

Complex Organizations

A Critical Essay

THIRD EDITION

CHARLES PERROW

YALE UNIVERSITY

Academic Consultants

ALBERT J. REISS, JR.

HAROLD L. WILENSKY



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Charles Perrow
Guilford, Conn.

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Why Bureaucracy?

Several miles from a medium-sized city near one of the Great Lakes, there was a plant that mined gypsum rock, crushed it, mixed it with bonding and foaming agents, spread it out on a wide sheet of paper, covered it with another sheet, let it set a bit, sliced it into large but inedible sandwiches, and then dried them. The resulting material was sold as wallboard, used for insulation and for dividing up rooms in buildings. Plants such as this were scattered about the country, some of them owned, as was this one, by General Gypsum Corporation (a pseudonym). A book by Alvin Gouldner, *Patterns of Industrial Bureaucracy*, described the plant and the surrounding communities as they existed in 1950.¹

The towns around the plant were small and had been settled about a century before. The people in the area generally knew one another well and regarded strangers with considerable misgiving. They led a peaceful, semirural life, with an emphasis upon farming, hunting, and fishing. They were conservative in their outlook, strait-laced in their behavior, and, according to one member, "thrifty, religious, God-fearing, and anti-Semitic."²

The gypsum plant fitted comfortably into the style of life in the area. Most of the men working at the plant, some 225 including the miners, had worked there for many years. They knew one another well on the job and visited outside the plant in the surrounding hamlets. Indeed, perhaps as many as one-half of the workers were related to others employed in the plant. The personnel man who hired and fired people argued that it was good to learn something about a prospective employee by asking others in the plant or community about him and his family. He did not want hostile employees or troublemakers. He also preferred farm boys over city boys. The former worked harder, he thought, and took greater pride in their work. The personnel man had few other rules for hiring, firing, or other matters with which he had to deal, however. He disliked paperwork and, as one employee said, "He regarded everything that happened as an exception to the rule." He had only an eighth-grade education, but since he relied so heavily on the community norms and

¹Alvin Gouldner, *Patterns of Industrial Bureaucracy* (New York: Free Press, 1954).

²*Ibid.*, p. 35.

his own rule-of-thumb methods, not much education seemed to be required. Apparently, hardly anyone was ever fired from the plant. Even those who left during the war years to work in defense plants paying much higher wages were welcomed back when those plants closed. A city boy, however, or a stranger laid off by a defense plant in the city had a hard time getting a job from this man.

In the plant itself, the workers had considerable leeway. The men were able to try different jobs until they found one that they liked, as long as they did so within the general limits of their union regulations. Moreover, they stretched out their lunch hours, were allowed to arrive late as long as they had some excuse, and were not required to keep busy. As long as their work was done, their time was their own. Production records were kept informally. The trouble was that the company management felt that not enough work was being done.

Further, the rhythm of the plant was, to some degree, determined by the men. During hunting season fewer showed up; the same thing sometimes occurred during planting season, since many employees farmed in their spare time. In cold weather more of them complained of sprains or other ailments so they could be transferred to the "sample room," where the work was light and the room was warm, until they were feeling better. This was preferable to staying at home and using up sick leave or to living off unemployment compensation. Mining operations fell off considerably on Mondays because of hangovers among the heavy-drinking miners. As a mill foreman explained, "You can't ride the men very hard when they are your neighbors. Lots of these men grew up together."³

Many employees used the plant materials and services freely. Men took dynamite home with them to explode in ponds (an easy way to fish) and for construction. They appropriated quantities of wallboard, even truckloads, for their personal use. They brought in broken items such as furniture to be fixed by the carpenters. And both employees and farmers in the area brought in broken parts for free welding.

For the workers, the plant was a pleasant and comfortable operation. One could hardly "get ahead," but few desired to go wherever "ahead" was. Those who showed a desire to advance in the company got transfers to company plants in different areas. Others left for the big city.

But for other interested parties, the plant was not all that satisfying. A job seeker found it difficult to get work if he was not well known, did not have relatives in the plant, or did not measure up to the vague standards of the personnel man—which had little to do with the ability to do the job. Customers found deliveries erratic. They might have suspected that if all gypsum plants were run this way, they would be paying a surcharge to cover the purloined materials, free repair work, and general slack. Top managers in the company headquarters, faced with postwar competition from other companies and competing products, were apparently climbing the walls.

When the plant manager died ("Old Doug," he was affectionately called), headquarters sent in an aggressive new manager with orders to tighten things up—increase productivity and cut costs. According to Gouldner's account, this man was not blessed with bountiful tact and insight, even though he was otherwise efficient.

³Ibid., p. 65.

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He cracked down rather hard and accumulated much ill will. He activated dormant rules, instituted new ones, demoted the personnel man, and brought in one who applied a "universalistic" standard—the only thing that counted was a person's ability to do the job. The new manager successfully "bureaucratized" the surface plant. (He was unable to bureaucratize the more dangerous mine, for there was too much uncertainty and unpredictability in the work, and teamwork was extremely important.) However, some time later he was faced with a wildcat strike.

What had been a "traditional" form of organization, or in the terms of Max Weber,⁴ a "traditional bureaucracy," became a "rational-legal bureaucracy." A rational-legal bureaucracy is based on rational principles (rational in terms of management's interests, not necessarily the worker's), is backed by legal sanctions, and exists in a legal framework. A miner fired for taking a case of dynamite, for example, was unsuccessful in his appeal that "everyone did it" and that the foreman "told him he could." Tradition or precedent was not binding; the material belonged to the company, not to the miner or the foreman.

Most of the key elements of the rational-legal bureaucracy are represented in this brief case history. They include:

1. Equal treatment for all employees.
2. Reliance on expertise, skills, and experience relevant to the position.
3. No extraorganizational prerogatives of the position (such as taking dynamite, wallboard, etc.); that is, the position is seen as belonging to the organization, not the person. The employee cannot use it for personal ends.
4. Specific standards of work and output.
5. Extensive record keeping dealing with the work and output.
6. Establishment and enforcement of rules and regulations that serve the interests of the organization.
7. Recognition that rules and regulations bind managers as well as employees; thus employees can hold management to the terms of the employment contract.

The rational-legal form of bureaucracy developed over many centuries of Western civilization. It grew slowly and erratically, beginning in the Middle Ages, and reached its full form on a widespread basis only in the twentieth century.⁵ Nearly all large, complex organizations in the United States, for example, are best classified as bureaucracies, though the degree and forms of bureaucratization vary.

Its "ideal" form, however, is never realized for at least three reasons. First, it

⁴The famous German sociologist, writing in the early decades of this century, laid out the model of bureaucracy and described and explained its origins. Weber's writings on bureaucracy appear in two different parts of an uncompleted draft of his opus, *Economy and Society*. The first part is presented in Max Weber, *The Theory of Social and Economic Organization*, trans. A. M. Henderson and Talcott Parsons (New York: Oxford University Press, 1947), pp. 324–340. The second part, which was actually written first and is a more discursive section, appears in Max Weber, *From Max Weber, Essays in Sociology*, trans. and ed. by Hans Gerth and C. Wright Mills (New York: Oxford University Press, 1946), pp. 196–244. The corresponding pages in the 1968 translation of Weber's work, *Economy and Society*, ed. Guenther Roth and Claus Wittich (New York: Irvington Publications, 1968), are vol. 1, pp. 212–225 and vol. 3, pp. 956–1001.

⁵See Reinhard Bendix, "Bureaucracy," in *International Encyclopedia of the Social Sciences* (New York: Free Press, 1977).

FROM WEBER

tries to do what must be (hopefully) forever impossible—to eliminate all unwanted extraorganizational influences on the behavior of members. Ideally, members should act only in the organization's interests. The problem is that even if the interest of the organization is unambiguous, people do not exist just for organizations. They track all kinds of mud from the rest of their lives into the organization, and they have all kinds of interests that are independent of the organization.

Second, the ideal form also falls short of realization when rapid changes in some of the organizational tasks are required. *Bureaucracies are set up to deal with stable, routine tasks; that is the basis of organizational efficiency.* Without stable tasks there cannot be a stable division of labor, a prescribed acquisition of skills and experience, formal planning and coordination, and so on. But when changes come along, organizations must alter their programs; when such changes are frequent and rapid, the form of organization becomes so temporary that the efficiencies of bureaucracy cannot be realized. (The price of the product it delivers then goes up.) The gypsum mine could not be bureaucratized to the degree that the surface plant was because the unpredictability of the seams and the dangers and variability of the raw material made continual change and improvisation necessary.

Third, bureaucracy in its ideal form falls short of its expectations because people are only indifferently intelligent, prescient, all-knowing, and energetic. All organizations must be designed for the "average" person one is likely to find in each position, not the superhuman.

While bureaucracy always falls short of the ideal model that Weber outlined, neither Weber in his time nor many people today would be comfortable with the ideal. In fact, much can be said for the placid, community-oriented gypsum-plant organization before the owners decided it was not making enough money for them. There was job rotation and variability, consideration for special problems such as minor illnesses, and trust among the workers and between workers and management. Furthermore, to a small extent, workers could consider the resources of the organization (wallboard, the carpentry shop) to be theirs. Perhaps above all, they could farm and hunt and thus avoid complete dependence on wages paid by the gypsum plant. If all gypsum companies were like this, some of the "social costs" of bureaucracy—dependence on a wage, dull work, and inflexible demands—would be spread over all consumers of the product. But all companies are not like this, so this one could not compete and survive. In this sense, where all organizations strive toward efficiency as defined by the owners, the rational-legal form of bureaucracy is the most efficient form of administration known in industrial societies.

Weber claimed that all else is dilettantism, but the verdict is not yet in. Alternative forms of organization are being tried. Nevertheless, they have yet to do more than to humanize rigid bureaucracies and make them more adaptive to changes. They have not seriously challenged the wage system, which takes in about 85 percent of the gainfully employed who must work for someone else. Nor have they fully rejected the notion that the resources of the organization belong to the owners of private firms or the officials of state and voluntary organizations, rather than to all members. Without fundamental changes in the wage system and ideas of ownership, alternative forms of bureaucracy are likely to be expensive, unstable, brief, and rare.

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In the rest of this chapter, I am going to illustrate the essentials of bureaucracy by showing what happens when they are violated (as they constantly are). The chapter will give us all an appreciation for bureaucracy as a remarkable product of gradual, halting, and often unwitting social engineering. As we shall see, many of the "sins" of bureaucracy really reveal the failure to bureaucratize sufficiently. But while I will defend bureaucracy from many of the attacks we all are prone to make, I will attack it much more severely on quite different grounds, grounds that social scientists have been reluctant to explore. Let me explain my puzzling position briefly.

→ Critics usually attack bureaucracy for two reasons—it is unadaptive, and it stifles the humanity of employees. Both are legitimate criticisms to a degree. But what the first avoids noticing is that another description of unadaptiveness might be stability, steadfastness, and predictability. If we want a particular change and fail to get it, we blame the unadaptive bureaucracy. If it changes in ways we do not like, though, we call for stability. The second criticism—that bureaucracies stifle spontaneity, freedom, and self-realization—is certainly true for many employees, but unfortunately, since they do not own what they produce and must work for someone else, expressions of spontaneity and self-realization are not likely to result in better goods and services for consumers. We have constructed a society where the satisfaction of our wants as consumers largely depends on restricting the employees who do the producing. Bureaucracy cannot be faulted for society's demands; if blame is to be placed, it should fall on those elites who constructed bureaucracy over many generations and offered us no alternatives, a subject we will return to at the end of the book.

Most social scientists (almost all of them until the mid-1970s) have offered these two criticisms of bureaucracy—rigidity and employee discipline—if they have offered any. I would offer a third: bureaucracy has become a means, both in capitalist and noncapitalist countries, of centralizing power in society and legitimating or disguising that centralization. A full defense of this thesis is impossible here. But this book will sketch, through a critical review of historical and recent thought on organizational analysis, how social scientists have, until recently, avoided the "big" question of unregulated and unperceived power through bureaucratic organizations, even though the research that has been done points in this direction.

Bureaucracy is a tool, a social tool that legitimizes control of the many by the few, despite the formal apparatus of democracy, and this control has generated unregulated and unperceived social power. This power includes much more than just control of employees. As bureaucracies satisfy, delight, pollute, and satiate us with their output of goods and services, they also shape our ideas, our very way of conceiving of ourselves, control our life chances, and even define our humanity. As employees, whether we see ourselves as exploited or as pursuing "careers," we may dimly perceive this fact; as citizens in a society of organizations, where large organizations have absorbed all that used to be small, independent, personal, communitarian, religious, or ethnic, it is rarely perceived. We grow up in organizations; to stand outside them is to see their effect on what we believe, what we value, and, more important, how we think and reason. Throughout this book I will attempt to stand outside them.

without change

At present, without huge, disruptive, and perilous changes, we cannot survive without large organizations. Organizations mobilize social resources for ends that are often essential and even desirable. But organizations also concentrate those resources in the hands of a few who are prone to use them for ends we do not approve of, for ends we may not even be aware of, and, more frightening still, for ends we are led to accept because we are not in a position to conceive alternative ones. The investigation of these fearful possibilities has too long been left to writers, journalists, and radical political leaders. It is time that organizational theorists began to use their expertise to uncover the true nature of bureaucracy. This will require a better understanding both of the virtues of bureaucracy and its largely unexplored dangers.

