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## Participation as a collective good: democracy, autocracy and intermediate associations in organizations.

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PARTICIPATION AS A COLLECTIVE GOOD:  
democracy, autocracy, and intermediate  
associations in organizations.

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ABSTRACT

For some two decades writers have been loud in their criticisms of the authoritarian mode of management allegedly characteristic of modern executives. Hierarchical and centralized organizations have also come under fire for their rigidity and inability to assure employee-participation. The benefites of centralization and decentralization have been held to be purely contingent on technological and environmental factors. In considering both relative democracy and relative centralization these analysts have largely ignored intermediate associations. They assume that the large, highly centralized and controlled organization has been a direct result of industrialization and is to be countered directly by democracy. This paper challenges a) that historical assumption, suggesting that centralization was itself often a response to excessive executive democracy, and b) the assumption that democracy leads to effective participation and/or creativity. It suggests that recent stress on work groups needs to be extended more to administrators and augmented by the creation of an entire segmentary structure through which the members of groups at different levels can secure collective goods. It argues that such a structure can generate both greater community--and thus motivation--and greater formal effectiveness.

For the last two decades or so, management theory has been troubled by the conflict between authority and participation, autocracy and democracy. The polarity has dominated conceptualization; the middle ground has only been seen as compromise or incomplete change. This is an error. Neither the omnipotent chief executive nor the egalitarian free-for-all is as effective or constructive as a structure of intermediate associations.

The necessity of making decisions has been the primary defence of autocracy. One of the major attacks on autocracy has come from those who suggest that the old ways of doing things are no longer adequate; the structures are rigid; the style of leadership has gone stale; the decisions are made in outmoded ways. Democratic organizational structures will reinvigorate the problem solving mechanisms. New and more creative decisions will be made.<sup>1</sup>

But will they? More recently, Cohen, March and Olsen<sup>2</sup> have noted that prospective decision makers are hardly breaking down the doors of executive conference rooms. On the contrary, it is difficult to get a great many of the most important decisions made at all. Such a revelation follows numerous studies of participatory decision-making which found the results ambivalent at best.<sup>3</sup> Democracy seems demonstrably to be a more open manner of gathering new ideas and making decisions. Whether it can actually make better decisions than autocracy is in some doubt. More importantly, we must ask a) how democracy functions as a method for turning new ideas into new policies, and b) whether the democratic procedures can in fact secure equal attention or attention dependent solely on merit for all ideas?

This paper will suggest answers to these questions, and will propose that we put more stress on intermediate associations in our considerations of organizations. Along with this I argue that

the middle-level manager should be rescued from the comparative neglect into which he has lately been cast, and seen much more as the mainstay of his organization. The work-groups of administrators, more than of production workers, will be our concern. Let us look first at the background of organizational autocracy and democracy in which the present discussion is set. Then we shall consider the movement away from centralized control-- the autocratic model of the organization. Next we shall take up some of the reasons why individuals aren't enough to make an organization work-- the weaknesses of the democratic model. Lastly we shall present some notions on the role of intermediate associations as an organizational infrastructure, and tie these in with recent attempts to bring some sort of community back into the formal organization.

#### HISTORICAL PROLOGUE

The accelerated pace with which craft production was replaced by factory production is one of the most important aspects of the industrial revolution.<sup>4</sup> One of the essential features of craft production is the replication of similar units: increasing size by increasing the numbers of workmen and workshops. The first major characteristic of factory production was centralization. At first, centralization only took the form of putting a number of craft production units into a single location, instead of sending their materials out to the craftsmen on a domestic 'putting out' system. Soon, however, specialization began with the segregation of the workers performing the various specific tasks of production. This division of both labour and labourers was the second major distinguishing characteristic of factory production, or, we might say, of modern industry. It should be emphasized that the shifts of tendency which we locate in the industrial revolution (from perhaps 1750-1850, at the broadest) are beginnings but not ends

to this process. The division of craft groups is still at issue. It forms the starting point for a whole school of modern organizational theory and research.<sup>5</sup>

Growth in traditional industry involved the replication of relatively similar decentralized production units. The industrial revolution brought centralization first of these smaller units, and then the construction of larger more complex organizations; the prototypical firms of Andrew Ure, and indeed, still a major stereotype in our thinking. These firms were able to continue growing primarily by the introduction of a) outside capital and b) internal supervisors--both under the direction of a single entrepreneur or entrepreneurial family.<sup>6</sup> Although the managerial profession grew steadily through the industrial revolution, it did not become a predominant form until well into the second half of the nineteenth century.<sup>7</sup> Even where hired managers were common, however, they approximated more often to the model of the entrepreneur than that of the senior executive.

The situation changed in the second half of the nineteenth century in two momentous ways. First, the original founders of many of the great industrial firms died or retired. In some cases even the second generation were by then passing out of the business. This meant that either the business floundered and perhaps died, or that it passed into the hands of full time managers. The dying off of the founders of firms is of course a continuous process throughout the industrial revolution and afterward. Where firms are relatively small and closely tied to the personal involvement of their owner/managers, this makes for more opportunities for the advancement of new men, with new ideas, as the heads of their own firms. It is not necessarily enervating. Historians are on weak ground when they argue that the personal

failings of late-nineteenth century entrepreneurs can be held responsible for the decline of Britain's international economic standing and industrial vitality.<sup>8</sup>

We must incorporate the second change to understand why human mortality should assume such importance in this era. This is the growth in scale of the firms in question so that a) the capitalization of the firm could not so readily be altered, and b) the firm could not be readily disbanded. In other words, businesses were coming more and more to assume an identity of their own and a continuity in time separate from that of their owners and managers.<sup>9</sup> The next step in this would be the flowering of joint stock corporations. Of course, this growth in scale and continuity provided greater opportunities--indeed necessities--for the utilization of the skills of professional managers. Previously the hierarchy of the industrial firm had been one of few steps, with a great preponderance of supervisors and few decision-makers. This was true even of a number of very large firms in the (for the time) technologically advanced industries such as cotton.

There was another way to grow in size, however, and this too left its mark on the evolution of management. This was to combine. That is, while industry did not return to craft production, it returned to the pattern of growth characteristic of craft production: the replication of existing units. These were to some extent centralized, although with very little impact on their planning, policies, or production practices. Since the original managers of the various component firms continued to retain control over their part of the whole, disorganization was extreme. In 1899, the Calico Printers Association was formed by the amalgamation of fifty-nine firms controlling some 85% of the British calico-printing industry. The combine was both over-capitalised and over-administered: there was a board of directors of eighty-four members, of

whom eight were managing directors. Here, in some ways, we reach a peak of democracy (though not, of course from the workers' point of view). As one observer commented: the "administration resembled the crude democratic expedient of government by mass meeting."<sup>10</sup>

Firms like this were amalgamated from smaller ones performing similar functions. Their huge size, over-capitalization and narrow range of functioning impeded diversification. They encouraged the growth of corporate bureaucracies. It is out of their disorganization that modern management practices and organizational structures were built. The principle was straightforward: the delegation of specific, explicitly stated, and non-overlapping responsibilities was to be the way in which an organization got its work done. The military model was reintroduced; central authority was reestablished; simple accretion of parts gave way to planned diversification. The modern conglomerate could be seen to have its birth here. More generally, the corporation became much less tied to its past; it could turn its attention in new directions, change its product or its processes of production. It had enough of an organic nature to be said to have 'attention'.

