

S

ome colleges admit thousands of students. To make the job manageable, they have broken down the admissions process into separate steps. Each step is an integrated part of the entire procedure. Computer software has facilitated this process, but, as this true event at Cornell indicates, things don't always go as planned. In this case, a low-level bureaucrat simply downloaded the wrong letter.

Despite their flaws, we need bureaucracies, and in this chapter we'll look at how society is organized to "get its job done." As you read it, you may be able to trace the source of some of your frustrations to this social organization—as well as see how your welfare depends on it.

The Rationalization of Society

In the previous chapter, we discussed how societies have undergone transformations so extensive that whole new types of societies have emerged. We also saw that we are now in the midst of one of those earth-shattering transformations. Underlying our information society (which may be merging into a bioeconomic society) is an emphasis on **rationality**, the idea that efficiency and practical results should dominate human affairs. Let's examine how this approach to life—which today we take for granted—came about.

Why Did Society Change?

Until recently, people were immersed in a **traditional orientation** to life—the idea that the past is the best guide for the present. In this view, what exists is good because it has passed the test of time. Customs—and relationships based on them—have served people well, and they should not be abandoned lightly. A central orientation of a traditional society is to protect the status quo. Change is viewed with suspicion and comes about slowly, if at all.

The traditional orientation to life stands in the way of industrialization. As Table 7.1 shows, the traditional orientation is based on personal relationships. Deep obligation and responsibility, which are often lifelong, permeate society. What counts in production is not who is best at doing something, but the relationships that people have with one another. Based on origins that are lost in history, everyone—even children—has an established role to play. The past is prized, and it rules the present.

Capitalism requires an entirely different way of looking at life. If a society is to industrialize, a deep shift must occur in people's thinking. Tradition ("This is the way we've always done it") must be replaced with *rationality* ("Let's find the most efficient way to do it"). As Table 7.1 shows, personal relationships are replaced by impersonal, short-term contracts. The "bottom line" (results) becomes the primary concern, and rule-of-thumb methods give way to explicit ways of measuring results.

It is difficult to overstate the significance of the change from a traditional orientation to one based on rationality, for it flies in the face of human history. We take this new view of *rationality*—judging things according to the bottom line instead of by personal relationships—so for granted that it is difficult to grasp how fundamentally different this orientation is. This may help. It is like a wife saying to her husband, "I'm going to evaluate how much you've contributed to the family budget and how much time you've put in on household tasks—and I'll keep or replace you on that basis."

As college registration illustrates, bureaucracies break tasks down into their component parts and have specialists handle each part. The efficiency of this procedure is sometimes lost on the clientele being served. Shown here is registration at University of Southern California.



Table 7.1 A Model of Production in Traditional and Nontraditional Societies

Traditional Societies (Horticultural, Agricultural)

1. Production is done by family members and same-sex groups (men's and women's groups).
2. Production takes place in the home, or in fields and other areas adjacent to the home.
3. Tasks are assigned according to personal relationships (men, women, and children do specific tasks based on custom).
4. Relationships are based on history ("the way it's always been").
5. Relationships are diffuse (vague, covering many areas of life).
6. Relationships are long-term, often lifelong.
7. The "how" of production is not evaluated; the issue is, "We want to keep doing it the way we've always done it."
8. It is assumed that arrangements will continue indefinitely.
9. People are evaluated according to how they fulfill their traditional roles.

Nontraditional Societies (Industrial, Postindustrial)

1. Production is done by workers hired for the job.
2. Production takes place in a centralized location set up for this purpose. (Some decentralization is occurring in the information society.)
3. Tasks are assigned according to agreements and training.
4. Relationships are based on contracts, which change as the situation changes.
5. Relationships are specific; contracts (even if not written) specify conditions.
6. Relationships are short-term, for the length of the contract.
7. The "how" of production is evaluated; the issue is, "How can we make this more efficient?"
8. Arrangements are evaluated periodically, to decide whether to continue or to change them.
9. People are evaluated according to the "bottom line" (the organization's goals).

Note: This model is an ideal type. Rationality is never totally absent from any society, and no society (or organization) is based entirely on rationality. Even the most rational organizations (those that most carefully and even ruthlessly compute the "bottom line") have traditional components. To properly understand this table, consider these nine characteristics as being "more" or "less" present.

You can see that this would be a fundamental change. And this is what going from tradition to rationality is like. How did the **rationalization of society**—the widespread acceptance of rationality and the construction of a social organization largely built around this idea—come about?

Marx: Capitalism Broke Tradition

An early sociologist, Karl Marx (1818–1883), was one of the first to note how tradition had given way to rationality. As he thought about why this change had taken place, he concluded that capitalism had broken the bonds of tradition. As people who had money experimented with capitalism, they saw that it was more efficient. They were impressed that it produced things they wanted in much greater abundance and yielded high profits. This encouraged them to invest capital in manufacturing. As capitalism spread, traditional thinking receded. Gradually, the rationality of capitalism replaced the traditional approach to life. Marx's conclusion: The change to capitalism changed the way people thought about life.

Weber: Religion Broke Tradition

To sociologist Max Weber (1864–1920), this problem was as intriguing as an unsolved murder is to a detective. Weber wasn't satisfied with Marx's answer, and he kept searching for the solution. He found the clue when he noted that capitalism thrived only in certain parts of Europe. "There has to be a reason for this," he mused. As Weber pursued the matter, he noted that capitalism flourished in Protestant countries, while Roman Catholic countries held on to tradition and were relatively untouched by capitalism. "Somehow, then, religion holds the key," he thought.

But why did Roman Catholics cling to the past, while Protestants embraced change? Weber's answer to this puzzle has been the source of controversy ever since he first proposed it in his influential book, *The Protestant Ethic and the Spirit of Capitalism* (1904–1905). Weber concluded that Roman Catholic doctrine emphasized the acceptance of present arrangements, not change: "God wants you where you are. You owe allegiance to the Church, to your family, and to your king. Accept your lot in life and remain rooted." Weber argued that Protestant theology, in contrast, opened its followers to change. Weber was intimately familiar with Calvinism, his mother's religion. Calvinists (followers of the

rationality using rules, efficiency, and practical results to determine human affairs

traditional orientation the idea that the past is the best guide for the present; characteristic of tribal, peasant, and feudal societies

(the) rationalization of society a widespread acceptance of rationality and social organizations that are built largely around this idea



In traditional societies, religion was a dominant force. In this photo of Victoria, Malta, the cathedral makes it evident how tradition dominated village life. Max Weber and Karl Marx disagreed about why societies changed from a traditional orientation to a rational one.

teachings of John Calvin, 1509–1564) believed that people are destined before birth for either heaven or hell—and they do not know their destiny until after they die. Weber said that this teaching filled Calvinists with anxiety. Salvation became their chief concern—they wanted to know *now* where they were going after death.

To resolve their spiritual dilemma, Calvinists hit upon an ingenious solution: God surely did not want those chosen for heaven to be ignorant of their destiny. Therefore, those who were in God's favor would know it—they would receive a sign from God. But what sign? The answer, claimed Calvinists, was found not in mystical, spiritual experiences, but in things that people could see and measure. The sign of God's approval was success: Those whom God had predestined for heaven would be blessed with visible success in this life.

