Sociological analysis of organizational power: comment to Stewart Clegg

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In his article in this journal, Stewart Clegg recently expounded the new branch of theory of organizational power called the strategic contingencies approach. He criticized this approach as maintaining an environmental determinism, adopting management’s view on organizations and taking the context of actors’ power for granted. He also suggested two main leads towards an improved and more sociological analysis of power in organizations:

1. We should look for the power that rules in organizations contain.
2. Sociological analysis should consider power within the context of domination in organizations.

This comment focuses on these two leads as lessons from Clegg’s analysis. To give full weight to his constructive remarks for a better understanding of power relations in organizations, I think it best to apply them to a well known case in organizational analysis to which Clegg himself also refers — Crozier’s cigarette factory (Crozier, 1964).

While scrutinizing this case study, an attempt will be made to interpret the implications not only of Clegg’s own statements, but also of other authors’ work that he analyses.

Discretion, power and rules in organizations

The factory described by Crozier is an organization involved in mass production of cigarettes. It is owned by a state-controlled mother-company

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which also controls the sales of the factory’s output. Almost every activity seems to be encapsulated by constraints of a technical or organizational nature: output goals and mechanization process have been fixed, while a great number of petty decisions have been centralized or rigidly standardized. Having been directed to an analysis on the shop floor level, the reader of this case-study then is ‘surprised’ that even in this highly structured, rigid organization some of the rank and file, notably the maintenance men possess illegitimate ‘parallel power’ which they use for their own interest against supervisors and production workers.

Crozier’s basic message is precisely that even in a so obviously over-organized system there can still be considerable leeway and deviant sub-cultural interpretation of bureaucratic goals among lower participants, because they control uncertainty.

Comparing power behavior within organizations with a game of chess Clegg properly states that it is not sufficient to ascribe a powerful position to a piece — or by analogy an organization’s subunit — merely on the basis of its capacity to control an uncertainty.

The power differences that Crozier thus describes and that adherents of the strategic contingency approach try to formalize, is thus power of a local and contextually bound type, it is discretion. Clegg remarks that instead, one should consider the power built into organization rules. Furthermore, rules are not just to be interpreted as formal codifications of bureaucracy. Rules must be analyzed in a Weberian mode, that is essentially as instruments of enacting.

What additional insight would Clegg’s suggestion give if applied to the factory? Firstly, scrutinizing the maintenance worker’s jobs would lead to the observation that their ‘power’ is so great because it seems more difficult for the bureaucratic apparatus to control machine behavior than to have the director and supervisors control production workers. The ‘rules’ built into the large batch machinery can be said to form the structure from which remaining power differences among workers can be understood.

Secondly, one could argue that any power differences in this over-organized factory regime are necessarily small and can only be understood by the enacting character of different rules applying to different participants. These are no doubt enlargements of our insight in the situation, that indeed may go far beyond either Crozier’s message or the result of strategic contingency theorizing. Yet, I get the impression that we are not through with Clegg’s idea. Uncertainty for whom? What rules and organizational arrangements give power and what don’t? These are
questions that remain unclear and that may puzzle the social analyst about whether or not Weber's view would be worth trying at all.

**Power in the context of domination and logics of action**

Turning to Clegg's second equally important suggestion, analysts interested in explaining power behavior in organizations are animated to study power in the context of domination in organizations. More specifically, with the example of big business in the back of his mind, one should seek to discover the logics of action as conceptualized by Karpik (1972b) to detect policy elements in (capitalist) organization. These logics would form the context for any power behavior, so that even the power ascribed by some managerialists to specialist managers can be understood in terms of their limits imposed by the organization's fundamental structure or 'logics'. Application of this rather sketchy recommendation to Crozier's case requires a little explication of Karpik's theory.

Karpik (1972a) sketches three modes of capitalism — merchant, industrial and technological capitalism. Trying to fit the cigarette factory to his description of capitalist phases, I would say that it represents the industrial capitalistic mode.² It involves mass production industry from the pre-sixties; a stable market monopoly; state intervention by ownership and price control; and industry hardly propelled by scientific development (Karpik, 1972a, pp. 3-10).

