# 7 Groups and Organizations

## Learning Objectives

**Remember** the definitions of the key terms highlighted in boldfaced type throughout this chapter.

**Understand** that, over the course of history, our society has gradually become more reliant on large, formal organizations.

**Apply** research about group conformity to familiar events in everyday life.

**Analyze** the growing concern about personal privacy in our modern society.

**Evaluate** the benefits and challenges of living in a highly rational society.

**Create** a greater ability to live effectively and more happily within a world of large, formal organizations.

# CHAPTER OVERVIEW

We spend much of our lives within the collectivities that sociologists call social groups and formal organizations. This chapter begins by analyzing social groups, both small and large, highlighting the differences between them. Then the focus shifts to formal organizations that carry out various tasks in our modern society. ■



**With the workday over,** Juan and Jorge pushed through the doors of the local McDonald's restaurant. "Man, am I hungry," announced Juan, heading right into line. "Look at all the meat I'm gonna eat." But Jorge, a recent immigrant from a small village in Guatemala, is surveying the room with a sociological eye. "There is much more than food to see here. This place is all about America!"

And so it is, as we shall see. Back in 1948, people in Pasadena, California, paid little attention to the opening of a new restaurant by brothers Maurice and Richard McDonald. The McDonald brothers' basic concept, which was soon called "fast food," was to serve meals quickly and cheaply to large numbers of people. The brothers trained employees to do specialized jobs: One person grilled hamburgers while others "dressed" them, made French fries, whipped up milkshakes, and presented the food to the customers in assembly-line fashion.

As the years went by, the McDonald brothers prospered, and they opened several more restaurants, including one in San Bernardino. It was there, in 1954, that Ray Kroc, a traveling blender and mixer salesman, paid them a visit.

Kroc was fascinated by the efficiency of the brothers' system and saw the potential for a whole chain of fast-food restaurants. The three launched the plan as partners. In 1961, in the face of rapidly increasing sales, Kroc bought out the McDonalds (who returned to running their original restaurant) and went on to become one of the great success stories of all time. Today, McDonald's is one of the most widely known brand names in the world, with more than 32,000 restaurants serving 60 million people daily throughout the United States and in 117 other countries (McDonald's, 2010).

The success of McDonald's points to more than just the popularity of burgers and fries. The organizational principles that guide this company have come to dominate social life in the United States and elsewhere. As Jorge correctly observed, this one small business transformed not only the restaurant industry but also our entire way of life.

We begin this chapter with an examination of *social groups,* the clusters of people with whom we interact in everyday life. As you will learn, the scope of group life in the United States expanded greatly during the twentieth century. From a world of families, local neighborhoods, and small businesses, our society now relies on the operation of huge corporations and other bureaucracies that sociologists describe as *formal organizations.* Understanding this expanding scale of social life and appreciating what it means for us as individuals are the main objectives of this chapter.

## Social Groups

### Understand

Almost everyone wants a sense of belonging, which is the essence of group life. A **social group** is *two or more people who identify with and interact with one another.* Human beings come together in couples, families, circles of friends, churches, clubs, businesses, neighborhoods, and large organizations. Whatever the form, a group is made up of people with shared experiences, loyalties, and interests. In short, while keeping their individuality, members of social groups also think of themselves as a special "we."

Not every collection of individuals forms a group. People all over the country with a status in common, such as women, homeowners, soldiers, millionaires, college graduates, and Roman Catholics, are not a group but a *category.* Though they know that others hold the same

status, most are strangers to one another. Similarly, students sitting in a large stadium interact to a very limited extent. Such a loosely formed collection of people in one place is a *crowd* rather than a group.

However, the right circumstances can quickly turn a crowd into a group. Unexpected events, from power failures to terrorist attacks, can make people bond quickly with strangers.

## Primary and Secondary Groups

Friends often greet one another with a smile and the simple phrase "Hi! How are you?" The response is usually "Fine, thanks. How about you?" This answer is often more scripted than sincere. Explaining how you are *really* doing might make people feel so awkward that they would beat a hasty retreat.

Social groups are of two types, depending on their members' degree of personal concern for one another. According to Charles Horton Cooley (1864–1929), a **primary group** is *a small social group whose members share personal and lasting relationships*. Joined by *primary relationships,* people spend a great deal of time together, engage in a wide range of activities, and feel that they know one another pretty well. In short, they show real concern for one another. The family is every society's most important primary group.

Cooley called personal and tightly integrated groups "primary" because they are among the first groups we experience in life. In addition, family and friends have primary importance in the socialization process, shaping our attitudes, behavior, and social identity.

Members of primary groups help one another in many ways, but they generally think of the group as an end in itself rather than as a means to some goal. In other words, we prefer to think that family and friendship link people who "belong together." Members of a primary group also tend to view each other as unique and irreplaceable. Especially in the family, we are bound to others by emotion and loyalty. Brothers and sisters may not always get along, but they always remain "family."

