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DEMOCRACY, AUTOCRACY, AND INTERMEDIATE ASSOCIATIONS IN ORGANIZATIONS: FLEXIBILITY OR UNRESTRAINED CHANGE?¹

C. J. CALHOUN

Abstract Organizational participation has often been treated as a matter of securing the involvement of individuals in a more 'democratic' structure. Organizational responsiveness has often been sought in increasing ease and rate of change. These parallel approaches are criticized in this paper as overreactions to a myth of autocratic organization. They give inadequate attention to formal factors which constrain or encourage participation. Both extreme individualism and extreme centralism are shown to overlook the importance of intermediate associations. Arguments based on collective goods, small group and network theories are used to show how intermediate associations could increase the effectiveness of collective participation in organizational action and the stability of organizational structure.

The False Indictment

FOR several generations, students have been finding organizations guilty of unresponsiveness to internal and environmental pressures. Organizations, they say, ought to be able to change their structures, operational procedures and goals more rapidly. They ought to be able to shift their attention efficiently from one problem to another, from one mode of problem-solving to another. The villains of the picture: the old guard of the organizations, entrenched élites set in their bureaucratic ways, an oligarchy of senior executives and those of lesser rank who are just plain senior. The proposed solution: more democratic and more individual-oriented organizations.

The present paper suggests that this analysis is fundamentally misconceived. It errs when it sets up the problem, and when it suggests an increased individualism as a solution. The problems are threefold: first, organizations exist in large part to produce continuity in human action so that long-term benefits may be achieved. Second, centralization (supposed evil) and individualism (supposed good) are but two sides of the same problematic coin in opposition to intermediate levels of organization. Third, far from being always an entrenched and inflexible élite, the heads of organizations are often those who would initiate dramatic changes, but find themselves stymied by bureaucratic inertia. In the following pages we shall (a) elaborate these problems, (b) give a partial defence of bureaucratic inertia against change for its own sake, and (c) suggest that strong intermediate associations provide the most likely source of a reasonable compromise between continuity and change, democracy and autocracy.

The Illusory Virtues of Change

Why, we must initially ask, do so many people think organizations ought to change so much? The first reason appears as an indictment of the middle and lower level personnel of the organization. It is the suggestion that these people are failing to participate adequately in the pursuit of overall organizational goals, that the organization is somehow 'out of control'. The implication is that rational decision-making can and should be centralized. In order for this to work effectively, however, the flow of information from the periphery to the centre must be improved, and the responsiveness of personnel on the periphery to directives from the centre must be increased. This is thus a call for more active leadership, though of course proponents vary in their opinions of who should lead. A demand for 'accountability', particularly fashionable during the last decade, has been made on behalf of legislatures, communities and other external bodies for control over organizations, and also by managers who would like more control over their own organizations. Obviously there is little point in demanding an accounting unless there is some prospect of punishing past sins or instituting changes. It is implicitly assumed when accountability systems are implemented that existing determinants of what the members of organizations do need to be weakened in favour of new determinants emanating from the centralized decision-makers. It is argued that this will make the organization as a whole more responsive to external pressures and opportunities.²

The second prominent assertion backing up a call for more change is the notion that organizations either always have been, or at some point have become, autocratic. Sometimes this is interpreted as meaning that the organization runs the lives of its members. Other times the assertion is that autocrats run the organization. Often it is both. In either case the assumption seems to be that it would be better to have less control altogether. This notion has been propounded by critics of 'organization man', critics of organizational power and, in general, proponents of participatory democracy and individual liberties. The position that those who run the organization ought to have less control has been argued by apostles of participatory decision-making as a motivational device, decentralization as an environmental or technological necessity, and worker participation in management on ideological and/or pragmatic grounds. Some version of the first of these positions seems to be almost universally accepted by writers on 'organizational development'. They are not always explicit, though, and vary in the extent, kind and seriousness of decentralization they propose. They do share the premise, however, that autocratic orders would not achieve desired motivation and participation and that for better or worse, top-management had better accept the relative autonomy of subordinates. The 'development' which OD seeks, is one of receptivity to change. Its proponents do not propose fundamentally to alter the choice of interests to be served by given organizations.

With this we reach the third and most pervasive premise on which to base a call for organizational change. This is the assertion that change is ubiquitous, rapid and difficult to predict in the modern world, and that only organizations themselves prepared to change rapidly will be able to keep in touch with their environments.

