

1. PETER BLAU

Blau, acknowledging the existence of several foci of analysis in organizational research (individual and structure of social relations), has chosen to focus upon the system of interrelated elements that characterize the organization as a whole (Blau 1965, p. 325). 'The focus . . . is the system of interrelated elements that characterize the organization as a whole not its component parts' (Blau 1965, p. 326).

How does one study the whole without its component parts? The answer appears to be to study formal organization. The whole is therefore equated with the formal, intended aspects of organizations. Is there any research that helps to illuminate the difficulties in equating the whole with the formal organization? There are several, all of which suggest that the formal organization, no matter how clearly defined, rarely includes the whole organization. Arensberg and McGregor (1942), the Ohio State studies (1957), and Simon (1947) have shown that much human behavior cannot be understood by focussing on the formal organizational structure. More recently Woodward (1965, 1970) and her associates have emphasized the difficulty they found in obtaining organizational charts that were valid (their sample is now over 100 firms). Moreover, they reported that charts did not necessarily depict the important relationships. 'In some firms role relationships prescribed by the chart seemed to be of secondary importance to personal relationships between individuals' (Woodward 1965, p. 24). Perrow reported that he has had difficulties in getting top management to agree on such seemingly easy attributes of formal organizations as the number of levels. He concludes, 'We have been amazed at the nonchalance with which most researchers make their unexplained division of levels and can confidently report that one organization has five, whereas another has six or four . . . All criteria . . . charts, formal or informal; salary data . . . official level . . . designations by the organizations; observations of department heads . . . had grave disadvantages' (Perrow 1970a, pp. 79–80). Blau himself has questioned the advisability of depending on formal charts and the understanding of formal procedures to understand behavior in

organizations. 'Actually social interactions and activities in organizations never correspond perfectly to official prescriptions, if only because not all prescriptions are compatible, and there departures from the formal blueprint raise problems for empirical study. Paradoxically therefore although the defining characteristic of an organization is that a collectivity is formally organized, what makes it of scientific interest is that the developing social structure inevitably does not coincide completely with the pre-established forms' (Blau 1968, p. 298).

Thus we see when researchers, in studying organizations, have collected data depicting actual behavior, they have concluded that the formal organizations, at best, may represent the whole as it is *intended* but not the whole as it actually exists. If so, then why does Blau state that he is studying the organization as a whole by focussing on formal organization? We could find no discussion of this question.

Indeed, the Blau perspective may be even narrower if one asks the question how Blau operationally defines organizational intentions. Again because individual and group behavior at all levels are excluded, Blau operationally defines intentions as those of a few of the top management. Blau restricts himself 'to those data that can be obtained from the records of organizations and interviews with key informants, without intensive observation or interviewing' (Blau 1965, p. 333). Most of the information about formal structure comes from personnel lists, from elaborate charts specially prepared for the research, all of which were more detailed than the charts kept by the agencies (Blau 1970a, p. 204).

Why develop charts that are more detailed than those used by the organization in its daily work? One reason may be because, as pointed out above the formal charts do not describe the organization as it is; they describe it as it is intended to be. But if one wants to describe the organization as it is, then is there not some need to show empirically that what exists for the few senior managerial informants actually exists for the remainder of the organization? Webber has shown that superiors can distort their initiation of actions downward (Webber 1970).

Blau apparently does not believe that it is necessary to obtain empirical data to validate that the few may speak for the many. To do so would take him beyond the boundaries of his interests. The consequence, however, is to question the validity of his results.

An example of the difficulty that Blau creates for himself may be seen in his study of decentralization. Remaining consistent with his view he operationally measures the decentralization from the director and his deputy either to middle managers at the state headquarters or to managers of local offices, by obtaining the perceptions of 'several senior managers' (Blau 1970*b*, pp. 155–66). Blau assumes that several key top managers may speak validly for the remainder of the managerial organization, but never provides empirical evidence for this assumption. How is it possible to ignore the need for such empirical evidence in light of ample research that concludes that, in matters such as decentralization, superiors may not be valid informants of their subordinates' views? For example Greiner, Leitch and Barnes (1968) reported that significantly different perceptions existed among managers and technical people in variables that were related to the degree of centralization or decentralization participants experience (pp. 205–6). Sofer (1970) reported that the top management in two organizations were surprised 'that such a high proportion of men . . . felt that they were under-utilized, more than this, that their personal resources were rejected' (p. 9). Significant distortions have been reported on issues of decentralization and control among top management peers and between top management and their immediate subordinates (Argyris 1965, 1970). Indeed in one study it was shown that the distortive processes seemed to continue to the bottom of the managerial hierarchy (Argyris 1965).

