

MNI 100 - WWS3

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Drawing on Weber's ideal type, critically consider the relevance of bureaucratic administration to the management of twenty-first century organizations.

Bureaucracy

Structure and set of regulations in place to control activity, usually in large organizations and government.

Weber - A small introduction

- - one of the most influential thinkers of the 20th century
- most well-known for his theories on rationalization, of which bureaucracy is a part of.
- also well-known for his critical studies on bureaucratization in society
- began the studies of bureaucracy – led to the popularization of the term
- *Economics and Society* – still relevant to the modern study of organizations.
- Many aspects of modern public administration go back to him and his studies

Examples of everyday bureaucracies :

- Governments
- Armed Forces
- Corporations
- Hospitals
- Courts
- Ministries
- Schools

- The literal meaning of bureaucracy is “rule by office or by officials”, and it is primarily with the German sociologist and philosopher, Max Weber

Bureaucracy for him was a form of organization which emphasized speed, precision, regulation, clarity, reliability and efficiency.



Understanding the 'ideal type': definition

- The ideal type is an **analytical tool**, a method for study a social phenomenon

'An ideal type is formed by the **one-sided accentuation** of one or more points of view and by the synthesis of a great many diffuse, discrete, **more or less present** and occasionally absent **concrete individual** [i.e. 'real'] **phenomena**, which are arranged... into a **unified analytical construct**. In its conceptual purity, this mental [i.e. ideal] construct cannot be found empirically anywhere in reality. It is a utopia'.

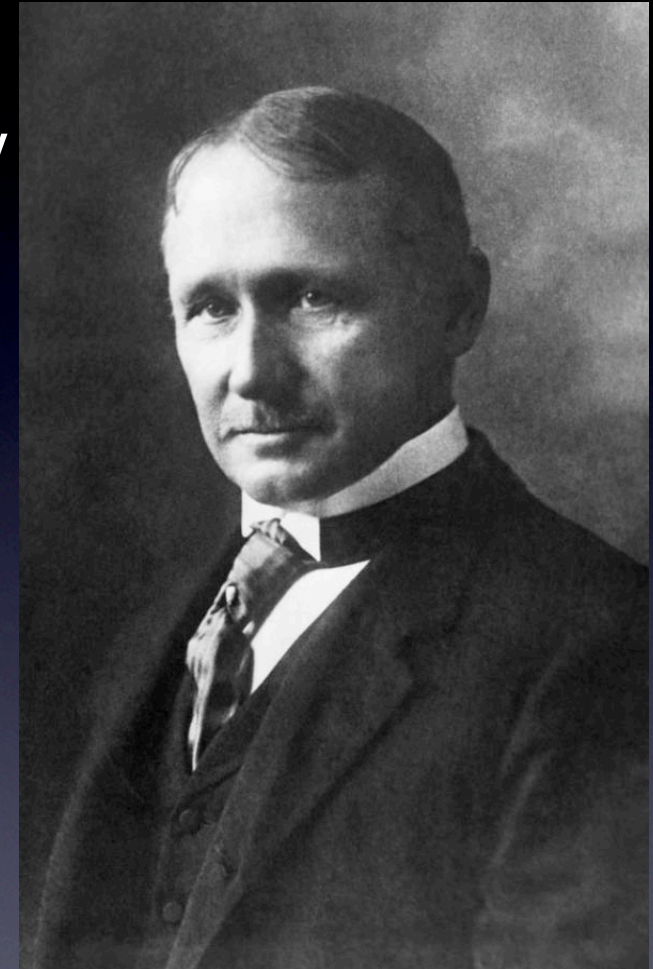
(Weber, 1949: 90. My emphasis)

Characteristics of Weberian bureaucracy

- Job specialization
- Authority hierarchy
- Employment and career
- Recording
- Rules and procedures
- Impersonality

- Weber's ideas developed independently, but they neatly complement those of Frederick Taylor.

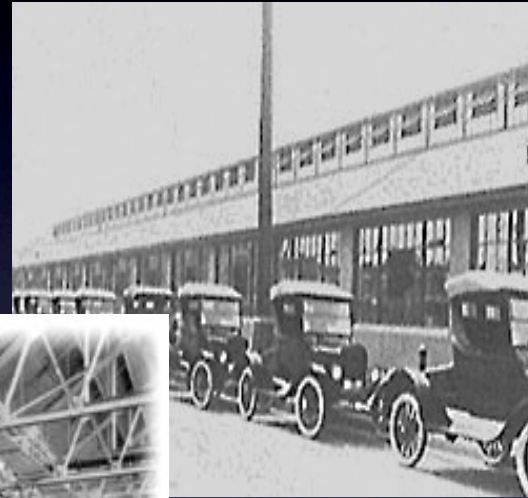
While Weber's interest laid in a body of knowledge, administrative rules and organisation hierarchy from top downwards, Taylor focused on the worker on the shop floor.