Such a centralized organization is obviously limited by the capabilities of the center. The modern management concerns with communication, decision-making, spans of control, accountability and record keeping all reflect this issue. The capabilities of the people at the center have also been at issue. Are they too limited in their vision? Can they cope with the necessary range of information? What gives them the ability to make decisions? Is their expertise outmoded before they leave office? But the real villains of the piece for most observers have been the men in the middle, the executives without the authority--or the willingness--



to take very much action on their own. Organizations of this variety have been faulted for their conservative style of operation, their failure to innovate and to respond to environmental demands.

For the last two hundred years, then, industry has been trying to navigate between two poles: between over-centralization and exaggerated hierarchy on the one hand, and diffuse duplication and lack of central planning on the other. Both polar types can be faulted for the failure to remain responsive over periods of time, to make creative decisions. Yet instances of both have emerged as attempts to ensure more effective decision-making. The heroic age(s) of autocracy have been more functions of favourable environments than of organizations themselves (or indeed their leaders). They have come only once in a country: as in early nineteenth century Britain and later nineteenth century America. I don't think there has ever been a comparable flowering of democratic organization--only occasional and fairly temporary flourishing of particular cooperatives.<sup>11</sup>

It has been the tendency of recent writers on management to assume that autocracy has a continuous history as the dominant form of industrial organization since the industrial revolution. It was successful at first, they suggest, when one man could practically run a whole firm because a) the firm was small and b) the environment was not rapidly changing.<sup>12</sup> Autocracy became inefficient as firms got larger and the environment more complex. Technological innovation and the complexity of production processes complicated the process. It became necessary to make the firms more flexible. So, the critics began to look for a prescription. This they found in democracy, in the fluidity of organizational forms, the permeability of internal boundaries in the organization.<sup>13</sup> They sought to give all the employees--or at least all the admin-

istrators equal access to the faculties of decision. They sought to have all the members identify with the enterprise as a whole. They were confident that they were about to move "beyond bureaucracy".<sup>14</sup>

#### TURNING AWAY FROM AUTOCRACY

In the 1950's a number of studies began to find growing discontent among fairly well-off middle management workers in America.<sup>15</sup> Despite their affluence they were experiencing some of the alienation analysts had been associating primarily with workers on routine production tasks. Some in fact suggested it was the routine nature of the executives' work which caused their dissatisfaction. A larger number, however, including many of the most prominent found the roots of the problem in more sociological issues. The weakening of family bonds, uprooting from the local community, the tendency to reach the zenith of a personal career in early middle age--all these and many others were cited as reasons. We cannot give a detailed catalogue of the diagnoses here. Let us instead isolate some of the common principles on which they were based. These may be termed individualization, insecurity and shortening of temporal perspective.

The executives had been individualized to the extent that they were forced to work alone and bear responsibility alone. Even outside the organization they were increasingly alone as geographical and social mobility cut them off from earlier relationships. This of course made them vulnerable to attack within the organization and accentuated the vulnerability by leaving them little in the way of outside support to fall back upon. The complexity of the executive's task, the insufficiency of the rules by which he must govern his operation, and the rate of technological and organizational change to which he must adapt increased his insecurity further. The rapidity of change shortened his whole temporal

perspective; it meant that his children were likely to surpass him in learning, to choose completely different careers, and indeed, to supercede him. The vicissitudes and risks of his world were so great that he could not savour the slowly maturing pleasures of a traditional life, but must ever seek more ephemeral enjoyments. Within the organization he had to bolster his security; outside it he had to get his fun when and where and in what quantity he could.<sup>16</sup>

A major point was understressed in many of these analyses, however, Not only were middle-range executives dissatisfied with their lot, but senior executives were dissatisfied with their middle-range executives. The latter were seen as the source of the 'damn bureaucracy' which stymied the best laid plans of top management. They were uncreative, unable to handle a problem on their own, lacking in the drive and foresight by which the senior men had risen through the ranks--or so it appeared.<sup>17</sup> Many of these commentators reported complaints as to the lack of creativity of large firms without considering how often these complaints were voiced by the senior managers themselves. To the analysts, the chief executives, the autocrats, were among the villains.

Or, at least, they were a superannuated and hopefully disappearing species. The autocrats had indeed made their errors. It is doubtful, however, that they were really business errors in the degree suggested. That is, while there is a good deal of evidence that the autocrats created organizations which functioned more poorly than they might have, there is little evidence that they themselves were making substantive errors. Rather, in their concern for the substantive they failed to emphasize the purely administrative enough.<sup>18</sup> We have now to consider briefly some of the characteristics of the organizations in question.

One axis of the variation among organizations is the extent

of centralization/decentralization.<sup>19</sup> The autocratic organizations were faulted for an excess of centralization. The heads, taking their lead from "our admirable ancestor and archetype, the aggressive, inner-directed nineteenth-century autocrat"<sup>20</sup> sought to have maximum information and control in their own hands. The subordinates, on the other hand, were submissive, were at too great a distance from the center of power to have any real impact. Implicit in many of these comparisons of corporate forms was a comparison of forms of political power, particularly the contrast between the Soviet Union and the United States. The latter represented egalitarian politics in contrast to the autocracy of the former. But if we stop to consider, is it egalitarianism which distinguishes the United States most significantly? To be sure there is greater freedom of individual rights, and greater equality of opportunity--at least we think so given our limited information. But are these maintained because the United States is more egalitarian in any meaningful sense? Or is the reason that these freedoms--and the industrial and technological successes of which the United States is proud--may exist to be found in quite a different structural characteristic? Is the advantage of the United States to be found in its larger number of intermediate associations, standing between the individual members of society and the State?

In their article "Democracy is Inevitable" Slater and Bennis list five values which are included in the "climate of beliefs governing behavior" that they term democracy:

1. Full and free communication, regardless of rank and power.
2. A reliance on consensus, rather than the more customary forms of coercion or compromise to manage conflict.
3. The idea that influence is based on technical competence and knowledge rather than on the vagaries of personal whims or prerogatives of power.
4. An atmosphere that permits and encourages emotional expression as well as task-oriented acts.
5. A basically human bias, one that accepts the inevitability of conflict between the organization and the individual, but that is willing to cope with and mediate this conflict on rational grounds.

