

## Unit 14

# Rationality, Work and Organisation

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### Contents

- 14.1 Introduction
- 14.2 Rationality
- 14.3 Organisation Theory and Sociology of Organisations
- 14.4 Work and Organisation
- 14.5 Conclusion
- 14.6 Further Reading

### Learning Objectives

After you have read this unit you should be able to

- understand the concept of Rationality, Work and Organisation vis-à-vis modern capitalist society
- understand the concept of Organisations through theory of organisation and Sociology of organisations

## 14.1 Introduction

In modern society, the significance of rationality, work and organisation is implicit in our everyday life. The Classical Sociologists Karl Marx, Max Weber and Emile Durkheim have conceptually dealt with these concepts in their writings. In their quest to analyse the structure of capitalism and its ramifications for a just and fair social order they explained these concepts from different standpoints. The organization theory and sociology of organizations provide comprehensive analysis of organisations.

## 14.2 Rationality

The world of modernity, Weber stressed over and over again, has been deserted by the gods. Man has chased them away and has rationalized and made calculable and predictable what in an earlier age had seemed governed by chance, but also by feeling, passion and commitment, by personal appeal and personal fear, by grace and by the ethics of charismatic heroes. Weber attempted to document this development in a variety of institutional areas. His studies in the sociology of religion were meant to trace the complicated and tortuous ways in which the gradual "rationalisation of religious life" had led the displacement of magical procedure by Wertrational systematisation of man's relation to the divine. He attempted to show how prophets with their charismatic appeals had undermined priestly powers based on tradition; how with the emergence of "book religion" the final systematisation and rationalisation of the religious sphere had set in, which found its culmination in the Protestant ethic.

In the sphere of law, Weber documented a similar course from a "kadi Justiz", the personalised dispensing of justice by wise leaders or elders, to the codified, rationalised and impersonal justice of the modern world. He traced the development of political authority from kings endowed with hereditary charisma and thaumaturgical powers, to cool heads of state, ruling within the strict limits of legal prescriptions and rationally enacted law. Even so private an area of experience as music, Weber contended, was not exempt

from the rationalising tendencies of western society. In his writings on the sociology of music, Weber contrasted the concise notations and the well-tempered scale of modern music – the rigorous standardisation and coordination that governs a modern symphony orchestra – with the spontaneity and inventiveness of the musical systems of Asia or of non-literate tribes.

#### a) The Spread of Secular Rationalism

Among the characteristics, in terms of which European development was distinctive were the specific form of the state and the existence of rational law. Weber attaches great emphasis to the significance to the heritage of Roman law for the subsequent social and economic development of Europe, and in particular for the rise of the modern state. 'Without the juristic rationalism, the rise of the absolute state is just as little imaginable as is the (French) Revolution'.

The connection between this and the development of rational capitalism, however was not simple and clear-cut. Modern capitalism first took root in England, but that country was much less influenced by Roman law than other continental countries were. The prior existence of a system of rational law was only one influence in a complicated interplay of factors leading to the formation of the modern state. The trend towards the development of the modern state, characterised by the presence of a professional administration carried on by salaried officials, and based upon the concept of citizenship, was certainly not wholly an outcome of economic rationalization, and in part preceded it. Nevertheless, it is true that the advance of the capitalist economic order and the growth of the state are intimately connected. The development of national and international markets, and the concomitant destruction in the destruction of the influence of the local groups, such a kinship units, which formerly played a large part in regulating contracts, all promote the monopolisation and regulation of all "legitimate" coercive power by one universalist coercive institution.

#### Reflection and Action 14.1

Discuss the characteristics of the modern state? Explain its relation to rationality.

#### b) Modern Capitalistic Enterprise

Essential to modern capitalistic enterprise, according to Weber is the possibility of rational calculation of profits and losses in terms of money. Modern capitalism is inconceivable without the development of capital accounting. In Weber's view, rational book-keeping constitutes the most integral expression of what makes the modern type of capitalist production dissimilar to prior sorts of capitalistic activity such a usury or adventures capitalism. The circumstances which Weber details as necessary to the existence of capital accounting is stable productive enterprises constitute those which Weber accepts as the basic prerequisites of modern capitalism, and include those factors upon which Marx placed more emphasis:

#### Box 14.1: Prerequisites of Modern Capitalism

- 1) The existence of a large mass of wage-labourers, who are not only legally 'free' to dispose of their labour power on the open market, but who are actually forced to do so to earn their livelihood.