Main pt. This chapter will examine the customary view of the sins of bureaucracy and then argue that these sins result largely from a failure to bureaucratize properly. If we must have bureaucracy, we must understand its many strengths. The rest of the book roughly follows the historical development of bureaucratic theory. Chapter 2 briefly examines how we came to be a society of organizations and what the initial justifications were for the authority of the manager and owner over the new employee class. These justifications formed the basis for the human relations school, or the organizational behavior school, still the largest one in the field of organizational analysis. Chapter 3 looks at the school critically. Chapter 4 discusses several modifications of the bureaucracy Weber described and ends with an application of the resulting "neo-Weberian" model to the problem of running risky systems. These four chapters provide a rough synthesis of much of the theory of internal organizational processes from a structural point of view.

The remaining chapters look outward to the environment. The institutional school is examined in Chapter 5; it was the first to raise rather timid questions about the effect organizations have on society, and it emphasized creative leadership as the solution. Chapter 6 turns to more complex models, starting with rock music to illustrate how organizations define and control environments whenever they can. The chapter then examines two models in detail—network analysis and population ecology. Chapter 7 looks at a new contender for theoretical preeminence: economic models of organizations. The two models discussed there present fundamental challenges to most organizational theory, and while some weaknesses of noneconomic models are exposed, I hope I am able to thrust the challenge aside. The final chapter sums up the dominant theme of the book: a power perspective on organizations.

PURGING PARTICULARISM

One of the many dilemmas of organizations is that they attempt to be efficient in producing their output of steel, court convictions, reformed delinquents, legislation, or whatever, and yet they seek to be quite particular about who shall enjoy the pay and the honor of doing the work. Particularism means that criteria irrelevant for efficient production (e.g., only relatives of the boss have a chance at top positions), in contrast to universalistic criteria (e.g., competence is all that counts), are used to choose employees. The criteria of efficiency and particularism are likely to clash,

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try attempt to be efficient in needed delinquents, legislation, out who shall enjoy the pay s that criteria irrelevant for a chance at top positions, all that counts, are used to particularism are likely to clash,

since the most efficient workers may lack the particular social characteristics desired. For example, few Jews ever rise very high in such industries as steel;⁶ few blacks have thus far been able to break into many skilled trades in the construction industry. In a study of one manufacturing firm, Melville Dalton found that membership in the Masons was a prerequisite to advancement in management. Even though it is hard to imagine what there is about Masonic membership that would increase managerial efficiency,⁷ ambitious managers were smart enough to join the fraternal order. Some levels in organizations, some work groups, and even whole plants are uni-ethnic—that is, all Irish or all Polish. One of the distinctive characteristics of voluntary associations such as patriotic societies or clubs is that they often specify membership criteria openly, while economic or governmental organizations can only do so informally. The Daughters of the American Revolution was founded at a time when many native-born Anglo-Saxons had parents who had lived during the days of the Revolution; the unqualified, then, were conveniently all immigrants.

The development of bureaucracy has been in part an attempt to purge organizations of particularism. This has been difficult, because organizations are profoundly “social,” in the sense that all kinds of social characteristics affect their operation *by intent*. Take the relatively trivial matters of nepotism (giving preferred treatment to relatives) and personal favoritism. Both are very common—and very annoying, unless you are a favored relative or friend of the boss. But both reflect social solutions to the organizational problems of members. One of the things that you can do with the power that a decent position in an organization gives you is to reward people whom you like or are related to you or who will help you in return. Families, for example, are a major resource in society; relatives who work for you can be expected to hide your mistakes and incompetence, warn you about threats to your position, and support you in conflicts with others. Similarly, subordinates are well advised to defer to their superior because they will be protected and rewarded for covering for their boss, warning her, and lightening her workload. Two or three levels above the boss, the higher-ups will try to measure objective competence, but it is both hard to determine competence and easy to disguise incompetence. Since the subordinate’s career and even comfort are always at risk in organizations, we can hardly expect them always to put the abstract “interests of the organization” ahead of their own interests and those of the bosses who control their fate.

The social character of organizations goes deeper. In a society where organizations provide the livelihood of eight out of ten of the “economically active” and where organizations are necessary for most other interests, merely being allowed to be a member of an organization is critical for well-being, if not survival. Assiduous efforts are made to restrict access to this resource; organizations discriminate on social, rather than objective, grounds in letting people in.

We view these particularistic criteria with suspicion partly because of our

⁶And not just steel, of course. In Detroit, only two-thirds of 1 percent of the white-collar jobs at the three major auto companies are filled by Jews. A 1960 study of 1,500 U.S. corporations showed that although Jews made up 8 percent of all college graduates and, even more important, 15 percent of the graduates of professional and business schools, they account for only 0.5 percent of management. See “Has Bias Locked Up the Room at the Top?” *Business Week*, January 24, 1970.

⁷Melville Dalton, *Men Who Manage* (New York: Wiley, 1959).

democratic ideals of equality. But we also view them with suspicion because we dimly recognize that organizations draw on resources provided by society in general and thus are beholden to all of society. In spite of this fact, though, there is, for example, a flourishing and byzantine structure of courts, laws, and law-enforcement facilities that is available to organizations to protect their interests. We support this structure through taxes. On campus, fraternities and sororities have special access to university facilities, receive special protection—and are tax-exempt. And private clubs that discriminate get quiet subsidies in one form or another. For example, in 1984 a county judge in Maryland ruled that an elite golf club, the Burning Tree Club, would lose its \$186,000 real estate tax exemption because it would not admit women as members; indeed, even the kitchen staff had to be male. How could a club that charged an initiation fee of \$12,000 and annual dues of \$1,700 justify a yearly tax break of \$186,000? Because the huge grounds preserved open spaces (in a suburb where the least expensive homes cost \$400,000). The Burning Tree officials said they would appeal, cited the constitutional guarantee of freedom of association, and charged that the necessary increase in dues—about \$292 per member—would turn the club into “a rich man’s club.”⁸

The factory is fairly free to pollute the air and water, to enforce its law through its own police force and its access to the courts, to hire and fire (and thus provide or deny livelihood), to utilize the services of the local chamber of commerce (which is tax-exempt and may even receive local tax support), and to draw upon tax-supported services of many state and federal agencies. These things cost all of us money. No matter that the factory pays taxes in return, or that the sorority provides housing and surveillance that the university might otherwise have to build and provide. Common resources are drawn from society, whatever the specific products returned. Thus, we feel the services should be common to all who desire them.

—Particularism or discrimination is frowned upon.

But these are political rather than bureaucratic reasons for distrusting particularism. The bureaucratic reason for frowning on particularism is that efficiency is forgone if recruitment or access is decided upon grounds that are not related to the members’ performance in the organization. For most organizational goals or roles, social origins (race, ethnicity, and class) are not likely to be a measure of competence. The steel company or bank that bars Jews from middle management is possibly depriving itself of talent at the higher levels. The appointment of a large political campaign donor to the position of Ambassador to the Court of St. James suggests that the criteria are not knowledge of foreign affairs and skill in foreign diplomacy, but party loyalty and personal wealth. The son of the president of a corporation may well start out on the shop floor or as a sales trainee, but it is not his competence that moves him quickly to a vice-presidency. Moreover, the frequent practice of a professional person hiring staff members from the same university he or she attended suggests something other than universalistic criteria. One finds this in university departments (“only Eastern schools have a chance there,” or “that’s where Michigan sends its run-of-the-mill Ph.D.’s”), research and development labs (“someone from MIT doesn’t stand a chance in that company”), social agencies (“they only

⁸New York Times, September 14, 1984, p. 1.

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n with suspicion because we provided by society in general. This fact, though, there is, for us, laws, and law-enforcement in our interests. We support this because the sororities have special access and are tax-exempt. And private clubs are another. For example, in a golf club, the Burning Tree Club is not admitted because it would not admit a female. How could a club with annual dues of \$1,700 justify a clubhouse with preserved open spaces (in Chicago). The Burning Tree officials have a right of freedom of association, but \$292 per member—would

er, to enforce its law through force and fire (and thus provide a chamber of commerce (which is a port), and to draw upon taxes. These things cost all of us money, or that the sorority provides what otherwise have to build and whatever the specific products are common to all who desire them.

Reasons for distrusting particularism is that efficiency is not a measure of competence. Idle management is possibly a pointment of a large political system. Court of St. James suggests that skill in foreign diplomacy, a resident of a corporation may have but it is not his competence. For example, the frequent practice of a university he or she attended. One finds this in university departments, or "that's where Michigan development labs ("someone"), social agencies ("they only

give supervisory positions to Chicago graduates" [University of Chicago School of Social Work]), and hospital medical staffs ("that's a Johns Hopkins shop").

The problem with these practices is not only that there is little relationship between the social criteria for hiring or promoting people and the characteristics that affect performance in the organization. More serious, the particularistic criteria are likely to be negatively related to performance—the more these particularistic criteria are used, the poorer the performance. By hiring only Chicago graduates, one may have to take some who were among the poorer students, missing out on the good Michigan graduates. More serious still, one may end up with only one way of seeing the world and only one way of approaching a problem. By using broad or universalistic hiring criteria, the chances of getting different perspectives, and thus more ideas, are increased.

That particularistic criteria are often equivalent to favoritism also means that corruption is a likely accompaniment. The agency head who hires or favors primarily people from her own region, state, or university may get subtle returns in the bargain. She may be favored as a consultant to her former university or to the state government and receive handsome fees; she may place herself at the head of the line for bigger and better appointments. Competence is hard to judge, so we rely on familiarity. The corruption may be less discreet, as in the political spoils system, whereby the elected official hires only people who are willing to contribute to his election campaign or to provide him with kickbacks.

Tenure and the Career Concept

Political patronage reached such a corrupting extreme in the late nineteenth century that the merit system and civil service examinations were instituted in the federal and most state governments. We now pay a price for that sweeping change, since merit systems may have little to do with merit. Once a civil service appointee receives "tenure," it is very hard to remove that employee for lack of competence. Over the years, as the organization changes and the demand for new skills increases, the person who may have once been a very competent employee may turn out to be quite incompetent. But the organization is stuck with him or her. One need look no further, for example, than university departments where skills change quickly, promise does not materialize into productivity, or people simply pass their prime. If research-oriented universities changed to the extent that teaching ability became a prime criterion for competence, rather than a secondary one, many tenured people might be found incompetent.

→ It is a tenet of the bureaucratic model of organizations that an employee is expected to pursue a "career" in the organization. Thus, if the person burns out too quickly or, more likely, if the skills demanded of the position change without the occupant changing (e.g., more emphasis on teaching and less on research), the organization is expected to retain him or her. The employee has tenure. Despite the frequency with which this annoyance is met in organizations, the career principle is a sound one. People would not be likely to master sets of skills through long technical training or experience in an organization if they knew they could not perpetually draw on the capital of their investment. There must be some guarantee

that if the demands of the job change radically in the future, a person will still be credited with having met them in the present. Otherwise, personnel might be less willing to make large investments in skills.

In short, the benefits of universalistic standards clearly appear to exceed the costs; tenure may be a necessary inducement for mastering obscure skills and a necessary protection against arbitrary rulers. There are costs, but the alternatives are worse.

Universalism and Organizational Goals

Universalistic criteria, then, would appear to be a proper goal in organizations, and few would fault the bureaucratic model in this respect. But the situation is not that simple. To establish the standards, one has to know the real goals of the organization. Suppose a manufacturing firm favors members of a certain fraternal organization when it hires and promotes its managers. On the face of it, this sounds particularistic. Closer examination, though, might well reveal that the manufacturing organization receives a variety of tax benefits from the local government, and the local government is heavily loaded with Masons, Lions, Legionnaires, or whatever. If the firm gives preference to Masons, should they be the dominant group in the city government, it may avoid paying its fair share of the sewage system; it may get special arrangements for power supplies; zoning ordinances may be drafted so that it does not have to pay a heavy school tax; it may be able to get certain city streets closed to permit convenient expansion; and a good share of its security protection may come from the city's police department, rather than from plant guards. Furthermore, the local authorities may see that other plants are discouraged from coming in, through zoning ordinances or restrictions on transportation or available power supplies. Competing industry, particularly, would up the demand for skilled labor in one field and drive up wages. Moreover, the city planning commission may ensure that a new superhighway comes close to the front gate of the plant, even at the expense of cutting a residential district in two.

Showing favoritism within the manufacturing company to this fraternal organization is hardly, then, a particularistic criterion from the *company's* point of view. Any loss in managerial competence that may result from using selective criteria is more than offset by the gain of having sympathetic friends in the city administration. For similar reasons, defense industries have a disproportionate number of former military officers in their top echelons, even though it is questionable whether former procurement or inspection officers are particularly good managers of large aerospace firms or conglomerates. For defense industries, political ties to the Pentagon are a universalistic criterion. Similarly, experience in the major corporations and investment houses is often crucial for top civilian positions in the State Department, the Defense Department, the CIA, and the Atomic Energy Commission; Richard Barnet found that seventy of the ninety-one top men in those agencies from 1940 to 1967 had such backgrounds.⁹ The Polish foreman who favors Polish workers under him is acting no differently.

⁹Richard Barnet, *Economy of Death* (New York: Atheneum House, 1969).

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This reasoning also applies to voluntary associations such as fraternities and sororities. If the "real" goals of the Greek-letter societies were auxiliary support for the university, good fellowship, recreation, character building, and efficient housing, then discrimination against Jews and blacks would be unwarranted. However, if the goal of the fraternity or sorority also includes promoting social class and ethnic solidarity, ties that will lead to business or marital advantages, and reinforcement of religious, ethnic, and class sentiments, then the discrimination is certainly efficient. The Jew or the black is deemed an inappropriate resource for the organization; he or she does nothing for the group.