This idea transformed the lives of Calvinists. It motivated them to work hard, and because Calvinists also believed that thrift is a virtue, their dedication to work led to an accumulation of money. They could not spend this money on themselves, however, for to purchase items beyond the basic necessities was considered sinful. **Capitalism**, the investment

of capital in the hope of producing profits, became an outlet for their excess money. The success of those investments, in turn, became a further sign of God's approval. In this way, Calvinists transformed worldly success into a spiritual virtue. Other branches of Protestantism, although not in agreement with the notion of predestination, also adopted the creed of thrift and hard work. Consequently, said Weber, Protestant countries embraced capitalism.

But what has this to do with rationalization? Simply put, capitalism demands rationalization, the careful calculation of practical results. If profits are your goal, you must keep track of your income and expenses. You must calculate inventories and wages, the cost of producing goods and how much they bring in. You must determine “the bottom line.” Efficiency, then, not tradition, becomes the drumbeat to which you march. If traditional ways of doing things are inefficient, they are replaced, for what counts are the results. Weber's equation: A changed way of thinking (God will give a sign to the elect) produced capitalism.

Who is correct? Weber, who concluded that Protestantism produced rationality, which then paved the way for capitalism? Or Marx, who concluded that capitalism produced rationality? No analyst has yet reconciled these two opposing answers to the satisfaction of sociologists: The two views still remain side by side.

Formal Organizations and Bureaucracy

Regardless of whether Marx or Weber was right about its cause, rationality was a totally different way of approaching life. As this new orientation came to permeate society, it led to new types of organizations. One result was **formal organizations**, secondary groups designed to achieve explicit objectives. Formal organizations have become a central feature of our lives. Although they are fairly new to the human scene, today most of us are born within them, we are educated in them, we spend our working lives in them, and we are buried by them.

Formal Organizations

Prior to industrialization, there were few formal organizations. The guilds of western Europe during the twelfth century are an example. People who performed the same type of work organized to control their craft in a local area. They set prices and standards of

workmanship (Bridgwater 1953; Volti 1995). Much like modern unions, guilds also prevented outsiders (nonmembers of the guild) from working at the particular craft. Another example of an early formal organization is the army, with its hierarchical structure of senior officers, junior officers, and ranks. Formal armies, of course, go back to early history.

With industrialization, secondary groups became common. Today we take their existence for granted and, beginning with grade school, all of us spend a good deal of time in them. Formal organizations tend to develop into bureaucracies, and in general, the larger the formal organization, the more likely it is to be bureaucratic.

The Characteristics of Bureaucracies

What do the Soviet army, the Mormon Church, and your college have in common? The sociological answer is that they all are **bureaucracies**. As Weber (1913/1947) pointed out, bureaucracies have

1. *Clear levels, with assignments flowing downward and accountability flowing upward.* Each level assigns responsibilities to the level beneath it, while each lower level is accountable to the level above it for fulfilling those assignments. The bureaucratic structure of a typical university is shown in Figure 7.1 on the following page.
2. *A division of labor.* Each worker has a specific task to fulfill, and all the tasks are coordinated to accomplish the purpose of the organization. In a college, for example,

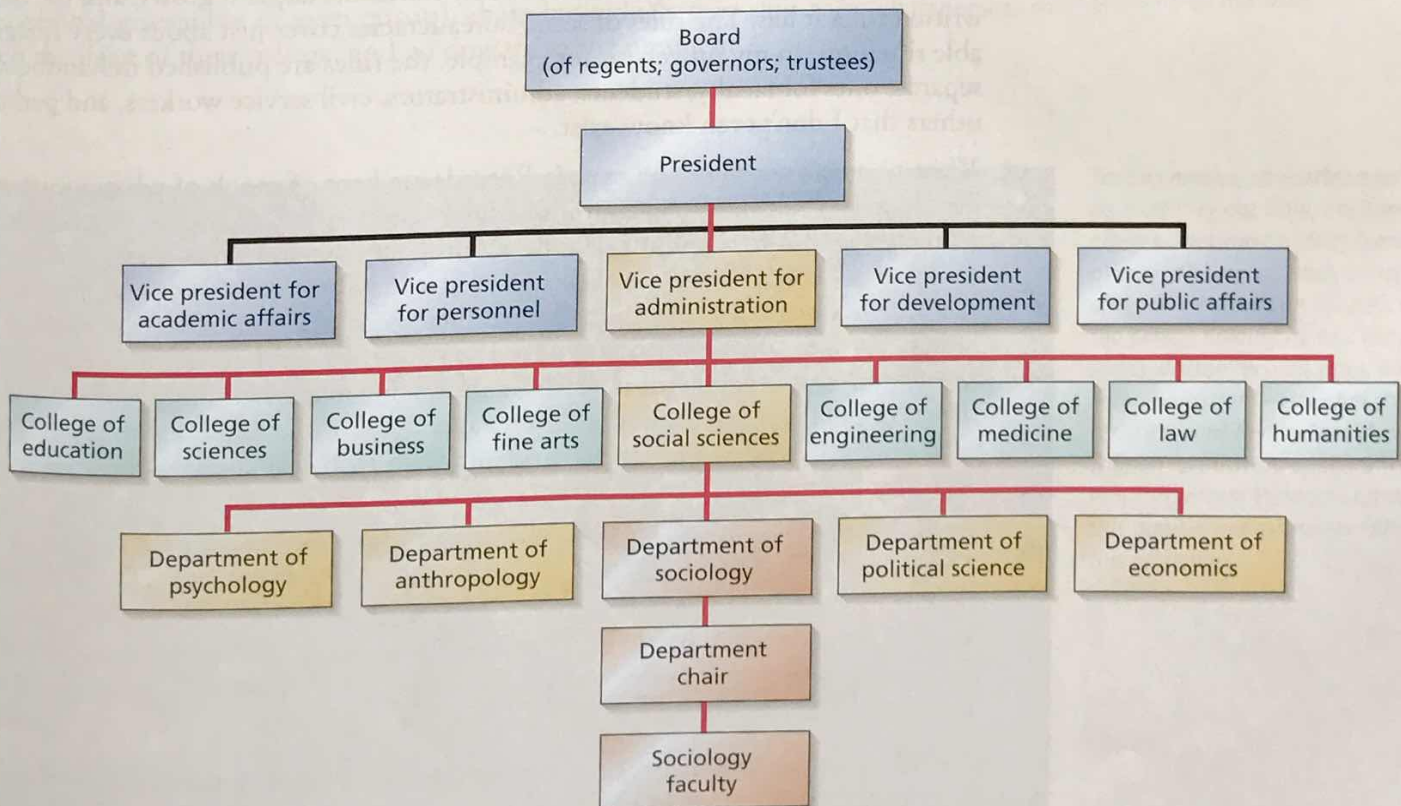
capitalism an economic system characterized by the private ownership of the means of production, the pursuit of profit, and market competition

formal organization a secondary group designed to achieve explicit objectives

bureaucracy a formal organization with a hierarchy of authority, a clear division of labor; emphasis on written rules, communications, and records; and impersonality of positions

Figure 7.1 The Typical Bureaucratic Structure of a Medium-Sized University

This is a scaled-down version of a university's bureaucratic structure. The actual lines of a university are likely to be much more complicated than those depicted here. A large university may have a chancellor and several presidents under the chancellor, with each president responsible for a particular campus. Although in this figure extensions of authority are shown only for the vice president for administration and the College of Social Sciences, each of the other vice presidents and colleges has similar positions. If the figure were to be extended, departmental secretaries would be shown, and eventually, somewhere, even students.