In contrast to the primary group, the **secondary group** is *a large and impersonal social group whose members pursue a specific goal or activity*. In most respects, secondary groups have characteristics opposite to those of primary groups. *Secondary relationships* involve weak emotional ties and little personal knowledge of one another. Many secondary groups exist for only a short time, beginning and ending without

As human beings, we live our lives as members of groups. Such groups may be large or small, temporary or long-lasting, and can be based on kinship, cultural heritage, or some shared interest.

**social group** two or more people who identify with and interact with one another

**primary group** a small social group whose members share personal and lasting relationships

**secondary group** a large and impersonal social group whose members pursue a specific goal or activity

particular significance. Students enrolled in the same course at a large university—who may or may not see one another again after the semester ends—are one example of a secondary group.

Secondary groups include many more people than primary groups. For example, dozens or even hundreds of people may work together in the same company, yet most of them pay only passing attention to one another. In some cases, time may transform a group from secondary to primary, as with co-workers who share an office for many years and develop closer relationships. But generally, members of a secondary group do not think of themselves as "we." Secondary ties need not be hostile or cold, of course. Interactions among students, co-workers, and business associates are often quite pleasant even if they are impersonal.

Unlike members of primary groups, who display a *personal orientation,* people in secondary groups have a *goal orientation*. Primary group members define each other according to *who* they are in terms of family ties or personal qualities, but people in secondary groups look to one another for *what* they are, that is, what they can do for each other. In secondary groups, we tend to "keep score," aware of what we give others and what we receive in return. This goal orientation means that secondary group members usually remain formal and polite. In a secondary relationship, therefore, we ask the question "How are you?" without expecting a truthful answer.

The Summing Up table on page 148 reviews the characteristics of primary and secondary groups. Keep in mind that these traits define two types of groups in ideal terms; most real groups contain elements of both. For example, a women's group on a university campus may be quite large (and therefore secondary), but its members may identify strongly with one another and provide lots of mutual support (making it seem primary).

Many people think that small towns and rural areas have mostly primary relationships and that large cities are characterized by more secondary ties. This generalization is partly true, but some urban neighborhoods—especially those populated by people of a single ethnic or religious category—are very tightly knit.

## Group Leadership

How do groups operate? One important element of group dynamics is leadership. Though a small circle of friends may have no leader at all, most large secondary groups place leaders in a formal chain of command.

### Two Leadership Roles

Groups typically benefit from two kinds of leadership. **Instrumental leadership** refers to *group leadership that focuses on the completion of tasks*. Members look to instrumental leaders to make plans, give orders, and get things done. **Expressive leadership**, by contrast, is *group leadership that focuses on the group's well-being*. Expressive leaders take less interest in achieving goals than in raising group morale and minimizing tension and conflict among members.

Because they concentrate on performance, instrumental leaders usually have formal secondary relationships with other members. These leaders give orders and reward or punish members according to how much the members contribute to the group's efforts. Expressive leaders build more personal primary ties. They offer sympathy to a member going through tough times, keep the group united, and lighten serious moments with humor. Typically, successful instrumental leaders enjoy more *respect* from members, and expressive leaders generally receive more personal *affection*.

### Three Leadership Styles

Sociologists also describe leadership in terms of decision-making style. *Authoritarian leadership* focuses on instrumental concerns, takes personal charge of decision making, and demands that group members obey orders. Although this leadership style may win little affection from the group, a fast-acting authoritarian leader is appreciated in a crisis.

*Democratic leadership* is more expressive and makes a point of including everyone in the decision-making process. Although less successful in a crisis situation, democratic leaders generally draw on the ideas of all members to develop creative solutions to problems.

*Laissez-faire leadership* allows the group to function more or less on its own (*laissez-faire* in French means "leave it alone"). This style is typically the least effective in promoting group goals (White & Lippitt, 1953; Ridgeway, 1983).

## Group Conformity

Groups influence the behavior of their members by promoting conformity. "Fitting in" provides a secure feeling of belonging, but at the extreme, group pressure can be unpleasant and even dangerous. As experiments by Solomon Asch and Stanley Milgram showed, even strangers can encourage conformity.

### Asch's Research

Solomon Asch (1952) recruited students for what he told them was a study of visual perception. Before the experiment began, he explained to all but one member in a small group that their real purpose was to put pressure on the remaining person. Arranging six to eight students around a table, Asch showed them a "standard" line, as drawn on Card 1 in Figure 7–1, and asked them to match it to one of three lines on Card 2.

Anyone with normal vision could easily see that the line marked "A" on Card 2 is the correct choice. At the beginning of the experiment, everyone made the matches correctly. But then Asch's secret accomplices began answering incorrectly, leaving the uninformed student (seated at the table so as to answer next to last) bewildered and uncomfortable.

What happened? Asch found that one-third of all subjects chose to conform by answering incorrectly. Apparently, many of us are willing to compromise our own judgment to avoid the discomfort of being seen as different, even by people we do not know.