We may deplore the particularism of the Greek-letter society or the manufacturing firm and call for the universalism that is explicit in the bureaucratic model. There, at least, bureaucracy is virtuous in its impersonality. But to deplore particularism is only to advance an ideal and to neglect the reality of organizational affairs. The real cause for concern is not just the failure to apply universalism; rather it involves the uses the leaders make of the organization; these determine just what are universalistic or particularistic criteria. We are being naive when we deplore patronage, collusion, and snobbery in our political, economic, and voluntary organizations, as if those traits stemmed from a failure to apply sound organizational principles or even general moral principles. A more realistic view would question the uses to which owners and managers put these organizations, for these uses define what is efficient for those in control. Organizations are tools. The bureaucratic ideal assumes the uses are legitimate—that is, in society's interests. In doing so, it disguises some of the purposes to which people put organizations. Still, bureaucracy—with its ideals of clearly stated goals and rational instrumentation of legitimate purposes—is a clear advance over ancient satrapies, feudal domains, family dynasties, warlords and their retinues, and the autocracies of the past. At the least, since official goals are proclaimed, unofficial, unpublicized, and unlegitimated uses can be held up to scrutiny when they are found, and action can be taken. The hidden uses of organizations, always present, can be exposed and addressed.

The Contest for Control

Organizations generate power; control and use of that power are vital organizational issues. Particularism is a strategy to control and use that power, and it is not easily purged. It is a central theme of this book that organizations must be seen as tools, as having bundles of all sorts of resources that people inside and outside can make use of and try to control. Organizations are multipurpose tools because they can do many things for many people.

For example, regardless of their goals, organizations offer employment opportunities for friends and relatives, as well as for oneself. They also provide prestige and status for their members, as well as chances to make contacts and to strengthen social class ties. Obviously, there are opportunities for graft and corruption through organizations. But most important of all, organizations are tools for shaping the world as one wishes it to be shaped. They provide the means for imposing one's own definition of the proper affairs of humankind on others. The person who controls an organization has power that goes far beyond that of those lacking such control.

The power of the rich lies not in their ability to buy goods and services, but in their capacity to control the ends toward which the vast resources of large organizations are directed.

Such power is naturally contested. People attempt to achieve control of organizations or even parts of an organization in order to gain that power. "If I were in charge I would do it this way." "We really should be doing such and such." "Top management should never let the union [or suppliers, or customers, or medical staff, or the prison guards, or the government, or middle management, or whatever] get away with this." "The trouble with top management is that it is only interested in immediate profits and not in long-term growth; I want to see this organization strong over the long run." "This agency should be serving lower-class people, not the middle class." "Top management is too tied to the industry way of doing things; it is preoccupied with traditions that are no longer relevant, and it does not want to rock the boat." "We should be revolutionizing things in this industry." "We don't want people of *that sort* in our company." "Business has a responsibility to protect the American way of life. We should make it clear to these groups that they can't get away with this." These are statements about power and the uses to which it can be put.

Retaining or gaining power is difficult because it is almost always contested, and the contest is not decided by measuring the "efficiency" or "productivity" of the contenders. The criterion is not narrow and testable, but general and vague. The principles of bureaucracy have little to do with the contest. One decidedly unbureaucratic principle is crucial—personal loyalty or loyalty to a superior rather than to the organization and its goals. One of the best ways to seize or retain control is to surround oneself with loyal people. If a person has a certain charisma or force of personality, the loyalty may be freely given by strangers and acquaintances. If one lacks this rare quality, there are other means of ensuring loyalty. The most powerful is dependence. The subordinate who is a relative of a superior or a friend of the family is more dependent than one who is not; his or her superior has privileged access to "significant others" in the subordinate's social world. The marginally competent manager who is promoted over others is vulnerable and thus had better be loyal.

Of course, one purchases some inefficiency along with this loyalty. Inefficiency means that the costs of doing business are increased. But the difference between a small increase in the operating cost and a threat to losing control of all or some of the resources of the organization is enormous. In most cases, the exchange of loyalty for competence is in the executive's interest.

Even less-than-exemplary subordinates can perform very well for their superiors. A man may lack good judgment in setting policies, be inefficient in organizing his work and his staff, and even spend an excessive amount of time on the golf course or traveling at company expense. However, if he manages to sniff out potential sources of opposition within the organization, nominate loyal subordinates and identify those who cannot be trusted, and generally keep track of the activities of "internal enemies," he is worth a great deal to his boss. Such functions are commonplace in organizations of all types. As we have said, organizations are tools; they mobilize resources that can be used for a variety of ends. These resources and the

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goals of the organization are up for grabs, and people grab for them continually. Internecine warfare, often involving lawsuits, is a very prominent news item in the business press; it generally concerns the uses to which organizational power is to be put.

Viewing organizations as tools should reduce our tendency to cry incompetence when they do not do what we think they should. Incompetence certainly exists; organizations must contend with the distribution of incompetence in the general population, as well as the distribution of tendencies toward venality, stupidity, sycophancy, and so on, since they must draw upon the general population for employees. But a tool view alerts us to the possibility that what we see as incompetent performance or policy really reflects what some leaders wanted all along. A president will not announce that he or she intends to discipline labor and reduce inflation by creating a recession; it will be announced instead that the economy is not competitive enough. If an acquired firm goes downhill in performance, the new leaders need not be charged with incompetence in running the acquisition; they may have decided to appropriate its available cash and other liquid assets, its unused tax credits, and its best personnel and use them where they will provide greater returns. The acquired firm may then be sold, or even scrapped, possibly with significant tax breaks. Before assuming that an outcome was unintended, it is best to see if someone in top management might not have had reason to have intended the outcome. Bureaucracy is not the breeder of incompetence, as we often would like to believe. Instead, bureaucratic organization allows leaders to achieve goals, some of which are unannounced and costly for the rest of us and are only attributed to incompetence. *Scandal*

In conclusion, we have explored particularism in organizations, indicating the desirability of the bureaucratic ideal of universalism—hiring and promoting on the basis of performance ability (skills, competence, diligence, etc.) rather than on agreement to support the goals of the organization. We deplore particularism for several reasons. It goes against the values of a liberal society—that is, it yields racial or religious discrimination; it involves using public resources for the advantage of specific groups; it promotes inefficiency in organizations. But we also have been suggesting that much of the particularism we frown on is particularistic only if we think the goals of an organization should be other than what they are; from the point of view of those who control the organization, the criteria may really be universalistic and promote the efficiency of the organization. Better personnel practices, or standards, or screening criteria are irrelevant when only changes in the uses to which the organization is put would meet the criticisms. This is because organizations are tools designed to perform work for their masters, and particularism or universalism is relative to the goals of the masters. Because organizations generate power to get a variety of things done, people contend for that power, and favoritism and nepotism help to ensure loyalty to the contenders.

We also briefly touched on one other characteristic of bureaucracy—(tenure), or the (career) principle; we argued that the costs of this principle, as seen in the frustration of dealing with incompetent personnel who have civil service protection or incompetent tenured professors, are more than made up for by its advantages. These include freedom from arbitrary authority, protection from changes in skill

demands and declining ability, and assurance that one's investment in skills and experience will be secure. The bureaucratic model emphasizes efficiency in the long run, not the short run.

It is a tribute to the bureaucratic model as it developed since the Middle Ages that it has at least partially answered the problem of particularism and pursued it with vigor. Loyalty to the king or lord or chief was once everything; incompetence counted for little. With the rise of the university-educated scribes, jurists, and mathematicians, a class of presumably professional, neutral, and loyal personnel arose, the business administration students of yore.¹⁰ The kings and chiefs could use these and get both competence and loyalty (through dependence) in their administration. The eunuch in the harem is the prototype of the modern professional; he can be trusted with everything except that which really counts—the uses to which the masters put the organization. We have come so far from the particularism of medieval days that nepotism and favoritism today are frowned on as both subversive and inefficient. A substantial residue of these practices remains in organizations simply because organizations, then as now, are tools in the hands of their masters; thus, control over them is a prize that many people seek. Particularism is one weapon in that struggle, but its use must be masked.

FEATHERING THE NEST

* Organizations generate a great deal of power and leverage in the social world, power and leverage far beyond their ostensible goals. But one problem of organizations is that they are very leaky vessels. It is quite easy for a member of one to use some of his or her power and leverage for personal ends rather than for the ends of the organization. (The ends of the organization, we may say for the present, are those of a small group at the top of the organization or, in many cases, a small group outside the organization that controls those at the top.) In the ideal world of the ideal bureaucracy, it should be possible to calculate neatly, and thus control, the relationship between a person's contribution to an organization and the rewards he or she receives. Theoretically, too, the rewards the organization has to pay should not exceed the contribution of the person. In practice, this is very difficult because it is hard to control people so closely and because organizations have permeable boundaries. People tend to act as if they own their positions; they use them to generate income, status, and other things that rightfully belong to the organization. Bureaucracy has made great strides in reducing the discrepancy between people's contributions, on the one hand, and the inducements necessary to keep them in the organization and make them work, on the other.¹¹ During the

¹⁰As Lewis Coser notes in *Greedy Institutions* (New York: Free Press, 1974), slaves, Jews, and others excluded from society could also be used because they owed to their lord their promotion from nonpersons to quasipersons.

¹¹The contributions-inducements theory of organizations was first formulated by Chester Barnard in the late 1930s and subsequently greatly refined by James G. March and Herbert A. Simon in their book, *Organizations* (New York: Wiley, 1958). Their contributions are cited as landmarks in organizational theory, despite the simplicity of the idea or perhaps because of it. We shall take them up later.

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period when bureaucracies were just beginning to form, this problem was most acute.

During the late Middle Ages, the king who wanted revenues from the land and from the people he controlled would sell a tax franchise to someone, generally a nobleman. This official would agree to pay the king a set fee; he was then free to collect as much money as he could from the people and keep anything beyond the set fee. The king benefited because he did not have to organize and maintain a large bureaucracy to collect taxes. However, the collector might extract such a heavy toll that the subjects would revolt. Or the basis of the economy might be ruined so that fewer and fewer taxes could be collected. Or the collector might become so rich that he could challenge the power of the king. Eventually, the king or the state took control of taxation, centralized it, hired personnel on a salaried basis to run the system, and used the army to back up the collectors. In this way, the imbalance between the effort and reward of the tax collector was markedly reduced. The tax collectors were paid what they were worth on the labor market at that time.

Today, we do not find tax collectors paying a franchise fee to the state to collect as much as they can, but problems still remain because government units are empowered to force people to pay taxes. This power is a source of leverage for the officeholder. For example, local assessors (who determine the value of property for taxation purposes) have been known to make deals with business firms or other interests such that certain property is assessed at a lower value than it would normally be. Then the assessors receive a percentage of the reduction from the organization that is being assessed. Internal revenue agents have been known to make deals with taxpayers whereby the latter's taxes are reduced and the agents get a portion of the savings. The Internal Revenue Service spends a good deal of money on various forms of surveillance to minimize this practice and to keep the agent from using the power of that organization for his or her private purposes.

The medieval system of selling franchises is still legally practiced in some of the less-organized areas of our economy. For example, small businesspeople, particularly doctors and dentists, "sell" delinquent accounts to a tax-collecting firm; the tax-collecting firm gives the businessperson, say, 40 percent of the value of the account and then keeps anything above that amount, if it is able to collect. Most businesses are wary of using all the powers legally or illegally at hand to collect debts because they do not want to alienate people who might be future customers or clients. For the tax-collecting firm, however, this is not a constraint, so their methods of extracting money from debtors are more severe.¹² Of course, the agencies also do not care whether the debtors feel that the debt is unjust or not. It is irrelevant to the agency if the debtors failed to pay their full bill because they were overcharged or because they did not receive the goods or services. Furthermore, agencies stand

¹²One of the most frequent consumer fraud devices is for a collection agency to send a fake social survey questionnaire out. Along with the usual attitude questions ("How do you feel about law and order?"), unsuspecting debtors are asked about their place of employment, the value of their car and other property, and whether their spouse works or not. The agencies also send letters on official-looking stationery saying that a heavily insured package is being held for them by the post office, and they should fill out the identification papers and mail them in to receive the package. Debtors thus disclose the information that the collection agency can use as leverage. Both practices are forbidden by law but are very hard to police.

to gain a great deal by collecting all or 70 percent of the debt rather than 40 percent, so they pursue their task with vigor. Agencies also find it easier to extract money from the poorer and less well-educated strata of society since those with few resources are more easily intimidated.

Another example of ancient practices in the less well-organized and rationalized sectors of our economy is the selling of professional services. Normally, one thinks that a client goes to a doctor, dentist, or lawyer on a voluntary basis. However, for a number of reasons, clients do not have effective choice in these matters. In varying degrees, professionals have captive clients. There is not much competition among doctors, for example, because clients have few ways to judge doctors and have to consider geographical accessibility; also, doctors have restricted entry to their profession to keep the numbers low. If the patient has been going to a particular doctor for any period of time at all, she has a "sunk cost" in this relationship—the doctor knows her and has X rays and other records. What happens, then, when a doctor or lawyer or dentist retires or moves away? If it is a sizable practice at all, it will be "sold" to another professional. Indeed, if the professional dies, his or her beneficiaries can sell the practice. Patients are not literally sold to the new buyer, of course, but in fact the new buyer has quite privileged access to them. Practices are put up for competitive bidding and go to the highest bidder. Of course, there is no guarantee of any relationship between ability and reward, since an incompetent doctor, for example, may be able to pay more for a practice than a good one. Given the highly entrepreneurial, even medieval, character of our independent professions, little was done until recently to rationalize or bureaucratize them in order to control the relationship between effort and reward.