The division of labor, a central characteristic of formal organizations, is not new. In this painting of Italian farm life by Francesco Bassano (1549–1592), you can see the intricate division of labor that farm production required in the 1500s. Note the many specialized tasks these people are doing. Can you identify what is different about today's division of labor?



a teacher does not run the heating system, the president does not teach, and a secretary does not evaluate textbooks. These tasks are distributed among people who have been trained to do them.

3. *Written rules.* In their attempt to become efficient, bureaucracies stress written procedures. In general, the longer a bureaucracy exists, the larger it grows, and the more written rules it has. The rules of some bureaucracies cover just about every imaginable situation. In my university, for example, the rules are published in handbooks: separate ones for faculty, students, administrators, civil service workers, and perhaps others that I don't even know exist.
4. *Written communications and records.* Records are kept of much of what occurs in a bureaucracy ("Be sure to CC all immediate supervisors."). In some organizations, workers spend a fair amount of time sending memos and e-mail back and forth. Sometimes, workers must detail their activities in written reports. My university, for example, requires that each semester, faculty members summarize the number of hours they spent on specified activities. They must also submit an annual report listing what they accomplished in teaching, research, and service—all accompanied by copies of publications, testimonies to service, and written teaching evaluations from each course. These materials go to committees that evaluate the performance of each faculty member.
5. *Impersonality.* It is the office that is important, not the individual who holds the office. You work for the organization, not for the replaceable person who heads some post in the organization. Each worker is a replaceable unit, for many others are available to fulfill each particular function. For example, when a professor retires or dies, someone else is appointed to take his or her place. This makes you a small cog in a large machine.

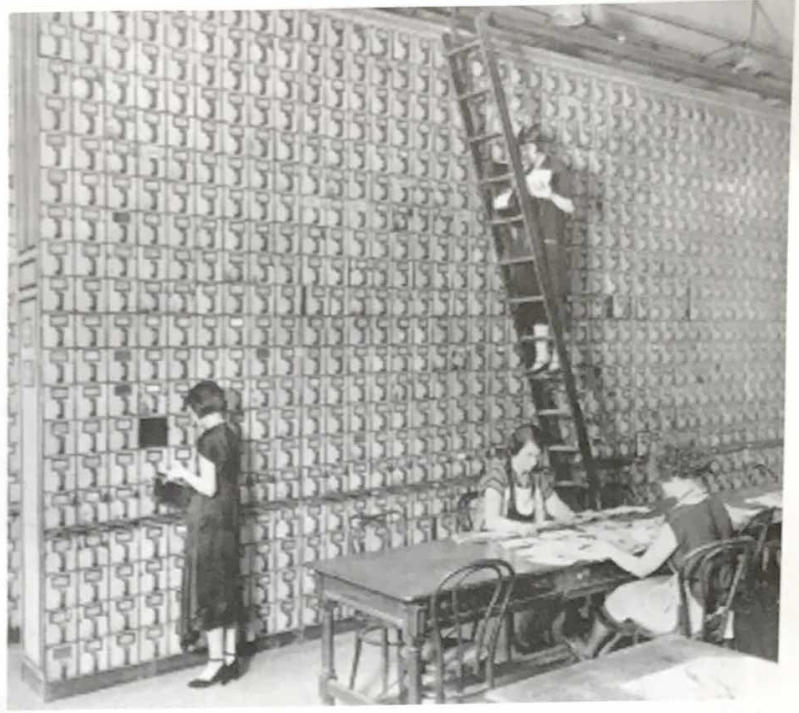
These five characteristics help bureaucracies reach their goals. They also allow them to grow and endure. One bureaucracy in the United States, the postal service, has become so large that one out of every 150 employed Americans works for it (*Statistical Abstract*

2002:573, 1095). If the head of a bureaucracy dies, retires, or resigns, the organization continues without skipping a beat, for unlike a “mom and pop” operation, its functioning does not depend on the individual who heads it. The expansion (some would say domination) of bureaucracies in contemporary society is illustrated by the Down-to-Earth Sociology box on the following page.

“Ideal” Versus “Real” Bureaucracy

Just as people often act differently from the way the norms say they should, so it is with bureaucracies. The characteristics of bureaucracies identified by Weber are *ideal types*; that is, they are a composite of characteristics based on many specific examples. Think of the judges at a dog show. They have a mental image of how each particular breed of dog should look and behave, and they judge each individual dog according to that mental image. Each dog will rank high on some of these characteristics, and lower on others. In the same way, a particular organization will rank higher or lower on the traits of a bureaucracy, yet still qualify as a bureaucracy. Instead of labeling a particular organization as a “bureaucracy” or “not a bureaucracy,” it probably makes more sense to think in terms of the *extent* to which it is bureaucratized (Udy 1959; Hall 1963).

As with culture, then, a bureaucracy often differs from its ideal image. The actual lines of authority (“going through channels”), for example, may be different from those portrayed on organizational charts such as the one shown in Figure 7.1. For example, suppose that before being promoted, the university president taught in the history department. As a result, friends from that department may have direct access to him or her. If they wish to provide “input” (ranging from opinions about how to solve problems to personal grievances or even gossip), these individuals may skip their chairperson or even the dean of their college, and go directly to the president.



This 1907 photo indicates one way that technology has changed our lives. The walls of little drawers that the women are searching contain customer records of the Metropolitan Life Insurance Company. Today, this entire bank of records could be stored on a personal computer. We also could use the computer to search or modify the records, infinitesimally faster—and certainly much easier on the legs—than standing on the ladder.



Today's armies, no matter what country they are from, are bureaucracies. They have a strict hierarchy of rank, division of labor, impersonality (an emphasis on the office, not the person holding it), and they stress written records, rules, and communications—essential characteristics identified by Max Weber. Though its outward appearance may differ from Western standards, this army in India is no exception to this principle.

The McDonaldization of Society

THE THOUSANDS OF MCDONALD'S restaurants that dot the U.S. landscape—and increasingly, the world—have a significance that goes far beyond the convenience of ready-made hamburgers and milk shakes. As sociologist George Ritzer (1993, 1998, 2001) says, our everyday lives are being "McDonaldized." Let's see what he means by this.

The McDonaldization of society—the standardization of everyday life—does not refer just to the robotlike assembly of food. As Ritzer points out, this process is occurring throughout society—and it is transforming our lives. Want to do some shopping? Shopping malls offer one-stop shopping in controlled environments. Planning a trip? Travel agencies offer "package" tours. They will transport middle-class Americans to ten European capitals in fourteen days. All visitors experience the same hotels, restaurants, and other scheduled sites—and no one need fear meeting a "real" native. Want to keep up with events? *USA Today* spews out McNews—short, bland, unanalytic pieces that can be digested between gulps of the McShake or the McBurger.



McDonald's in Tokyo, Japan

Efficiency brings dependability. You can expect your burger and fries to taste the same whether you buy them in Los Angeles or Beijing. Efficiency also lowers prices. But efficiency does come at a cost. Predictability washes away spontaneity, changing the quality of our lives. It produces a sameness, a bland version of what used to be unique experiences. In my own travels, for example, had I taken packaged tours I never would have had the enjoyable, eye-opening experiences that have added so much to my appreciation of human diversity.