### Milgram's Research

Stanley Milgram, a former student of Solomon Asch's, conducted conformity experiments of his own. In Milgram's controversial study (1963, 1965; A. G. Miller, 1986), a researcher explained to male recruits that they would be taking part in a study of how punishment affects learning. One by one, he assigned the subjects to the role of teacher and placed another person—actually an accomplice of Milgram's—in a connecting room to pose as a learner.

The teacher watched as the learner was seated in what looked like an electric chair. The researcher applied electrode paste to one of the learner's wrists, explaining that this would "prevent blisters and burns." The researcher then attached an electrode to the wrist and

## Summing Up

### Primary Groups and Secondary Groups

|  | Primary Group | Secondary Group |
| --- | --- | --- |
| **Quality of relationships** | Personal orientation | Goal orientation |
| **Duration of relationships** | Usually long-term | Variable; often short-term |
| **Breadth of relationships** | Broad; usually involving many activities | Narrow; usually involving few activities |
| **Perception of relationships** | Ends in themselves | Means to an end |
| **Examples** | Families, circles of friends | Co-workers, political organizations |

secured the leather straps, explaining that these would "prevent excessive movement while the learner was being shocked." The researcher assured the teacher that although the shocks would be painful, they would cause "no permanent tissue damage."

The researcher then led the teacher back to the next room, explaining that the "electric chair" was connected to a "shock generator," actually a phony but realistic-looking piece of equipment with a label that read "Shock Generator, Type ZLB, Dyson Instrument Company, Waltham, Mass." On the front was a dial that appeared to regulate electric shock from 15 volts (labeled "Slight Shock") to 300 volts (marked "Intense Shock") to 450 volts (marked "Danger: Severe Shock").

Seated in front of the "shock generator," the teacher was told to read aloud pairs of words. Then the teacher was to repeat the first word of each pair and wait for the learner to recall the second word. Whenever the learner failed to answer correctly, the teacher was told to apply an electric shock.

The researcher directed the teacher to begin at the lowest level (15 volts) and to increase the shock by another 15 volts every time the learner made a mistake. And so the teacher did. At 75, 90, and 105 volts, the teacher heard moans from the learner; at 120 volts, shouts of pain; at 270 volts, screams; at 315 volts, pounding on the wall; after that, dead silence. None of forty subjects assigned to the role of teacher during the initial research even questioned the procedure before reaching 300 volts, and twenty-six of the subjects—almost two-thirds—went all the way to 450 volts. Even Milgram was surprised at how readily people obeyed authority figures.

Milgram (1964) then modified his research to see if groups of ordinary people—not authority figures—could pressure people to administer electrical shocks, as Asch's groups had pressured individuals to match lines incorrectly.

This time, Milgram formed a group of three teachers, two of whom were his accomplices. Each of the three teachers was to suggest a shock level when the learner made an error; the rule was that the group would then administer the *lowest* of the three suggested levels. This arrangement gave the person not "in" on the experiment the power to deliver a lesser shock regardless of what the others said.

The accomplices suggested increasing the shock level with each error, putting pressure on the third member to do the same. The subjects in these groups applied voltages three to four times higher than the levels applied by subjects acting alone. In this way, Milgram showed that people are likely to follow the lead of not only legitimate authority figures but also groups of ordinary individuals, even when it means harming another person.

### Janis's "Groupthink"

Experts also cave in to group pressure, says Irving L. Janis (1972, 1989). Janis argues that a number of U.S. foreign policy errors, including the failure to foresee Japan's attack on Pearl Harbor during World War II and our ill-fated involvement in the Vietnam War, resulted from group conformity among our highest-ranking political leaders.

Common sense tells us that group discussion improves decision making. Janis counters that group members often seek agreement that closes off other points of view. Janis called this process **groupthink**, *the tendency of group members to conform, resulting in a narrow view of some issue.*
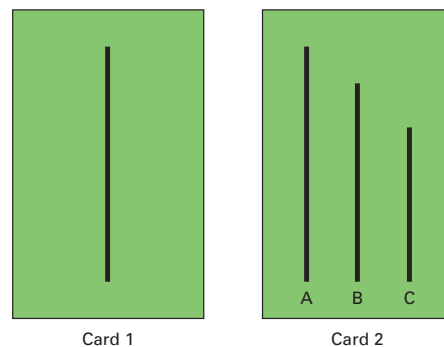


FIGURE 7–1  Cards Used in Asch's Experiment in Group Conformity

In Asch's experiment, subjects were asked to match the line on Card 1 to one of the lines on Card 2. Many subjects agreed with the wrong answers given by others in their group.

Source: Asch (1952).

A classic example of groupthink led to the failed invasion of Cuba at the Bay of Pigs in 1961. Looking back, Arthur Schlesinger Jr., an adviser to President John F. Kennedy, confessed to feeling guilty for "having kept so quiet during those crucial discussions in the Cabinet Room," adding that the group discouraged anyone from challenging what, in hindsight, Schlesinger considered "nonsense" (quoted in Janis, 1972:30, 40). Groupthink may also have been a factor in the U.S. invasion of Iraq in 2003 when U.S. leaders were led to believe—erroneously—that Iraq had stockpiles of weapons of mass destruction. Closer to home, one professor suggests that college faculties are subject to groupthink because they share political attitudes that are overwhelmingly liberal (Klein, 2010).