However, rationalization of medical and legal services is beginning to appear as the demand for service has increased. Walk-in storefront medical clinics and law offices are opening; psychological counselors have formal ties with medical and legal professionals. Shopping-center emporiums with doctors, dentists, opticians, lawyers, accountants, tax experts, counselors, chaplains, chiropractors, and fitness experts will probably soon provide one-stop service for every conceivable personal need. We seem to have survived the loss of a personal relationship with our grocer or barber; we will probably accept, though not welcome, taking a number and standing in line for the next available professional. This is an efficient use of work power for the organizers of such groups, as for-profit hospital chains and franchises have learned: (The Kentucky Fried Chicken organization, for instance, has branched off into hospital franchises.)

The rationalization of professional services also reduces the occasions for the individual professional to feather his or her nest, though very likely at the expense of individualized service. The relationship between the effort the professional puts in and the reward he or she receives, open to abuse before such rationalization, is greatly controlled. But note that the consumer's definitions of effort and reward are no longer as potent; it is the entrepreneur who runs the service or the emporium who now sets the definition. Bureaucracy requires standardized inputs and outputs; after taking your number and waiting your turn for whichever professional is free, the professional will take note of your need and sort it into the nearest appropriate

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box for standard treatment, no exceptions please, in the interest of low fees and quick turnover. The relationship between effort and reward for the employee may be very rational, but for the consumer, an individualized, personal definition is lost. Why bureaucracy in the area of personalized services? Because most of us cannot afford the personalized attention, and our key needs would remain untended. We should not blame bureaucracy for not providing the personal services available only to the wealthy.

Once professionals have been bureaucratized, they will, like everyone else, seek to feather their nests from the copious amounts of down floating around in most organizations. Generally, such uses are simply taken for granted, as if they were fringe benefits written into the employment contract. No professor in his right mind (and they all have right minds in this regard) would think of buying his own paper, pencils, carbon paper, and so on to write a book from which he hopes to gain substantial income in the form of royalty. It does not occur to many professors that they should pay for the privilege of using a huge library that caters to their exotic tastes and allows them to keep books out for months or years without paying fines. Nor do many universities question a professor's use of secretarial time that is officially budgeted as an educational expense. When pressed, professors may insist that while they draw royalties on their books (which range from a few dollars a year to over \$100,000), they are really contributing to the educational resources of society and that this is an inexpensive way to produce knowledge and teaching materials. This is true enough, but it is still remarkable that very few universities have attempted to require professors to pay back to the school some percentage of any outside income that comes from exploiting resources that are tax exempt or derived from students and, in public universities, from the taxpayers. A few have tried, and fewer actually do it; it meets with considerable resistance. In addition to royalties from books, there are the matters of lecture engagements and consulting jobs. A professor at a prestigious university is able to demand very high fees for consulting and lecturing and will get many opportunities to do these things. Since few prepare for these tasks only on Saturdays and Sundays, spending the other five days of the week busily teaching, these activities undoubtedly divert one from teaching duties.

Virtually all organizations offer opportunities to feather one's nest. Recall the dynamite that was readily taken from the gypsum mine described at the opening of this chapter. A more dramatic example is the scandals in the Chicago police department and other police departments in the early 1960s that were referred to as the "cops and/or robbers" syndrome. These scandals involved police officers who, by knowing when people were going to be away and when on-duty officers were not likely to be around, were able to burglarize stores and homes.

We may not expect a great deal of rectitude in police departments, but we might in voluntary hospitals supported by government funds, private donations, community chest funds, and, of course, patient fees. Nevertheless, I was not surprised to find that in some voluntary hospitals it was the custom for top-level administrators, physicians, and surgeons to receive expensive filets and other food from the hospital kitchens for use at home. Also, the maintenance staff occasionally remodeled or maintained the private houses of key executives, doctors, or board members. These illustrations may be trivial, but the principle is not. Organizations

generate surpluses and leverage in our world, and those who have any power in them can use these for their own ends. The device of bureaucracy was designed to prevent any but the masters of the organization from doing this.

We might think that the more bureaucratized and rationalized the organization is, the less nest feathering will occur. This may be so, at least at the lower levels, but we have no research on the subject. However, to the extent that business and industrial organizations are among the most bureaucratized and rationalized, the generalization probably would not stand. Highly placed executives of business and industrial firms sometimes profit handsomely from giving lucrative contracts to suppliers in which they have invested their personal funds. These arrangements rarely become public because it is very difficult to gain such information. One did become public in 1960, when an aggressive stockholder pursued the matter with the Chrysler Corporation. Eventually, the president of Chrysler resigned, and, after being sued by the corporation, returned \$450,000 to the company. He allegedly favored suppliers in whose firm he had a personal financial interest. (It is not often, however, that a stockholder with only a pittance of stock can bring down the administrative head of a large corporation.) Perhaps the reason that such an "un-bureaucratic" practice could occur in a highly bureaucratized firm is that, as Max Weber noted long ago, the top of an organization is never bureaucratized. It always belongs to somebody. In this case, though, the board of directors and stockholders insisted that the organization was also theirs; it did not belong just to the president.

The practice of feathering one's nest in large part reflects the problem of separating the interests of the person from the interests of the organization. In our organizational society, this becomes increasingly difficult. For example, to whom does the experience of an employee belong? Does it belong to him or her or to the organization in which that experience was acquired? The growth of bureaucracy was equivalent to putting a label of "company property" on the skills, experience, and creativity of the employee. It is a measure of our socialization into a society of bureaucratic organizations that we no longer question this extraction at all in the case of blue-collar workers and most white-collar ones. But consider industry at the turn of the century. Most of the work in the large, mass-producing factories and mills (except textiles, which had been "rationalized" long before) was done by work crews that were recruited, organized, and paid by independent contractors.¹³ They used the company's facilities, supplies, and tools but worked under yearly contracts to produce so many rifle barrels or parts of sewing machines or whatever. The contractors sometimes made very large profits and paid their workers presumably what the market would bear, or more likely, what the local custom dictated. The system was apparently quite efficient—technological changes were rapidly introduced and were in the interests of the contractors. It flourished in factories producing highly engineered products on a mass basis. Owners supplied the capital and organized the final assembly and marketing.

The genius of F. W. Taylor and others in the scientific management movement

¹³Dan Clawson, *Bureaucracy and the Labor Process: The Transformation of U.S. Industry: 1860-1920* (New York: Monthly Review Press, 1980). See also the more general discussion of this issue in Harry Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1975).

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(see Chapter 2) was to convince the owners that they should employ engineers to go around and find out how the men and women drilled the rifle barrels or made the gears for machine tools or cast the locomotive parts, centralize this information and study it, then break the tasks down into small parts so as to remove as much of the skill and accumulated experience as possible, hire a foreman who would supervise the crew for a wage, and assign the highly specialized "deskilled" tasks to the workers and pay them at a much lower wage rate. The owners "expropriated" the craft skills and craft system and designated as company property the ingenuity, experience, and creativity of the workers. Only now are we beginning to painfully rediscover and recommend giving back to the workers a small part of what had been their own property, in the form of such schemes as job enlargement, workers' participation, workers' autonomy, and group incentives.

What was settled for workers and most managers long ago (sometimes through bloody strikes)¹⁴ still appears for top executives and scientists in new fields today. What happens when a team of researchers, or an executive and three or four subordinates who have been working together for a long time, leave the organization? At least two issues are involved. One is the charge that the leader raided the company by taking the subordinates along, since they had been trained by the organization; the other is the knowledge of the technology, business operations, market strategies, and so forth developed within the organization and now taken elsewhere. In both cases, the organization loses heavily. Such incidents have become frequent enough to produce a number of court rulings. The principles are still obscure, but in general the court has been ruling in favor of the former firm in requiring, for example, that the departing manager or scientist not work in the same product area for a period of five years. If he or she goes to work for firm B, after having worked in firm A, and firm B comes out with a product that is similar to the one he or she was working on in firm A, firm A can sue firm B on the grounds that the person left A with specific knowledge and gave it to B.

The executive and the subordinates need not go to another established firm, taking with them the fruit of years of experimentation, trial, gestation, and stimulation. They may start their own company. In one case, an engineer for IBM took thirty-six people with him and started a competing company that made integrated circuits for memory cores for large computers. IBM sued. Even if a large firm had little hope of winning such a suit, it could help persuade other employees that it is not wise to leave with so many company-provided resources in their hands. It is a measure of our organizational society that the courts are able to rule in favor of the organization rather than the creative individual.¹⁵

The case of the scientist who decides that what she has in her head belongs

¹⁴Katherine Stone, "The Origins of Job Structures in the Steel Industry," *Radical America* 7, no. 6 (November/December 1973): 19-64, describes the process and conflicts for the steel industry. See also the seminal piece by Steven Marglin, "What Do Bosses Do?" *Review of Radical Political Economics* 6, no. 2 (Summer 1974): 33-60, and the book by Richard Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century* (New York: Basic Books, 1979).

¹⁵But on the other hand, it is striking that few creative individuals appear to start on their own, forming their own companies. Generally, they work first for a large firm. Only then can they attract the necessary capital from those arbitrators of the business scene, the banks.

to her and not to the organization, even though organizational resources were used to develop it, is a borderline case in the basic question of who owns the office. As such it is illuminating. For there is no intrinsic difference between such a case and one in which an executive makes sure that the supplier in which he has a financial interest gets contracts from his company, even though that supplier's products may be inferior. In both cases, the organization provides a resource, which is then exploited by the individual for his or her own benefit and to the disadvantage of the organization. It does not matter whether the organization is considered a socially valuable one or whether the individual is moral or immoral. We are stuck with the organizational logic of our time; the official does not own his or her office—as Weber put it, and as the gypsum-plant employees and countless other workers discovered.

→ The organization takes precedence over the individual.

★ Stated thusly, we are likely to deplore this concept. But as consumers of the goods and services of many organizations, we are likely to applaud it. Why bureaucracy if it takes precedence over the individual? Because our society has developed no alternative method of flooding us with goods and services just as cheaply.

“THERE OUGHT TO BE A RULE”

We have looked at several criticisms of bureaucracy and argued that some of its supposed sins have more to do with the uses to which organizations are put than any inherent evil and others are only abuses from the point of view of special interests, not the organization as a whole. But the weaknesses of bureaucracy considered so far are rather minor. Rules and red tape, hierarchy, and conservatism are more frequently identified as sins and considered more serious. First let us take the criticism that bureaucracies have too many rules.

A multitude of rules and regulations appears to be the very essence of a bureaucracy. The term “red tape” adequately conveys the problem. Rules govern everything; one cannot make a move unless one does it by the book or, to use military slang, by the numbers. Every office in every department has seen to it that its autonomy is protected by rules. An attempt to change one rule immediately runs into the problem that half a dozen other rules are connected to it; to change these, a geometric proportion of additional rules will be affected, and so on.

While it is obvious that some rules are needed in organizations, it is generally felt that most organizations have far too many rules. How might these be eliminated?

Reducing Rules

There are a number of ways to reduce the number of rules. One way is to mechanize as much as possible. A typewriter eliminates the need for rules about the size and clarity of script and the way letters will be formed. Rules on these matters were common before the appearance of typewriters. Any machine is a complex bundle of rules that are built into the machine itself. Machines ensure standardized products, thus eliminating rules regarding dimensional characteristics. They ensure even

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output time; they also indicate precisely what kind of material can be fed into them. The larger the machine, the more people it presumably replaces, and this eliminates rules about how workers are to interact, cooperate, and coordinate their activities. The thoroughly automated factory, of which we have none as yet, would be one with few or no written rules or regulations.

Another way to cut down on the number of rules is to insist on near uniformity of personnel in an organization. If we could hire people with the same physical characteristics, intelligence, amount of self-discipline, personality traits, and so on, we would need far fewer rules to govern the range of differences that we usually observe among personnel. If none of them had families, ever got sick, or needed vacations, and if all were thoroughly trained before they arrived at the office, plant, or agency, matters would also be simplified greatly. But, for the lack of a robot, we have people and thus rules.

If we could seal the organization off from its environment so that nothing ever affected it, we would need very few rules regarding relationships with the environment. We would also need few or no rules regarding changes in procedures—because nothing would change. Once things were started in the proper manner, they could run that way forever. Finally, if we could produce only simple products in our organizations, rather than complex ones in various sizes, shapes, and colors and with a lot of custom-made attributes, this would eliminate the need for a lot of rules.

As these comments suggest, we might not care for organizations that eliminate the need for rules—they would be rather dull, mechanized, and inflexible. Rules are needed in organizations when complexity increases due to variability in personnel, customers, environment, techniques of producing the goods and services, and so on. When these matters are complex, it is not possible to allow personnel to “do their own thing,” no matter how much we might prefer that. And every time variability in handling personnel is introduced by these complexities, rules are required to limit the discretion of those with power to handle people under them. There will be rules about favoritism and nepotism and discrimination on irrelevant grounds, rules about transferring people, rules about expectations regarding pay, promotion, accrued leave, and so on.