For good or bad, our lives are being McDonaldized, and the predictability of packaged settings seems to be our social destiny. When education is rationalized, no longer will our children have to put up with real professors, who insist on discussing ideas endlessly, who never come to decisive answers, and who come saddled with idiosyncrasies. Our programmed education will eliminate the need for discussion of social issues—we will have packaged solutions to social problems, definitive answers like those we find in mathematics and engineering—and on television. Computerized courses will teach the same answers to everyone—the approved, "politically correct" ways to think about social issues. Mass testing will assure that students regurgitate the programmed responses.

Our coming prepackaged society will be efficient, of course. But it also means that we will be trapped in the "iron cage" of bureaucracy—just as Weber warned would happen.



Dysfunctions of Bureaucracies

Although in the long run no other form of social organization is more efficient, as Weber recognized, bureaucracies also have a dark side. Let's look at some of their dysfunctions.

Red Tape: A Rule Is a Rule Bureaucracies can be so bound by red tape that their rules impede the purpose of the organization. Some rules (or "correct procedures" in bureaucratic jargon) are enough to try the patience of a saint.

In the Bronx, Mother Teresa spotted a structurally sound abandoned building and wanted to turn it into a homeless shelter. But she ran head on into a rule: The building must have an elevator for people with disabilities. Not having the funds for the elevator, Mother Teresa struggled to get permission to bypass this rule. Two frustrating years later, she gave up. The abandoned building is still rotting away. (Tobias 1995)

Obviously this rule about elevators was not intended to stop Mother Teresa from ministering to the down and out. But, hey, rules is rules!

Lack of Communication Between Units Each unit within a bureaucracy performs specialized tasks, which are designed to contribute to the organization's goals. At times, units fail to communicate with one another and end up working at cross purposes. In Granada, Spain, for example, the local government was concerned about the

the McDonaldization of society the process by which ordinary aspects of life become rationalized and efficiency comes to rule them, including such things as food preparation

run-down appearance of buildings along one of its main streets. Consequently, one unit of the government fixed the fronts of these buildings, repairing concrete, iron, and stonework. The results were impressive, and the unit was proud of what it had accomplished. The only problem was that another unit of the government had slated these same buildings for demolition (Arfás 1993). Because neither unit of this bureaucracy knew what the other was doing, one beautified the buildings while the other made sure they ended up as a heap of rubble.

Bureaucratic Alienation Treated in terms of roles, rules, and functions rather than as individuals, many workers begin to feel more like objects than people. Marx termed these reactions **alienation**, which he said comes from being cut off from the finished product of one's labor. He pointed out that before industrialization, workers used their own tools to produce an entire product, such as a chair or table. Now the capitalists own the tools (machinery), and assign each worker only a single step or two in the entire production process. Relegated to repetitive tasks that seem remote from the final product, workers lose a sense of identity with what they produce. They come to feel estranged not only from their products but also from their work environment.

Resisting Alienation Because workers need to feel valued and want to have a sense of control over their work, they resist alienation. Forming primary groups at work is a major form of that resistance. Workers band together in informal settings—at lunch, around desks, or for a drink after work. There they give one another approval for jobs well done and express sympathy for the shared need to put up with cantankerous bosses, meaningless routines, and endless rules. They relate to one another not just as workers, but as people who value one another. They flirt, laugh and tell jokes, and talk about their families and goals. Adding this multidimensionality to their work relationships maintains their sense of being individuals rather than mere cogs in a machine.

Consider a common sight. While visiting an office, you see work areas that are decorated with family and vacation photos. The sociological implication is that of workers striving to resist alienation. By staking a claim to individuality, the workers are rejecting an identity as machines that exist to perform functions.

The Alienated Bureaucrat Not all workers succeed in resisting alienation. Some who become alienated remain in the organization either because they see no viable alternative or because they have “only so many years until retirement.” They hate every minute of work, and it shows—in their attitudes toward clients, toward fellow workers, and toward authority in the organization. The alienated bureaucrat does not take initiative, will not do anything for the organization beyond what is absolutely required, and uses rules to justify doing as little as possible.

Despite poor attitude and performance, alienated workers often retain their jobs. Some keep their jobs because of seniority, while others threaten expensive, time-consuming, and embarrassing legal action if anyone tries to fire them. Some alienated workers are shunted off into small bureaucratic corners, where they spend the day doing trivial tasks and have little chance of coming in contact with the public. This treatment, of course, only alienates them further.

Bureaucratic Incompetence In a tongue-in-cheek analysis of bureaucracies, Laurence Peter proposed what has become known as the **Peter principle**: Each employee of a bureaucracy is promoted to his or her *level of incompetence* (Peter and Hull 1969). People who perform well in a bureaucracy come to the attention of those higher up the chain of command and are promoted. If they continue to perform well, they are again promoted. This process continues *until* they are promoted to a level at which they can no longer handle the responsibilities well—their level of incompetence. There they hide



Bureaucracies have become a powerful and overwhelming force in social life. Even Mother Teresa, one of the most famous religious figures of the late twentieth century, was unable to overcome bureaucratic red tape in her attempt to help New York City's homeless.

alienation Marx's term for workers' lack of connection with the product of their labor; caused by their being assigned repetitive tasks on a small part of a product: this leads to a sense of powerlessness and normlessness; also used in the general sense of not feeling a part of something

Peter principle a tongue-in-cheek “law” according to which the members of an organization are promoted for good work until they reach their level of incompetence, the level at which they can no longer do good work

goal displacement the adoption of new goals by an organization; also known as goal replacement

behind the work of others, taking credit for the accomplishments of employees under their direction. In our opening vignette, the employee who sent the wrong mail has already reached his or her level of incompetence.

Although the Peter principle contains a grain of truth, if it were generally true, bureaucracies would be staffed by incompetents, and these organizations would not succeed. In reality, bureaucracies are remarkably successful. Sociologists Peter Evans and James Rauch (1999) examined the government bureaucracies of 35 developing countries. They found that prosperity comes to the countries that have central bureaucracies that hire workers on the basis of merit and offer them rewarding careers.

Goal Displacement and the Perpetuation of Bureaucracies

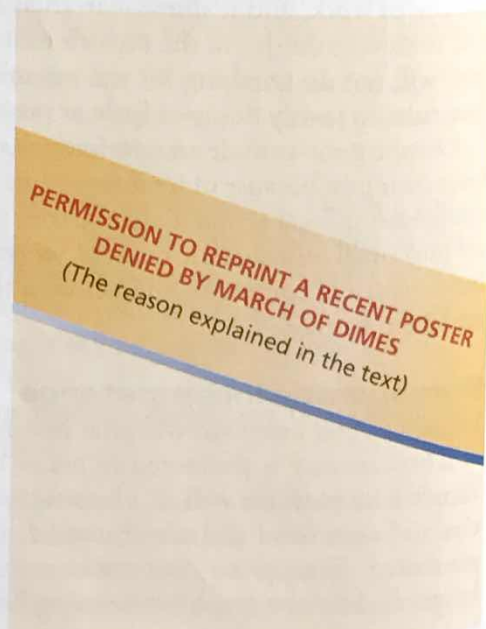
Bureaucracies have become a standard feature of our lives because they are a powerful form of social organization. They harness people's energies in order to reach specific goals. Once in existence, however, bureaucracies tend to take on a life of their own. In a process called **goal displacement**, even after the organization achieves its goal and no longer has a reason to continue, continue it does.