These are not simply values which they commend. According to Slater and Bennis:

democracy becomes a functional necessity whenever a social system is<sup>21</sup> competing for survival under conditions of chronic change.

I am concerned here primarily with the first two of the values listed, although the consideration does relate in varying degree to the rest.<sup>22</sup> The basic consideration underlying their statement of 'functional necessity' is the notion that the organization requires the maximal amount of participation from its members, and in particular the maximal amount of creativity in developing new forms, procedures and attitudes with which to deal with the new characteristics of its environment, technology and membership. I do not disagree with this consideration. I do disagree with values 1 and 2 as stated--or rather, with the notion that they will help.

Communication, I am willing to admit, may in general be taken for granted as a good. Consensus is also in itself unobjectionable, although I think it is an impracticable decision-making procedure, and is more usually characteristic of disinterest than involvement. My argument will concern the use to which these values are put in the Bennis and Slater ideal of a democratic organization--an ideal which I think is shared by a large number of experts on human relations and organizational development. The practical considerations I introduce are:

a) communication among individuals is not adequate to conduct the business of even relatively simple organizations and thus either formal channels or sub-groups are inevitable.

b) full and free communication implies a world without constraints of time, energy and resources, and that in the absence of such a world one should desire not simply the nearest approximation to full and free but rather an ordering of priorities for communication.

c) the consensual management of conflict depends on very strongly held cultural values, and thus usually on a traditional--not a rapidly changing society.

d) both communications networks and the adoption of new ideas will be maximised not by a large number of undifferentiated individuals, but by internally organized intermediate level associations,

#### INDIVIDUALS AREN'T ENOUGH

Writers on democracy, including the democratic management of formal organizations--tend very often to claim Alexis de Toqueville as an intellectual antecedent. His analysis of the emergent social form of democracy does indeed merit its status as a classic. And I think it merits somewhat closer attention to its central propositions. He is often cited for his observations of the rapidity of change in America, for the headlong rush in which people moved and the face of the country changed. Toqueville did indeed (albeit ambivalently) see a glimpse of the European future in this. Whether this accelerating rate of change was more cause or effect of democracy Toqueville did not say. He didn't think that the two were separable. The vitality of democracy, Toqueville saw as definitely good. This is the good his self-proclaimed descendents would also capture. But Toqueville was not really so partisan. He worried where the egalitarian impulse would lead, and emphasized that it was not simply opposed to autocracy any more than it was simply anarchic:

The principle of equality begets two tendencies; the one leads men straight to independence, and may suddenly drive them into anarchy; the other conducts them by a longer, more secret, but more certain road, to servitude.<sup>23</sup>

Now Toqueville was by no means praising autocracy. On the contrary:

I think that extreme centralization of government ultimately enervates society, and thus after a length of time weakens the government itself...<sup>24</sup>

Toqueville was suggesting that the love of independence charact-

eristic of the citizens of free and egalitarian societies ought to lead them to protect their independence from the central power by institutions such as the secondary powers which stemmed the autocracy of monarchical rule in Europe. The attempt to adapt to change by egalitarianism pure and simple would hardly have accorded with Toqueville's analysis--or indeed with his mildly conservative premises.

Before we go on to look at the possible nature of 'secondary powers' in formal organizations, let us consider further the reasons for their utility. We can divide our discussion into two parts, the first drawing on the theory of collective action, the second on the theory of networks and small groups. We can of course only summarize in the space at hand. And let us bear in mind as we do so, our earlier historical comments. Let us recall the tendency we noticed for dominant modes of organization to swing between the poles of too much and too little leadership. A consistent mode of working, rather than a cycle of reciprocal over-compensations would seem to be in order. I think the recent attempts to 'democratize' the organization partake of some of this over-compensation.

In the classical theory of collective goods, and in its recent elaborations, the central problem has been how to get independent actors to work together to their common benefit. Intuitively we are prone to think that rational actors will do so simply because they stand to gain, and that only such limitations as uncertainty or scarcity of information work to impede the processes of collective action. In fact, it has been shown that either disproportionate interest of one of a number of actors, or some internal or external coercion is required in many situations.<sup>25</sup> Which is required depends largely on the size of group under consideration:

The larger a group is, the farther it will fall short of obtaining an optimal supply of any collective good, and the less likely that it will act to obtain even a minimal amount of such a good.

In short, the larger the group, the less it will further its common interests.<sup>26</sup>

There are three ranges with regard to the influence of size. There are small groups in which there is some presumption that the collective good will be provided. There are groups not small enough for any one member to get such a considerable benefit that he would be willing to pay all of the cost, but in which the individual's contribution or lack of contribution would have a noticeable effect on the costs or benefits of others in the group. For such an intermediate size group the result is indeterminate. Lastly, there are groups large enough that no individual's contribution makes a noticeable difference to the whole or to any other individual (assuming a low level of specific interdependence). In such groups collective goods will not be provided unless there is coercion or external inducement.<sup>27</sup>

The three levels of groups may also be seen as levels of organization necessary to secure collective goods. None is absolutely necessary in the first case. In the second case at least some informal organization is likely since at least two members must act in concert. This, incidentally, makes this the level at which oligopoly may occur. In larger groups some fairly rigorous and usually formal organization is required.<sup>28</sup> Of course in addition the greater the cost of a collective good, the greater will be the organization necessary to obtain it. Let us now recall the board of directors of the Calico Printers Association with its eighty-four members. It should be as theoretically obvious as it probably was intuitively obvious why this was an inefficient form of organization which did not long survive. If a decision is a collective good, then a decision-making body must be adequately organized for it to be in the interests of the members both individually and collectively to see that it is made. The larger the



meeting, the less likely it is for any one member to anticipate a great enough share of such a collective good to force the meeting as a whole to make a decision. A decision which would benefit him enough to justify the costs of organization would quite likely cease to be a collective good for the rest of the members of the board. Enter the management team.

The expansion of the autocrat into an autocratic committee of senior managers does not of course significantly alter the complaints of the 'democratic' critics. But the essential problems with their approach as a theory of collective goods have been put forward. A large set of individuals will not be able to secure the adoption of their individually developed new ideas by the whole unless they are internally organized. The production of new ideas is not enough. There must be someone or some group to choose among the ideas and to turn them into policies. If this is still to be democratically organized then there is a further condition which is necessary and which has not been anticipated by the 'democratic' critiques. This is the federation. The whole collectivity must be organized into a set of federated smaller groups organized through intermediate levels of association to produce new ideas, bring them forward and secure their implementation from the whole. It will never be in the interest of a single non-autocratic individual to pursue his new idea through to adoption in isolation. But it may well be to the advantage of a middle-management group say, to pursue the new ideas of its members (whether originally individual or collective products). There are two reasons for this, the second of which has remained more or less implicit in the theory of collective goods. The first is simply the sharing of costs, in particular of risk, in pushing the adoption of the new idea. If we assume that the new idea would in fact benefit the entire organization, then it would benefit the various parts of that organ-

ization on down to the individuals including its originator in some proportion.<sup>29</sup> The intermediate association combines skills<sup>30</sup> and shares risk--very much like a miniature of the collective enterprise itself.