CAUSAL EXPLANATIONS ARE OFFERED THAT ARE
INCOMPLETE OR UNEXPLORED

A stated objective of Blau's work is to refine Weber's theory of bureaucracy. Blau agrees with Weber that specialization, administrative apparatus, hierarchy, and impersonal detachment are key characteristics of bureaucracy (Blau 1965, p. 333). He correctly points out that these characteristics exist in matters of degree and therefore can be dimensionalized. This, in turn, leads to quantitative studies where the degree of each characteristic may be correlated with the others or with other criterion variables.

After identifying the key characteristics of bureaucracy Blau also discusses their probable causality. He agrees with Weber that specialization is caused by the requirement to discharge complex

responsibilities; that hierarchy is needed to effect the coordination of tasks and to enable supervisors to guide the performance of subordinates; that impersonal detachment is necessary to preclude the intrusion of such irrational elements (strong emotions and personal bias) as may interfere with rational decision making.

The moment Blau includes these generalizations in his theory, he involves the level of analysis that he has chosen to exclude. For example, why is specialization necessary or why does hierarchy lead to coordination and guidance? The answer may be found in any book on formal organization and partially in Blau's writings. Briefly, it goes something like this. According to engineering economics, *given the nature of people*, it is cheaper to specialize work. If people or units are specialized then they should make certain that they do what they are supposed to do. The way to control people and coordinate them is to give that job (a new speciality) to one individual and call him a supervisor. What makes him a supervisor? Among others things his authority to hire, fire, reward and penalize etc. Why give him these powers? Because, given what is known about people, these are ways to induce people to perform what the systems ask them to perform.

The point is that the basic design of the pyramidal structure is based on the properties of human beings. Specialization, power, hierarchy, follow because people are the basic unit. Thus the explanation for the primary characteristics of bureaucracy and whether they are effective or not does not exist independently of the nature of man. Indeed, it may be more accurate to say that they exist because of the properties of human beings. The formal organization is a cognitive strategy about how the designers intend that roles be played, given the nature of human beings. Excluding human beings from one's theoretical interest therefore excludes a host of variables that may be the key to understanding why formal organizations operate as they do, why they change, why they resist change, and how effective they may be.

CERTAIN CONDITIONS ARE IGNORED UNDER WHICH FORMAL ORGANIZATION MAY BE CHANGED BY THE PARTICIPANTS

The moment one includes in this theory statements suggesting that organizational effectiveness is intimately related to the degree of specialization, hierarchy, and impersonality etc., one's theory is

open to examination on what it may say about the effectiveness of organizations. An important question regarding the relationship of effectiveness to specialization, hierarchy, and impersonality is how does one define when there is too much or too little of each of these variables. Can one derive, *from the theory*, hypotheses about such issues? One response is that specialization or hierarchy become 'too much' when they are overconstrictive and 'too little' when they do not influence the participants' behavior. But how does one decide when and why a dimension of bureaucracy is overconstrictive or uninfluential? Does not such a study require obtaining the perceptions of the participants, their tolerance toward constraints and structure etc.?

I do not believe that it is possible to derive *a priori* hypotheses about these issues or to make *ad hoc* explanations without including the nature of human beings in one's theory. Blau's human being is narrowly rational and obediently submissive to the organization. His man is reminiscent of economic man in microeconomics or administrative man in traditional scientific management.

Moreover, his conception places the responsibility upon management for the intelligence of the system, for its management, and for its change. Unless the proactive qualities of man are included, how will one be able to derive *a priori* the conditions and operationalize the points where organizational change is created by participants at different levels of the system? Is there not ample research to show that participants will create informal activities to counteract the formal and, in turn, that these informal activities may eventually become a cause of change of the formal structure and/or part of it? If one excludes these individual and group dimensions when one observes empirical variations in hierarchy, specialization, and impersonality, one may not be able to explain validly the variance; or one may develop generalizations that are invalid.