A classic example is the National Foundation for the March of Dimes, organized in the 1930s to fight polio (Sills 1957). At that time, the origin of polio was a mystery. The public was alarmed and fearful, for overnight a healthy child could be stricken with this crippling disease. To raise money to find a cure, the March of Dimes placed posters of children on crutches near cash registers in almost every store in the United States. (See the photo below.) They raised money beyond their wildest dreams. When Dr. Jonas Salk developed a vaccine for polio in the 1950s, the threat was wiped out almost overnight.

The staff that ran the March of Dimes did not quietly fold up their tents and slip away. Instead, they found a way to keep their jobs by targeting a new enemy—birth defects. But then in 2001, researchers finished mapping the human genome system. On the alert and perceiving that some day this information could help eliminate birth defects—and their jobs—officials of the March of Dimes came up with a new slogan, “Breakthroughs for Babies.” This latest goal should ensure the organization's existence forever: It is so vague that we are not likely to ever run out of the need for “breakthroughs.”

Then there is NATO (North Atlantic Treaty Organization), founded during the Cold War to prevent Russia from invading Western Europe. When the Cold War ended, removing the organization's purpose, the Western powers tried to find a reason to continue their organization. I mean, why waste a perfectly good bureaucracy? They appear to have

The March of Dimes was founded by President Franklin Roosevelt in the 1930s to fight polio. When a vaccine for polio was discovered in the 1950s, the organization did not declare victory and disband. Instead, it kept the organization intact by creating new goals—fighting birth defects. Sociologists use the term *goal displacement* to refer to this process of adopting new goals. “Fighting birth defects” is now being replaced by an even vaguer goal, “Breakthroughs for Babies.” This new goal displacement may guarantee the organization's existence forever, for it is a goal so elusive it can never be reached. (Can we ever run out of the need for “breakthroughs”?)



hit upon one—to create “rapid response forces” to combat terrorism and “rogue nations” (Tyler 2002). To keep this bureaucracy going, they even allowed Russia to become a junior partner.

On a side note: Bureaucracies are sensitive about sociologists analyzing their activities. When I tried to get permission from the March of Dimes to reprint a copy of their current poster, I was denied that permission—*unless I changed my analysis to make it more favorable to the organization*. As you can see from the missing photo on the previous page, I refused to do so. Sociologists regularly confront such obstacles in their work.

The Sociological Significance of Bureaucracies

Perhaps the main sociological significance of bureaucracies is that they represent a fundamental change in how people relate to one another (see Table 7.1 on page 177). When work is rooted in personal relationships, much more is at stake than performing tasks efficiently and keeping an eye on the bottom line. Seeing that all relatives and friends have jobs, for example, was once the determining factor in making decisions. Bureaucracies, or the rationalization of society, changed this (Volvi 1995).

Voluntary Associations



Although bureaucracies have become the dominant form of organization for large, task-oriented groups, even more common are voluntary associations. Let's examine their characteristics.

Back in the 1830s, Alexis de Tocqueville, a Frenchman, traveled across the United States, observing the customs of this new nation. His report, *Democracy in America* (1835), was widely read both in Europe and in the United States. It is still quoted for its insights into the American character. One of de Tocqueville's observations was that Americans joined a lot of **voluntary associations**, groups made up of volunteers who organize on the basis of some mutual interest.

Over the years, Americans have maintained this pattern and are very proud of it. A visitor entering one of the thousands of small towns that dot the U.S. landscape is often greeted with a highway sign proclaiming some of the town's volunteer associations: Girl Scouts, Boy Scouts, Kiwanis, Lions, Elks, Eagles, Knights of Columbus, Chamber of Commerce, American Legion, Veterans of Foreign Wars, and perhaps a host of others. One type of voluntary association is so prevalent that a separate sign sometimes indicates which varieties are present in the town: Roman Catholic, Baptist, Lutheran, Methodist, Episcopalian, and so on. Not listed on these signs are many other voluntary associations, such as political parties, unions, health clubs, the National Right to Life, the National Organization for Women, Alcoholics Anonymous, Gamblers Anonymous, Association of Pinto Racers, and Citizens United For or Against This and That.

Americans love voluntary associations, and use them to express a wide variety of interests. Some groups are local, consisting of only a few volunteers; others are national, with a paid professional staff. Some are temporary, organized to accomplish some specific task, such as arranging for Fourth of July fireworks. Others, such as the Scouts and political parties, are permanent—large, secondary organizations with clear lines of command—and they are also bureaucracies.

Functions of Voluntary Associations

Whatever their form, voluntary associations are numerous because they meet people's basic needs. People do not *have* to belong to these organizations. They join because they obtain benefits from their participation. Functionalists have identified seven functions of voluntary associations.

1. Voluntary organizations advance particular interests. For example, adults who are concerned about children's welfare volunteer for the Scouts because they think kids are better off joining this group than hanging out on the street. In short, voluntary

voluntary association a group made up of people who voluntarily organize on the basis of some mutual interest; also known as voluntary memberships

associations get things done, whether that means arranging for the fireworks to go off on time or making people familiar with the latest legislation on abortion.

2. Voluntary groups offer people an identity. Some even provide a sense of purpose in life. As in-groups, they give their members a feeling of togetherness, of belonging. In many cases, they give them a sense of doing something worthwhile. This function is so important for some individuals that their participation in voluntary associations becomes the center of their lives.
3. Voluntary associations help govern the nation and maintain social order. Groups that help “get out the vote” or assist the Red Cross in coping with disasters are obvious examples.

The first two functions apply to all voluntary associations. In a general sense, so does the third. Although few organizations focus on politics, voluntary associations help to incorporate individuals into society, which helps to maintain social order.

Sociologist David Sills (1968) identified four other functions, which apply only to some voluntary associations.

4. Some voluntary groups mediate between the government and the individual. For example, some provide a way for people to put pressure on lawmakers.
5. By providing training in organizational skills, some groups help individuals climb the occupational ladder.
6. Other groups help bring people into the political mainstream. The National Association for the Advancement of Colored People (NAACP) is an example of such a group.
7. Finally, some voluntary associations pave the way to social change. Groups such as Greenpeace oppose the taken-for-granted definitions of “normal” when it comes to the environment. Their challenges to established boundaries often indicate the direction of social change.

Shared Interests

Voluntary associations, then, represent no single interest or purpose. They can be reactionary, resisting new ways of doing things, or they can be visionary, standing at the vanguard of social change. Despite their diversity, however, a common thread runs through voluntary associations. That thread is mutual interest. Although the particular interest varies from group to group, shared interest in some view or activity is the tie that binds their members together.

Motivations for joining these groups differ. Some people join because they hold strong convictions concerning the stated purpose of the organization, others simply because membership helps them politically or professionally. Some may even join because they have romantic interests in a group member.

With so many motivations for joining, and because the commitment of some members is fleeting, voluntary associations often have high turnover. Some people move in and out of groups almost as fast as they change clothes. Within each organization, however, is an inner circle—individuals who actively promote the group, who stand firmly behind the group’s goals, and who are committed to maintaining the organization itself. If this inner circle loses its commitment, the group is likely to fold.

The Problem of Oligarchy

An interesting, and disturbing, aspect of voluntary associations is that the leaders often grow distant from their members and become convinced that they can trust only the inner circle to make the group’s important decisions. To see this principle at work, let’s look at the Veterans of Foreign Wars (VFW).

Sociologists Elaine Fox and George Arquitt (1985) studied three local posts of the VFW, a national organization of former U.S. soldiers who have served in foreign wars.

