

Bureaucracy

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The great advantage to talking about bureaucracies is that we all have experience of and opinions about them. But making sense of them and drawing conclusions is more difficult. For some bureaucracy is a derisive or pejorative comment at our helplessness in the face of impersonal rules. For others it suggests a dystopia, rationalized and dehumanized (von Mises, 1946). For yet others bureaucracy is simply part of getting organized and the efficient science-based use of scarce resources in pursuit of complex objectives. Despite the vast literature bureaucracy remains a largely unresolved puzzle for social scientists, whether theorists of management and decision-making in the private or public sectors, or in government, the Church or elsewhere (Kaufman, 1981; Mouzelis, 1967; Wilson, 2000). We remain unsure about bureaucracies' nature even as we depend on them.

Recent events have brought this uneasy relationship back into view even though many feel Max Weber's analysis more or less put the topic to bed with little more to be said. Yet we have the continuing dysfunctions of bureaucracy, evidenced by the Vatican's response to charges of child-molestation, the Pentagon's initial failure to armor Humvees in Iraq, or Euro-mismanagement from Brussels. There is a political angle too; with the growth in the US government's share of GDP reaching its highest ever non-war levels and approaching those of 'socialist' European countries, many see state bureaucracies as 'cancers on the body politic', an attack on individual freedom and utterly un-American. On the other hand the need to raise operational efficiency and reform government agencies and business organizations, is taken for granted. BP's slowness to deal with its Deep Horizon spill led to more oil-industry regulation. The Global War on Terror provoked a massive bureaucracy - the Department of Homeland Security - to eliminate the structural 'silo-ing' between agencies that probably contributed to the effective execution of the 9/11 attacks. Likewise developed nations are struggling to find appropriate ways of providing and regulating healthcare, promoting efficiency in hospital, research and insurance operations, while controlling wasteful tendencies to over-test and over-prescribe.

Unraveling our love-hate relationship with bureaucracy draws attention to administrative practice at many levels; we speak of bureaucratic states and organizations, or of bureaucratic work, of bureaucrats as individuals, and even of the bureaucratic personality. But at the deeper level

bureaucracy is about an attitude, a way of looking narrowly at human affairs from the vantage point of the rational pursuit of known goals. As Weber summarized, bureaucracy is about administration on the basis of knowledge. He contrasted it against 'irrational' administration on the basis of family relations, or feudal or religious power. Increasing rationality marks modern capitalist society and bureaucracy's spread is just one facet of the historical trend to 'modernism', to prioritizing facts and the scientific attitude over 'mere opinion' whether feudally or religiously warranted. It follows that bureaucracy - as a theory of politics, economics, business organization, or work - has come under increasing scrutiny as the modernist project has become more questioned. Perhaps bureaucratic theory should no longer be seen as the challenge to balance efficiency against effectiveness, but as a vestige of a deeper mischaracterization of our attempt to shape the human condition through scientific analysis.

Weber's arguments led us to see rationalism as a way to characterize human work - mindful rational decision-making or 'knowledge work' - that was readily transported into both public and private spheres. Even though this was more informative than characterizing work as mere 'labor', many shortcomings emerged, framed as the administrative 'problems' or challenges that occupied later scholars and critics. Rationalism implied the principles that Weber delineated; policies executed by technically qualified officials whose positions are related in a hierarchy of authority and communication; positions marked by learnable rules that gave the occupant specific fact-based powers of decision, command and control; decision-making that was rational, impersonal, and based on records and systematically gathered data; and occupant compensation by regular salary and career-determined benefits in the expectation their work comprised a fully-occupying long-term career (Garston, 1993:4). A reciprocal expectation was that the occupant was bound to a 'faithful and impartial' execution of her/his organizational-defined duties.