Karpik conceptualizes the different forms of rationality leading to some ultimate goal of profitability, and calls these 'logics of action'. Each logic of action is an evaluative construct indicating a certain combination of measurable policy objectives which are regarded as 'fitting' to this logic. For example, his logic of short-term profit maximization could contain a sales policy of taking advantage of sudden market opportunities at all cost plus a rapid short-term capital investment policy, while substantial engagement in basic research would not be proper (Karpik, 1972b). Furthermore a distinction is made between distributive and collective logics of action, or administrative-managerial and industrial-economic logics respectively. As regards the distributive logic the cigarette factory clearly matches the description of the bureaucratically administered variety, in which the main financial and authoritative rewards have been ruled from above in order to absolutely limit the discretion of different echelons involved in the rewards.³

Marking the factory's main industrial logic that would fit best to the
instrument of a bureaucratic administration leads to a choice among four different possibilities called the ‘domination’, ‘prestige’, ‘technique’ and ‘production’ logic of action. In applying these rather qualitative labelings it is necessary to arrive at an interpretation of the factory case exclusively by fitting Crozier’s description to observable objectives that Karpik postulates for each form of industrial rationality. This procedure results in rejecting the idea that the factory is run according to a strategy of ‘domination’ indicated by high complexity of diversification and vertical integration policies. Equally irrelevant is a ‘prestige’ logic as exemplified by the use of ultramodern equipment and buildings (Crozier, 1964, pp. 65-76). There is a slight indication of a ‘technical’ logic by the new equipment to be installed within a few years, but this is opposed by almost everyone and present fixed assets are not the latest type. By far the best description of the factory would be in terms of ‘production’ logic of action. Within the mother company, volume, capacity and costs of production form the main objectives against which performance is being judged. The company’s profit motive primarily depends on taxes and total production volume, presumably with some rationalization of production as a derived goal.

By and large, it can now be seen that the advice of using Karpik’s notions can be an important source of insight into the factory situation. In our case it leads to a fresh sociological analysis of power, placing the microscopic organizational arena as seen by Crozier and the strategic contingency theorists in the context of the total factory. The plant itself is situated in a more or less understandable industrial-strategic and administrative climate. This interpretation better shows us how local and contextually bound the power of any person within the plant actually is. Yet, again we are left with questions that Clegg’s advices do not solve or even pose: why is the plant director’s power so limited, while the maintenance workers seem to have quite a power advantage? And why does the organization seem to rely on bureaucracy at all? The new problems raised by the analyses in terms of rules or logics of actions, as well as the two approaches themselves can be cleared once I complete this comment with two propositions. Firstly, one should look for situational dimensions of dependence in the context of power. Secondly, it is necessary to go back to Weber’s work for an understanding of bureaucratic functioning.
Dimensions of situational dependence: a reanalysis of Crozier's factory study

On top of a general structural analysis of power strategies (Karpik) or a subcultural one (Crozier), I would argue that an analysis specifying the situational determinants of power behavior still seems to be missing. In support of this view a reanalysis of Crozier's case study will now be undertaken, trying to answer specific questions that have been left. Why is the plant director's power so constrained while the maintenance workers seem to be powerful? What organizational rules give power? Our close reexamination of the case description will first follow the work profile of the factory, and then its bureaucratization as specification of situational determinants.

The task of the factory basically consists in the use of some 350 employees and 45 machines on one site for four business functions (Crozier, 1964, p. 66):
1. preparation of raw material;
2. maintenance and setting of machines and buildings;
3. utilization of man-machine combinations for output in several parallel production segments;
4. allocation of jobs among employees.

What the plant should not do is also mentioned by Crozier. There is no sales activity or contact with customers, no personnel department or financial audit, nor any R & D activity. As Crozier puts it, the factory is 'freed from most of the pressures that usually shape... (plant) organization' (p. 58).