- 2) An absence of restrictions upon economic exchange in the market: in particular, the removal of status monopolies on production and consumption (such as existed in extreme form, in the Indian caste system).
- 3) The use of a technology, which is constructed and organised on the basis of rational principles: mechanisation is the clearest manifestation of this.
- 4) The detachment of the productive enterprise from the household: while the separation of home and workplace is found elsewhere, as in the bazaar, it is only in western Europe that this has proceeded very far.

But these economic attributes could not exist without the rational legal administration of the modern state. This is as distinctive a characteristic of the contemporary capitalist order as is the class division between capital and labour in the economic sphere. In general terms, political organisations can be classified in the same way as economic enterprises, in relation to whether the 'the means of administration' are owned by the administrative staff or are separated from their ownership. The greater the degree to which the ruler succeeds in surrounding himself/herself with a propertyless staff responsible only to him, the less he is challenged by nominally subordinate powers. This process is most complete in the modern bureaucratic state.

### 14.3 Organisation Theory and Sociology of Organisations

In practice, organisation theory and sociology of organisations are used interchangeably, although the former has a slightly wider remit than the latter as it also covers work by non-sociologists, including those who are concerned to advice to management on how organisations should be designed and operated. As various forms of organisation pervade social life some difficulty also attaches to the definition of those, which are the subject-matter of the sociology of organisations. In a useful discussion of this problem, David Silverman has suggested that the 'formal organisations' with which this branch of sociology is concerned have three distinguishing features:

- They arise at an ascertainable moment in time;
- As artifacts they exhibit patterns of social relations which are less taken for granted than those in non-formal organizations (such as family) and which organisational participants often seek to coordinate and control; and
- Consequently, considerable attention is paid to the nature of these social relations and to planned changes in them.

Early organisation theory developed along two parallel tracks, reflecting in dual sociological and managerial origins. The growth of industrial societies in the nineteenth century involved the expansion of large-scale organisations – especially those of the factory and the state. The former of these gave rise to the doctrines of scientific management associated with Frederick William Taylor, and the latter provided the exemplar which Weber had in mind when developing his ideal typical account of the structure of bureaucracy. Both these theories concentrated on analyzing the structures of organisations; that is, the nature of the various positions occupied by organisational

personnel, the powers and duties attaching to these positions, and their relationship to the work required to carry out the explicitly stated goals of the organisation. Both also viewed organisations as hierarchical structures, essential for the managerial control of work.

However, in the 1930s and 1940s, a variety of studies (such as those of the Human Relations Movement by Chester Barnard, and the now classic study of the Tennessee valley authority by the sociologist Philip Selznick) opened up a second area for analysis: the study of the social processes occurring in organisations, often with a particular emphasis on how informal, unofficial social relations could constrain or even subvert the official goals of the organisation, and with organisation as co-operative rather than hierarchically controlled social institutions.

There now exists an immense variety of sociological studies of organisations and theories about them. Indeed, most of the major schools of sociological theory have contributed to this literature. Stewart Clegg and David Dunkerley in their book *Organisation Class and Control* (1980) identify four major groupings among the diverse approaches. These are as follows:

#### **a) Typologies of Organisations**

Typologies of organisations involve attempts to classify organisations according to a variety of key characteristics, such as who benefits from their operations, or how they obtain compliance from their members. Works by Peter Blau, Amitai Etzioni, Robert Blauner and Tom Burns and G.M. Stalker are among the best known such studies.

#### **b) Organisations as Social Systems**

This approach is particularly identified by Talcott Parson's structural functionalist theory of action and with Philip Selznick and Robert Merton's more focused work on organizations. Organisations consist of social systems in interaction with other social systems (therefore open systems) whose values and goals are oriented to those of the wider society. According to Parsons, key requirements for organisational maintenance (which is seen to be the overriding goal of any organisation) are those which apply to all social systems; namely adaptation, goal attainment, integration and pattern (or value) maintenance.