This analysis's presumptions seriously weaken its usefulness, though much of the commentary is packed with red herrings that academics should know to ignore. For instance, to point to the dehumanizing consequences of being ruled by impersonal facts rather than by 'real human beings' misses how complex is the interaction of role and occupant. While the bureaucratic role-occupant is defined narrowly by the rules and powers defining the role, no longer treated as a rounded human individual, the employee is also protected against the arbitrary and rule-ignoring authority of those with power in the situation. Likewise a bureaucratic arrangement protects a policy from the arbitrary views, biases and interpretations of those charged to implement it. It also creates a

relatively objective basis for evaluating their performance. For these reasons alone, an increasing number of people, and percentage of the world's labor force, works in contexts loosely definable as bureaucratic.

To point to a bureaucracy's tendencies to goal-displacement to protect itself against change or elimination, to become increasingly sclerotic with the passage of time, and so on, presumes the bureaucracy has somehow become an entity unto itself, escaping the hands of those who created it or are its custodians. Thus a 'technical' question about bureaucracy, as distinct from philosophical criticism of it as an attitude towards the world or as a political comment on the growing impact of rationalism on social thought and action, is whether bureaucratic organizations can acquire agency of their own and, like Frankenstein, come back to haunt those who thought them no more than tools to reach their own objectives. This question raises others, especially (a) about how bureaucratic organizations come into being and (b) how they become legitimate forms of social relation. While Weber saw a bureaucracy growing from the 'routinization of the founders' charisma' (Weber, 1968), we now treat bureaucracy as a socially acceptable way of planning and implementing agreed social and economic policies. So long as the objectives are clear and legitimate we think there should be a rational evaluation and selection of the most efficient means of achieving them - the 'knowledge' that is articulated into the bureaucracy's division of labor and control procedures. Bureaucracy remains the world's administrative system of choice and has yet to be seriously challenged by any other form of organization, largely because our ideas of performance and efficiency are tied up with rational evaluation of goal-oriented activity.

Rather than simply dismissing bureaucracy as 'inhumane', 'machine-like', or 'deeply flawed', we might critique it more profitably by focusing on its axioms. First, Weber's distinction between 'authority' and 'power', alluding to the role-occupant's voluntary acceptance of the role's rules, presupposes an unquestioning 'faithful' subordination of those implementing the plan to the authority of those choosing its objectives. Bendix argued bureaucracies presume ancient psychopolitical dispositions such as the acceptance of the power of Kings and, absent such preparedness to bend to another, could not come into existence (Bendix, 1945:195). We accept state bureaucracies as instrumental servants to our political process because we accept that process. In the private sector our capitalist legal system gives entrepreneurs a degree of kingly power that precedes rather than succeeds the formation of private firms. Thus all bureaucracies stand on aspects of the social and legal order beyond the organization and to argue they 'dehumanize' is to overlook our evident

willingness to subordinate ourselves to others within certain 'legitimate' limits. It follows there are differences between, say, Chinese and European bureaucratic phenomena. For us, Coase argued the employees' willingness to subordinate themselves to the 'powers of the entrepreneur, within certain limits', was the demarcating characteristic of the Western firm as distinct from a market (Coase, 1937:391). Our military, educational and ecclesiastical bureaucracies clearly stand on quite different social bases with quite different 'higher aims' to which occupants subordinate themselves.

Second, while many cite Weber's comment that bureaucracy was 'administration on the basis of knowledge', this actually obscures more than it clarifies. It is the usual academic's trick of defining one unknown in terms of another, for knowledge is an even more problematic concept than those citing Weber's comment care to admit. Given our current sociological methods, we presume the truth-value of knowledge is coherent, contingent on 'scientific rationality' and on rigorously examined cause-and-effect relations. This is an exceedingly narrow definition of 'knowledge'. Weber was less constrained and argued for several kinds of rationality, each of which would provide the basis of a certain kind of 'social' knowledge - *zweckrational*, *wertrational*, affectual and traditional (Weber, 1978:956), or practical, theoretical, substantive and formal (Kalberg, 1980:1147), or functional and substantive (Collins, 1992:4). Weber's 'ideal types' arose from his appreciation of the gulf between theorizing organizational relations and their actual occurrence. Rather than saying, as many do, that the ideal type was an exemplar of social relations that can be explained as potentially determined, Weber was a historian who adopted a more complex methodology (Turner, 2000:13).