Of course, rules in the sense of formal written procedures can be essentially eliminated, thus giving the impression of a place that operates with few rules, even though the impression is bound to be mistaken. Wilfred Brown, an experienced and successful manager, discussed this matter at some length in connection with the English industrial firm of which he was president:

Many managers feel that “freedom” lies in the sort of situation where their supervisor says to them: “There are not many regulations in this place. You will understand the job in a month or two, and you make your own decisions. No red tape—you are expected to take command; make the decisions off your own bat as they arise. I am against a lot of rules or regulations, and we do not commit too much to paper.” In my experience a manager in such a situation has virtually no “freedom to act” at all. He starts making decisions and his boss sends for him to say: “Look here, Jones, I am sorry to tell you that you have made two rather serious mistakes in the course of reorganizing your work. You have promoted one man to supervisor who is not the next man due for promotion

in the factory, and you have engaged five additional machinists, a decision you should have referred to me because we have some surplus men in this category in an adjacent factory." Now Jones might well say: "You said there were no regulations but, in fact, you have already mentioned the existence of two; one concerned with promotion and the other with increase of establishment. Please detail these regulations to me precisely, so that I can work to them in future, and let me know now of any further regulations which bear upon my work."

In practice, Jones probably says nothing of the kind, because he does not think in this way; to him regulations are stumbling blocks in the path of those wishing to display initiative. He will proceed, over the years, to learn, by making mistakes, of the whole array of regulations which, by the very nature of Executive Systems, do in fact exist. His boss will have to say to him frequently: "Yes, Jones, freedom for subordinates to act on their own is the policy here, but surely it must have been obvious that you should have seen me before doing *that*." Jones is thus in a situation where he does not know what decisions he can or cannot make, and when in doubt he is likely to follow a course of doing nothing at all. In three years he will have got through this difficult period; he will know when he can or cannot act, because he has learn[ed] by testing what his boss was unable to give him in writing—the *prescribed component of his job*. Thereafter, Jones will be a staunch supporter of the "no-red-tape" policy, and so the situation will continue.

It is much more efficient to delineate as precisely as possible to a new subordinate all of the regulations he must observe and then say: "You must take all the decisions that seem to you to be required, so long as you keep within the bounds of that policy. If, keeping within those bounds, you take decisions which I think you should have referred to me, then I cannot criticize; for such a happening implies that some part of the policy [by] which I wish you to operate has not been disclosed to you. I must, then, formulate that policy and add it to the prescribed content of your job." If, in addition, the manager can give his subordinate a rounded idea of the discretionary component of his job by stating the types of decisions which he must make, then that subordinate is in a real position to act on his own initiative in the prescribed area.

I have found, however, particularly in discussing jobs with external applicants, that the array of policy represented by our Policy Document, Standing Orders and Directives, causes people to assume the precise opposite of the real situation, i.e., that this extant written policy will deprive them of the right to make decisions. In fact, it is only by delineating the area of "freedom" in this way that a subordinate knows when he can make decisions. The absence of written policy leaves him in a position where any decision he takes, however apparently trivial, may infringe [upon] an unstated policy and produce a reprimand.¹⁶

Professionalization and Rules. Buying and installing machines, as indicated above, is one way to reduce the number of rules in an organization. The rules are built into the machine itself, and the organization pays for those rules when it buys the machine. A quite similar means to reduce the number of written rules is to "buy" personnel who have complex rules built into them. We generally call these people professionals. Professionals, such as engineers and scientists, psychiatrists, doctors, social workers, teachers, and professors, are trained on the outside, usually at great

¹⁶Wilfred Brown, *Exploration in Management* (New York: Wiley, 1960), pp. 97-98.

machinists, a decision you should not make in this category in an adjacent case. If there were no regulations but, in fact, there are, one is concerned with promotion and demotion. If these regulations do not meet one's needs, how now of any further regulations?

One might think, because he does not think of himself as in the path of those wishing to learn, by making mistakes, of the kind of Executive Systems, do in fact. Jones, freedom for subordinates. It must have been obvious that you are in a situation where he does not know when in doubt he is likely to follow. He will have got through this difficult use of what he has learn[ed] by testing what is the prescribed component of his job. The "no-red-tape" policy, and so the

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public expense, and a large number of rules are inculcated into them. They bring these to the organization and are expected to act on them without further reference to their skills. While accounting practices differ more widely than some might expect, accountants in general are expected to be familiar with the rules and techniques of accounting. Doctors know when they should give certain drugs or what kinds of drugs should not be given to certain kinds of people; medicine is a complex body of rather imperfect rules. Professors, through long, arduous, and heroic training, learn rules about plagiarism in their writing, truth in their teaching, and deference to their more senior colleagues.

Professionals, like machines, cost a lot of money. There is a high initial investment in training that someone must pay, and the care and feeding of machines and professionals is expensive. Therefore, we tend to use them only when the economies are apparent or when there is no real choice. We charge more for services produced by complex machines or professionals than simple ones—other things, such as volume of production, being equal. It costs more to go to Harvard or to an outstanding hospital than it does to attend a city college or go to a substandard hospital. Were we able to thoroughly routinize the tasks performed by professionals and get around the restrictions that professionals are able to place on their positions, we would substitute machines for them. We are trying, for better or worse, with computerized teaching.

Expressive Groups. One other example of a way to avoid rules in an organization is rare but interesting. This involves organizations where all members agree on the goals of the organization (or, to put it more accurately, where the goals of the individual members are identical) and the techniques for achieving these goals are within the ability of all members. In such cases, few or no rules are required. Each will do his or her own thing, but this will fit with the thing of all other members. Such organizations are generally quite small and usually oriented around expressive needs. Few organizations have members solely on this basis. Most of the so-called voluntary associations rely on services to the members for which members pay in one form or another through dues, allowing their name to be used, or doing some work.¹⁷ Since most voluntary associations provide services to members, they, like other organizations, also have a proliferation of rules and regulations.

Interdepartmental Regulations

So far, we have been talking about rules with respect to the whole organization. A quite different dimension of rules appears when we examine the relationships among units in an organization. Here many rules are clearly the basis of self-protection, predictability, and autonomy. Take the matter of distribution requirements in a university. The rule that students shall take a certain number of credits in various departments exists because students are not homogeneous when they enter the university; all cannot be expected to "know their own best interests."

¹⁷Charles Perrow, "Members as a Resource in Voluntary Organization," in *Organizations and Clients*, ed. W. Rosengren and M. Lefton (Columbus, Ohio: Charles E. Merrill, 1970), pp. 93-116.

Only some would be motivated enough, the argument goes, to sample the sciences if they are majoring in the humanities or to sample the humanities if they are in the sciences, so a rule is promulgated. However, the matter does not end there. Departments, knowing there will be a big influx of students into their courses, want to control which courses the students come into. So they set rules regarding which courses are to be utilized for distribution requirements. This protects departmental autonomy and provides scheduling benefits and staffing economies. To change these rules when the characteristics of students or advances of knowledge have changed may prove to be quite difficult because a host of other practices have grown up in the department that depend on the designation of certain courses appropriate for distribution requirements. For example, perhaps only instructors and assistant professors are assigned to teach these courses. Also, majors may be steered into more high-level courses where enrollment is kept down. A dean who attempts to force the department to make what seems to be eminently sensible changes from her point of view, or the point of view of the students or other departments, may run into serious opposition from the department. The change would threaten the department's whole fragile structure of work assignments and course requirements. The department might turn around in retaliation and change some of its rules on its own. For example, it might limit the enrollment in certain courses. Soon, if not immediately, a first-class *political* situation has evolved that has little to do with the original problem and can be solved only by bargaining. But bargaining threatens the status quo, involves other departments, and ramifies the changes. Because rules protect interests, and groups are interdependent, changing the rules is difficult.

Rules are like an invisible skein that bundles together all the technological and social aspects of organizations. As such, rules stem from past adjustments and seek to stabilize the present and future. When things are different in the future, an attempt to change these tough, invisible threads means that all kinds of practices, bargains, agreements, and payoffs will tumble out of the web and must be stuffed back in again. As a result of these kinds of interdependencies, changes in organizational rules (which go on continuously, if only informally)¹⁸ are generally incremental—a little bit here and there. The hope is that somehow the whole structure of the organization will gradually, painlessly, and, most of all, *covertly* change over time. It generally does.

In sum, rules protect those who are subject to them. Rules are means of preserving group autonomy and freedom; to reduce the number of rules in an organization generally means to make it more impersonal, more inflexible, more standardized. But even given this, rules are still a bore. We would all prefer to be free of them, or so it would seem. Actually, only *some* rules are bores. The good, effective rules are rarely noticed; the bad ones stand out. Bad rules are inevitable. Some merely reflect the fact that people make rules, and people are not generally geniuses. The problem is not rules in general, but particular ones that need changing.

¹⁸Peter M. Blau, *The Dynamics of Bureaucracy*, 2nd rev. ed. (Chicago: University of Chicago Press, 1973).

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Rules as Scapegoats

Rules are the scapegoats for a variety of organizational problems. Complaints about excessive rules or bad rules generally are symptomatic of more deep-seated problems that cannot be solved by changing rules. During the unhappy days of the breakdown in telephone service in New York in 1969–1970, a number of “stupid” rules surfaced and were held to have caused the difficulties. Actually, the difficulties appeared to be that the system was designed so that it would operate with a good deal of inefficiency and slack. Such an operation is easy when an organization has a monopoly and, despite the lack of risk, a guaranteed high rate of return. Savings from technical advances need not result in significant rate decreases, but simply in more inefficient ways of doing business—which is, after all, the easiest route. No one in the company gets upset, and since the public is uninformed and the rate-setting agencies are weak and generally captives of the utilities, the lack of rate reduction is not noticed. (The same appears to be true for the gas and electric utilities, which also are very profitable, inefficiently regulated monopolies.) When greater demands were made on the company than it could fulfill, it became apparent that, for example, the business-office side of the company in the New York area was not talking to the plant or operations side; both hid under a complex set of rules and regulations that governed their interrelationship and the operations within each of the divisions. As long as there was sufficient “fat,” or surplus, in the system, it did not matter; when more efficiency was needed to meet demand for services, these inefficiencies surfaced, and rules got the blame. The rules were not bad in themselves. For example, they probably reduced contact and thus antagonisms between the operations and customer-service branches. A more efficient operation would require more contact, however, and under these situations the rules were inappropriate. But the whole premise on which the system operated would have to be changed; rules would be only one aspect that would be changed.

In a similar fashion, hidebound government bureaucracies are not unresponsive to their clients because of their rules but because of the premises they operate on and the system designed around those premises. The New York public school system¹⁹ and the Bureau of Indian Affairs are two outstanding examples. In both cases, professionals have captured the organization and made it too difficult or expensive for policy makers—board members, staff of the Secretary of the Interior, politicians, and the like—to wrest control and change practices. The incredible rules of these agencies are only by-products and symptoms of a commonplace fact of organization life: those who can will seize control of an organization and use it for their own ends—in these cases security, power, and expansion.

As we noted above, good rules are often those that are rarely noticed. They may be written down or just a matter of custom, but they are rarely challenged. They simply make sense. Some other good rules are those that cut the Gordian knots that inevitably bind organized endeavors of any complexity. Frequently, there is no clear ground for doing A instead of B; both will have unpleasant outcomes. Rather than agonize over a decision, a rule cuts the knot. Another function of good rules is to

¹⁹David Rogers, *110 Livingstone Street* (New York: Random House, 1968).

justify unpleasant decisions or actions: "Sorry, old boy, but I will have to discipline you for that." "I know it's not fair, from your point of view, but it's the rule." "It took a lot of extra work, and I made some enemies in the agency, but the rule is that these kinds of clients are entitled to more service." Without the rules, these necessary but unpleasant actions might not be taken.

The greatest problem with rules is that organizations and their environments change faster than the rules. Most bad rules were once good, designed for a situation that no longer exists. Nepotism was apparently a problem in university departments of the past, when they were dominated by one man who made all the decisions as to what the courses would be, what texts would be used, who was to be hired and who promoted. It was easy to extend this power by putting one's wife on the staff. Today, departmental chairpersons have much less power, and there are more finely graded criteria for performance. Yet, as more women once again come into the academic job market and have husbands who are also teachers, the nepotism rule becomes more burdensome and discriminatory. It is often stoutly defended, though, by those who resent women professors anyway, since they are a threat to male hegemony.

In sum, "there ought to be a rule" is as valid as saying "there are too damn many rules around here." Rules do a lot of things in organizations: they protect as well as restrict; coordinate as well as block; channel effort as well as limit it; permit universalism as well as provide sanctuary for the inept; maintain stability as well as retard change; permit diversity as well as restrict it. They constitute the organizational memory and the means for change. As such, rules in themselves are neither good nor bad, nor even that important. It is only because they are easy scapegoats for other problems that are more difficult to divine and analyze that we have to spend this much time on them. Social scientists, no less than the person in the street, love to denounce them and to propose ruleless organizations. But ruleless organizations are likely to be either completely automated, if they are efficient and have much output, or completely professionalized, turning out expensive and exotic services. Only a tiny fraction of organizations fit either case.

"WHO'S IN CHARGE AROUND HERE?"

For many social scientists, rules are a nuisance, but the existence of a hierarchical ordering of offices and authority is a barely tolerable evil. The principle of hierarchical ordering of offices and authority says that for every person there shall be one person above to whom he or she primarily reports and from whom he or she primarily receives direction. The organization is structured in the form of a pyramid, with the top controlling everything. Power is centralized. Though all aspects of bureaucracy—rules, universalism, impersonality, tenure, and stability—are criticized, hierarchy, the most characteristic aspect of bureaucracy, is judged its worst. It is the negation of individual autonomy, freedom, spontaneity, creativity, dignity, and independence.