Frederick Taylor Principles

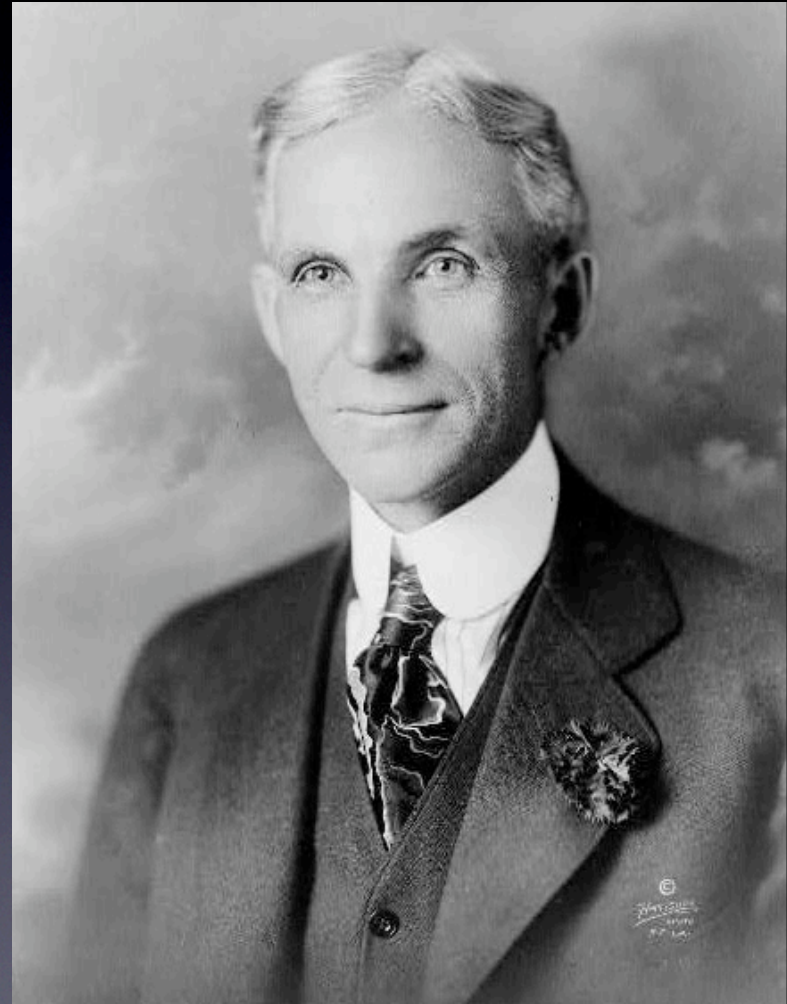
- Replace rule-of-thumb
- Train and develop each employee and reward them fairly
- Detailed instruction and supervision
- Divide work nearly equally between managers and workers, maximise operational efficiency.

Henry Ford's methods in the automobile industry are called Fordism.



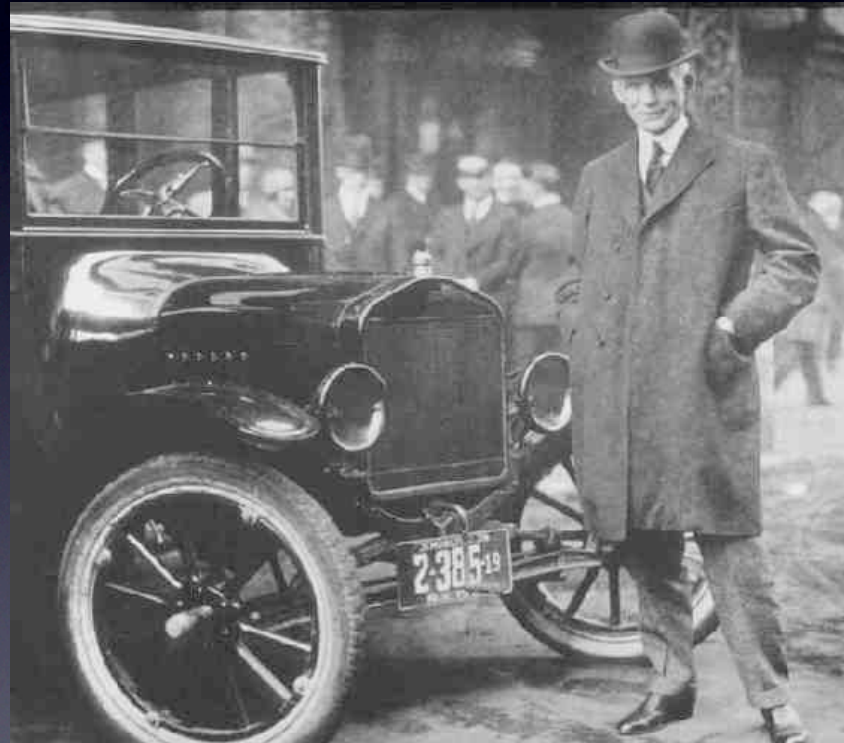
Fordism

- This process broke down complicated tasks in many smaller and simpler ones, allowing unskilled labour to replace skilled labour, and cutting training time.