## Reference Groups

How do we assess our own attitudes and behavior? Frequently, we use a **reference group**, *a social group that serves as a point of reference in making evaluations and decisions.*

A young man who imagines his family's response to a woman he is dating is using his family as a reference group. A supervisor who tries to predict her employees' reaction to a new vacation policy is using them in the same way. As these examples suggest, reference groups can be primary or secondary. In either case, our need to conform shows how others' attitudes affect us.

We also use groups that we do *not* belong to for reference. Being well prepared for a job interview means showing up dressed the way people in that company dress for work. Conforming to groups we do not belong to is a strategy to win acceptance by others and illustrates the process of *anticipatory socialization,* described in Chapter 5 ("Socialization").

### Stouffer's Research

Samuel Stouffer and his colleagues (1949) conducted a classic study of reference group dynamics during World War II. Researchers asked soldiers to rate their own or any competent soldier's chances of pro-

motion in their army unit. You might guess that soldiers serving in outfits with a high promotion rate would be optimistic about advancement. Yet Stouffer's research pointed to the opposite conclusion: Soldiers in army units with low promotion rates were actually more positive about their chances to move ahead.

The key to understanding Stouffer's results lies in the groups against which soldiers measured themselves. Those assigned to units with lower promotion rates looked around them and saw people making no more headway than they were. That is, although they had not been promoted, neither had many others, so they did not feel slighted. However, soldiers in units with a higher promotion rate could easily think of people who had been promoted sooner or more often than they had. With such people in mind, even soldiers who had been promoted were likely to feel shortchanged.

The point is that we do not make judgments about ourselves in isolation, nor do we compare ourselves with just anyone. Regardless of our situation in *absolute* terms, we form a subjective sense of our well-being by looking at ourselves *relative* to specific reference groups.

## In-Groups and Out-Groups

Each of us favors some groups over others, based on political outlook, social prestige, or even just manner of dress. On the college campus, for example, left-leaning student activists may look down on fraternity members, whom they consider too conservative; fraternity members, in turn, may snub the "nerds," who they feel work too hard. People in every social setting make positive and negative evaluations of members of other groups.

Such judgments illustrate another important element of group dynamics: the opposition of in-groups and out-groups. An **in-group**

is *a social group toward which a member feels respect and loyalty.* An in-group exists in relation to an **out-group**, *a social group toward which a person feels a sense of competition or opposition.* In-groups and out-groups are based on the idea that "we" have valued traits that "they" lack.

Tensions between groups sharpen the groups' boundaries and give people a clearer social identity. However, members of in-groups generally hold overly positive views of themselves and unfairly negative views of various out-groups.

Power also plays a part in intergroup relations. A powerful in-group can define others as a lower-status out-group. Historically, in countless U.S. towns and cities, many white people viewed people of color as an out-group and subordinated them socially, politically, and economically. Minorities who internalize these negative attitudes often struggle to overcome negative self-images. In this way, in-groups and out-groups foster loyalty but also generate conflict (Tajfel, 1982; Bobo & Hutchings, 1996).

## Group Size

The next time you go to a small party or gathering, try to arrive first. If you do, you will be able to watch some fascinating group dynamics. Until about six people enter the room, every person who arrives shares a single conversation. As more people arrive, the group divides into two clusters, and it divides again and again as the party grows. Size plays an important role in how group members interact.

To understand why, note the mathematical number of relationships among two to seven people. As shown in Figure 7–2, two people form a single relationship; adding a third person results in three relationships; adding a fourth person yields six. Increasing the number of people one at a time, then, expands the number of relationships much more rapidly since every new individual can interact with everyone already there. Thus by the time seven people join one conversation, twenty-one "channels" connect them. With so many open channels, at this point the group usually divides into smaller conversation groups.

### The Dyad

The German sociologist Georg Simmel (1858–1918) studied social dynamics in the smallest groups. Simmel (1950, orig. 1902) used the term **dyad** (Greek for "pair") to designate *a social group with two members.* Simmel explained that social interaction in a dyad is usually more intense than in larger groups because neither member shares the other's attention with anyone else. In the United States, love affairs, marriages, and the closest friendships are typically dyadic.

But like a stool with only two legs, dyads are unstable. Both members of a dyad must work to keep the relationship going; if either withdraws, the group collapses. Because the stability of marriages is important to society, the marital dyad is supported by legal, economic, and often religious ties.