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The Collegial University

When we think of organizations with elaborate hierarchies, we often have the government and its bureaus in mind, or perhaps the large corporation. Professional organizations, according to theory, are not so arranged—colleagues are at more or less the same level.²⁰ I would probably be considered a professional, being a full professor of sociology in a university, so let us see what I might have had to go through at the University of Wisconsin in 1970 in order to make a suggestion, take up an issue, make a complaint, or whatever, if I wished to touch all bases. Theoretically, I would first go to the assistant chairman of my department, who would send the matter on to the chairman. The chairman might wish to consult with the departmental executive committee to be on "solid ground" before proceeding. The departmental chairman would then take it up with one of the appropriate assistant deans (there were eight to choose from) in the College of Letters and Science, who would refer it to one of the associate deans (there were four of them), who would take it up with the dean of the College of Letters and Science (there are Colleges of Agriculture, Engineering, etc., each of which has its dean and associate and assistant deans). If the matter involved the graduate program at all, it would next go to one of the two assistant deans, and then to one of the five associate deans of the Graduate School; then it would be taken up with the dean of the Graduate School (who would, of course, confer with the dean of the pertinent college). The Graduate School dean might consult with a student-faculty committee in the process. After that, it would be taken up by one of the two assistants to the chancellor, who would refer it to one of the two vice-chancellors, who would take it up with the chancellor of the Madison campus (there are other campuses—Milwaukee, Green Bay, and Parkside among them). The chancellor of the Madison campus would send it along to one of the vice-presidents of the university (he had seven to choose from), who would take it up with the president of the university. If the matter were still unresolved and had not lost its power of ascent, the president would take it up with the university's regents. They, in turn, might have to refer to the State Coordinating Council for Higher Education (which has several staff layers of its own). It, though, receives its power from the legislature, whose actions can be vetoed by the governor. Were the matter important enough to go as far as the Coordinating Council, it would have gone through five major levels of authority, each with about three internal levels of authority, for a total of at least fifteen steps in the staircase.

Of course, it is not that simple. We have assumed that the matter did not involve any of the numerous other fiefdoms in the university, which is highly unlikely. There are numerous councils, committees, divisional organizations (e.g., a chairman of social studies), administrative units (such as the admissions office with its director, associate director, and four assistant directors), the libraries (an Egyptian-sized pyramid in itself), a jumble of business offices, the computing center, counseling services, and offices concerned with public relations, parking, physical plant, protection and security, purchasing, registration, student affairs, and so on—

²⁰Talcott Parsons, "Introduction," in Max Weber, *The Theory of Social and Economic Organization*, pp. 58–60. Amitai Etzioni, *A Comparative Analysis of Complex Organizations* (New York: Free Press, 1961), pp. 218–261.

each of which could be involved. A professor has occasion to deal with all of these at times. In addition, much power is exercised by the campus university committee, the senate, the all-university faculty assembly, the university faculty council, the course committee, the divisional executive committee, the social studies committee of the graduate school, the research committee, the honors committee, various student-faculty committees (at the time an area of exponential growth in form, though with little substance), and various all-university committees. These committees plug the interstitial areas of the fifteen levels above me very effectively and relieve all the assistant deans or whatever of their backbreaking loads.

Of course, even with fifteen levels of authority and a tropical jungle of committee growth to go through to get to the top, I would not be at the bottom of the heap. Below me are strung out the associate professors, assistant professors, instructors, lecturers, teaching assistants, graduate students, and, somewhere down there, undergraduates. This is not a chain of command; undergraduates have been known to talk directly to full professors without going through a teaching assistant, for example. But these levels come into operation in numerous ways. For example, if two full professors desire the same office, the one who has been "in rank" longer will generally get it. We cannot really add six more levels below a full professor in terms of authority, though we can in terms of status.

In addition, I might have a secretary, research assistant, undergraduate work-study assistants, and graduate student trainees in a training program—that is, another little empire. (I have left out the enormous informal power of the head secretary of the department, other directors of training programs or of the graduate program, renowned colleagues, and those who somehow just manage to amass power.) Just to grasp this social structure intellectually, let alone maneuver in it, is a demanding task.²¹

So much for the myth that the university is a collegial body having a minimum of hierarchy and status difference. Nor should one assume that other professional bodies, such as the medical staff of a hospital or the U.S. Senate, also enjoy the advantages of lack of hierarchy. The medical personnel in hospitals are generally highly organized in a structure that parallels that of the administrative staff of the hospital. The medical staff has its own nursing committee, outpatient department committee, pharmacy committee, and so forth, and in between the major ranks of junior and senior attending staff are several clear distinctions in grade, with appropriate powers and entrance criteria.²² The U.S. Senate is also more highly structured than one would expect on the basis of the contrast between bureaucratic and

²¹I wish to thank Robert Taylor, former vice-president of the University of Wisconsin, for constructive comments on this material. As he points out, the chain of command works in a variety of ways, depending on who or what is involved. "Very little (maybe no) 'traffic' moves up or down this chain in this fashion. The fact is that most of it moves as your letter [to me] did—from professor to vice-president and back with all the other levels left in blessed ignorance. And, of course, no modern student would countenance such a chain for a moment—he'd pick up the phone and call the president or the president of the board of regents, if he thought either of these officials capable of acting on his request." (Private correspondence.) This is true, but in a crunch, the chain is there for those higher up to use it. As we shall see, much short-circuiting of the chain occurs in organizations that are not made up of "professionals."

²²Charles Perrow, "Goals and Power Structures: A Historical Case Study," and Mary E. W. Goss, "Patterns of Bureaucracy Among Hospital Staff Physicians," in *The Hospital in Modern Society*, ed. Eliot Freidson (New York: Free Press, 1963).

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professional organizations, and it takes a new senator a long time to learn all the aspects of this structure. Even law firms are highly structured.²³ Indeed, any group with a division of labor, professional or not, will be hierarchically structured.

The Sins of Hierarchy

What is the consequence of this ubiquitous structuring of even "professional" organizations? For the critics of bureaucracy, the consequence is that the bulk of people in the lower and middle levels are prevented from really giving their all for goal achievement; they turn, instead, into infantile, fearful robots. The argument runs like this:

The hierarchy promotes rigidity and timidity. Subordinates are afraid of passing bad news up the ladder²⁴ or of suggesting changes.²⁵ (Such an action would imply that their superiors should have thought of the changes and did not.) They also are more afraid of new situations than of familiar ones, since with the new situations, those above them might introduce new evils, while the old ones are sufficient. The hierarchy promotes delays and sluggishness; everything must be kicked upstairs for a decision either because the boss insists or because the subordinate does not want to risk making a poor decision. All this indecision exists at the same time that superiors are being authoritarian, dictatorial, and rigid, making snap judgments that they refuse to reconsider, implementing on-the-spot decisions without consulting their subordinates, and generally stifling any independence or creativity at the subordinate levels. Subordinates are under constant surveillance from superiors; thus they often give up trying to exercise initiative or imagination and instead suppress or distort information. Finally, since everything must go through channels, and these are vertical, two people at the same level in two different departments cannot work things out themselves but must involve long lines of superiors.

At this point one may wonder how organizations can function at all, but it becomes even more alarming when we consider a contrasting series of complaints frequently made by members of a hierarchy. These are complaints about people in one department making decisions that affect other units without checking first with their respective superiors, and about the lack of clear lines of authority, the failure to exercise authority or to be decisive, and the lack of accountability. Some typical complaints:

1. Who's in charge here? Who am I supposed to take this matter to?
2. That bureau gets away with murder; no one will exercise authority over it, and it is not clear what their authority is supposed to be.
3. Some technician in engineering went ahead and made these design changes in conjunction with a department head in production, but they never bothered to check with the sales manager or the account supervisor in finance.

²³Erwin O. Smigel, *Wall Street Lawyer*, rev. ed. (Bloomington, Ind.: Indiana University Press, 1970).

²⁴Harold L. Wilensky, *Organizational Intelligence: Knowledge and Policy in Government and Industry* (New York: Basic Books, 1969), pp. 42–48.

²⁵Victor A. Thompson, *Modern Organization*, 2nd ed. (University, Ala.: Univ. of Alabama Press, 1977), Chapter 8.

4. We make changes, and before we can see how well they are working out, we are making more changes.
5. What this place lacks is decisive leadership.
6. No one told me.

In such cases we hear of too much flexibility, too little attention to the hierarchy, too little forceful decision making. According to one survey,²⁶ managers in industrial firms are decidedly in favor of more, rather than less, clarity in lines of authority, rules, duties, specification of procedures, and so on. Only when the structure is clear can authority be delegated, they indicate, as did Wilfred Brown (see pp. 21–22).

If both the presence and the absence of hierarchy can be faulted, and if authority can be both excessive and absent, change too rapid and too infrequent, employees both fearful and aggressive, gutless and crafty, and flexible and rigid, the problem may not lie in hierarchy per se. Some degree of hierarchy is needed in any organized endeavor, but how much and in what kinds of endeavors? We are only beginning to phrase the problem in this fashion, and to get a glimpse of how hierarchies actually work.

Research on Span of Control

Take the matter of “span of control”—the number of subordinates whom a superior directly controls. This is the building block of hierarchy. If each superior controls few people—has a narrow span of control—there will be many levels in the organization; if he or she controls many, there will be few. For twenty to thirty years, social scientists and management theorists debated regarding the optimum span of control—was it four, six, eight, or what? If only we knew, we could design our organizations properly. Embedded in this discussion was the assumption that if a manager had many people under her, she could not supervise them closely, and thus they would have more autonomy.²⁷ This assumption was furthered in an influential piece of reporting by a personnel officer with Sears Roebuck who described how morale and efficiency improved when the number of levels in the organization was reduced.²⁸

Of course, as is true of most “principles” of organization, there was an alternative view—rarely stated as a principle, but acted on by management consulting firms. This principle said that if a manager had a lot of people reporting to him, he was centralizing power and would not want to give it up. Such a manager should establish an intermediate level in order to give his subordinates some leeway. A wide span of control meant reluctance to delegate, rather than delegation.

Few theorists took the rule-of-thumb wisdom of the management consultants seriously, however. One of the best theorists, for example, is Peter Blau. He and his associates conducted a study of 156 public personnel agencies, starting with “a few

²⁶Charles Perrow, “Working Paper on Technology and Structure,” mimeographed, February 1970.

²⁷William F. Whyte, “Human Relations—A Progress Report,” in *Complex Organizations, A Sociological Reader*, ed. Amitai Etzioni (New York: Holt, Rinehart & Winston, 1962), pp. 100–112.

²⁸James C. Worthy, “Organizational Structure and Employee Morale,” *American Sociological Review* 15 (1950): 169–179.

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plausible considerations" that led to inferences "which appeared straightforward and perhaps even self-evident." They reasoned that if a person was well trained, he or she would need little supervision. The span of control would be wide. If personnel were not well trained, they would need more supervision, and the span of control would be narrow and the hierarchy higher. (In the language of journal articles, it reads like this: The inferences suggested, "as an initial hypothesis, that expert requirements decrease the ratio of managerial to nonsupervisory personnel in organizations, which widens the average span of control."²⁹)

To the admitted surprise of Blau and associates, the hypothesis was found to be incorrect. The more qualified the people, the *less* the span of control. They then suggested that the explanation might be that a narrow span of control—only two or three subordinates per superior—allows easy consultation on difficult problems and permits common problem solving. Though they did not state it directly, this would suggest that wide spans of control could mean close supervision but little consultation.

Actually, as is so true in much of organizational research, the resolution of the dilemma lies in distinguishing different types of organizations or situations. In some cases, a span of control of ten can mean close supervision through highly routinized controls over people performing routine tasks; in others, it can mean very little supervision, with the ten subordinates working out things with each other and only occasionally seeking the advice or direction of the boss.³⁰ The span of control, then, can be independent of the closeness of supervision. Supervision can be direct or indirect with either a wide or a narrow span of control.

The span of control, in turn, affects the degree of hierarchy, or the number of levels of supervision in an organization. Where spans of control are wide, the organization tends to be "squat"—there are not many levels of authority. Where spans of control are narrow, the organization tends to have a narrow, "tall" hierarchy, with many levels of authority. But we have argued that a squat organization does not necessarily mean either close or distant supervision. There are a number of factors that might affect the closeness of supervision (beyond, of course, the personality and leadership style of a manager), and they are worth listing to indicate the complexity of the matter:

1. The degree to which tasks are routine or nonroutine.
2. The difference between the expertise of the manager and that of his or her subordinates; the amount of interdependence among tasks under one manager; and the interdependence of these tasks with those performed under different managers.

²⁹Peter Blau, "The Hierarchy of Authority in Organizations," *American Journal of Sociology* 73 (January 1968): 453-457.

³⁰See, for example, the various discussions by Joan Woodward, *Industrial Organization: Theory and Practice* (London: Oxford University Press, 1965). In discussing span of control, Jay Lorsch generally finds a broad span is associated with nonroutine tasks, contrary to Blau. But on the other hand, in the routine production department of one of his companies, Lorsch also finds a broad span of control. See Jay W. Lorsch, *Product Innovation and Organization* (New York: Macmillan, 1965), p. 53. For a good discussion and additional evidence supporting Blau's view see Gerald Bell, "Determinants of Span of Control," *American Journal of Sociology* 73, no. 1 (July 1967): 90-101.