The most significant innovation in the context of Fordism had been the introduction of a moving assembly line , cutting the time to complete Model T Ford .

- This invention sped up output and lowered average production costs.



The fordist production system has four key elements.

- Distinctive division of labour
- Part and components are highly standardized
- Organized not around groups of similar machinery
- Parts of the production process are linked together by a moving conveyor belt

Criticism of classical management

- Researchers have argued that the effectiveness of an organisation solely depends on its structure.
- Contingency approach:
 - technological determinism (Woodward J, Thompson J, Perrow C,)
 - environmental determinism (Lawrence P, Lorsch J)

Contingency approach

- Factors influencing the performance of the organisation:
 - Technology
 - Environment
 - Size of the organization
 - History of the organization
 - Expectations of employees and

Negative consequences and weak points of “The Ideal-Type”

- Robert Merton “goal displacement” (following rules becomes the ultimate goal)
- Alvin W Gouldner (opposition of bureaucratic structure)
- Chris Argyris (studies on personal development of individuals)

“Goal displacement”

- Following rules becomes the ultimate goal

The manifest function of rules: a means to an end

Formal rules → Organisational goals

The manifest function of bureaucratic rewards

Conformity to rules → Goal attainment

A latent dysfunction of bureaucracy: goal displacement

Over-conformity to rules → Displacement of goals → Goal failure

Notes taken from Lecture 3 by Ed Clark

Alvin W Gouldner

- Mock bureaucracy (rules are imposed by outside agency e.g. insurance company or government)
- **CONFLICT** - “red tape”, ignorance of the rules, or just pretending that they are obeyed
- Representative bureaucracy (based on legitimate authority, little over conflict)
- Punishment -centered bureaucracy (pressure, e.g. strict control, clocking-in procedures and fines.)
- **CONFLICT** – willful disobedience, corruption, sometimes leading to overtime bans, rigid redundancy, demarcation rules.

Chris Argyris

- Concerned about positive influence of self-realization and self-actualization of each employee
- However in classical management there is risk of:
- Low interpersonal competence
- Dodging of responsibility
- Lack of ambition, for example only working towards routine tasks, no concern over the quality and quantity of the performance

Dysfunctions of bureaucracy

- Proposition of single optimal organizational structure
- Becomes an Iron Cage of Control (as Weber himself noted)
- It is not an ideal type, but a possible tool
- OTHER DYSFUNCTIONS SINCE WEBER
- Vertical hierarchy of authority can become chaotic
- Red Tape from all the rules and sign offs
- Hard to change this form
- Divisions of labor compartmentalize attention and response.
- Hierarchy can mean silos (e.g. must go up and down chains of command to get things done).
- Corruption, nepotism, political abuse

The Need for a new organisational structure in XXI century (end of rigid bureaucracy)

- Rapidly changing environment (economical, political, dynamic market, new technologies)
- A need for adaptive and flexible structure
- High competition in labour market (better quality of education)

What is the Contingency Theory?

- Suggests that an organizations structure should be adjusted to be consistent with the main types of technology the organization uses, its size, the environment in which it operates and other factors in order for it to be effective
- Bureaucratic structure for an organization is said to be suitable within a stable environment but not for an unstable environment
- Several contingency approaches were developed in the late 1960's

What are the contingency factors?

- Richard Whittington (2002) came up with 5 key contingencies:
 - Environment – degree of changes in the environment
 - Size – volume of sales, number of employees
 - Technology – type of production process the company uses
 - Diversification – number of various businesses the company runs
 - Internationalization – number of various countries the organization is run

Determinism vs Strategic Choice

- Determinists say that an organizations structure impose certain constraints on the choices on how managers adopt a structure
- Strategic writers believe the structure of an organization is dependent upon senior members within that company

The work of Joan Woodward (1950's)

- Believed there was no one way for adopting an effective structure for an organization
- She studied a majority of various firms and correlated her findings with the work of classic writers including Weber and Fayol
- She thought that her findings would in some way relate to the findings of these classic writers but found out that it was in fact not
- She then found out that the reason for this was because her firms studied used different technologies
- She suggested the most appropriate organization structure would be one that is associated with the technology the company uses if it is to have a high performance level
- This shows that a company's structure is adopted based on its contingency factors

Bureaucracy today

- Bureaucracy is not effective
- Rapidly changing society
- Tertiary and Quaternary Sector
- JIT
- McDonalds
- BBC restructuring

Summary

Sources

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