Rather, we should see every real social relation as 'mixed' or 'synthesized' in that a compelling analysis must reflect several rationalities and that a 'rigorous' one-dimensional explanation is neither achievable nor sought (Marcuse, 1991). The historian's objective is to illuminate social situations and our sense of what might be, or have been, possible. The human actors who synthesize or instantiate action in under-determined situations can never be detached from the outcome, so at no time can a human action be fully 'explained' by rational analysis of its circumstances. Hence it is a profound methodological error to grant a bureaucracy status as an independent non-human entity, a thing-in-itself with its own identity, characteristics and agency - as is the modernist habit. From Weber's point of view bureaucratic theorizing was about probing the consequences of displacing previous modes of social order with the scientific mode. His focus was on the historical development of capitalism, with what happened as the ideology of scientific

rationality allowed economic ideas and objectives to be drawn into - and perhaps dominate - our political process. (It's the economy, stupid.) To think of Weber as an organizational theorist who proposed bureaucracy as the 'one best way' of organizing is to miss his point entirely. On the contrary, his principal concerns revolved around how the power and effectiveness of the rationalist bureaucratic approach would feed back into social life and transform or 'disenchant' it, promoting the a-moral ends-oriented philosophy we suspect helped precipitate the financial crash 2008.

Bureaucratic theory is more than a way of thinking about the world, of preferring science-based facts to human opinion. It is an exploration of the mode of social relations that became increasingly prevalent with the neo-Enlightenment rise of rationalism as a social and personal philosophy. Given our concept of property and its ownership by individuals, economic relations became predominantly rationalized and individualistic. So long as these relations were legally permitted, markets arose. But new non-feudal, non-religious, non-market relations also arose during capitalism's emergence, especially out of people's preparedness to accept 'knowledge work' and the production-related authority of others. At the same time we have no expectation that any real government or private sector organization could be a 'perfect' or 'total' bureaucracy. So the value of bureaucratic theorizing may be less in its efficiency-oriented prescriptions than in how it directs the analyst's attention to what it cannot illuminate, such as rationalism's impact on society or our personality. It is actually an attempt to separate what can be made machine-like, determinable, and uninteresting about human relations from that that cannot be so treated and so remains interesting and germane to the human task of shaping social relations. Against the empty assertion that bureaucracy is administration on the basis of scientific knowledge we might deploy bureaucratic theory to explore the consequences of a society's, an organization's, or an individuals' 'knowledge-absences'.

Those who analyze and criticize bureaucratic theory on its own grounds, rather than for its failing to provide them a positivist theory of organization, can focus on the contradictions of Weber's ideas of rationality - wherein lie the subtle 'knowledge-absences' that real organizational administrators have to address. For instance, 'functional rationality' focuses on means while 'substantive rationality' focuses on ends - the distinction between efficiency and effectiveness which led Mannheim to argue the flaw in bureaucratic theory was that functional rationality tended to drive or 'crowd out' substantive rationality (Collins, 1992:5). In other words, given the specializations and divisions of labor within a bureaucracy, the role-occupants' understanding of

why they were doing what they were doing was always limited, they would be only imperfectly aware of the overall goal. This would lead to counter-productive behavior, to their striving to do the wrong thing perfectly rather than do the right thing even imperfectly - what lives on as 'the perfect being the enemy of the good' - behavior that is interesting precisely because it springs from knowledge absence.