The second reason is quite significant, and involves an argument in favour of hierarchy. We may call this the segmentary principle.<sup>31</sup> Its basic rule is the confrontation of equals through a process of identification by contraposition. Quite simply it means that intermediate associations of the same level will have dealings with each other--not at all an uncommon procedure in everyday organizational life. Thus an individual may have dealings as such with another member of his work group, but when he deals with another work group within his immediate department it is through his work group and so forth.<sup>32</sup> He is not forced as an individual to confront an entire department, or, indeed, the rest of the organization.<sup>33</sup> Under the egalitarian democratic ideal, however, the individual is left alone but for ephemeral and single-purpose instrumental ties. The defencelessness of the individual is multiplied, not reduced, by comparison with the autocratic model.<sup>34</sup>

Only a segmentary organization provides at once for large scale coordination of activities and at the same time provides the individual with a manageable size of work groups. In addition to the advantages which the individual may gain from this, it has been demonstrated that relatively small groups are much better decision-makers than large ones.<sup>35</sup> An important aspect of Olson's collective goods argument is to show that this is not a transferable characteristic. In other words, small groups can be effective because they are small; large ones can be effective through the agency of small groups. They cannot do so simply by adopting the

the features of the small group.<sup>36</sup>

The attempt to generalize from the small group to the large has been an important source of the problems in democratic- egalitarian writings on organizations. It accounts only for a part of these problems, however. There are two other factors. One is a set of illusions about the importance and utility of consensus. Olson's statement on this is succinct:

There is of course, no question that a lack of consensus is inimical to the prospects for group action and group cohesion. But it does not follow that perfect consensus, both about the desire for the collective good and the most efficient means of getting it, will always bring about the achievement of the group goal. In a large, latent group there will be no tendency for the group to organize to achieve its goals through the voluntary, rational action of the members of the group, even if there is perfect consensus.<sup>37</sup>

Slater and Bennis in the quotation (listing five values) given earlier oppose consensus to coercion and compromise as means of resolving conflict. They do not go into much detail as to how the consensual method will work. Will it result from the technical expertise and perfect communication of the decision-makers (everybody) that there are no disagreements? This seems unlikely. At the very least many conflicts of interest are quite real and intractable--not merely the results of misunderstandings. We must also wonder at the extent to which consensual decisions are produced through the coercion of the recalcitrant minority by the majority.<sup>38</sup> A closely related problem is the likelihood of "democratic paralysis": a failure to act due to the inability to reach a decision acceptable by the agreed upon rules. This may, in fact, be a general problem with all methods of aggregating individual choices.<sup>39</sup> Consistent social choices are difficult enough to arrive at without demanding consensus, except perhaps consensus that a decision has been made.

The second and related factor is the seeming assumption that all organization members have an equal interest in all organizational

issues.<sup>40</sup> While it is true enough that over-specialization and especially over-rigid internal boundaries can be a problem, it does not follow that special interests can be avoided in large organizations. In some forms, such as specialization of skills, substantive areas, or even geographical areas, these divisions are part of the organization's reason for existing. In addition, I have tried to show that it is only through the actions of specially interested intermediate level associations that collective decisions can be made. These intermediate associations are a more viable democratic alternative to autocracy than are plebiscites or large-scale consensual politics.

There is an ambivalence toward such groups on the part of the egalitarian writers, and indeed in organizational behavior generally. The importance of the work group for the common employee, the assembly line worker or even craftsman is stressed continuously. But for some reason the same writers see the formation of groups among executives as subverting the overall organizational 'goal'. They assume that those who work more with their heads are for some reason less in need of sentient attachments with groups of their fellows. Some exceptions to this rule, such as Likert, share a good deal with the egalitarians, but they explicitly maintain hierarchical structures--though in a different form. Likert's linking-pin structures are quite compatible with the segmentary principle as we outlined it above. The organization's membership is divided into overlapping work groups, so that at least one member of every work group represents it at the higher level of organizational functioning.<sup>41</sup> There are of course problems to be solved with regard to the primary identification of the member who links two levels of the hierarchy. To what extent shall he identify with his higher or lower work group? Will his representation be equal in both directions?<sup>42</sup>

Thus far we have concentrated on macro-structural, formal, and frequently negative reasons why democracy at the level of individuals is untenable as a form of organization. Let us now turn our attention to some more positive virtues of intermediate associations. Here we shall look firstly at the ways in which these associations bring forward the benefits of individual participation which direct egalitarian individualism can not, and secondly at the ways in which this perspective on organizational structure ties in with the emerging stress on community as a virtue in organizational design.

#### INTERMEDIATE ASSOCIATIONS AND COMMUNITY

The literature on the importance of work groups and sentient groups in general is copious and competent. We shall not review it in detail here.<sup>42a</sup> The immediate satisfactions and the motivational virtues of small groups are not our concern.<sup>43</sup> For it is not the importance of small groups in general which I am asserting. Rather, I am arguing the usefulness of a structure of hierarchically incorporated groups such that a) as one moves up the organization each level is composed of representatives of all the groups in the level immediately below it, and b) various cross-cutting ties unite the members of different segments directly as well as through the representative system.<sup>44</sup> It is this structure which would provide for the bringing forward and adoption of new ideas considered as collective goods. It would give individuals within the organization a 'rational' interest in such efforts.

It would also give individuals a 'willingness to act' based on quite different factors. The sentient group would constitute a body for the sharing of risk among members so that possible hostile reactions to the new idea could not readily have extreme negative results for the individual. Further, the group would psychosocially provide the individual with a greater security. It would

for example, make it possible for him to bring his ideas out in a familiar context, among known and trusted associates, instead of in the impersonal context of the organization as a whole. Factors such as this will become more prominent as the group in question becomes more a stable sentient group--instead of a temporary project group.<sup>45</sup>

The project group has generally been proposed as a solution to the need for different combinations of skills for different tasks under conditions of both high variety and rapid change. The idea is to maximize the flexibility with which individuals can be assigned and reassigned to different tasks, and therefore to different groups. This would make further specialization of individuals practicable, and would eliminate staffing redundancies. To an extent such flexibility is indeed to be desired, but only to an extent. There is a great deal to be said for the problem solving team which is also a sentient group, where the members are familiar with each other and experienced in working together. I question the extent to which-- especially as far as managers are concerned--the necessary skills are rare enough and complex enough that professional teams could not move together from task to task. These teams need not be exclusive, but it would seem that a relatively small pool of skilled problem solvers could provide for a considerable variety of specially fitted teams. There is no reason, for example, that each individual need be skilled in only one speciality.