### The Triad

Simmel also studied the **triad**, *a social group with three members,* which contains three relationships, each uniting two of the three people. A triad is more stable than a dyad because one member can act as a mediator should the relationship between the other two become strained. Such group dynamics help explain why members of a dyad
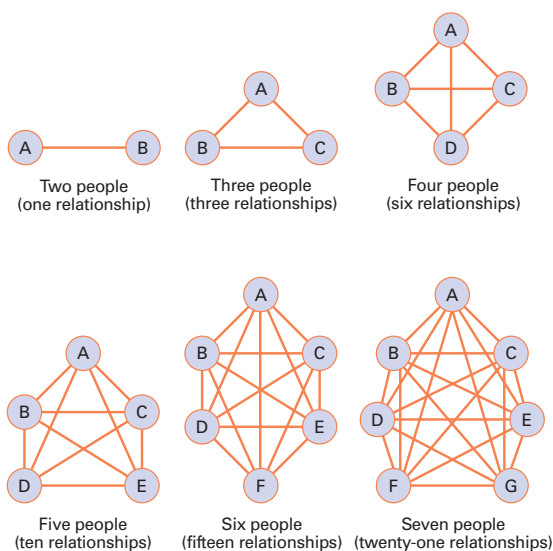
FIGURE 7–2  Group Size and Relationships

As the number of people in a group increases, the number of relationships that link them increases much faster. By the time six or seven people share a conversation, the group usually divides into two. Why are relationships in smaller groups typically more intense?

Source: Created by the author.

Two people (one relationship)
Three people (three relationships)
Four people (six relationships)
Five people (ten relationships)
Six people (fifteen relationships)
Seven people (twenty-one relationships)

The triad, illustrated by Jonathan Green's painting *Friends,* includes three people. A triad is more stable than a dyad because conflict between any two persons can be mediated by the third member. Even so, should the relationship between any two become more intense in a positive sense, those two are likely to exclude the third.

Jonathan Green, *Friends,* 1992. Oil on masonite, 14 in. 11 in. © Jonathan Green, Naples, Florida. Collection of Patric McCoy.

(say, a married couple) often seek out a third person (such as a counselor) to discuss tensions between them.

On the other hand, two of the three can pair up at times to press their views on the third, or two may intensify their relationship, leaving the other feeling left out. For example, when two of the three develop a romantic interest in each other, they will come to understand the meaning of the old saying, "Two's company, three's a crowd."

As groups grow beyond three people, they become more stable and capable of withstanding the loss of one or more members. At the same time, increases in group size reduce the intense personal interaction possible only in the smallest groups. This is why larger groups are based less on personal attachment and more on formal rules and regulations.

## Social Diversity: Race, Class, and Gender

Race, ethnicity, class, and gender each play a part in group dynamics. Peter Blau (1977; Blau, Blum, & Schwartz, 1982; South & Messner, 1986) points out three ways in which social diversity influences intergroup contact:

1. **Large groups turn inward.** Blau explains that the larger a group is, the more likely its members are to have relationships just among themselves. Say a college is trying to enhance social diversity by increasing the number of international students. These students may add a dimension of difference, but as the number of students from a particular nation increases, they become more likely to form their own social group. Thus efforts to promote social diversity may have the unintended effect of promoting separatism.

2. **Heterogeneous groups turn outward.** The more internally diverse a group is, the more likely its members are to interact with outsiders. Members of campus groups that recruit people of both sexes and various social backgrounds typically have more intergroup contact than those with members of one social category.

3. **Physical boundaries create social boundaries.** To the extent that a social group is physically segregated from others (by having its own dorm or dining area, for example), its members are less likely to interact with other people.