However, a closer look at the situation with regard to mechanization and job allocation will reveal that the factory is not just 'freed' but lives a perfectly colonized, deprived life even as a manufacturing subunit. Determination of mode and pace of mechanization is a function that has been completely separated from the factory's activities. Acquisition of additional income by means of sales is impossible. The accounting system does not welcome innovations requiring capital investment such as installment of a new type of machinery while the plant alone cannot produce 'sufficient to pay for the best integrated equipment' (p. 58). Reorganizing the basic technology is thus practically inhibited. The allocation of jobs again is managed by remote control: on a national level union pressure exerted upon the mother company prevents the engagement in any personnel policy measure by the plant itself. A glance at the actual organizing
of daily output yields the same picture. With output norms, workload and pay rates fixed nationally at Central Office, and given the already noted dependence, it is no wonder that ‘the daily problems of running the plant are completely boring’ (p. 126).

Even apart from the existence of a rigid bureaucratic regime, the factory taken as a whole is a completely degraded shop. It is more like a warehouse keeping some records and housing a few manufacturing activities. Of course, the plant management’s task has followed a parallel reduction to a clerical job only requiring some talent to keep order now and then.

With this description in mind, Karpik’s ‘production’ logic becomes intelligible as the logic devised for the organization by some managers in national Headquarters. With the situational impossibility to apply major changes in machinery or personnel measures within this very logic, the maintenance worker’s power becomes quite understandable.

According to Crozier, the factory ‘appeared precisely to represent the ideal type (of bureaucracy) in the Weberian sense’ (p. 59). How bureaucratically is the plant really run as a system of rational-legal commands? Given the factory’s limited work profile, important activities that remain in the system are labor costs and promotion/allocation of jobs in manufacturing.

Consider the problem of wages. Although everybody has tenure, the vast majority of workers are still being paid a piece rate, with the exception of maintenance workers and management. This very non-bureaucratic rate indicates precisely why the maintenance men can be comparatively powerful. They have a fixed salary, while production workers depend on a bonus system and thereby on the machines controlled by their maintenance colleagues.

Promotion and allocation of jobs is a central issue in a factory like this. Yet only the directors and the engineers are appointed by expertise, fitting to Weber’s model. Lower personnel are located by a strict seniority rule. This rule is non-bureaucratic; it has been imposed upon the mother-company by union pressure on the national level. The company must follow it in order to avoid real industrial fights. The rule can hardly be considered a deliberate bureaucratic measure because it completely fixes job allocation to a criterion that is not necessarily related to Weber’s bureaucratic competence. Moreover, a job classification system that would typify a bureaucratic control of the process from the company’s view is not mentioned by Crozier and probably absent.

Again, this situation regarding personnel operations shows that the relative powerless position of directors and supervisors can be understood
in terms of situational rules — but hardly bureaucratic rules. Referring to the rules of the situation in the limited sense of formal behavior prescriptions, it is the payment system and the seniority rule that form the basis for the discretion of maintenance men and for the inferior position of the official leaders. Of course, in Clegg's broader usage of 'ruling' the situation, the captive factory work profile is the solid basis of plant management's powerlessness and the irreplaceability of maintenance workers.

Organizations as systems of domination: a lesson from Weber

To understand the basis of bureaucratic organization and answering the questions that have been left, Weber's work must be put in its proper place. Instead of a superficial treatment of Weber's six bureaucratic dimensions as leading to maximum efficiency, it is essential to realize that Weber constructed a theory of domination in the first place. From there, he conceived bureaucracy as one particular system of domination containing at least two levels of organization; Weber uses the concept of organization in a dual sense.

On the first level a dominant group of masters (Herren) forming a non-bureaucratic elite tries to organize its followers by giving them a personal interest in the profits of the total system — thus assuring their absolute faithfulness and compliance. On this level the relationship between the elite and the core of their bureaucratic 'army' is being formed.

Given a number of explicitly stated conditions such as increase in scale of operations, the ideal-typical bureaucratic apparatus develops on a lower level. This in itself displays an extreme rational-legal system of organized domination over worker-bureaucrats as well as clients. During its development the apparatus will develop internal contradictions between the administrators and the mass of operational workers.