The advantages of stable sentient groups are several. First, commitment to the group (and thus to the task of the group) is enhanced. The more any particular relationship means to someone, obviously, the more he is likely to put into it, and the less likely he is to violate his partner's dependence on him. Simple stability would enhance this somewhat, as the group becomes a part

of the individual's planning. Much more significant are the effects of multiplexity of social relationships.<sup>46</sup> The larger the number of contexts in which two individuals are linked, the greater their commitment to each other. The failure to maintain that commitment in any one context will have repercussions in the others. Individuals are able in such instances to depend on each other to extents which would not otherwise be possible. In most accounts of formal organizations it is assumed that members have monoplex ties--that they are only linked within a single situation. The organizational development literature has considered the relative richness of the bond, the extent to which it fulfills emotional as well as instrumental needs. There has not been much written about the structures of reinforcement which strengthen relationships quite in addition to intensity.<sup>47</sup>

At various points observers have noted that whatever the literature might say about the instrumental nature of formal organizations, in many cases there came to be important nexes of social relationships for their members. That is, while a great many workers relatively low on the organization ladder were finding their pleasures in their leisure time,<sup>48</sup> and working as little as necessary to finance those pleasures, the administrators were becoming 'organization men'. Many of the writers reacted with predictable individualist outrage and complained of the 'greedy institutions' which took over the whole lives of their members.<sup>49</sup> Few observers questioned the coincidence of the two trends.

They are similar in at least one respect. Both are manifestations of alienation from the work process as a creative enterprise. The workers' reaction was flight; the executives, who were as likely as not located in a suburb dominated by one firm, tried to make the organization work for them. They tried to make it become their community. Unlike the workers, they had been bred to regard their

lot as a reward, a sign of success. But they were alone. There was no one to respond to their success. Their hometowns, families and neighborhoods were left behind.<sup>50</sup> There was always someone higher still in the organization, someone whose advancement was more rapid, whose position seemed more secure. The exaggerated attempts at conformity which characterized the organization man are a predictable response to alienation. Only a stable and securely sociated society can accept small diversities of attitude and behavior. A drive for conformity is more likely to mask fundamental disjunctures.

Motivation and satisfaction both come from--or at least within--stable sentient groups. The degradation of craft production created not one but two alienated classes. The workers lost their special craft knowledge and the social relationships of the workplace.<sup>51</sup> The administrators (once they succeeded the entrepreneurs) did not get the same sympathetic treatment, being a newer and wealthier creation. But eventually it became clear that they too had been left without satisfactory working conditions.<sup>52</sup> Despite the deceptive appearance of all-encompassing organizational community, the huge organizations were composed largely of isolated individuals. It was this form of gigantic highly centralized organization which I think the democratic egalitarians had in mind when they criticized the autocratic mode of organizational leadership, the assumption that there must be one man at the top. But whether there was one or a dozen didn't really matter to the people in the middle as much as the organization of their immediate social environment. It was bearing responsibility alone, trying to appreciate success alone, that underlay the conformity of the organization man--not the reality of community.

Such an organization could prosper when its community was real. This meant, of course that it must be less centralized.<sup>53</sup>



It must have something of a segmentary structure into which all its members could fit, and it must encourage the formation of multiplex bonds to reinforce the relative fragility of intra-individual relationships. Some organizations did all three of these things. They began to rebuild community in and around themselves--the very community of which formal organizations and formal social relationships had been accused of robbing us.<sup>54</sup> The multiplexity of social bonds depends on the overlapping of the institutional contexts of those bonds. What institution occupies a greater place in our lives than the formal organizations in which we work? Especially as these come more and more to relocate and executives come to move more and more from one location to another, should we not think of ways to make them into real communities?

#### CONCLUSION

Of course a large part of the problem we are considering stems from the absence of 'real communities' outside the organization. Perhaps we should ask ourselves, though, why we expect such communities to have only incidental ties to work organization? In the late eighteenth century when most production was still organized on craft lines, work was a more, not a less important part of each individual's life. Work and practical production relations were at the core of the social organizations of both the village communities and the old towns. This may be one reason why members of these communities so ardently resisted the inroads of industrial production. The new mode of work organization meant the violation of the whole gamut of social relationships, since ties were multiplex. We would perhaps not want to create communities as conservative as were most of the old villages (and to a lesser extent the towns). But we ought to envy both the motivation which social relations gave to work, and the strength of attachment

to each other and their way of life with which these community dwellers faced the encroachments of industry.<sup>55</sup> Community also was important--at least as much as the illusory 'inner-directedness' of the stereotype--in giving the entrepreneurs the strength to lead and the security to take risks with innovation.<sup>56</sup>

The characteristic of most modern towns and cities which distinguishes them from their predecessors is not simply size. It is the extent to which different domains of activity do not overlap socially. It is quite possible statistically for a very large city to be broken up into highly cohesive units with multiplex internal relationships. In fact, the units into which large cities are divided vary considerably in multiplexity. Some New York residential neighborhoods are also ethnic communities which share bonds of religion, language, shops, sports, schools and so forth. In other neighborhoods propinquity may imply no further density of contact than nods of recognition in elevators. Some residents of the latter sort of area may be members of 'communities without propinquity'; more are probably not.

I have suggested several reasons why organizations ought to care about the extent of internal community which they foster. I also have argued that organizations ought to pursue this community even where it is not directly related to the instrumental needs of the workplace and the groups in which the work is done. This is because the sociation of the members of the organization into intermediate associations allows for a kind of stable participation which egalitarian democracy does not. . It also has some intrinsic value in terms of the satisfactions and motivation of the administrators and workers themselves. The extent to which local community and work organization can be mutually reinforcing in this is considerable.

To take an example, Turner and Lawrence reported in a study

of the relationship between workers and jobs that workers from larger cities tended to be more satisfied with relatively simple and uncomplicated jobs. In contrast, workers from smaller towns tended to be much more satisfied with more complex tasks. The latter wanted variety, autonomy, responsibility, interaction, etc. The former wanted concreteness and certainty as to the limits of their tasks and their responsibilities. Turner and Lawrence explain this simply in terms of predispositions which the workers brought to the organizations. This was a contingency on the basis of which their employers should plan.<sup>57</sup> But how many employers are there who find the importance of simple tasks growing? Is there not a need for more people able and willing to take on the complex ones, rather than simply creating more routine ones? In my experience with formal management systems in education, it appeared that the routine aspects of these systems were multiplied in an unsuccessful attempt to avoid the difficult, complex, and highly uncertain problems of decision and policy making. Would it not seem reasonable to turn the contingency around and ask whether we can create the conditions of smaller towns which bred the willingness to deal with complexity?