## Networks

A **network** is *a web of weak social ties.* Think of a network as a "fuzzy" group containing people who come into occasional contact but who lack a sense of boundaries and belonging. If you think of a *group* as a "circle of friends," think of a network as a "social web" expanding outward, often reaching great distances and including large numbers of people.
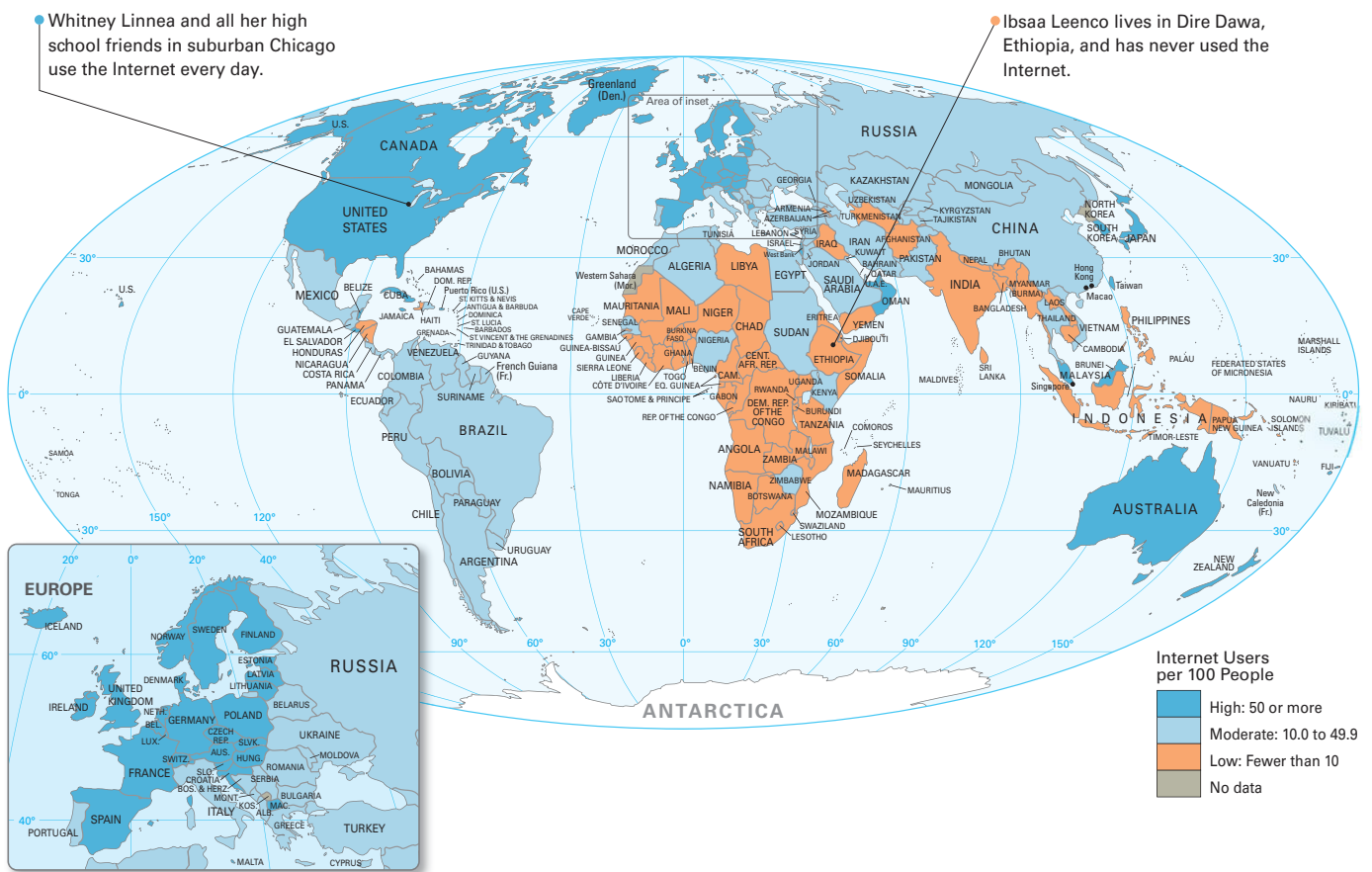
The largest network of all is the World Wide Web of the Internet. But the Internet has expanded much more in some global regions than in others. Global Map 7–1 on page 152 shows that Internet use is high in rich countries such as the United States and the countries of Western Europe and far less common in poor nations in Africa and Southeast Asia.

Closer to home, some networks come close to being groups, as is the case with college classmates who stay in touch after graduation through class newsletters and annual reunions. More commonly, however, a network includes people we know of or who know of us but with whom we interact only rarely, if at all. As one woman known as a community organizer explains, "I get calls at home, [and] someone says, 'Are you Roseann Navarro? Somebody told me to call you. I have this problem . . . .'" (quoted in Kaminer, 1984:94).

Network ties often give us the sense that we live in a "small world." In a classic experiment, Stanley Milgram (1967; Watts, 1999) gave letters to subjects in Kansas and Nebraska intended for a few specific people in Boston who were unknown to the original subjects. No addresses were supplied, and the subjects in the study were told to send the letters to others they knew personally who might know the target people. Milgram found that the target people received the letters with, on average, six subjects passing them on. This result led Milgram to conclude that just about everyone is connected to everyone else by "six degrees of separation." Later research, however, has cast doubt on Milgram's conclusions. Examining Milgram's original data, Judith Kleinfeld points out that most of Milgram's letters (240 out of 300) never arrived at their destinations (Wildavsky, 2002). Those that did were typically given to people who were wealthy, a fact that led Kleinfeld to conclude that rich people are far better connected across the country than ordinary men and women. Illustrating this assertion, convicted swindler Bernard Madoff was able to recruit more than 5,000 clients entirely through his extensive business networks, with one new client encouraging others to sign up. In the end, these people and organizations lost some $50 billion in the largest Ponzi pyramid scheme of all time (Lewis, 2010).

Network ties may be weak, but they can be a powerful resource. For immigrants who are trying to become established in a new

Whitney Linnea and all her high school friends in suburban Chicago use the Internet every day.

Ibsaa Leenco lives in Dire Dawa, Ethiopia, and has never used the Internet.

**Internet Users per 100 People**

- High: 50 or more
- Moderate: 10.0 to 49.9
- Low: Fewer than 10
- No data

# Window on the World

GLOBAL MAP 7–1  Internet Users in Global Perspective

This map shows how the Information Revolution has affected countries around the world. In most high-income nations, at least one-half of the population uses the Internet. By contrast, only a small share of people in low-income nations does so. What effect does this pattern have on people's access to information? What does this mean for the future in terms of global inequality?