They found that although the leaders conceal their attitudes from the other members, they view the rank and file as a bunch of ignorant boozers. Because the leaders can't stand the thought that such people might represent them in the community and at national meetings, a curious situation arises. Although the VFW constitution makes rank-and-file members eligible for top leadership positions, they never become leaders. In fact, the leaders are so effective in controlling these top positions that even before an election they can tell you who is going to win. "You need to meet Jim," the sociologists were told. "He's the next post commander after Sam does his time."

At first, the researchers found this puzzling. The election hadn't been held yet. As they investigated further, they found that leadership is actually decided behind the scenes. The elected leaders appoint their favored people to chair the key committees. This makes the members aware of their accomplishments, and they elect them as leaders. The inner circle, then, maintains control over the entire organization simply by appointing members of their inner circle to highly visible positions.

Like the VFW, most organizations are run by only a few of their members (Cnaan 1991). Building on the term *oligarchy*, a system in which many are ruled by a few, sociologist Robert Michels (1876–1936) coined the term **the iron law of oligarchy** to refer to how organizations come to be dominated by a small, self-perpetuating elite (Michels 1911). The majority of members are passive, and an elite inner circle keeps itself in power by passing the leadership positions from one clique member to another.

What many find disturbing about the iron law of oligarchy is that people are excluded from leadership because they don't represent the inner circle's values—or perhaps their background. This is true even of organizations that are strongly committed to democratic principles. For example, U.S. political parties—supposedly the backbone of the nation's representative government—have fallen prey to it. Run by an inner circle, they pass their leadership positions from one elite member to another. With their control of political machinery, access to free mailing, and even tax dollars to produce videos that can be sent by e-mail, a whopping 98 percent of U.S. Representatives who choose to run are reelected. For the U.S. Senate, that figure is 80 to 90 percent (*Statistical Abstract* 2002:Table 381).

The iron law of oligarchy is not without its limitations, of course. Members of the inner circle must remain attuned to the opinions of the other members, regardless of their personal feelings. If the oligarchy gets too far out of line, it runs the risk of a grassroots rebellion that would throw the elite out of office. This threat often softens the iron law of oligarchy by making the leadership responsive to the membership. In addition, because not all organizations become captive to an elite, this is a tendency, not an inevitability (Fisher 1994; Jarley et al. 2000).



In a process called the iron law of oligarchy, a small, self-perpetuating elite tends to take control of formal organizations. Veterans' organizations are no exception to this principle, as sociological studies have shown.

Working for the Corporation

S

ince you are likely to end up working in a bureaucracy, let's look at how its characteristics may affect your career.

Stereotypes and the "Hidden" Corporate Culture

Who gets ahead in large corporations? Although we might like to think that success comes from intelligence and hard work, many factors other than merit underlie salary increases and promotions. As sociologist Rosabeth Moss Kanter (1977, 1983) stresses, the

the iron law of oligarchy

Robert Michels' term for the tendency of formal organizations to be dominated by a small, self-perpetuating elite

corporate culture contains “hidden values.” These values create a self-fulfilling prophecy that affects people’s careers.

It works like this: Corporate and department heads have stereotypes about what good workers are like and who will make good colleagues. Not surprisingly, people who match their stereotype have backgrounds similar to their own—and they even look like them. They give these workers better access to information, networking, and “fast track” positions. These people then perform better and become more committed to the organization—thus confirming the initial expectation or stereotype. In contrast, those judged to be outsiders are thought to have lesser abilities. Because of this, they are given fewer opportunities and challenges. Working at a level beneath their capacity, they come to think poorly of themselves, become less committed to the organization, and don’t perform as well—thus confirming the stereotypes the bosses had of them. (You may want to review the discussion of stereotypes on page 107.)

The hidden values and stereotypes that created this self-fulfilling prophecy remain invisible. What people see are the promotions of workers with superior performances and greater commitment to the company, not higher and lower expectations and the open and closed opportunities that produced these attitudes and accomplishments.

You can see how these hidden values contribute to the iron law of oligarchy we just reviewed. Because of this self-fulfilling prophecy, the inner circle reproduces itself by favoring people who “look” like its own members, generally white and male. Women and minorities, who don’t match the stereotype, are often “showcased”—placed in highly visible positions with little power in order to demonstrate how progressive the company is. There, however, they often hold “slow-track” positions, where accomplishments seldom come to the attention of top management.

Kanter found that the level people reach in an organization shapes their behavior, and even their attitudes. In general, the higher people go, the higher their morale. “This is a good company,” they say to themselves. “They recognize my abilities.” With their greater satisfaction, people in higher office also tend to be more helpful to subordinates and more flexible in their style of leadership. In contrast, people who don’t get very far in the organization are frustrated and tend to have lower morale. They are also likely to be rigid supervisors and strong defenders of whatever privileges they have.

A significant part of bureaucracies lies below the surface. Because workers tend to see only the level that is readily visible, they usually ascribe differences in people’s behaviors and attitudes to their personalities. Sociologists probe beneath the surface, however, to examine how corporate culture shapes people’s attitudes, and, by extension, the quality of their work.

As corporations grapple with growing diversity, the hidden corporate culture and its stereotypes are likely to give way, but only slowly and grudgingly. In the following Thinking Critically section, we’ll consider other aspects of diversity in the workplace.

THINKING Critically

Managing Diversity in the Workplace

Times have changed. The San Jose, California, electronic phone book lists *eight* times more *Nguyens* than *Joneses* (Pauken 2003). More than half of U.S. workers are minorities, immigrants, and women. Diversity in the workplace is much more than skin

color. Diversity includes ethnicity, gender, age, religion, social class, and sexual orientation.

In the past, the idea was for people to join the “melting pot,” to give up their distinctive traits and become like the dominant group. Today, with the successes of the civil rights and women’s movements, people are more likely to prize their distinctive traits. Realizing that assimilation (being absorbed into the dominant culture) is probably not the wave of the future, three of four Fortune 500

corporate culture the orientations that characterize corporate work settings

companies have "diversity training." They hold lectures and workshops so employees can learn to work with colleagues of diverse cultures and racial-ethnic backgrounds.

Coors Brewery is a prime example of this change. Coors went into a financial tailspin after one of the Coors brothers gave a racially charged speech in the 1980s. Today, Coors offers diversity workshops, has sponsored a gay dance, and has paid for a corporate-wide mammography program. The company even had rabbis certify its suds as kosher. Its proud new slogan: "Coors cares" (Cloud 1998). Now, that's quite a change.

What Coors cares about, of course, is the bottom line. It's the same with the other corporations. Blatant racism and sexism once made no difference to profitability. Today, they do. To promote profitability, companies must promote diversity—or at least pretend to. The sincerity of corporate heads is not what's important; diversity in the workplace is.

Diversity training has the potential to build bridges, but it can backfire. Directors of these programs can be so incompetent that they create antagonisms and reinforce stereotypes. At a diversity training session at the U.S. Department of Transportation, for example, women groped men as the men ran by. Blacks and whites were encouraged to insult one another and to call one another names (Reibstein 1996). The intention may have been good (understanding the other through role reversal and getting hostilities "out in the open"), but the approach was moronic. Instead of healing, these behaviors wound and leave scars.

For Your CONSIDERATION . . .

Do you think that corporations and government agencies should offer diversity training? If so, how can we develop diversity training that fosters mutual respect? Can you suggest practical ways to develop workplaces that are not divided by gender and race-ethnicity?