More than this, I unabashedly suggest that many of the values of intermediate associations, segmentary organizations, and strong community structures are general, and not contingent.<sup>58</sup> The factors on which they are sometimes found to be contingent (that is, on which their connection to successful management is supposed to be based) show two problematic characteristics: 1) They assume the existence of organizational environments as givens with which organizations must cope, rather than partially ephemeral structures which they influence. The nature of an industry, however, is very largely the result of the practices of the firms within it.<sup>59</sup> Measures of greater or lesser success

according to structure often compare firms operating within the same general strategy--not firms using quite different strategies of organization. 2) They assume that members come to the organization more or less ex nihilo yet possessed of a series of values regarding the ways in which they wish to work. Though the organization is expected to assign the individuals to the kinds of work at which they will be most competent and happy, it is not expected to influence them in ways which do not accord with their pre-established values. If it does, then it is guilty of the attempt to fit square peg-people into round holes.<sup>60</sup> The organization is in both cases reduced to a purely reactive, almost passive position. This is particularly ironic since at least Lorsch and Morse among these writers suggest that their study is addressed to the problems of organizations which find that their members have higher values for the organization, and for themselves ends other than profit in mind.

Why, we must ask, cannot the organizations be the activists? Why, if people come into organizations with ideals, cannot the organization be an important arena in which they work to fulfill them--collectively? One reason these questions are overlooked is the increasingly misleading assumptions made about the nature of the firm. To a very large extent, this is still likely to be regarded (for ease of research among other reasons) as a middle size production firm. A number of sociological studies of service organizations have shown one dimension of limitation which this imposes, though the question of who the beneficiaries are is more complex than the distinction between public and private ownership.<sup>61</sup> Size is also an important factor: In huge conglomerates, the opportunities for individuals need not be very limiting. Such organizations need to learn to make use of their size to enhance flexibility--something which I think the stability and security of intermediate associations will make easier. The growing size of firms, and the

growing amount of central planning (whether or not through the agency of the state) also introduces a new factor into choices of organizational structures. This factor is among other things an opportunity for organizations to work for more community in their planning.

This brings us back to the alternating stages in the growth of work organizations which we outlined at the beginning of the paper. We have suggested some ways in which size may provide the conditions for the recapturing of some of the conditions which were lost in craft production, while maintaining several of the advantages of centralization and coordinated administration. The growth of industry is often described as necessarily the growth of impersonal relationships, the supplanting of traditional bonds of family, friendship, collegiality. Need it be? Ironically, Marx and Engels thought that industrialization would provide the foundation for a new form of sociation, and thus for their envisaged socialist revolution.<sup>62</sup> So staunch a defender of industry as Reinhard Bendix, on the other hand, defines the separation of employers and employees, the absence of face-to-face relationships into the concept itself.<sup>63</sup> Perhaps there is opportunity--and need--for a rather peaceful revolution in which industry does bring a new form of community. What is industry but work? What better foundation for community? After all, how would we live without it?

NOTES

1. Slater and Bennis provide the definitive statement of this perspective in their article "Democracy Is Inevitable" originally published in 1964 and forming the first chapter of their widely read book (Bennis and Slater, 1968). They cite the theories of McGregor, Likert, Argyris, and Blake as 'paving in the way' to the new and more democratic 'social architecture' which they envisage. In fact, Likert's appreciation of democracy is somewhat different from the other's, and closer to that of the present author (Likert, 1961, 1967). See also Bennis (1966) and Argyris (1957, 1971) for further development of the anticipated connection between democracy and participation in organizations.
2. Cohen, March, and Olsen (1976). These authors found in fact that both the most and least important decisions tended to be put in the 'garbage can', while only those in the middle were able to attract decision-makers.
3. Prominently Vroom (1960, 1964). Here personality variables were used to describe the differences in workers who responded favourably to opportunities for participatory decision-making and those who did not. Turner and Lawrence (1965) and Lorsch and Morse (1974) have dealt with similar variances. Vroom (1974), Vroom and Jago (1974) and Vroom and Yetton (1973) all develop the analysis with regard to what makes for effective leadership and decision-making. There has been somewhat less work on the relationship between structure and decision-making than might be hoped, outside of the classic group studies (e.g. Leavitt, 1951; see also Chandler, 1962). Simon's work, though extremely interesting in other respects, does not address this dimension directly, since the decision to participate is assumed with the consent to become an employee (Simon, 1957; March and Simon, 1958). The literature on motivation per se is vast, and generally lends support to the notion that participation ought to increase motivation. The inconclusiveness of actual results may result from the attempt to restructure a) too small a portion of the individual's organizational life, and b) on too short a time span. These factors make recourse to 'personality variance' necessary.
4. Some general sources on management and the organization of work in the Industrial Revolution are Smelser (1959), Pollard (1965), Landes (1969), Payne (1974), Hartwell (1970), and, primarily on ideological elements of industrialization, Bendix (1956).
5. As, most prominently, with Trist and colleagues classic studies of Durham coal miners. See Trist and Bamforth (1951), Trist, et al. (1963).
6. The importance of entrepreneurial families has not received the emphasis it deserves (but see Hartwell, 1970; Fitton and Wadsworth, 1958; Raistrick, 1953; Addis, 1957; and, in a more general context, Perkin, 1969).
7. Payne (1974) reviews a good deal of the literature; Pollard (1965) is the single most important study to date.
8. Again, see Payne (1974) for a review; also Aldcroft, Ed. (1968), McCloskey and Sandberg (1971).
9. Crouzet, Ed. (1972); Payne (1974), Hartwell, (1970), Hunt (1936).

10. Payne (1967, p. 528).
11. Many writers, including Slater and Bennis, have confused organizational democracy with political democracy, and both with high rates of social mobility. Democracy as a way of making decisions may be influenced by mobility, but the two should not be confounded. The democracy of which they are speaking in the case of organizations must be seen as a form of social organization--not, for example, simply as free choices in voting. Note further (in the light of the discussion of collective action below) that the democratic cooperatives which have worked have been fairly small. The problem of securing such a social organization in a political democracy is a related and interesting one with which we cannot deal directly.
12. I have outlined above some of the history which seems to belie this assumption. Although the point cannot be developed here, I would also add a query as to whether the 'knowledge revolution' is as recent a phenomenon as some writers have suggested, and whether its impact on contemporary industry is so much different from that of the early nineteenth century. Quite a few managers during the industrial revolution began at the head of craft-production firms with a handful of employees and almost no capital investment in machinery, and ended up with hundreds of workers and whole factories full of machinery. The transition from one woman spinning in a cottage to a spinning jenny of eighty spindles took exactly twenty years in Lancashire and increased productivity per man hour some thirty times or more. (Actually there has been some dispute concerning the relative importance of man, woman, and child hours.) This progress at least approaches modern experience for dislocating effects of industrial change. See Smelser (1959, pp. 85-90) for a summary of the technological changes. Studies of technology and environment have also shown that organizations respond to some pressures by centralization, some by decentralization. These are responses, not direct causal determinations, however. It is within the range of indeterminacy left by these factors that the choices with which this paper is concerned are to be made.
13. The doctors and critics here range in varying degree throughout the many schools of organizational development.
14. In the words of the title of an essay by Warren Bennis (Bennis and Slater, 1968, chap. 3).
15. Mills (1951), Bennis and Slater (1968), Whyte (1956), Levinson (1969). etc.
16. The popular early sixties musical "How to Succeed in Business Without Really Trying" captured the essence of this view of the organization man (not without truth). It chronicles the arbitrariness of the young window-washer's rise to the Chairmanship, the minor events on which a whole future might turn. But this is not just the story of the meteoric rise. It is also a portrait of the anxieties of every other rising and even risen executive; his fears for his title on the door and carpet on the floor.
17. In fact, the stereotyped differences between the more 'aggressive' general manager and more 'academic' middle or senior level executive seem to have empirical foundations, even if both groups are drawn for study from comparably elite MBA's. See Harrell (1976).
18. A point which has not gone unnoticed. See Bennis' essays in Bennis and Slater (1968).

