global economy and boost trade globally. As a result, countries previously closed to foreign investment and trade are now open to the world.

### **Foreign Direct Investment (FDI)**

When an investor from another country (a foreign country) invests in a company in our country, that is what is meant by foreign direct investment (FDI). An investor can now be an individual, a company, or any other type of business. In most cases, a foreign investor acquires the company's assets or establishes business operations to acquire a controlling interest in the company.

**Foreign Institutional Investors (FIIs):** An investment of funds or a collection of investors, foreign institutional investors (FIIs) are a type of FII. A foreign-registered fund does not have its headquarters in the country it intends to invest in. Investment banks, hedge funds, mutual funds, pension funds, insurance companies, and mutual funds are the most common institutional investors. FII refers to foreign investors invest money in India's financial sector. They have a

significant impact on the growth of our economy. They put a lot of money into the venture.

**Investment from India Abroad (OFDI):** India has benefited from the globalization policy in inward and outward FDI or OFDI. Also, Indian businesses invest abroad. Bharti Airtel, for example, invested 978.92 million dollars in February 2020. PVR Cinemas, a leading multiplex chain, planned to open a branch in Mauritius in November 2019.

## **Conclusion**

All governments establish policies and procedures that guide businesses. The government can promote or retard business by making changes in fiscal policy which leads to changes in taxes, trade, subsidies, regulations, interest rates, licensing and more. The Government realizes that there is a great need for industrialization in the country. It requires large scale participation by the private sector with the government playing a vital role of a facilitator and a catalyst in developing the economy. The new industrial policy should act as an instrument through which the vision of the government should be achieved. The dreams and hope of the people can be realized only by materializing the task taken by the government, of industrialization. The manufacturing sector should be given priority which can lead to urban and rural youth development. The Government of India has conducted detailed studies and taken the advice of experts in various fields to identify the competitive advantages the country can have, given its, geographical locations, availability of raw material, available resources, skill-base, existing manufacturing practices and expertise and opening up of new opportunities.

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## START-UP CULTURE: A STUDY

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### Abstract

*A start-up culture is a workplace environment that values creative problem solving, open communication and a flat hierarchy. In a corporate culture, core values are typically informed by the identity of the company, including its mission statement, products and customer service. In start-up cultures, these core values tend to reflect the personalities and ethos of the people who worked for the business in the early days. Because new businesses must adapt quickly to internal and external market pressures in order to survive, a start-up culture also promotes business agility and adaptability as being key virtues. The workplace values supported by start-up cultures are increasingly resonating with business leaders at large organizations. As the pace of business speeds up, quickened in part by advances in technology, large companies are realizing that they could benefit greatly by putting more emphasis on start-up culture values, including the value of the individual. In some industries, the positive qualities gained by embracing a start-up culture is referred to as kaizen. Start-up India sources high-quality and best-fit human capital is critical for start-ups, especially when it comes to recruiting senior executives to manage and drive business goals. VCs, with their extensive network can help bridge the talent gap by recruiting the right set of people at the right time. It also assists VCs with marketing strategy for your product/service.*

*Start-up India is a “Challenge” ... a challenge that helps the entrepreneurs to bring the best out of themselves and ultimately solve a problem.*

### Keywords

Start-up culture, Core values, Personalization, Team culture.

### Introduction

In a corporate culture, core values are typically informed by the identity of the company, including its mission statement, products and customer service. In

startup cultures, these core values tend to reflect the personalities and ethos of the people who worked for the business in the early days. Because new businesses must adapt quickly to internal and external market pressures in order to survive, a startup culture also promotes business agility and adaptability as being key virtues.

## **Meaning**

A startup culture may be defined as a workplace environment that values creative problem solving, open communication and a flat hierarchy. The meaning of startup culture has originated from the definition of work culture. According to Layman's language, the term implies startup environment and overall organization ambiance. Elliot Jacques, the father of this concept, described it as the company's customary and traditional way of thinking and doing things that all its members share.

## **Characteristics**

There are **four key factors** that combine to make up an ideal start up culture. They are

Passion , Personality, Agility and Authenticity as explained here under:

**Passion:** Is the reason work does not always feel like work and why the long hours feel worth it. It's what defines the existence of the business and acts as a great motivator for the team.

**Personality:** Is what makes the start-up unique. It is what cannot be found anywhere else.

**Agility:** Is the ability for knowledge and information to flow at a pace that greatly improves all aspects of the business. It is the more visible factor as it can be identified in the way workers work, offices are organized and brainstorming sessions are carried out.