Note two implications of the second half of this statement: (1) organizations are to be structured to deal with change, and (2) organizations are to frequently and/or continuously change their structure. This point of view is widespread, both in and out of the organizations literature. It is perhaps most explicitly stated by Bennis and Slater in their provocative book *The Temporary Society*.³ Other thinkers who reject their conclusions are prone to accept their premise. Few seriously question the oft repeated call to change organizations in order to respond to and plan for change in the environment.

The present paper is such a questioning. While it denies neither the existence of change nor the helpfulness of planning, it suggests seeking limits to the former and recognizing the inevitable limits to the latter. It argues that a relatively stable structure of intermediate associations in fact gives a better foundation for flexible and effective organizational action than a 'democracy' of individuals. Further, it suggests that greater participation of individuals in organizational decision-making is likely when participation is carried out through such intermediate associations.

Individuals are not Enough

In their article 'Democracy is Inevitable' Slater and Bennis list five values which are included in the 'climate of beliefs governing behaviour' 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
- (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 competing for survival under conditions of chronic change.⁵

We are concerned here primarily with the first two of the values listed, although the consideration does relate in varying degree to the rest.⁶ The basic consideration underlying their statement of 'functional necessity' is the notion that the organization requires 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 may, in general, be taken for granted as a good. Consensus is also in itself unobjectionable, although 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 is shared by a large number of experts on human relations and organizational development. The practical considerations in this argument 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 social commitments, and thus usually on a traditional, not a rapidly changing, society.
- (d) both communications networks and the adoption of new ideas will be maximized not by a larger number of undifferentiated individuals, but by internally organized intermediate level associations.

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 generally required.⁷ 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.⁸

There are three ranges with regard to the influence of size. First, there are small groups in which there is some presumption that the collective good will be provided. Secondly, 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.⁹

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.¹⁰ In addition, the greater the cost of a collective good, the greater will be the

organization necessary to obtain it. 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. 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 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 organization on down to the individuals including its originator in some proportion.¹¹ The intermediate association combines skills¹² 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*.¹³ 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.¹⁴ He is not forced as an individual to confront an entire department, or, indeed, the rest of the organization.¹⁵ 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.¹⁶

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.¹⁷ 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 features of the small group.¹⁸

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.¹⁹

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.²⁰ The alternative is some form of log-rolling which in a large organization will probably require negotiation among groups of their representatives rather than individuals as such. 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.²¹ 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.²² 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 often only through the actions of members organized in 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. In the absence of formally constituted intermediate associations, informal 'cliques' and 'cabals' become necessary to accomplish organizational action.²³ The sub-grouping is unavoidable.

There is an ambivalence toward such groups on the part of the egalitarian writers, and indeed in the organizational behaviour literature 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 than their hands are for some reason less in need of sentient attachments in 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.²⁴ 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 does he identify with his higher or lower work group? Will his representation be equal in both directions?²⁵

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 cannot, 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.²⁶ The immediate satisfactions and the motivational virtues of small groups are not our concern.²⁷ 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.²⁸ 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.²⁹

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.³⁰ 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 in other ways than increasing their intensity.³¹

At various points observers have noted that whatever the literature might say about the instrumental nature of formal organizations, in many cases they 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,³² 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.³³ 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 or

profession, 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. Their hometowns, families and neighbourhoods were left behind.³⁴ 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 behaviour. 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.³⁵ 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.³⁶ 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 a large and complex organization could prosper when its community was real. This meant, of course that it must be less centralized.³⁷ 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.³⁸ 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

A large part of the problem we are considering stems of course from the absence of 'real communities' outside the organization. Perhaps we should ask ourselves, though, why we expect such communities to have 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.³⁹ 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.⁴⁰

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 numerous cohesive units with multiplex internal relationships. In fact, the units into which large cities *are* divided vary considerably in multiplexity. Some New York residential neighbourhoods are also ethnic communities which share bonds of religion, language, shops, sports, schools and so forth. In other neighbourhoods propinquity may imply no further degree 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 satisfaction 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 which their employers should plan.⁴¹ 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 suggest that many of the values of intermediate associations, segmentary organizations, and strong community structures are general, and not contingent.⁴² 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.⁴³ 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.⁴⁴ 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, that they seek ends other than profit.