Humanizing the Corporate Culture

Bureaucracies have transformed society by harnessing people's energies to reach specific goals and monitoring progress to achieve those goals. Weber (1946) predicted that because bureaucracies were so efficient and had the capacity to replace themselves, they would come to dominate social life. More than any prediction in sociology, this one has withstood the test of time (Rothschild and Whitt 1986; Perrow 1991).

Attempts to Humanize the Work Setting

Bureaucracies appear likely to remain our dominant form of social organization, and most of us, like it or not, are destined to spend our working lives in bureaucracies. Many people have become concerned about the negative side of bureaucracies, and would like to make them more humane. **Humanizing a work setting** means organizing work in such a way that it develops rather than impedes human potential. Humanized work settings offer access to opportunities on the basis of ability and contributions rather than personal characteristics. They distribute power more equally and have fewer rigid rules and more open decision making.

Can bureaucracies adapt to such a model? Contrary to some images, not all bureaucracies are unyielding, unwieldy monoliths. There is nothing in the nature of bureaucracies that makes them *inherently* insensitive to people's needs or that prevents them from fostering a corporate culture that maximizes human potential.

But what about the cost of such changes? The United States faces formidable economic competitors—Japan, western Europe, and now China. Humanizing corporate culture, however, does not require huge expense. Sociologist Rosabeth Moss Kanter (1983) compared forty-seven companies that were rigidly bureaucratic with competitors of the same size that were more flexible. Kanter found that the more flexible companies were more profitable—probably because their greater flexibility encouraged greater creativity, productivity, and company loyalty.

In light of such findings, many corporations have experimented with humanizing their work settings. As we look at them, keep in mind that they are not motivated by some

humanizing a work setting organizing a workplace in such a way that it develops rather than impedes human potential

altruistic urge to make life better for workers, but by the same motivation as always—the bottom line. It is in management's self-interest to make their company more competitive.

Work Teams Work teams are used by one in five U.S. companies. It is a wonder that they are not more common. These self-managed teams, which encourage creative ideas and solutions to problems, instill a greater sense of loyalty to the company. Employees work harder, are absent less, and are more productive. Workers in these groups also react more quickly to threats posed by technological change and competitors' advances. No less a behemoth than IBM has found that people work more effectively in small groups than in a centralized command structure (Drucker 1992).

The concepts we discussed in the last chapter help to explain these results. In small work groups, people form primary relationships, and their identities become intertwined with their group. This reduces alienation, for rather than being lost in a bureaucratic maze, their individuality is appreciated and their contributions more readily recognized. The group's successes become the individual's successes—as do its failures. As a consequence of their expanded personal ties, workers make more of an effort. The results have been so good that, in what is known as “worker empowerment,” some self-managed teams even replace bosses as the ones who control everything from schedules to hiring and firing (Lublin 1991).

Corporate Day Care Some companies help to humanize the work setting by offering on-site child care facilities. This eases the strain on parents. While they are at work, they can keep in touch with a baby or toddler, and observe the care their child is receiving. They are able to spend time with their children during breaks and lunch hours, and mothers can even nurse their children at the child care center.

Most U.S. companies, however, offer no child care at all. In the face of global competition, especially cheap labor in the Least Industrialized Nations, can U.S. firms afford child care? Surprisingly, providing child care can reduce labor costs. When the Union Bank of Monterey, California, decided to measure the cost of its day care center, they found that the annual turnover of employees who used the center was just one-fourth that of employees who did not use it. Users of the center were also absent from work less, and they took shorter maternity leaves. The net cost? After subtracting the center's costs from these savings, the bank saved more than \$200,000 (Solomon 1988).

Providing back-up child care falls somewhere in between offering on-site child care and no child care at all. With this approach, parents use their own babysitter, but if the sitter can't make it, parents can use the center's back-up services, allowing them to get to work—and to work without worry (Narayan 1994).

Humanizing the work setting means to make the work site a more pleasant place in order to better meet the needs of workers. You can see how on-site day care simplifies life for this father—both he and his son go to the same place at the same time. You can also see how this keeps the day care workers on their toes, for the parents are popping in and out throughout the day. Such services cost companies less than they appear to, for they reduce worker turnover.



As the number of women in management increases, it is likely that more U.S. firms will offer child care services as part of a benefits package designed to attract and hold capable workers.

Employee Stock Ownership Plans If workers are shareholders, it is thought that their loyalty and productivity will increase. Consequently, many companies let their employees buy the firm's stock either at a discount or as part of their salary. About ten million U.S. workers own part of 11,000 companies. What are the results? Some studies show that these companies are more profitable than other firms (White 1991; Logue and Yates 2000). Other studies, in contrast, report that their profits are about the same, although their productivity may be higher (Blassi and Conte 1996). We need more definitive research on this matter.

If the employees own *all* the company stock, it should eliminate problems between workers and management. This should be obvious—after all, the workers and owners are the same people. But this is not the case. United Airline pilots, for example, who own the largest stake in their airline, staged a work slowdown during their 2001 contract negotiations, forcing the cancellation of thousands of flights. The machinists, who are also owners, followed suit. The machinists' union even threatened to strike. As passengers fled the airline, United racked up huge losses, and its stock plummeted (Zuckerman 2001). The irony is that the company's losses were the worker-owners' losses.

Profitability, not ownership, appears to be the key to reducing worker-management conflict. Unprofitable firms put more pressure on their employee-owners, while profitable companies are quicker to resolve problems.

Quality Circles Business practices are subject to fads, and something that is hot one day may be cold the next. Quality circles are an excellent example. *Quality circles* consist of workers and a manager or two who meet regularly to try to improve the quality of both working conditions and the company's products. Tens of thousands of U.S. firms adopted quality circles because they were used in Japan, and U.S. managers thought they had discovered the secret of Japanese success. At its height of popularity in 1983, 60 consultants specialized in quality circles. In just ten years, 55 of these consultants had switched to other business fads (Strang and Macy 2001), and today the term has been relegated to dictionaries.

The Conflict Perspective

Conflict theorists point out that it does not matter how work is structured. The basic relationship between workers and owners is always confrontational (Edwards 1979; Derber and Schwartz 1988). Workers and owners walk different paths in life, with owners exploiting workers to extract greater profits and workers trying to resist that exploitation. Because their basic interests are fundamentally opposed, critics argue, attempts by employers to humanize the work setting (or to manage diversity) are mere window dressing, efforts to conceal their fundamental goal of exploiting workers. It is just another attempt to manipulate workers into cooperating in their own exploitation.

Technology and the Control of Workers

The microchip has brought us higher quality manufactured goods and has reduced drudgery. Records are much easier to keep, and we can type just one letter and let the computer print it out and address it to ten individuals—or to ten thousand. Working on my computer, I can modify this sentence, this paragraph, or any section of this book with ease. The other side of the computer is its potential for abuse. Computers make it easier for governments to operate a police state by monitoring our every move. The Big Brother in Orwell's classic novel, *1984*, may turn out to be a computer.


Perhaps, as Orwell suggests, our destiny is to be oppressed by technology, to become servants to a master computer. We'll know shortly. In the meantime, we can see that the computer has allowed managers to increase surveillance without face-to-face supervision. For example, sitting in their office, managers know the exact number of keystrokes

workers make each minute. They know precisely how long each worker takes for each telephone call. Workers who fall below the average are singled out for discipline. It doesn't matter that the slower workers may be more polite or more helpful, only that the computer reports slower performance.