**Authenticity:** Has to do with the freedom and respect of each individual's own identity. Bureaucratic companies tend to have processes for everything and a strict decision-making chain. The opposite is within the start-up culture values.

## **Conceptual discussion**

Every business has a different ethos which is developed to cater to its individual needs. Even though the organizational culture may vary from company to company, a productive startup organizational culture offers almost the same range of benefits such as, the following:

**Smooth and productive recruitment:** The team-first organizational culture implies hiring people, who are more likely to blend into the start up environment, appreciate colleagues and build strong relationships within the community from the start.

**Smooth on-boarding:** When recruits know what day-to-day office life is and what the values and ideology of the company are, it is much easier for them to become a valid player of the team turning on-boarding into a pleasant pastime.

**Higher employee retention:** Strong work culture helps companies avoid the high turnover of employees and bring back those who want to leave.

**High-level of productivity:** Strong startups culture is a catalyst for better productivity because it enhances teamwork, provides a high sense of satisfaction, and increases performance on various levels.

**Heighten a sense of loyalty:** When an employee feels comfortable and appreciated at the workplace, their appreciation rises. This leads to a high level of devotion and faithfulness to the organization.

**Strong reputation:** Well-defined work culture has a positive effect inside and outside the company. It helps build a reputation supported by customers' feedback and by employees.

**Better customer satisfaction:** When the team praises the company's ways and works as a single unit, it is easier to deliver the brand message and provide exceptional service. This leads to happy customers, more retention, and more leads.

**Source of Improvement:** Satisfied employees, much like happy customers, may become a source of inspiration, innovation, and improvement of the product and company.

## **Key Elements**

The key elements of a good startup culture may be listed as follows:

The way the company treats customers.

The way the company treats employees.

Standards for performance and accountability.

Innovation.

Process orientation.

## **Advantages of Start-ups**

**Agility:** Startups are smaller and less structured, so they can adapt to disruptive technologies and changes in market conditions. Unlike their more established competitors, who are burdened deal with vested interests, a historic path, and a culture that resists change. Start ups have innovation in their DNA and seek to gain a competitive edge by improving their business models, processes, and portfolio.

**Efficiency (Lean and Mean):** Startups have lower administrative overheads and offer their services in an efficient, cost-effective and competitive manner. They are likely to be aware of their limitations and tend to focus on their core strengths. Startups easily recognize the benefits of partnering with other like-minded organizations to present the customer with an equal or superior value proposition.

**Team Culture:** Employees of large corporations are attracted and retained by prestige and big salaries. They easily lose sight of the company's vision, mission and values and the success of its customers. Startup employees on the other hand form a close-knit community that shares passion, beliefs and values. They must work together for the good of the company, its customers and the world at large.

**Personalization:** Startups deliver their products and services with a personal touch and create a unique a personal experience for their customer. Due to their agility they can adapt their offerings to unique customer needs and preferences. Startups typically take more time to understand and satisfy your business requirements, since every customer is a big deal to them.

**Versatility:** It is common that employees of startups multi-task and the person



making the sale could become the relationship manager during the implementation phase. This builds trust with the client and offers a guarantee for successful delivery and implementation. The versatility of startup employees is reinforced by a team culture that encourages learning and innovation.

**Flexibility:** Your organization could have rather unique needs and demands for products and services. Such needs and demands might not be met by large and established service providers that operate in a rigid manner that suits them. Startups on the other hand operate with great flexibility and are more likely to work at the hours, the place and in the manner that suits you.

**Fun:** Last but not least, working with a startup is going to be a lot more fun. A startup needs fewer clients and ends up working for clients where there is synergy and mutual appreciation. This makes working so much more enjoyable. A small band of tight knit staff opens the door for spontaneous and fun activities after work and over the weekends, like barbeques and hiking trips.

### **Disadvantages of Start-up culture**

**Risk:** Most startups fail within their first year of operations for various reasons. Thus the risk of failure is high. Working under such circumstances can cause startups to be overly cautious in seizing market opportunities or overly optimistic in estimating the potential market for their products and services. It also means that startups find it difficult to attract experienced and competent staff.

**Compensation:** Long working hours are the norm for startups, since companies are built by blood, sweat and tears. The rewards might not be forthcoming, and it could take several years before the company starts making revenue and becomes profitable. Working without pay or for low compensation is demotivating, and some startups fail to persist and simply give up.