Source: International Telecommunications Union (2010).

community, businesspeople seeking to expand their operations, or new college graduates looking for a job, *who* you know is often as important as *what* you know (Hagan, 1998; Petersen, Saporta, & Seidel, 2000).

Networks are based on people's colleges, clubs, neighborhoods, political parties, and personal interests. Obviously, some networks contain people with considerably more wealth, power, and prestige than others; that explains the importance of being "well connected." The networks of more privileged categories of people—such as the members of an expensive country club—are a valuable form of "social capital," which can lead to benefits such as higher-paying jobs (Green, Tigges, & Diaz, 1999; Lin, Cook, & Burt, 2001).

Some people also have denser networks than others; that is, they are connected to more people. Typically, the largest social networks include people who are affluent, young, well educated, and living in large cities. Typically, about half of the individuals in a person's social network change over a period of about seven years (Fernandez & Weinberg, 1997; Podolny & Baron, 1997; Mollenhorst, 2009).

Gender also shapes networks. Although the networks of men and women are typically the same size, women include more relatives (and more women) in their networks, and men include more co-workers (and more men). Research suggests that women's ties do not carry quite the same clout as the "old-boy" networks that men often rely on for career and social advancement. Even so, research suggests that as gender equality increases in the United States, the networks of women and men are becoming more alike (Reskin & McBrier, 2000; Torres & Huffman, 2002).

✷ **Explore** membership in one of our country's largest formal organizations—the military—in your local community and in counties across the United States on **mysoclab.com**

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# Formal Organizations

### 🔵 Understand

A century ago, most people lived in small groups of family, friends, and neighbors. Today, our lives revolve more and more around **formal organizations**, *large secondary groups organized to achieve their goals efficiently.* Formal organizations, such as business corporations and government agencies, differ from families and neighborhoods in their impersonality and their formally planned atmosphere.

When you think about it, organizing more than 300 million people in this country into a single society is truly remarkable, whether it involves paving roads, collecting taxes, schooling children, or delivering the mail. To carry out most of these tasks, we rely on different types of large formal organizations.

## Types of Formal Organizations

Amitai Etzioni (1975) identified three types of formal organizations, distinguished by the reasons people participate in them: utilitarian organizations, normative organizations, and coercive organizations.

### Utilitarian Organizations

Just about everyone who works for income belongs to a *utilitarian organization,* one that pays people for their efforts. Large businesses, for example, generate profits for their owners and income for their employees. Becoming part of a utilitarian organization such as a business or government agency is usually a matter of individual choice, although most people must join one or another such organization to make a living.

### Normative Organizations

People join *normative organizations* not for income but to pursue some goal they think is morally worthwhile. Sometimes called *voluntary associations,* these include community service groups (such as the PTA, the Lions Club, the League of Women Voters, and the Red Cross), as well as political parties and religious organizations. In global perspective, people living in the United States and other high-income nations with relatively democratic political systems are likely to join voluntary associations. A recent study found that 73 percent of first-year college students in the United States claimed to have participated in some volunteer activity within the past year (Pryor et al., 2011).

### Coercive Organizations

Membership in *coercive organizations* is involuntary. People are forced to join these organizations as a form of punishment (prisons) or treatment (some psychi-

The 2010 film *The Social Network* depicts the birth of Facebook, now one of the largest social networking sites in the world. In what ways have Internet-based social networks changed social life in the United States?

atric hospitals). Coercive organizations have special physical features, such as locked doors and barred windows, and are supervised by security personnel. They isolate people, whom they label "inmates" or "patients," for a period of time in order to radically change their attitudes and behavior. Recall from Chapter 5 ("Socialization") the power of a total institution to change a person's sense of self.

It is possible for a single organization to fall into *all* three categories from the point of view of different individuals. For example, a mental hospital serves as a coercive organization for a patient, a utilitarian organization for a psychiatrist, and a normative organization for a hospital volunteer.

## Origins of Formal Organizations

Formal organizations date back thousands of years. Elites who controlled early empires relied on government officials to collect taxes, undertake military campaigns, and build monumental structures, from the Great Wall of China to the pyramids of Egypt.

However, early organizations had two limitations. First, they lacked the technology to let people travel over large distances, to communicate quickly, and to gather and store information. Second, the preindustrial societies they were trying to rule had traditional cultures, so for the most part, ruling organizations tried to preserve cultural systems rather than change them. But during the last few centuries, what Max Weber called a "rational worldview" emerged in parts of the world, a process described in Chapter 4 ("Society"). In Europe and North America, the Industrial Revolution ushered in a new structure for formal organizations concerned with efficiency that Weber called "bureaucracy."

## Characteristics of Bureaucracy

**Bureaucracy** is *an organizational model rationally designed to perform tasks efficiently.* Bureaucratic officials regularly create and revise policy to increase efficiency. To appreciate the power and scope of bureaucratic organization, consider that any one of more than 400 million telephones in the United States can connect you within seconds to any other phone in a home, business, automobile, or even a hiker's backpack on a remote trail in the Rocky Mountains. Such instant communication was beyond the imagination of people who lived in the ancient world.