INVALID GENERALIZATIONS AND CONTRADICTORY EXPLANATIONS MAY GO UNNOTICED

To put the problem another way: since Blau excludes individual and group behavior from his theory, he also excludes it from his empirical research. Consequently the assumption that individual and group behavior can be ignored (for the problems Blau focusses upon) is never tested. The difficulties that follow from such a

position may be illustrated from Blau's work. Blau agrees with Weber that impersonal detachment prevents irrational elements from affecting the decision-making processes. However, if one examines the research of individual and group behavior on this issue one will find that the way to reduce the irrational component in decision making is to identify the irrational elements in decisions and then rationally eliminate them. How can irrational components of decisions be eliminated unless they are observed and examined? (Argyris 1967, 1968). Hoopes' recent book (1969) on Vietnam or the articles on how the recent American massacres in Vietnam were kept hidden raise the question of the effectiveness of impersonal detachment. Reedy (1970) goes so far as to suggest that the effectiveness of the Presidency is seriously limited because few of the people around the President tell him all the facts. Cabinet meetings are formal, with a high degree of impersonality. An explosive issue is rarely discussed in full because it might violate the norm of impersonality. Recently Miller concluded that, ' . . . contrary to Weber . . . a lack of impersonality may contribute to an organization's functioning. The quality of being well-liked . . . may contribute to the ability to exercise organizational control' (Miller 1970, p. 99).

Another example is related to Blau's operational measure of impersonality, namely the statistical records of the degree to which superior evaluates subordinate (Blau 1968, p. 335). The more frequent the contact the less the impersonality. Again, where individual and group behavior are actually studied one finds that this assumption is not necessarily valid. For example, Meyer, Kay and French (1965) have presented empirical evidence of what actually goes on during meetings where the superior evaluates the subordinate. They found stronger feelings of mistrust and impersonality after the meeting than before. Thus it was possible for people to feel increased impersonal detachment as a result of increased interactions. However, this was not true in all cases. In some cases, the contact actually did create increased feelings of closeness and loss of detachment. Given Blau's theory and research strategy, the former findings would be unpredictable and the latter impossible to test. However, these findings are crucial to the kinds of predictions Blau is making and the generalizations he is producing.

A similar problem exists for the measurement of hierarchy. Hierarchy, Blau states, is needed to effect coordination of diverse tasks by enabling superiors on successive levels to guide, directly or in-

directly, the performance of subordinates (Blau 1965, p. 334). The operational measures used are: (1) the number of levels, (2) the average span of control, and (3) the proportion of personnel in managerial positions. The logic Blau assumes is that the more favorable the span of control etc., the more effective will be the coordination and the direct or indirect guidance. But there are no data presented to illustrate that this, in fact, is the case. Such data are needed, especially since empirical data exist that, in order to study coordination, direction and control accurately, one must also study the manner in which they are actually performed (Likert 1967). Also, how would Blau's measures explain the findings of Argyris (1960) and Goldthorpe *et al.* (1968) that effective supervision existed (for middle and lower level managers and for employees) as long as the former left the latter alone? That is, effective supervision and coordination were occurring when it was not being done.

The same difficulties arise when Blau asserts that larger units contain a comparatively large number of employees in nearly every occupational speciality, thereby providing a congenial ingroup of colleagues for most employees (often not available in small organizations) and they simultaneously enhance opportunities for stimulating contacts with people whose training and experience are unlike their own (1970*b*, p. 200). In one study of a large central bank there was little congenial interaction reported within groups and little or no interest evidenced by employees to learn other jobs. In the small branch banks however, employees developed congenial relationships across occupational specialities and because of group cohesion individuals learned each other's jobs in order to be of help so that all could finish work about the same time (Argyris 1954). The point again is that Blau is assuming a certain conception of man, one who, for example, prefers congenial relations with those with similar occupational interests. Further, he assumes that a heterogeneity of occupational interests leads to interest in widening one's repertoire of skills. One wishes that he would make more explicit this conception of man because it does not fit with the empirical findings available.

Finally, Blau gets into difficulty when he states that his findings may negate Merton's view that formalization of procedures leads to increased rigidity and eventually less decentralization (Blau 1970*b*, p. 160). Blau reports that 'strict adherence to civil service standards in making appointments as well as the elaboration of formalized

Cambridge University Press

978-0-521-09894-6 - The Applicability of Organizational Sociology

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personnel regulations promotes decentralization which implies a less rigid structure of decision making' (Blau 1970*b*, p. 160).

There are at least two reasons to question the assertion that Merton has been disproven. Firstly a methodological reason: if the measures of decentralization are what a few top people say exist, then all Blau found was that strict adherence to civil service standards and elaboration of formalized personnel regulations led the few senior informants to believe there was greater decentralization. This generalization says nothing about what the remainder of the management experience and as such does not necessarily negate Merton's hypothesis which could apply to organizational rigidity as experienced by more than a few key people.