**Team Composition:** Some startups are born out of desperation, since the founder could not find or hold on to a job. Most of such founders become solopreneurs who struggle to build a team that the business needs to succeed.

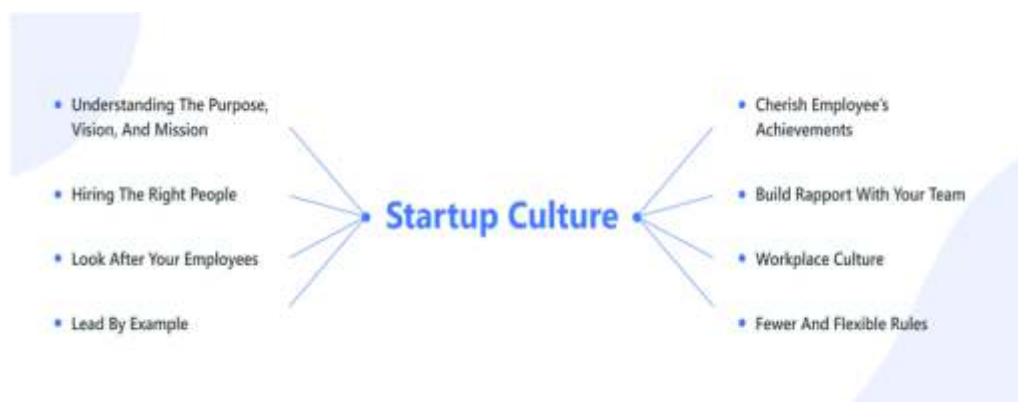
A startup venture requires founders / co-directors who complement each other in personality and competencies, but disagreements easily creep in when the going gets tough.

**Resources:** Growth hacking, cloud computing and venture capitalism have leveled the playing field for startups, but established businesses have deeper pockets. Most startups operate on a shoestring budget, while their competitors have huge financial and non-financial assets. Those are used to support product development, sales, and marketing efforts and stop startups from entering the market.

**Processes:** Startups have a flat organizational structures. They are less organized with no or undefined business processes and operational procedures. That makes them lean and agile, but also prone to errors that exposes them to poor customer service, legal liability, and financial losses. Outsourcing non-core business processes to external service providers might not be an option due to the associated costs.

**Stress:** We did mention that working for a startup is fun, but it could turn out to be extremely stressful. Working long hours with a load of responsibilities for low compensation is bad enough. But this becomes unbearable when you add unqualified colleagues, haphazard processes, screaming customers and an imminent risk of business failure.

## Building a Strong Culture for Your Start up



## **Conclusion**

A start up culture is the workplace environment that values creative problem solving, communication, and a flat hierarchy. It emprise start-up environment and the overall organizational ambience. These are very important for economic development of India at a time when a good start-up environment is building up in our own country.

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# ADMINISTRATIVE THEORY: A CRITICAL REVIEW

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## Abstract

*Administrative theory has come of age. From the politics –administration dichotomy conceptualized in 1887 uptill now various concepts, theories and approaches to understand the phenomenon of administration and its major branch public administration have been developed by writers and thinkers of the discipline. Now the time has come to take a stock of them and to subject them to a critical scrutiny. This is precisely the objective of this article. After reading this article one can grasp the need and significance of theory, meaning of administrative theory, identification of the characteristics of a good theory and evaluate the current status of the theory of public administration.*

## Introduction

In a course of study on public administration one studies different aspects of administrative theory including the evolutionary sequence of different individual theories and approaches, concept of bureaucracy, concepts of organization like hierarchy, span of control, etc. Before anybody completes such a course of study, it is desirable to review and evaluate what we have studied. It is in particular, important to know the role and contribution of administrative theory to the growth of the discipline. This writeup, therefore, is devoted to an evaluation of administrative theory.

## Meaning of Theory

We generally start a course on public administration with a discussion on the nature of the discipline, its evolution, importance, and scope. However we do not have the opportunity to know what a theory really is. We will begin, therefore, with the meaning of theory and its role and significance in understanding public administration.

Theory is a symbolic or conceptual representation of reality meant to understand and improve that reality. It enables people to communicate quickly and effectively. It is intellectual shorthand, which saves each generation from relearning all that

which has already been discovered and learnt. Theory is based on logical reasoning and, therefore, consists of a set of principles and generalizations which either represent or convey universal truths. These may initially constitute testable hypotheses which, in different situations, may prove to be true or untrue when tested. The hypotheses which fail to stand the test are discarded, and the others are incorporated into the theory. Gradually, a body of knowledge emerges from the corpus of theories containing a set of interrelated concepts, definitions and propositions that provide a systematic view of the phenomena. These specify relationships between variables with the objective of explaining and predicting the phenomena.