#### **c) Organisations as Empirically Contingent Structures**

An approach particularly associated in the United Kingdom, with research at the University of Aston. The typological and social systems approaches have difficulty in clearly defining the organisation as a theoretical object. (Is it defined solely by a set of typological characteristics? Or, if it is an open system, where are the system boundaries to be drawn). The Aston programme applies insights derived from psychology, together with statistical techniques such as scaling and factor analysis to relate measures of organisational performance to different dimensions of organisational structure (such as the degree of specialisation of tasks and centralisation of authority). The latter are then related to independent contextual variables such as size, technology, and location of the enterprise. This essentially empiricist approach is subject to all the usual criticisms which apply to such a methodology.

#### **d) Organisations as Structures of Action**

This approach focuses on the circumstances determining the actions of

individuals in organizations. An early contribution was made by Herbert A Simon's work on satisficing. Later work, for example by David Silverman is influenced by phenomenological sociology (especially ethnomethodology) and interactionism. Instead of reifying the organization (referring to organisational goals and needs as if the organisation, like a human being, could have such things) organisations are here analyzed as the outcome of motivated people attempting to resolve their own problems. They are socially constructed by the individual actions of members having habituated expectations of each other. This approach throws doubt on whether it makes sense to refer to organisations as institutions, which pursue organisational goals. In any event, there have been many studies, which show for example, that official goals may bear no relationship to actual or operative goals; that organisations frequently have multiple and conflicting goals and that goal displacement may occur. The informal culture of work within organisations has been and continues to be extensively studied by sociologists influenced by the Chicago school of sociology. This tradition is illustrated in the work of, for example William F Whyte (*Human Relations in the Restaurant Industry*, 1948), Donald Roy ('Quota Restriction and Goldbricking in a Machine Shop', *American Journal of Sociology*, 1952) and Howard Becker (*Boys in White*, 1961).

#### Reflection and Action 14.2

Describe what is an organisation. Make a list of their basic characteristics.

A great deal of organization theory has been criticized for its normative (in this case pro-managerial) bias; for its individualistic analysis of the members of organizations (that is, for being more informed by psychological, than by relations of power and control in society affect and are affected by organizations (in other words for concentrating mainly on the internal exercise of managerial authority and attempts to subvert it).

## 14.4 Work and Organisation

### a) Theoretical Perspectives on Division of Labour

In Marx's analysis of bourgeois society, there are two directly related but partially separable sources of alienation rooted in the capitalist mode of production. The first of these is alienation in the labour-process, in the productive activity of the worker. The second is the alienation of the worker from his product, that is, from control of the result of the labour-process. For the sake of convenience, Giddens refers to the former as 'technological alienation' and latter as 'market alienation'. Both of these derive from the division of labour involved in capitalist production. The latter expresses the fact that the organisation of productive relationships constitute a class system resting upon an exploitative dominance of one class by another; the former identifies occupational specialisation as the source of the fragmentation of work into routine and undemanding tasks.

For Marx, both types of alienation are integral to the expansion of the division of labour: the emergence of class societies in history is dependent upon the growth of the specialisation of tasks made possible by the existence of surplus production. The formation of a classless society will thus lead to the abolition of the division of labour as it is known under capitalism. In Marx's conception of both market and technological alienation are thus inseparable from the division of labour: 'the division of labour is nothing but the alienated form of human activity...'

**Box 14.2: Division of Labour**

Durkheim treats the growth of the division of labour is portrayed in terms of the integrating consequences of specialisation rather than in terms of the formation of class systems. Consequently, Durkheim treats class conflict, not as providing a basis for the revolutionary restructuring of society, but as symptomatic of deficiencies in the moral co-ordination of different occupational groups within the division of labour. In Durkheim's thesis, the 'forced' division of labour is largely separate from the 'anomic' division of labour, and mitigation of the first will not in itself cope with the problems posed by the second. According to him, the socialism of Marx is wholly concerned with the alienation of the forced division of labour, which is to be accomplished through the regulation of the market - the socialisation of production. But in Durkheim's stated view, which he opposes to this, the increasing dominance of economic relationships, consequent upon the destruction of the traditional institutions which were the moral backbone of prior forms of society, is precisely the main cause of the modern 'crisis'.

It is only through moral acceptance in his particular role in the division of labour that the individual is able to 'achieve a high degree of autonomy as a self-conscious being, and can escape both the tyranny of the rigid moral conformity demanded in undifferentiated societies on the one hand, and the tyranny of unrealisable desires on the other. However, the premises of Marx's conception was that not the moral integration of the individual within a differentiated division of labour, but the effective dissolution of the division of labour as an organising principle of human social intercourse.