The total structure of the relationships of bureaucratic domination, domination by organization, gets its sociological character by the combined effect of both subsystems of domination, each having their own logic. A number of different principles of domination may mark the relationship of masters to their apparatus, in which the particular form of administration is an instrument in their hands. But within the bureaucratic apparatus itself, rational-legal principles to divide and command labor are reigning. Weber's well known bureaucratic 'dimensions' should be analyzed with the dual capacity of bureaucracy in mind.
Now take the two remaining questions to be answered here. Why organize bureaucratically at all? Whose uncertainty is involved in our factory case? On the highest level of analysis, the factory as a whole is to be seen as an instrument to the logic of the company’s masters and their higher staff — a logic that Karpik has been shown to detect. Moreover, the plant is an operational part in the total industrial machinery of the mother-company, just as the dependence built into the work profile has displayed. Note that in using Weber’s conception the ultimate logic of the system can be very irrational, and the relationship between the highest powers and an operating factory needs not be understood in rational-legal terms alone. There is no reason why the external link of the factory to the mother-company must be exclusively rationally organized as long as it reduces the uncertainty of the masters. Within the factory, a rationalization of principles of organization could give a higher efficiency indeed: but efficiency for those controlling the mother-company, measured in terms of their logics.

For the internal organization of the factory however, bureaucracy has its own significance. Keeping in mind how limited and dependent both the work profile and the authoritative power of the plant really are, some bureaucratization in terms of Weber’s dimensions will serve to control basic uncertainties for everyone. For example, the formalization of production schedules and hierarchical positions mentioned by Crozier indeed constrain the whim of paternalism.

As our discussion focuses on the dimension of rules, little truly bureaucratic rules exist in this factory doomed to be ‘unfledged’. But the rules which do develop are the result of a subtle power process, during which different interest groups have tried to fill the little pockets of uncertainty that have been left to them. In doing so, company management has tried to control the field by setting its piece rates, while the unions have conquered their right to enforce the seniority rule.

**Conclusion**

A realistic analysis of organizational power should indeed look for power in an organization’s rule instead of taking those for granted. A truly sociological diagnosis of organizational power situations, particularly when they apply to big business, is well served by a ‘logic of action’ theory like that developed by Karpik. Elaboration of both hints of Stewart Clegg have been rather profitable.
However, new questions are raised by this approach. To attain a more complete and above all substantial diagnosis, a much closer look to very specific situational determinants is needed to understand the meaning of rules and logics. Finally, rereading Weber's elaborated theory of organization domination becomes indispensable for a sociology of organizations. When this has been done, the reward of a richer view of the reality of power in organizations can be expected.

Notes

2. For another attempt at diagnostic use of Karpik's scheme, see Ad Teulings, 'Lines of development in industrial relations' (in Dutch), in: Mens en Maatschappij, 1973, pp. 1-12. Admitting that his scheme is not fully operational, Karpik stresses that not the logics of action but only their empirical manifestations vary between modes of capitalism (1972b, p. 102). This justifies the typification of the industrial logic of the factory even though it represents an industrial capitalistic phase. Secondly, it means that we can search for indicators of a 'conservative' type within the advanced technological subphase.
3. One could have doubts whether or not the 'liberal' variety described by Karpik (1972b, p. 91) is applicable to Crozier's case. No one in the plant actually has any authority and everyone struggles for the informal power that is left. Here Karpik's scheme shows an operational leakage.
4. Karpik presupposes a strong association between types of collective with distributive logics. Furthermore, distributive logics are regarded as instrumental to the collective policies, of which one variety is seen as dominant or 'general' in each enterprise (1972b, p. 92).
5. Here Crozier's description lacks the precision to draw definite conclusions. One wonders if there is place for Crozier's bureaucratic theory based on this case.
7. Only a very limited concept of organization has been discussed in the British-American literature, based on short translated selections of Weber's Wirtschaft und Gesellschaft. All following comments on Weber were drawn from this work in its unabbreviated German form. For a much more extended treatment of the meaning of Weberian bureaucratic theory in line with the present argument, see the brilliant introduction to J. Kocka, Unternehmungsverwaltung und Angestelltenschaft, Stuttgart, 1969.
Bibliography