19. A number of studies have given this dimension empirical attention. Woodward (1958, 1965), Burns and Stalker (1961), Lawrence and Lorsch (1967) and Miller and Rice (1967) are among the most important. I avoid Lawrence and Lorsch's phrase 'differentiation and integration' as it brings together a number of aspects and in my opinion partially obscures the underlying reality by false dichotomy. Differentiation may be a pre-condition of stable integration as I shall suggest below. More recently, and with a less prescriptive orientation, the Aston group and Blau and colleagues have studied similar problems (Pugh, et al., 1968, 1969; Hinings and Lee, 1970; Child, 1972a,b, 1973; Child and Mansfield, 1972; Blau and Schoenherr, 1971; Blau, et al., 1976). Child's studies are the most directly relevant.
20. Bennis, in Bennis and Slater (1968, p. 99).
21. Slater and Bennis in Bennis and Slater (1968, p. 4). I should point out in advance of the disagreement which follows not only that I admire Bennis' and Slater's work, but that I share many of the premises and conclusions, though not the central one.
22. The first two values seem to me the distinguishing ones. The third is direct carryover from classical Weberian bureaucracy theory--or more generally, from Benthamite Utilitarianism in the J. S. Mill lineage. The fourth and fifth are values of many social formations, not specific to democracy.
23. Toqueville (1840, p. 346). "As in ages of equality no man is compelled to lend his assistance to his fellow-men, and none has any right to expect much support from them, every one is at once independent and powerless. These two conditions, which must never be either separately considered or confounded together, inspire the citizen of a democratic country with very contrary propensities. His independence fills him with self-reliance and pride amongst his equals; his debility makes him feel from time to time the want of some outward assistance, which he cannot expect from any of them, because they are all impotent and unsympathizing. In this predicament he naturally turns his eyes to that imposing power which alone rises above the level of universal depression. Of that power his wants and especially his desires continually remind him, until he ultimately views it as the sole and necessary support of his own weakness" (op. cit., p. 352).
24. Toqueville (1840, p. 360).
25. This discussion draws heavily on Olson (1971). In small groups the chances are good that one member will gain more from the collective good than it would cost him to provide it alone. Inequality within the group increases the likelihood of this means of securing collective goods. This will of course not insure optimality, since that depends on the equivalence of marginal costs and returns for the provision of the collective good. "Since an individual member thus gets only part of the benefit of any expenditure he makes to obtain more of the collective good, he will discontinue his purchase of the collective good before the optimal amount for the group as a whole has been obtained" (Olson, op. cit., p. 35).
26. Olson (1971, p. 36). See Smith (1976) for a further and relevant contribution on the effect of size on the ability of groups (in this case communities) to secure collective goods.
27. The reader will note that a good deal is made in this argument of size. As Olson notes, the 'noticeability' of a members' contribution or non-contribution is an important operative factor heavily influenced by, though not identical with size. See p.



- 27 con't. 45, n. 67. In one sense the present paper is concerned with organizational arrangements which enhance 'noticeability'.
28. It is not, however, necessary that the whole group be organized since some subset could be adequately organized to provide the collective good. In general, the larger the group the more organization will be required. Further, the rate at which organization must increase is greater than the simple arithmetic increase in group size. There may of course be economies of scale in organization. Much organizational theory is in fact indirectly devoted to the question of how to secure more organization for less management, as it were.
29. To avoid confusing the issue let us assume the benefits will be distributed equally, as though all members of the organization were equal partners in its enterprise.
30. Many of these skills may be considered 'secondary'. That is, they are skills useful in securing the adoption of the contributions of the group.
31. Which principle perhaps finds its greatest (and most successful?) elaboration in the lineage structure of tribal societies. A generally accessible and comprehensive discussion is to be found in Smith (1956).
32. An Arab proverb expresses this in the language of kinship, saying: "I against my brothers, I and my brothers against my cousins, I and my brothers and my cousins against the world."
33. Olson (1971, p. 63) does recognize the potential importance of 'federal' groups--which of course is totally consistent with his theory.
34. Although, of course, those who propose the egalitarian mode of operation generally also propose safeguards for the individual. These are usually at the level of ideas, however, and lack structural supports in their models.
35. This has been shown in a number of controlled environment studies, and more interestingly, in James (1951) study of currently functioning groups. It is also, of course, a familiar aspect of our everyday organizational experience.
36. A point Olson makes in specific opposition to Homans influential conclusions in The Human Group (Olson, 1971, p. 57; Homans, 1951, p. 468).
37. Olson (1971, pp. 59-60)
38. Of course a minority in a consensual system is in a good position to bargain with the majority and produce a compromise (another rejected form of decision). The minority can hold out for various benefits (bribes) in return for providing consensus, but the majority can also threaten ostracism or other punishments. Such coercion is reported in communal living groups where social selective inducements can be very effectively manipulated although consensual ideologies prevail. See Zablocki on New York's Bruderhoff (1970) and Abarbanel on an Israeli Moshav (1973).
39. See Arrow (1963), Dahl (1956), Senn (1974) and in general the whole series of debates on social choice and the integrability of utilities.
40. A problem McGregor thought had disappeared: "We have now discovered that there is no answer in the simple removal of control--that abdication is not a workable alternative to authoritarianism. We have learned that there is no direct correlation between employee satisfaction and productivity. We recognize that 'indus-