**b) The Problem of Bureaucratic Organisation**

In Marx's analysis of the extension of the division of labour underlying the formation of capitalist enterprise, the expropriation of the worker from his means of production is given pride of place. In Marx's view, this is the most essential condition for the emergence of bourgeois society, and identifies, along an historical dimension, the formation of the class relationship between capital and labour, which is implicit in the capitalist mode of production. It is the intrinsic nature of the connection between the division of labour and the class structure, which makes it possible for Marx to proceed to the conclusion that the transcendence of alienation is possible through the abolition of capitalism. Neither Durkheim nor Weber denies the possibility of the formation of socialist societies: but both assert that the transition to socialism will not radically change the existing form of society.

An important part of Weber's writings consists in delineating the factors promoting rationalization on the 'level of meaning'. Weber always insisted upon tracing the nexus of social relationships, which both influence and are influenced by, the growth in rationalization. Thus for Weber, it is not only the degree but the 'direction' assumed by rationalization in the west, and more specifically, in capitalism, differs from that of the other major civilizations. In modern western capitalism, there are various spheres in which rationalisation has proceeded in a direction, as well as to an extent, unknown elsewhere.

The first is the spread of science, a phenomenon of basic significance: not only does it complete the process of 'disenchantment', but it makes possible the progressive implementation of rational technology in production. Moreover, 'scientific work is chained to the course of progress... Every

scientific “fulfillment” raises “questions”; it asks to be “surpassed” and outdated’. Thus the institutionalisation of science weds modern life into an implicit dynamic of innovation and change, which cannot in itself, confer ‘meaning’. The application of scientific innovation to technology is combined, in the modern economy, with the introduction of methods of rational calculation, exemplified in book-keeping, which promote that methodical conduct of entrepreneurial activity which is so distinctive of contemporary capitalism. The conduct of rational capitalism, in turn entails unavoidable consequences in the sphere of social organisation, and inevitably fosters the spread of bureaucracy.

Weber treats bureaucratic specialisation of tasks as the most integral feature of capitalism. Thus Weber expressly denies that the expropriation of the worker from his means of production has been confined to the immediate sphere of industry. In Weber’s thesis any form of organisation, which has a hierarchy of authority can become subject to a process of ‘expropriation’: for the Marxian notion of the ‘means of production’ Weber substitutes the ‘means of administration’. Weber gives to the organization of relationships of domination and subordination the prominence, which Marx attributes to relationships of production. Any political association, according to Weber, may be organised in an ‘estate’ form, in which the officials themselves own their means of administration.

These developments were the most important factors promoting the emergence of the modern state in which ‘expert officialdom’, based on the division of labour’ is wholly separated from ownership of its means of administration. The spread of bureaucratic specialisation is mainly promoted by its technical superiority over the other types of organisation in co-ordinating administrative tasks. This in turn is partly dependent upon the filling of bureaucratic positions according to the possession of specialised educational qualifications. ‘Only the modern development of full bureaucratisation brings the system of rational, specialised examinations irresistibly to the fore’.

### Reflection and Action 14.3

Explain Weber’s concept of “disenchantment”. How does this affect economic progress?

The expansion of bureaucratisation hence necessarily leads to the demand for specialist education, and increasingly fragments the humanist culture, which in previous times, made possible the ‘universal man’, the ‘thorough and complete human being’ whom Durkheim speaks of. Weber expresses an essentially similar point in holding that the ‘cultivated man’ of earlier ages is now, displaced by the trained specialist. Since the trend towards bureaucratisation is irreversible in capitalism, it follows that the growth of functional specialisation is a necessary concomitant of the modern social order.

### c) Bureaucracy and Democracy

The growth of bureaucratic state proceeds in close connection with the advance of political democratisation. This because the demands made by democrats for political representation and for equality before the law necessitate complex administrative and juridical provisions to prevent the exercise of privilege. The fact that democracy and bureaucratisation are so

closely related creates one of the most profound sources of tension in the modern capitalist order. For a while, the extension of democratic rights in the contemporary state cannot be achieved without the formulation of new bureaucratic regulations, there is a basic opposition between democracy and bureaucracy.