Theory is a systematic grouping of interdependent concepts and principles which give a framework to a significant area of knowledge. Theory is a concise presentation of facts and a logical set-up of assumptions from which empirical laws or principles can be derived. It is a patterning of logical constructs or concepts, interrelated symbolic assertions into which the known facts or theoretical hypotheses may be fitted. A theory is a generalization applicable within the stated boundaries which specify the relationships between factors.

Theory building is an essential tool for the progress of civilization. Developing a theory is important for more than one reason. By using the existing knowledge explains events or relationships the theory predicts what has not yet been observed.

The process of scientific theory construction can be viewed as involving the following steps.

- a) The formulation of a problem or problems based on observation.
- b) The construction of a theory to provide answers to the problem or problems based on inductions from observations.
- c) The deduction of specific hypothesis from the theory.
- d) The recasting of hypotheses in terms of specific measures and the operations required to test the hypotheses.
- e) The devising of factual situations to test the theorem.
- f) The actual testing in which confirmation does or does not occur.

## **Importance of theory**

Theory provides a perspective to the reality stimulates new visions from familiar scenes; and constitutes a base for further theorizing. All of them aid in prediction. Theory acts as a guide to initiate action, to collect facts; to explore the knowledge and to explain the Phenomena that is being examined. It aids in the identification and classification of the problem. Theories help us to understand the working of organizations. They help us to understand, predict, influence or manage the future. Thus theory becomes a means to achieve the goals.

One of the reasons for the failure of the administrator to realise his goals is his inadequate understanding of the administrative theory. Coupled with this, the inflated series of achievement and overrated intellectual superiority of the generalist administrator, have contributed to the failure of administration. Administrative theory will help the administrator to conceive proper reasoning and sound arguments. It will add to the richness of his mind. It adds to his ability to comprehend the phenomenon and provides self-confidence. Administrative theory educates the administrators scientifically, as theory is the conceptualisation of experience.

Understanding of theory builds a sound system of administrative engineering and not a half-backed mechanic. It will enable an administrator to change from a mere instrument of social control to an agent of social change. In the final analysis, it can be said that if one who closes his mind to knowledge, theory will not open his ears. The administrators have to be responsive to the people's needs, but if they close their minds to theory, they will be giving a deaf ear to the problems of the people. This makes administration unresponsive and far removed from the society.

Hence, theory building becomes an inevitable part of the growth and development of any discipline, including Public Administration. Scientific method inquiry must evolved causal theories that would help analyze concrete situations and would have predictive use. Science is a systematic body of knowledge, and themes are its major expressions; they provide the general relationship or framework that allows us to understand, explain and predict phenomenon within the science we are focusing on. Development of a theory should be in consonance with adoption of scientific approach to analyze and understand any particular phenomenon. Theories which are developed through scientific method involve more than in re-observing, generalization and experimentation. The scientific method is as much an attitude,

characterized by curiosity, rationality, open mindedness, objectivity and honesty among other things.

### **Characteristics of a good theory**

- a) A theory is good to the extent it contributes to the goals of science. This is based on reasoning that better theories are more comprehensive in that they reduce a large number of diverse observations to a much lesser number of underlying tenets. The more the theory can explain, the more useful it is.
- b) Second, good theories, include explicit statements regarding the limits of their application.
- c) Third, theory should be helpful in focusing research. It should tell us what facts are important and ought to be gathered.
- d) Fourth, is the closely related aspect that good theory should serve to increase the usefulness of any results that are obtained from research.
- e) Fifth, good theory should be logically consistent, both internally and externally.
- f) Sixth, to be of value theory must be subject to test; and
- g) Seventh, theory, all other things being equal, is the one that is most parsimonious or concise and precise.

### **Critique of administrative theory**

A critique literally means a detailed analysis and assessment of something, especially a literary, philosophical, or political theory. It also means evaluating a theory or practice in a detailed and analytical way. Critique includes actions or processes variously labeled as analysis, evaluation, assessment, appraisal, appreciation, review, criticism, textual examination, commentary, study, discourse exposition and anatomization.

Now we make some comments on the current status of theory of public administration:

Traditionally, administrative theorising has been the work of practitioners and reformers particularly in the United States of America. The evolving discipline of administrative theory is in many ways helpful in understanding the working of public organisation. But, most writings on organisation theory are based on the

study of business administration. The special features of government organisations are often ignored or are not properly understood by organisation theorists.