- 40 con't. trial democracy' cannot consist in permitting everyone to decide everything, that industrial health does not flow automatically from the elimination of dissatisfaction, disagreement or even open conflict" (1960, pp. 314-5). Despite this recognition, McGregor's 'Theory Y' does not give adequate attention to the structures which might stand in between authoritarianism and abdication. However, (1967) shows modification.
41. Likert (1961, 1967).
42. Gluckman (1968) offers some astute observations on such 'inter-hierarchical roles'. Miller and Rice also give a pointed discussion of the complexities produced by crossing group boundaries for meetings of representatives (1967, p. 22 et seq.)
- 42a. Miller and Rice (1967) remains the most useful overall account.
43. Though they do of course support our emphasis on the importance of these groups. See Likert (1967) and Vroom and Yetton (1973) for considerations.
44. Miller and Rice's conditions for the effectiveness of autonomous work groups are instructive here:
- a) The task must be such that those engaged on its parts can experience, as a group, the completion of a 'whole' task.
  - b) The group must be able to regulate its own activities and be judged by results; that is, there must be a well-defined boundary with a measureable intake/output ratio that can serve as a criterion of performance.
  - c) The group has to be of such a size that it can not only regulate its own activities, but also provide satisfactory personal relationships.....
  - d) The range of skills required in the group for task performance must not be so great as to reinforce external affiliations and thus induce internal differentiation. Nor should status difference in the group be large enough to inhibit internal mobility.
  - e) The task/sentient group should not be unique, so that those who become disaffected have no alternative group engaged on a similar task and requiring similar skills and experience to which they can move. Otherwise the investment in the one group is likely to be so great as to distort values and judgements, and the possibility of expulsion so threatening as to be destructive. (1967, p. 256)
- On point 'b', however, compare Ouchi and Maguire's interesting findings that behaviour control is exerted when means-ends relations are known and instruction possible. Output control, on the other hand, is a response to uncertainty and complexity. Output measures were found more important as a means of communication among sub-units than directly of control (1975).
45. Although the benefits of small size on ease of communication do remain true of project groups.
46. The term multiplexity in this context was introduced by Gluckman. See (1956) for an accessible account. The term is similar in implication to Parsons' 'diffuse' relations (1951) although the latter carries an unfortunate implication of over-extension. The development of the usage in social network theory has been summarized by Mitchell (1969, 1973) and Barnes (1972). Aldrich (1975) has summarized some of the network arguments with organizations in mind, although he is concerned with inter-(not intra-)organizational relations. In fact, he does not consider multiplexity which would have been a useful supplement to density in his treatment of sub-groups.

47. Intensity and frequency of interaction are the sources of strength about which most OD practitioners write. Relatively weak and seldom actualized ties can also endure and make important contributions to individual security and organizational effectiveness. See Granovetter (1973).
48. The 'Affluent Worker' studies in England are the classic reports on this, though they are not without problems. The trend they analyze seems if anything to be stronger in America. See Goldthorpe, et al. (1968).
49. To quote Lewis Coser (1974).
50. Lest this sound too bleak a picture of the recent past, we should of course remember that social mobility and geographic displacement have always been a part of the American experience (and indeed of the experience of industrialization in most countries). It is only the rate which seems to have increased, the qualitative experience is not new.
51. Harry Braverman (1974) has given a good account of the degradation of labour for the 'working classes'. The lot of the middle level administrators (higher than clerks) has not generally been analyzed in these terms, although see Mills (1951) and Slater (1970, chap. I).
52. I am considering administrators here, not other white collar workers. Clerks, for example, are a different matter altogether (although the boundaries are sometimes hard to draw). The extent to which the actual work was not satisfying is beyond the scope of this paper, although I would speculate that individualization and specialization would leave many a middle and lower level administrator without the chance to deal with 'whole' tasks. These became complex enough to be the province of several people--in the best instances, of a group.
53. This suggestion is not meant to contradict the very useful research results of Woodward (1958, 1965), Burns and Stalker (1961), Lawrence and Lorsch (1967), Miller and Rice (1967), and others. These workers show a relationship for successful organizations between the extent of centralization and the complexity and rate of change of the environment, and/or technology. Lawrence and Lorsch have some particularly interesting comments on the impact on the organization as a whole of the differences in environment which confront different departments. Organizations in which intermediate associations were encouraged to be strong should be better able to cope with variations in environment. See Aldrich and Pfeffer (1976) for a review of recent work.
54. Ouchi's present research attempts to translate Toënnies' contrast between Gemeinschaft and Gesellschaft into terms applicable to organizations (personal communication, 1976). Nisbet (1951) remains probably the best account of the seeking of community in the history of ideas, and in particular of the 19th Century French thinkers who tied it to intermediate associations. See also Nisbet (1975).
55. In areas of industrialization such as Northwest England's textile region, craft communities were the most consistently able to organize to pursue their objectives including the defence of their working conditions. They were not, here, ultimately successful. Norwich, in fact, so much discouraged industrial innovation (factories especially) that its industry left (though of course there were additional reasons as well). One of its original strengths was the prosperity which it lost during the industrial revolution. Thompson (1963) is still the

- 55 con't. best general work on early British working class history. Inglis (1971) considers the role of poverty; see also Hobsbawm (1952); Foster (1974); and Thompson (1967) on more specific aspects; and for descriptive brilliance, the Hammonds' The Skilled Labourer (1919).
56. Family and community were important in forming partnerships, extending credit, making business contacts and producing a united policy against workers as well as providing motivation and a reference group for accomplishment (see Payne, 1974, Hartwell, 1970). The extent to which 'inner-directedness' was a characteristic of isolated individuals also requires question. The protestant ethic was instilled through churches in close knit communities (though often for the socially mobile). It did not exist only in the realm of ideas. The entrepreneurs may have been alone at the heads of their firms (if these were not family businesses or other active partnerships) but they were not alone in their churches, clubs, neighborhoods, and, more recently though perhaps less strongly, their condominiums and cocktail parties. Aggressiveness may be quite 'other-directed', sometimes.
57. Turner and Lawrence (1965). See also Lorsch and Morse (1974).
58. A good deal of important research has come from the self-styled contingency theorists (Lawrence, Lorsch, Morse, Fiedler...) and their chosen allies (Thompson, Woodward, to a lesser extent Burns, Stalker, Miller and Rice). There is, however, a general problem in the major studies of Turner and Lawrence (1965), Lawrence and Lorsch (1967) and Lorsch and Morse (1974): a tendency to generalize too quickly and too crudely from a narrow range of empirical data. The central message--that there is no one right way--is indisputable. This does not entirely preclude the existence of general principles, however, which can be manipulated in various ways. Boudon's (1974) caution is applicable: social scientists' results are rarely strong enough for them to speak in terms of causality; it is better to consider results as more or less weak implications.
59. Of course the extent to which the practices of one firm can shape those of the industry is yet another problem for the theories of collective goods and of the firm.
60. Even though these values may not be internally consistent or workable. See especially Lorsch and Morse (1974) on organizations and their members.
61. See, for example, Blau and Schoenherr (1971). Blau and Scott's (1962) 'who benefits?' typology is also attacking this issue.
62. Marx and Engels (1848), Engels (1880, esp. pp. 97-98 on "antagonism between the organization of production in the individual workshop and the anarchy of production in society generally).
63. Bendix (1956, p. 2)

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