Bureaucracy's power lies in how it helps us synthesize many role occupant's specialized expertise and so bring many different specialisms to bear on the increasingly complex tasks we humans wish to engage - putting a man on the Moon, curing cancer, preventing the proliferation of nuclear weapons, etc. Its power arises from (a) the many different kinds of knowledge, scientific and otherwise, that can be related to the goals chosen, and (b) the administration's ability to integrate them into coherent purposive activity. It is tied up with the division of labor - and knowledge - the demarcating characteristics of the modernist era. But we should also recall Adam Smith's earlier explanation for economic growth, the role-occupant's ability to focus his/her imagination on a specific task and raise his/her productivity without being fully instructed by superiors, something that can only happen when the superiors' rules are incomplete and under-determining, allowing 'space' for the worker's personal agency. Here Smith advanced an agency-based theory of knowledge-growth that was missing from bureaucratic theory, for that has no related theory of learning and, therefore, of growth. Learning and growth occur beyond the bounds of the bureaucratic analysis.

One important knowledge-absence placed beyond the grasp of bureaucratic theory is the process of establishing the bureaucracy's objectives. In the public sphere goals are outcomes of the collective political process, and there the bureaucratic agency is the neutral instrument of execution. The bureaucratic approach minimizes the extent to which individual human shortcomings - bounded rationality and bias - deflect the agency from its collectively established purposes. In the private sphere the entrepreneur (or rather the Board) has been granted considerable freedom to establish the firm's objectives - which need not be justified as rational or politically chosen - powers that are attached of the owners' capital. It is useful to appreciate that Weber came to theorize about rationality and bureaucracy because his PhD (submitted in 1889) examined the development of 'private' commercial partnerships in the Middle Ages, how family based administration was being supplanted by rational employment relations, leading to what we now call 'principal-agent' problems (Spender, 2011; Weber, 2003).

The crucial knowledge-gap between a bureaucracy and the process of establishing its goal/s is complemented by another knowledge-gap between rules and their execution. In the real world the bureaucracy's rules are never sufficient to the employee's needs; they are never fully determining. Every situation presents unanticipated challenges because human knowledge is imperfect. Thus the employee has a measure of discretion in applying the rules and principal-agent issues are always present. Our feeling of helplessness against a bureaucratic process is less towards the rules themselves, given we accept the bureaucracy's goals as legitimate, than at the bureaucrat's unwillingness to use her/his discretion to our advantage, to find a 'workaround' that lets us get what we want. Hence every employee must contribute from his/her own agency if a rule-based system is to function, there must be a 'informal' to complement the 'formal'. Bureaucracy is about social relations between boundedly rational beings - and those who think it a machine-like social system comprised of perfectly rational relations miss the whole point of the analysis. In Smith's analysis, as opposed to Weber's, the individual operative's agentic contribution is the pivotal seed to the wealth of the nation (and the firm). Weber's analysis focused on how an uncritical acceptance of rationalism ultimately cripples both the political processes of goal selection and the imagination-based human processes that underpin economic growth.

Bureaucratic theorizing is about modernism and the historical impact of rationalism on our politics, organizations, families, work and personalities. Weber's analysis was deeply double-edged; to help us identify rationalism's impact and highlight the Faustian compact as we become (a) increasingly dependent on the social and economic efficiencies rationalism offers, and (b) correspondingly subordinated to the goals and the means chosen to reach them. Today rationalism and rational choice liberalism are under increasing attack, both as a political philosophy and as an approach to economic analysis and social wellbeing (Amadae, 2003; Locke & Spender, 2011; McCumber, 2001; Peck, 2010). But bureaucratic theory remains useful, if only to draw attention to what leaders, politicians, entrepreneurs and workers must do to bring scientific knowledge into productive relationship with the social world by shaping the goal-setting process and the resulting bureaucratic employees' agency. As Simon noted: "Reason, then, only goes to work after it has been supplied with a suitable set of inputs, or premises. If reason is to be applied to discovering and choosing courses of action, then those inputs include, at least, a set of *should's*, or values to be achieved, and a set of *it's*, or facts about the world in which the action is to be taken." (Simon, 1983:7). (2935 words)

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