Why, we must ask, cannot the organizations be structured to lead toward community? 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.⁴⁵ 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 would require, among other things, restraining the rate of change in the structure of the organization itself.

We have suggested some ways in which size may provide the conditions for the recapturing of some of the characteristics of work 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.⁴⁶ As staunch a liberal as Reinhard Bendix, on the other hand, defines the separation of employers and employees and the absence of face-to-face relationships into the concept itself.⁴⁷ 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?⁴⁸

Notes

1. This paper has benefited from the comments of Roderick Martin, John Kasarda and the anonymous reviewers of *Sociology*.
2. In practice, most accountability programmes have tended to concentrate on collecting information (which can be rendered in formal categories) to the exclusion of planning (which cannot readily be reduced to formal variables and propositions).
3. Bennis and Slater (1968).
4. Note that in ordinary usage this would be termed 'technocracy' not democracy.
5. 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 their premises and conclusions, though not the central one.
6. The first two values seem to me the distinguishing ones. The third is a direct carry over 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.
7. 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).
8. 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.
9. The reader will note that a good deal is made of size in this argument. 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. 45, n. 67. In part the present paper is concerned with organizational arrangements which enhance 'noticeability'.
10. 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.
11. 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.

12. Many of these skills may be considered 'secondary.' That is, they are skills useful in securing the adoption of the contributions of the group.
13. 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).
14. 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.'
15. Olson (1971, p. 63) does recognize the potential importance of 'federal' groups – which of course is totally consistent with his theory.
16. 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.
17. 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.
18. A point Olson makes in specific opposition to Homans' influential conclusions in *The Human Group* (Olson, p. 57; Homans, 1951, p. 468).
19. Olson (1971, pp. 59-60).
20. 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* (1975).
21. See Arrow (1963), Dahl (1956), Senn (1974) and in general the whole series of debates on social choice and the integrability of utilities.
22. 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 'industrial 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. His later account (1967) shows some modification. See also Cohen, *et al.* (1976).
23. See Burns (1966).
24. Likert (1961, 1967).
25. 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.*).
26. Miller and Rice (1967) remains the most useful overall account.
27. Though they do of course support our emphasis on the importance of these groups. See Likert (1967) and Vroom and Yetton (1973) for considerations.
28. 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 measurable intake/output ratio that can serve as a criterion of performance.

- (c) The group has to be of such a size that it cannot 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 one group is likely to be so great as to distort values and judgments, 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).
29. Although the benefits of small size on ease of communication do remain true of project groups.
 30. The term multiplexity was introduced in this sense 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 weakness. The development of the usage in social network theory has been summarized by Mitchell (1969, 1973) and Barnes (1972). Aldrich (1975) has considered 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.
 31. 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).
 32. 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).
 33. The phrase is Lewis Coser's (1974).
 34. 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.
 35. Harry Braverman (1974) has given a good account of the continuing degradation of labour for the 'working classes.' The loss of the middle level administrators (higher than clerks) has not generally been analyzed in these terms, although see Mills (1951) and Slater (1976, chap. I).
 36. 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.

37. 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.
38. Ouchi's present research attempts to translate Toennies' contrast between *Gemeinschaft* and *Gesellschaft* into terms applicable to organizations (personal communication, 1977).
39. 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, anywhere, ultimately successful. Norwich, in fact, so much discouraged industrial innovation (factories especially) that its industry left (though of course there were additional reasons). One of its original strengths was the prosperity which it lost during the industrial revolution. See Calhoun (1980).
40. 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, neighbourhoods, and more recently though perhaps less strongly, their condominiums and cocktail parties. Aggressiveness may at times be quite 'other-directed.'
41. Turner and Lawrence (1965). See also Lorsch and Morse (1974).
42. 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*.
43. 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.
44. Even though these values may not be internally consistent or workable. See especially Lorsch and Morse (1974) on organizations and their members.
45. See, for example, Blau and Schoenherr (1971). Blau and Scott's (1962) 'who benefits?' typology is also attacking this issue.
46. Marx and Engels (1848), Engels (1880, esp. pp. 97–8) on 'antagonism between the organization of production in the individual workshop and the anarchy of production in society generally.'
47. Bendix (1956, p. 2).
48. Accepted 23.3.79.

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