We may also ask why key top level informants perceive greater decentralization with strict adherence to civil service standards and elaboration of formalized personnel regulations. One possibility is that they now feel free to let subordinates do the hiring precisely because strict adherence and elaborate formalized regulations lock the subordinate into what the superior wants. The subordinate can now make a decision because the superior believes he has him programmed to make the decision as he (superior) would or, if this is not the case, he can throw the regulations at him.

Is this decentralization? At one level of analysis it is: subordinates instead of superiors are hiring people. At another level it may not be because the subordinates may not feel they have greater control; they may feel that they are carrying out the orders from the top. The second level asks, if there are formal procedures that give subordinates opportunities to hire, how do the subordinates view these opportunities? Do they experience these opportunities to hire as a sign of decentralization and flexibility or do they experience it as a sign of pseudo-decentralization and rigidity? Blau has, by the theory and the empirical measures used, ruled out these kinds of questions in his study of decentralization.

Blau appears to compound the difficulties by going on to make normative statements, based on his findings, about how people in organizations may be managed more effectively. He begins by asking why the elaboration of formalized personnel procedures into an extensive body of written regulations furthers decentralization (Blau 1970*b*, p. 163). He answers that

the requirement to conform to a simple set of personnel

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regulations has the disadvantage that these standards become a straitjacket into which must be forced all kinds of different cases in a large variety of situations . . . one way to deal with the many exceptional cases not adequately covered by a simple set of rules is to permit officials to depart from these rules at their discretion, but doing so undermines the important advantages that following personnel standards provides to the organization. An alternative method for coping with a large variety of cases and situations is to devise appropriate personnel standards for each type, supplemented by additional rules specifying under what conditions which standards are to be applied. This elaborating of the system of personnel regulations preserves the advantage resulting from compliance with merit standards of appointments and simultaneously avoids the disadvantage for personnel-selection resulting from either rigid application of inappropriate standards or idiosyncratic departures from standards.

Blau asserts that giving officials discretion to handle a variety of cases undermines the personnel standards and that elaborate systems of merit standards are more efficient. This may be the case but no empirical data are included that show that ‘giving officials discretion . . . undermines personnel standards’ or that ‘elaborate systems of merit standards are more efficient’. If one has no data and one wishes to make statements like these, then is one not responsible for exploring the relevant behavioral literature? – most of which, by the way, would not support this view. Moreover, if one were to collect data would not one need a concept of efficiency? From what point of view are elaborate systems more efficient? This sounds very much like a statement from a traditional management theorist. Is this the criterion Blau wishes to utilize?

If one examines Blau’s statement about decentralization above, one will find that he argues for such a complete set of rules that individual discretion becomes minimal. How is this an explanation of decentralization? One way to make the logic consistent is to assume that the act of hiring an individual is more of an index of decentralization than what behavior actually is manifested during that act. As a minimum, are we not owed evidence for this assumption?

Blau is, in actuality, making important assumptions about the

nature of human beings and what they experience as decentralization. This concept implies that a man can experience a sense of influence and control in certain decisions (a criterion of decentralization) when the only choice he has is to behave strictly according to precisely defined regulations. Is it too extreme to ask that if such an individual existed he might not be classified as mildly distorted?

DIFFICULTIES IN FORMALIZING ORGANIZATIONAL THEORY

Recently, Blau has published a major paper whose objective is the development of a formal theory of formal organizations (Blau 1970a). There are some difficulties with the theory that are relatable to the problem described above.

Let us begin with Blau's statement that he wishes to develop a deductive theory of formal organizations focussing on the process of differentiation within organizations, be it spatial, occupational, hierarchical, or functional. The theory is limited to major antecedents and consequences of structural differentiation. It has been derived from the empirical results of a study of the social forces that govern the interrelations among differentiated elements in the formal structure. It ignores the psychological and group and intergroup forces which govern behavior (Blau 1970a, p. 210).

How does Blau go about developing such a study? Researchers in the field study fifty-three employment security agencies by obtaining organizational charts, interviewing several key top informants, reading personnel and organizational policy manuals. Next, special formal organizational charts are developed. Then the basic dimensions of bureaucracy are dimensionalized and appropriate correlational analyses made and certain statistical curves are developed. On the basis of these empirical findings, two generalizations are formulated and given the status of axioms from which derivations are made. They are:

(1) Increasing size generates structural differentiation in organizations along various dimensions at decelerating rates (Blau 1970a, p. 204).

(2) Structural differentiation in organizations enlarges the administrative component (Blau 1970a, p. 212).

In order to explore these generalizations, we should go back to the beginning, namely to the choice of the organization made. First, the civil service organizations studied operated under con-