Then there are the surveillance cameras mounted in the workplace, allowing bosses in remote locations to peer over the shoulders of workers. As sociologist Gary Marx (1995) says, we may be moving to a *maximum-security workplace*. Computers are able to measure motion, air currents, vibrations, odors, pressure changes, and voice stress. To prevent employees from punching in someone else's time card, a leading hotel uses a device to scan their workers' eyes. It compares these images with computerized data on file.

The maximum-security workplace seems an apt term, but with computers and surveillance cameras, the workplace may be just one aspect of a coming "maximum-security society" (Marx 1995). The Sociology and the New Technology box on the next page discusses how computers are being used to monitor workers who think that their actions have gone unnoticed.

U.S. and Japanese Corporations



How were the Japanese able to recover from the defeat of World War II—including the nuclear devastation of two of their major cities—to become a giant in today's global economy? Some analysts trace part of the answer to the way their corporations are organized.

How the Corporations Differ

One analyst, William Ouchi (1981), pinpointed five ways in which Japanese corporations differ from those of the United States. You will be surprised at how different they are. But are these differences in handling executives myth or reality?

Hiring and Promoting Teams In *Japan*, teamwork is central. College graduates who join a corporation are all paid about the same starting salary. They also get raises as a team. To learn about the company, they are rotated as a team through the various levels of the organization. They develop intense loyalty to one another and to their company, for the welfare of one represents the welfare of all. Only in later years are individuals singled out for recognition. When there is an opening in the firm, outsiders are not even considered.

In the *United States*, personal achievement is central. A worker is hired on the basis of what the firm thinks that individual can contribute. Employees try to outperform each other, and they strive for raises and promotions as signs of personal success. The individual's loyalty is to himself or herself, not to the company. Outsiders are considered for openings in the firm.

Lifetime Security In *Japan*, lifetime security is taken for granted. Employees can expect to work for the same firm for the rest of their lives. In return for not being laid off or fired, the firm expects them to be loyal to the company, to stick with it through good and bad times. Workers do not go job shopping, for their careers—and many aspects of their lives—are wrapped up in this one firm.

In the *United States*, lifetime security is unusual. It is limited primarily to teachers and some judges, who receive what is called *tenure*. Companies lay off workers in slow times. To remain competitive, they even reorganize and fire entire divisions. Workers, too, "look out for number one." They seek better pay and opportunities elsewhere. Job shopping and job hopping are common.

Almost Total Involvement In *Japan*, work is like a marriage: The worker and the company are committed to each other. The employee supports the company with loyalty and long hours at work, while the company supports its workers with lifetime secu-

Cyberloafers and Cybersleuths: Surfing at Work

Few people work constantly at their jobs. Most of us take breaks and, at least once in a while, goof off. We meet fellow workers at the water cooler, and we talk in the hallway. Much of this interaction is good for the company, for it bonds us to fellow workers and ties us to our jobs.

Our personal lives may even cross over into our workday. Some of us make personal calls from the office. Bosses know that we need to check in with our child's preschool or make arrangements for a babysitter. They expect such calls. Some even wink as we make a date or nod as we arrange to have our car worked on. And most bosses make personal calls of their own from time to time. It's the abuse that bothers bosses, and it's not surprising that they fire anyone who talks on the phone all day for personal reasons.

The latest wrinkle at work is *cyberloafing*, using computers at work for personal purposes. Most workers fritter away some of their workday online (Greengard 2000). Many exchange jokes and send personal e-mail. Some trade stocks, download music, gamble, and even operate their own online businesses. Others read books, shop, and visit online red-light districts. Playing games is common, and some cyberloafers spend most of their "working" hours battling virtual enemies. One computer programmer became a national champion playing *Starcraft* at work.

Some workers defend their cyberloafing. They argue that since their work invades their homes—forcing them to work in the evening and on weekends—employers should accommodate their personal lives. Some Web sites protect cyberloafers: They feature a panic button

in case the boss pokes her head in your office. Click the button and a phony spreadsheet pops onto your screen while typing sounds emerge from your speakers.

And then there is the *cybersleuth*. With specialized software, cybersleuths can examine everything employees read online, everything they write, and every Web site they visit (Nusbaum 2003). They can bring up every file they've deleted, even every word they've erased. What some workers don't know (and what some of us forget) is that "delete" does not mean erase. Our computers keep a hidden diary, even of what we've deleted. With a few clicks, the cybersleuth, like magic ink, makes our "deleted" information visible, exposing our hidden diary for anyone to read.

For Your CONSIDERATION

Do you think that cybersleuthing is an abuse of power? An invasion of privacy?

Or do employers have a right to check on what their employees are doing with company computers on company time? Can you think of a less invasive solution to cyberloafing?



...rity, health services, recreation, sports and social events, even a home mortgage. Involvement with the company does not stop when the workers leave the building. They join company study and exercise groups, and are likely to spend evenings with co-workers in bars and restaurants.

In the *United States*, work is a specific, often temporary contract. Workers are hired to do a certain job. When they have done that job, they have fulfilled their obligation to the

company. Their after-work hours are their own. They go home to their private lives, which usually are separate from the firm.

Broad Training In *Japan*, workers move from one job to another within the company. Not only are they not stuck doing the same thing for years on end, but also they gain a broader picture of the corporation and how the specific jobs they are assigned fit into the bigger picture.

In the *United States*, workers are expected to perform one job, do it well, and then be promoted upward to a job with more responsibility. Their understanding of the company is largely tied to the particular corner they occupy, often making it difficult for them to see how their job fits into the overall picture.

Decision Making by Consensus In *Japan*, decision making is a lengthy process. Each person who will be affected by a decision is consulted. After lengthy deliberations, a consensus emerges, and everyone agrees on which suggestion is superior. This makes workers feel that they are an essential part of the organization, not simply cogs in a giant machine.

In the *United States*, the person in charge of the unit to be affected does as much consulting with others as he or she thinks is necessary and then makes the decision.

The Myth Versus Reality

Although these differences are *generally* true, if we peer beneath the surface we see that a distorting myth has grown up around the Japanese corporation. Lifetime job security, for example, is elusive, and only about a third of Japanese workers find it. Most workers are also required by law to retire at age 60, whether they have the savings to support themselves or not (Clark and Ogawa 1997). Japanese corporations have begun to tie pay to productivity. They have found that paying the same wages to almost everyone in the same age group makes the company less competitive in the global market. Management by consensus is also a myth. This was not how decisions were made at Sony, one of Japan's most successful companies (Nathan 1999). Akio Morita, Sony's founder, was an entrepreneur from the same mold as Bill Gates. Morita didn't send memos up and down the line, as the myth would have you believe. Instead, he relied on his gut feeling about products. When he thought up the Walkman, Morita didn't discuss it until consensus emerged. Instead, he simply ordered it to be manufactured. And he made quick decisions. Over lunch, he decided to buy CBS Records. The cost was \$2 billion. The Cultural Diversity box on the following page, with which we close this chapter, explores other aspects of the Japanese myth.

For a time, Americans stood in awe of the Japanese corporate model. The passage of time, however, has revealed serious flaws. Lifetime job security, for example, is a myth. These homeless men are living in the Shinjuku train station in Tokyo. Note how they have followed the Japanese custom of placing their shoes outside before entering their "home."