#### **Box 14.3: Aspects of Rationality**

This is, for Weber, one of the most poignant examples of the contradictions which can exist between the formal and substantive rationality of social action: the growth of the abstract legal procedures which help to eliminate privilege themselves reintroduce a new form of entrenched monopoly which is in some respects 'arbitrary' and autonomous than that previously extant. Bureaucratic organization is promoted by the democratic requisite of impersonal selection for positions, from strata of the population, according to the possession of educational qualifications. But this in itself creates strata of officials who, because of the separation of their position from the external influence of privileged individuals or groups, possess a more inclusive range of administrative powers than before.

The existence of large-scale parties is inevitable in the modern state; but if these parties are headed by political leaders who have strong conviction of the significance of their vocation, ureaucratization of the political structure can be partially checked.

#### **d) Bureaucracy and Socialism**

If the modern economy were bureaucra on a socialist basis, and sought to attain a level of technical efficiency in production and distribution of goods comparable to that of capitalism, this would necessitate 'a tremendous increase in the importance of professional bureaucrats'. The bureaucratization of labour, which is an integral characteristic of the modern economy demands the precise co-ordination of functions. This is a fact which has been at the root of the increase of bureaucratization associated with the expansion of capitalism. But the formation of a socialist state would entail a considerably higher degree of bureaucratization, since it would place a wider range of administrative tasks in the hands of the state.

Weber's primary objections to socialism concern the bureaucratic ramifications, which it would entail. Those offers another example of the characteristic dilemma of modern times. Those who seek to set up a socialist society, they act under the vision of the achievement of an order in which political participation and self-realisation will go beyond the circumscribed form of party democracy found in capitalism. But the result of the impetus to bureauc his vision can only be in the direction of promoting the bureaucratization of industry and the state, which will in fact further reduce the political autonomy of the mass population.

#### **e) Modern Features of Bureaucracy**

It is a singular feature of bureaucracy that once it has become established it is, in Weber's word 'escape proof'. Modern bureaucracy, characterised by a much higher level of rational specialisation than patrimonial organisations, is even more resistant to any attempt to rise society from its grip. 'Such an apparatus makes "revolution", in the sense of the forceful creation of entirely new formations of authority, more and more impossible.

The spread of bureaucracy in modern capitalism is both cause and consequence of the rationalisation of law, politics and industry. Bureaucratisation is the concrete, administrative manifestation of the rationalization of action which has penetrated into all spheres of western culture, including art, music, and architecture. Consequently, for Weber, the analysis of the growth of the bureaucratic state provides a paradigm for the explanation of the progression of bureaucratisation in all spheres. For Marx, on the other hand, the 'systematic and hierarchical division of labour' in the administration of the state represents a concentration of political power.

## 14.5 Conclusion

For Marx, a primary factor underlying the early origins of capitalism in western Europe is the historical process of the expropriation of producers from control of their means of production. Capitalism is thus, in its very essence, a class society. The basic contradictions inherent in the capitalist economy derive directly from its character as a system based upon production for exchange-value. The need to maintain, or to expand, the rate of profit, is in opposition to the tendential law of declining profits; the separation of the producer and consumer is the main factor lying behind the crises to which capitalism is recurrently subject; and the operation of the capitalist market entails both that labour-power cannot be sold above its exchange-value and that there comes into being a large 'reserve army' destined to live in pauperism. For Durkheim and Weber, the class structure is not integral to the progressive differentiation in the division of labour. Both repudiates the notion that these class divisions express its underlying nature. In Durkheim's conception, the 'forced' division of labour is an 'abnormal form', but it is not a necessary consequence of the extension of social differentiation in itself. It is primarily the use of economic power to enforce unjust contracts, which explains the occurrence of class conflict. What distinguishes the modern form of society from the traditional types is not its specific class character, but the prevalence of organic solidarity. In Weber's conception, rational calculation is the primary element in modern capitalistic enterprise, and the rationalisation of social life generally is the most distinctive attribute of modern western culture. The class relation which, Marx takes to be the pivot of capitalism is in fact only one element in a much more pervasive rationalisation, which extends the process of the 'expropriation of the worker from his means of production' into most of the institutions in contemporary society. The existence of contradictions within capitalism generates no historical necessity for such contradictions to be resolved. On the contrary, the advance of rationalisation, which certainly creates a hitherto unknown material abundance, inevitably stimulates a further separation between the distinctive values of western civilization (freedom, creativity, spontaneity) and the realities of the 'iron cage' in which modern man is confined.

## 14.6 Further Reading

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