3. The interdependence of the department as a whole with other departments in the organization, and the varying kinds of routine and nonroutine mixes of the departments.
4. The degree to which written rules and regulations or machines can reduce the need for personal supervision.
5. The extent to which flexibility and rapid response is necessary to the organization.

Given these relevant sources of variation, it remains to be seen whether, as Blau maintains, the relationship they suggested between span of control and supervision is likely to hold in all organizations.

Using the same data, Marshall Meyer concludes that there are two strategies available to organizations—control through direct supervision, utilizing a wide span of control, which promotes flexibility of response since the manager can change things quickly; and control through rules, regulations, and professional expertise, utilizing a greater number of hierarchical levels with a narrow span of control, which promotes more “rational” administration and more stable operations.³¹ Blau also concludes that there are two types of organizations, but he labels the first the “old-fashioned bureaucracy.” It has a “squat hierarchy with authority centralized at the top,” little automation, and personnel rules that emphasize managerial discretion, seniority, and personal judgment. The second he calls the “modern organization” with a “tall, slim hierarchy with decentralized authority,” relying upon experts, automation, and universalistic personnel procedures (objective merit standards).³²

Meyer's data show only weak support for Blau's conclusions; the differences between the two types of strategies are in the predicted direction but are quite small. The important thing, however, is that they are *not* in the *opposite* direction; that is, the usual view of hierarchy would indicate that the higher the degree of hierarchy the greater the centralized control.³³ But that does not hold here. If anything, the greater hierarchy is associated with decentralization. Blau handles his data somewhat differently and finds somewhat stronger relationships, but more important, he finds the relationships consistent over three types of organizations: personnel departments, finance departments, and state employment agencies. Thus, even though the differences may not be large in any one sample, the consistency over the three is impressive.

Furthermore, a quite independent and large study in England, generally referred to as the Aston study because the team, headed by Derek Pugh, was then at the University of Aston in Birmingham, came to very similar conclu-

³¹Marshall Meyer, “Two Authority Structures of Bureaucratic Organizations,” *Administrative Science Quarterly* 13 (September 1968): 211–228.

³²Blau, “Hierarchy.” There are complex problems here of different degrees of “tallness” in different units of an organization that are not relevant for these agencies, but would be for most organizations.

³³See, for example, Worthy, “Employee Morale.” It is noteworthy that in a study of school teachers that used, by and large, unloaded questions to tap bureaucracy, it was found that, quite contrary to the authors' expectations, “Teachers in highly bureaucratic systems had a significantly higher, not lower, sense of power than those in less bureaucratic systems.” See Gerald H. Moeller and W. W. Charters, “Relation of Bureaucratization to Sense of Power Among Teachers,” *Administrative Science Quarterly* 10, no. 4 (March 1966): 457. These authors were as surprised as Blau and his associates but fell back upon the influence of other factors that might have clouded or reversed a relationship predicted by most schools of thought.

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sions.³⁴ In the Blau and the Aston studies, the gap between the indicators used and the concepts these indicators were supposed to represent is often very large. For example, the items that are used to measure the degree of delegation of authority, or decentralization, refer only to decisions that are visible, binary (either-or), and capable of clear statement in official rules, such as the level at which a certain amount of money can be spent without prior authorization. More subtle, basic, and certainly more powerful decisions are not measured; these may be quite centralized. We refer to this as the problem of "operationalization," or making the measurement of concepts operational. The operationalization of the concept of hierarchy in the Aston study was particularly controversial. Nevertheless, one can have some confidence in the findings of the Blau and Aston studies for three important reasons: (1) they are independently arrived at, using different measures; (2) they were unexpected by both research teams; and (3) they are counterintuitive.

In short, we cannot assume that the more hierarchical the organization, the more centralized it is. If the limited data show anything, they indicate an inverse relationship. More important, the very characteristics that both Blau and Meyer ascribe to their tall, hierarchical, and decentralized organizations are those that Weber stressed in his bureaucratic model: expertise, written rules and regulations, clear ordering of positions, and hierarchy. The characteristics of the squat centralized organization are personal rule, personal evaluations, and low expertise. These are closer to the traditional model, which the development of bureaucracy attempted to supplant.

on "my" "thrust" "runs itself"

Hierarchy and Timidity

Another attribute often associated with tall hierarchies is timidity and caution on the part of subordinates who fear criticism from superiors and thus hesitate to pass unpleasant information up the line. That such an attitude exists in bureaucracies is clear, but that it is an inevitable concomitant of hierarchy, and thus its product, is far from evident. Timidity and caution appear to vary greatly among bureaucracies, on the basis of casual impressions. Peter Blau, in his study of two government agencies, commented that he found little evidence of this behavior.³⁵ It certainly does not show up among the more successful managers in Dalton's study,³⁶ nor among all managers in Gouldner's study.³⁷ Why, then, the variation?

It would seem that tendencies toward conservatism and self-protective behavior

³⁴The best summary and introduction to these studies is that of John Child, "Predicting and Understanding Organization Structure," *Administrative Science Quarterly* 18, no. 2 (June 1973): 168-185. For a sample of the criticisms of this important survey see Howard Aldrich, "Technology and Organizational Structure: A Reexamination of the Findings of the Aston Group," *Administrative Science Quarterly* 17, no. 1 (March 1972): 26-43; Sergio E. Mindlin and Howard Aldrich, "Interorganizational Dependence: A Review of the Concepts and Reexamination of the Findings of the Aston Group," *Administrative Science Quarterly* 20, no. 3 (September 1975): 382-392; and especially William Starbuck, "A Trip to View the Elephants and Rattlesnakes in the Garden of Aston," in *Perspectives on Organization Design and Behavior*, ed. Andrew H. Van de Ven and William F. Joyce (New York: Wiley, 1981), pp. 167-199.

³⁵Blau, *Dynamics*.

³⁶Dalton, *Men Who Manage*.

³⁷Gouldner, *Industrial Bureaucracy*.

are natural outcomes of all organized activity that is not spontaneously coordinated and based on wholehearted cooperation. But it also would appear that organizations have mechanisms to minimize the danger and even reverse these tendencies. For example, people can be rewarded for passing critical items of information up the hierarchy; the reward may have to be high if it reflects on one's superior, but if it is that important to the organization it can be done. Actually, the opposite is sometimes a problem—a person gets ahead by showing up the superior. Between these two stances—timidity and cunning—there is the far more usual situation in which constructive criticisms are encouraged and rewarded because the boss can take the credit. Accounting departments are generally rewarded for critical information, which is why, in the organization Dalton studied, it was so essential for aggressive managers to neutralize or bribe the accountants. Innovative and risk-taking behavior may be harder to reward than conservative behavior, but it is possible to do it.

→ Timidity and caution appear to be functions of the technology and market of organizations, rather than of their degree of hierarchy. In some market situations—for example, Social Security administration, aid to dependent children, railroads, public utilities, mining (especially in such oligopolistic situations as sulfur mining)—there is little perceived need for risk taking. In other large and equally bureaucratic organizations—the Agency for International Development in its golden days of the late 1950s and early 1960s, the federal rehabilitation agencies during the 1950s and early 1960s, which used the money dumped on them by an uncomprehending Congress to upgrade physically healthy but untrained blacks, and the electronics and chemical industries—risk taking is much more in evidence. There is no evidence that these organizations had fewer levels of authority than more conservative organizations.

Still, problems remain. Some officials do insist that a great many minor matters be brought to their attention before action is taken. The explanation may be that they are poor or insecure administrators or have incompetent subordinates. This happens all the time, but it can hardly be attributed to hierarchy alone. Sometimes it is impossible to get an answer out of a higher officer; the explanation may simply be that he does not know and unfortunately will not admit it, or that he is still searching, or that he is perhaps hoping that the lower officer will go ahead and make the decision (and take the blame if it is wrong). But someone has to decide, and the principle of hierarchy at least specifies *who* should decide if ambiguity exists. Wilfred Brown observes that the principal function of a hierarchy is to resolve disputes or uncertainties; things go on well enough without slavishly going through channels if there is no dispute and no uncertainty.³⁸

The Official and the Unofficial Hierarchical Order

One of the true delights of the organizational expert is to indicate to the uninitiated the wide discrepancy between the official hierarchy (or rules, for that matter) and the unofficial one. It is a remarkable phenomenon in many cases and well known

³⁸Wilfred Brown, *Exploration in Management*.

It spontaneously coordinated and would appear that organizations reverse these tendencies. For items of information up the line are on one's superior, but if it is the opposite. Actually, the opposite is going up the superior. Between the far more usual situation in the ward because the boss can be rewarded for critical information, it was so essential for subordinates. Innovative and risk-taking behavior, but it is

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to most people who spend their working lives as managers in organizations. Departmental secretaries in many universities have power far beyond their status. David Mechanic's well-known essay, "Sources of Power of Lower Participants in Complex Organization," touches on this and other examples.³⁹ Melville Dalton, in his excruciatingly unsettling study of a manufacturing plant, reveals top people with no power and those three or four levels below with extensive power.⁴⁰ Sociologists have been particularly fond of the contrast between the official and the unofficial because it indicates that organizations are natural systems rather than artificial or mechanistic ones—living things that the people within them create out of their own needs, rather than rational tools in the hands of a master. They are right, of course: between the conception and the reality, as the poet tells us, falls the shadow. The first thing the new employee should learn is who is really in charge, who has the goods on whom, what are the major debts and dependencies—all things that are not reflected by the neat boxes in the organization chart. With this knowledge he or she can navigate with more skill and ease.

For the organizational theorists, however, a different kind of question is required: What are the systematic bases for the deviations? We should not expect the official map to be completely accurate because:

1. It is never up-to-date—it does not reflect the growing power of a subordinate who will be promoted over his or her boss in a year or two, or the waning power of a boss who has been passed by because of changes in technology or markets.
2. It does not pretend to make the finely graded distinctions that operating personnel have to live by—for example, three departments may be on the same official level, but one of them is three times the size of the other two and may carry commensurately more power.
3. It does not reflect all transactions in the organization, but primarily those disputes that can be settled formally.
4. Most important, the hierarchy functions primarily for routine situations; when new ones come along, someone two levels down may have more say for this or that situation, but unless the new situation itself becomes the persistent or frequent one, his or her authority will only be temporary. If it persists, that person may well move up fast.
5. Finally, hierarchical principles are sometimes violated intentionally. When, for example, the head office cannot get enough information about a division's operation, it sends in a spy. Dalton describes such a case. The man involved had a relatively unimportant job of manager of industrial relations, but his power over many other aspects of the organization was substantial because everyone knew that he was there to find out what was going on.

Few organizations keep an official chart of offices ranked by authority for very long or, if they do, such charts are rarely referred to. (Some organizations even refuse to draw them up.) Positions and units move up and down in authority over time, and the lag with the official chart is always there. Thus, we should not be surprised

³⁹David Mechanic, "Sources of Power of Lower Participants in Complex Organization," *Administrative Science Quarterly* 7, no. 4 (December 1962): 349-364.

⁴⁰Dalton, *Men Who Manage*, Chapter 2.

ADVANCES IN HEALTH CARE ORGANIZATION THEORY

Stephen S. Mick
Mindy E. Wyttenbach
EDITORS

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Quality as an Organizational Problem

John R. Kimberly and Etienne Minvielle

The measurement and management of quality in health care in general, and in hospitals in particular, have become a national preoccupation, as continuing efforts to control costs in the sector have led to charges that quality is often sacrificed on the altar of cost control. The claim that managed care companies care more about their bottom line than about people is just the most visible sign of the underlying concern (for example, Randel, Pearson, Sabin, Hyams, and Emanuel, 2001).

We have argued elsewhere (Kimberly and Minvielle, 2000) that although quality has always been a focus of discussion, debate, and concern within the medical profession, its prominence in discussions and debates recently and more generally reflects both a concern that quality may slip in the face of efforts to "manage care" and a search on the part of payers for value in what they purchase. The former is fueled by a number of recent, highly publicized cases of alleged abuse by managed care organizations, while the latter is influenced by the development of capabilities—still primitive—permitting measurement and comparison of the clinical performance of both individual and institutional providers.

In this chapter, we argue that quality is an organizational problem; that is, that variation in quality is as much due to the way in which care is organized and coordinated as it is to the competence of individual care givers. Concepts from organization theory, and

particularly from work done on the distinctive characteristics of the "professional bureaucracy," (Mintzberg, 1978) help illuminate the historical role of quality in health care organizations. But more recent developments in the quality movement suggest limitations to the model of the professional bureaucracy and actually suggest new organizational issues and opportunities, which in turn require new theorizing. The issue of quality illustrates the interplay between theory and practice. Organization theory, it turns out, has both influenced and been influenced by the evolution of quality as an organizational problem.

From the Reflection of Professional Bureaucracy to a Vehicle for Fundamental Change

Concern with quality has always occupied an important place at the core of health care organizations, be they hospitals, networks, or other settings in which care is provided. However, as soon as we look at how this concern gets translated concretely, the waters become muddied. What connection, for example, is there between research in evidence-based medicine and the creation of new ISO 9000 certifications that establish international quality standards? And how, under one rubric, do we justify concern with establishing rules and practices in hygiene to prevent nosocomial infections on the one hand and the creation of standards for ensuring that various types of surgical equipment meet certain technical functional specifications on the other?