Theory-building in Public Administration is not an easy task, as there are various kinds of public organisations, administrative structures and processes.

Public Administration theorists have gone far and wide in search of new ideas, concepts and models that may have varying degrees of success in public organisations. Their search has carried them far beyond the appropriate boundaries of administrative theory. This made Alberta Ramos to observe that "Public Administration may have lost a sense of its specific assignment and become a hodgepodge of theoretical ramblings, lacking both force and direction". More importantly it has lost its bearings to the mystification of both practitioners and students who can no longer relate theory to practice or vice-versa.

Martin Landau comments that administrative theory is marked by a plethora of competing schools, a polyglot of languages, and as a result a confusion of logic. There is neither a common research tradition nor the necessary consensus for a common field of inquiry. Each of the competing schools questions the others, adventurism is rampant and commonly accepted standards of control do not exist. Consequently the whole field is confusing and its core concepts need clarification. The theorists have not contributed much of their own and too little relevant public administration theory exists.

One finds a general prejudice against theory and the theory is called 'Ivory tower thinking' which is far removed from reality which the administrator represents. In general, the bureaucratic pretensions of emotions, is another reason for the present day problems of administration. The bureaucrats believe that power is knowledge and his experience is greater than theory. This has created several bottlenecks for the smooth functioning of the administration. Because of these reasons, the bureaucrats zealously guard their traditionalism. There is need, therefore, for a broader and deeper understanding of administrative theory which would help the administrator to fashion the administration as per societal requirements and enable him to manage the administrative system effectively and efficiently. Knowledge will mould the attitudes of people in the right direction.

The field of Public Administration is being continuously expanded. The assumption of rational efficiency was superseded by concepts of social efficiency,



quality of government, political ends and public wants. In this state of affairs the validity of organisational principles has been questioned by modern public administration. For instance, the issue of centralisation and decentralisation revolves round the location and also the extent of power of decision-making in the organisational set-up. Neither centralisation nor decentralisation can be accepted as a principle of good organisation. They have situational relevance. Similarly, there are several points of distinction between the line and the staff agencies, However, on closer examination, it is realised that the distinction is unreal. Authority in modern organisation is considered to be more a matter of influence than of command. In short, it all depends on a number of inter-related external and internal variables. Despite such criticism, classical theory has its importance in the history of administrative thought. In the study of administrative themes, Max Weber's theory of the administrative system, provides an influential conceptual framework and a close historical understanding.

The dominant form of public organisation in the contemporary society is bureaucracy. Consequently bureaucratic analysis has become crucial in the study of Public administration. Contemporary bureaucratic analysis focuses largely on the functional and dysfunctional aspects of Bureaucratic administration behaviour the cultural environment of bureaucracy, bureaucratic power and the bureaucratization of the administrative culture. By concentrating largely on the formalities of public business, the social dynamics of inner working of public bureaucracy is neglected. Modern societies are now too complicated for either traditional or arbitrary rule alone. Public officials have become major political actors in their own right. Public bureaucracy has been the central concern of public Administration. Due to this reason, Comparative Public Administration has been equated largely with Comparative public bureaucracies. The province of bureaucratic theory grows increasingly complex as theorists became aware that they must go beyond their own ' culture, values, conceptions and approaches to achieve the objectives.

## **Conclusion**

Modern administrative theory is probabilistic, multidisciplinary, descriptive and multivariable. It view administrator as an adaptive ecological system in its environment. It has a number of distinguishing characteristics: a) Modern theory views an organisation as a system consisting of five basic parts: input, process, output, feedback and environment.

b) The emphasis in modern theory is on the dynamic process of interactions that occur

Within the structure of an organisation, c) It is multilevel and multidimensional. d) It recognises that an act may be motivated by several desires. e) It is descriptive. f) It assumes that an event is caused by numerous interrelated and interdependent factors. g) Finally it views the organisation as an adaptive system. Concepts in Organisations - IIP This theory appears to satisfy the Requirement that it must be comprehensive enough to cover all generally significant events that occur in a modern organisation. To understand administrative theory one must understand the milieu in which it evolved, scientific management, classical principles, and bureaucracy are all appropriate responses to the problems classicists faced. On the other hand, human relation and social-psychologists faced very different situations and problems. As a result they changed their strategies from efficiency to adaptability. The new administrative theories are aimed at dealing with these conditions.

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