So many different initiatives are being undertaken in the name of quality improvement that it is tempting to dismiss much of the activity as faddish in character. To do so, however, would be a mistake, for this diversity reveals an important characteristic of the quality movement. When rhetoric is put to one side, and patterns in the way these initiatives are developed are analyzed, including at whose instigation and for whose benefit, we see how the status of

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quality has been transformed as these initiatives have unfolded. Once principally derivative from the attributes of a professional bureaucracy, quality has become most recently a rallying point for fundamental reorganization of the hospital, reorganization centered on the patient's experience.

The History of Quality

It is common to associate the first phases in the history of quality with the theme of evaluation. The 1970s were first characterized by the recognition that there was variability in professional practice in health, and that these differences could not be accounted for by variability in the characteristics of patients, such as severity of illness or injury, or in the technical environment of the hospital. Wennberg and Guttenshon (1973) were pioneers, among others, in uncovering this variability. This finding, which was independent of clinical specialty and context of service delivery, led to the observation that two health care professionals confronted by the same clinical situation could behave quite differently. Under these conditions, reduction in this variability in clinical practice became a priority. Reduced variability, in turn, became an objective of quality initiatives, and the evaluation of professional practice became the principal vehicle for assessing quality.

Pressure from the media, employers, and activist consumer groups served as a further stimulus to evaluation of quality in hospitals, and greater transparency with respect both to outcomes and to internal hospital operations was demanded. We should note that when this pressure is exerted in a diffuse manner, physicians, because of their social and financial power and because of their involvement in new technology, are able to coopt evaluation efforts. We should also note that the 1980s witnessed the flowering of policies of rationalization in the world of health care, most notably the adoption of the diagnosis-related group (DRG) system of prospective payment by the federal government in 1983.

Although these policies were controversial, they all underscored the need for techniques and tools to measure and manage quality and spawned myriad efforts to quantify the different attributes of quality of care in the hospital setting.

In the academic world, the 1970s also witnessed the development of the concept of the hospital as a professional bureaucracy (for example, Heydebrand, 1973; Mintzberg, 1978). This conceptualization is relevant to understanding the evolution of quality initiatives. Each initiative can be seen as an effort by specific categories of actors in the hospital setting to appropriate quality and to frame the debate about quality issues in ways consistent with their own specific action spaces, beliefs, and interests. Physicians, nurses, and administrators all attempt to encapsulate quality within their own agendas and project its significance in ways that are consistent with their own interests.¹ As a consequence, taken together, quality initiatives may appear to be highly disparate and in some cases contradictory. However, when one conceptualizes the hospital as a professional bureaucracy, one can begin to understand the sources of and reasons for this variation: it is a reflection of the organizational context in which it is embedded.

To demonstrate, let us begin with that point in the evolution of quality characterized by, first, a concern with systematic evaluation and subsequently by a concern with quality assurance. The writing of Avedis Donabedian (1980b) is frequently cited as representing the first effort to create a framework for the evaluation of quality of care in the hospital. His now familiar framework argued for the evaluation of quality at three levels:

- The *structures* within which care is delivered, with specification of the human, financial, and material resources required

1. We do not mean to suggest that we see complete commonality of interests within categories. In fact, there is considerable variability among physicians, for example, based on specialty, age, and location of practice. However, we do see at a more macro level more commonality within than between categories.

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- The *processes* of care, that is, all of the actions under-
taken to provide care to the patient
- The *results* or *outcomes*, that is, changes in health status
subsequent to care and the quality perceived by the
patients.

As observers gave thought to these three levels and their impli-
cations, a bias toward corrective action soon emerged, thus setting
in motion movement in the direction of quality assurance. Two
approaches characterized this movement. First, work rules based on
conformity with preestablished standards or norms, and second,
mechanisms for the review of undesirable incidents, such as falls,
generally consisting of information systems permitting collection of
data on frequency of such incidents. The 1970s witnessed much
work in North America and Europe based on these methods, work
characterized by two distinct orientations, one centered on profes-
sional practices and the other concerning the operating policies of
the hospital.

Professional Practices

Along with the evaluation of professional practices came an impor-
tant consideration in the assessment of quality, concern with the
best diagnostic and therapeutic strategy—in other words, concern
for the technical mastery of care delivery. Depending on the coun-
try, this evaluation was more or less championed by government
agencies. In France, for example, it was government agencies that
pushed this orientation at the end of the 1980s. In the United
States, it was a mixture of public and private initiatives in the late
1970s and early 1980s that moved in this direction.

Clinical guidelines are the most obvious example of this orien-
tation toward quality. They are defined as “a standardized and spe-
cific description of the best approach for a given pathological
condition, developed on the basis of an analysis of the scientific lit-
erature and expert opinion” (Leape, 1990). Clinical guidelines thus

deal with purely technical aspects of care. A variety of methods is used to synthesize the existing scientific knowledge on which they are based, including meta-analyses of the literature, consensus conferences, and surveys. Guidelines can also be classified on the basis of the statistical techniques used in the supporting research. This is the approach of evidence-based medicine. In both cases the underlying idea is that the behavior of professionals can and should be standardized in those areas of care in which enough is known to permit guidelines to be developed. Where enough is known about a given condition, in other words, professional practice ought to be similar across cases.

Operating Policies of the Hospital

The second orientation was aimed at actions relative to the functioning of the hospital and to quality as perceived by patients. Examples would be hospital policies regarding safety in the use of hospital equipment, policies on how patients are admitted, or surveys of patient satisfaction. Although these three examples are quite different, they are all based on a common principle: respect for general rules and regulations, either formulated by management, often in collaboration with clinicians having managerial responsibility, or derived from regulatory documents. These rules and regulations are not "guidelines"; rather, they are standards or norms which one hopes will be implemented consistently across different organizational units.

Professional practices and hospital policies together, emerging first from a concern with evaluating quality and subsequently from a concern with ensuring given levels of quality, created some important political dynamics within hospitals. Those who championed one approach or the other had their own reasons for doing so, reasons that were not necessarily widely shared. Thus, for any particular quality initiative, it was not obvious that there would be any extensive support beyond that of the advocates. The predictable result was varying degrees of "successful" implementation. Many initiatives failed to elicit and sustain real behavior change.

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Accreditation as a Force for Institutionalizing Quality Assurance

Accreditation has played a key role in the standardization of hospital structures, and has sought to influence *processes of care* and *results* as well. A defining feature of accreditation is the existence of agencies, external to the bodies being accredited, whose principal activity is to establish benchmarks against which each hospital seeking accreditation is regularly measured. These benchmarks represent a synthesis of clinical and administrative standards and norms that are derived from surveys of current practice. As such, theoretically, they represent the state of the art in work in both domains. At the same time, they institutionalize these practices, resulting in a sort of virtuous circle: the quality of a given activity is evaluated, corrective measures are put in place, and these measures are subsequently reviewed by agencies outside the hospital. In this way, quality is theoretically ensured.

As powerful as its accompanying incentives may be, accreditation alone cannot explain the degree of participation of various internal constituencies in quality initiatives. The participation of any single actor will depend largely on how the effort to evaluate or ensure quality, or both, affects the system of relationships and patterns of behavior in which he or she—be the actor a physician, a nurse, a manager, or other player—is enmeshed. The ultimate arbiter of successful implementation is “compatibility,” that is, the extent to which the initiative and its behavioral requirements are aligned with the characteristics of a professional bureaucracy. The higher the compatibility, the greater the likelihood of successful implementation.

How Quality Reinforces the Bureaucratic Character of the Hospital

Perrow's (1965) description of the extent to which hospitals are bureaucratic forms of organization is as relevant today as it was when it was first written. The objective of hospital bureaucracy is

to internalize those norms that serve the client and that coordinate the work of professionals. Coordination is ensured by standards that determine in advance what should be done. The history of quality evaluation and of quality assurance is marked by this characteristic. Even though clinical and administrative orientations are concerned with different arenas for action, it is striking that they converge on this principle: the quality of a given action is a function of its conformity with guidelines or norms previously articulated, thus minimizing the risk of arbitrary action.

Classically, as described long ago by Weber (Gerth and Mills, 1958) this bureaucratization of behavior in the hospital is reinforced by a parallel constraint, the development of written procedures. Different slogans have accompanied quality assurance initiatives. "Write down what is done, and do what is written down"—this slogan emphasizes the importance of having a written record of what transpires, given the organizational risk that oral transmission of information inevitably engenders. Professionals are generally less enthusiastic about this constraint than are their administrative counterparts, and frequently complain about the number and types of paper forms they are required to fill out. The need for formal accountability, however, forces the development and proliferation of written procedures.

Quality as a Force for Maintaining Professional Autonomy

A professional bureaucracy differs markedly from a more "mechanistic" bureaucracy in both the sources and the objects of this need for standardization. In the case of a mechanistic bureaucracy, authority is vested in a position, whereas in a professional bureaucracy, authority derives from expertise and hence from processes of training and socialization in the context of peers practicing in the same knowledge domain (Becker and Gordon, 1966). Furthermore, in the case of the former, senior management typically creates and imposes standards on subordinates, whereas in the latter, standards are largely created externally.

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Practice guidelines exemplify this distinction. With some variation from one country to the next, governmental initiatives have stimulated their development. In France, the reforms of 1991 and 1996 led to the creation of a national accrediting body, the Agence Nationale d'Accréditation et d'Evaluation en Santé (the National Agency for the Evaluation and Accreditation of Health Organizations). Similarly, national initiatives sought to impose clinical guidelines on physician practice patterns, but without much success. Ultimately, however, both physicians and nurses recognized the need to be directly involved in these initiatives, and the latter became progressively engaged in a vast process of standardization of practices, a fact that ironically reinforced the bureaucratic character of the professional settings in which they worked. This said, there are some further nuances that need to be acknowledged, to wit:

- The quest for standardization deriving from the evaluation of quality affected *practices* as well as *competencies* of professionals and their formal *qualifications*. A given level of qualification signifies a degree of theoretical competence that, however, is not always found in practice, and the actual degree of competence held by professionals does not always translate into the way they practice. Qualifications, competencies, and practices thus are distinct characteristics. Clinical practice guidelines attempt to blend the three, a way of "objectifying" a given level of qualification—a status achieved in view of initial training and reinforced through continuing education; a way of arraying competencies against the knowledge base contained in the guidelines; and a way of evaluating actual practice against standards through clinical audits. Thus, one might argue that the quality movement has stimulated a process of standardization of qualifications, of professional competencies, and of actual practice.

- With regard to Mintzberg's (1978) argument, in which standardization of qualifications is the principal mode of coordination of activities in a professional bureaucracy, the development of clinical

practice guidelines represents a more differentiated view based on the state of scientific knowledge at a particular moment in time. This point is important: if the movement toward evaluation of quality and quality assurance gives new meaning to practices, competencies, and professional qualifications based on a more "scientific" view of medicine, it nevertheless changes nothing with respect to the principle of standardization. Standardization effectively serves to maintain existing ways of recognizing professional expertise and thus reinforces traditional patterns of work organization in the hospital sector.

- Overall, then, the process of standardization leads to the reproduction and perpetuation of habitual forms of legitimation, of socialization, and of training of professionals. Certain physicians quickly recognized opportunities to further their own interests in teaching and research in the hospital through the development of efforts to evaluate and ensure quality. Participation in the development of clinical practice guidelines or clinical research protocols demonstrating the efficacy of a particular practice gained physicians recognition in the scientific community, with opportunities to publish in prestigious journals or to present papers at important international conferences or both. Showing how their own work was at the leading edge of professional practice established them as experts and often allowed them to develop new kinds of training programs.

- At the same time, nurses saw in the evaluation of quality an opportunity to enhance their status. By demonstrating how important aspects of their work such as inhibiting nosocomial infections or reducing needle sticks can enhance quality, they have been able to appropriate parts of the movement for their own professional ends.

The behavior of physicians and nurses just described somewhat moderated a more general hostility in the professions to the diffusion of clinical practice guidelines. The situation is complex. Many professionals used quality as a vehicle for valorizing their own practices and competence, whereas others saw their autonomy threat-

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ened by the spread of guidelines. In both cases, they sought to gain control of the process of standardization. These efforts are evident at all levels: during the definition of the guidelines themselves, in the reliance on well-known experts in consensus conferences, in the diffusion of the guidelines with the influence of opinion leaders in the process to ensure local adoption, and finally in the priority given to self-evaluation by professionals of their own practices. At each level, peer control seems to be a key factor in the success of the diffusion process. The process unfolded in a way that was based on and reinforced usual exchanges among "experts," typically well-known university-based physicians, and other professionals. These processes of exchange correspond to what Mintzberg (1978) describes as the parameters of how organizations are conceived. They determine a way of organizing that is tied to the kinds of activity one finds in hospital departments—the operational centers of the structure of the hospital as a whole—and to the principles of cooperation that exist with other components of that structure. It is not surprising, therefore, to find the same principles reaffirmed in the context of the diffusion of guidelines.

The first of these organizational principles, as we have noted, concerns coordination of activities based on standardization of qualifications. A second calls for the preestablished character of "best practice" with reference to an external standard. The elaboration of guidelines contributes here in the sense that it emerges from dialogue among professionals outside the context of the hospital itself, most frequently in the context of medical societies or professional associations. Thus, the movement is associated more with what professionals see as being directly tied to their profession than to the particular establishments in which they work. In this way it is relatively independent of the organization itself. Finally, the third principle, no matter what the degree of standardization of qualifications, reaffirms the complexity of the physician's work, thus ensuring considerable latitude to the professional in the application of guidelines. This principle, which is central to Mintzberg's (1978)