Our telephone system depends on technology such as electricity, fiber optics, and computers. But the system could not exist without the bureaucracy that keeps track of every telephone call—noting which phone calls which other phone, when, and for how long—and then presents the relevant information to some 300 million telephone users in the form of a monthly bill (CTIA, 2010; FCC, 2010).

What specific traits promote organizational efficiency? Max Weber (1978, orig. 1921) identified six key elements of the ideal bureaucratic organization:

1. **Specialization.** Our ancestors spent most of their time performing the general task of looking for food and
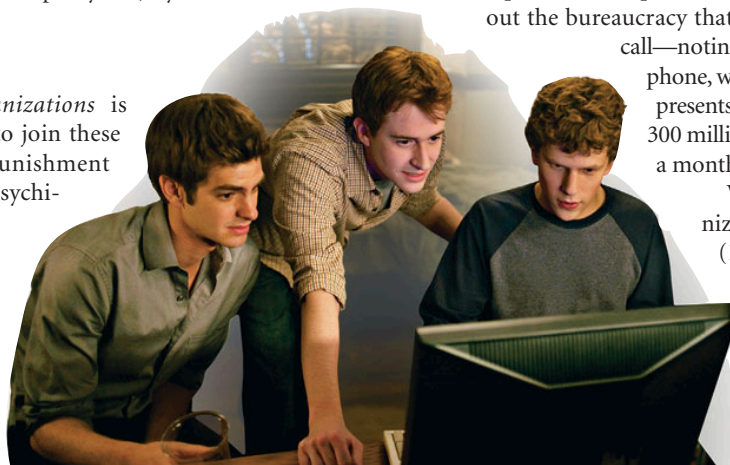
shelter. Bureaucracy, by contrast, assigns people highly specialized jobs.

2. **Hierarchy of positions.** Bureaucracies arrange workers in a vertical ranking. Each person is supervised by someone "higher up" in the organization while in turn supervising others in lower positions. Usually, with few people at the top and many at the bottom, bureaucratic organizations take the form of a pyramid.

3. **Rules and regulations.** Cultural tradition counts for little in a bureaucracy. Instead, rationally enacted rules and regulations guide a bureaucracy's operation. Ideally, a bureaucracy operates in a completely predictable way.

4. **Technical competence.** Bureaucratic officials have the technical competence to carry out their duties. Bureaucracies typically hire new members according to set standards and then monitor their performance. Such impersonal evaluation contrasts with the ancient custom of favoring relatives, whatever their talents, over strangers.

5. **Impersonality.** Bureaucracy puts rules ahead of personal whim so that both clients and workers are treated in the same way. From this impersonal approach comes the image of the "faceless bureaucrat."

6. **Formal, written communications.** It is said that the heart of bureaucracy is not people but paperwork. Instead of the casual, face-to-face talk that characterizes interaction within small groups, bureaucracy relies on formal, written memos and reports, which accumulate in vast files.

Bureaucratic organization promotes efficiency by carefully hiring workers and limiting the unpredictable effects of personal taste and opinion. The Summing Up table reviews the differences between small social groups and large bureaucratic organizations.

## Organizational Environment

No organization operates in a vacuum. The performance of any organization depends not only on its own goals and policies but also on the **organizational environment**, *factors outside an organization that affect its operation.* These factors include technology, economic and political trends, current events, the available workforce, and other organizations.

Modern organizations are shaped by *technology*, including copiers, fax machines, telephones, and computers. This technology gives employees access to more information and more people than ever before. At the same time, modern technology allows managers to monitor worker activities much more closely than in the past (Markoff, 1991).

*Economic and political trends* affect organizations. All organizations are helped or hurt by periodic economic growth or recession. Most industries also face competition from abroad as well as changes in laws—such as new environmental standards—at home.

*Population patterns* also affect organizations. The average age, typical level of education, social diversity, and size of a local community determine the available workforce and sometimes the market for an organization's products or services.

*Current events* can have significant effects on organizations that are far removed from the location of the events themselves. Events such as the political gains made by Republicans in the 2010 congressional elections and the sweeping political revolutions in the Middle East in 2011 affect the operation of both government agencies and business organizations.

*Other organizations* also contribute to the organizational environment. To be competitive, a hospital must be responsive to the insurance industry and to organizations representing doctors, nurses, and other health care workers. It must also be aware of the equipment and procedures available at nearby facilities, as well as their prices.

## The Informal Side of Bureaucracy

Weber's ideal bureaucracy deliberately regulates every activity. In actual organizations, however, human beings are creative (and stubborn) enough to resist bureaucratic regulation. Informality may amount to simply cutting corners on your job, but it can also provide the flexibility needed to adapt and prosper.

In part, informality comes from the personalities of organizational leaders. Studies of U.S. corporations document that the qualities and quirks of individuals—including personal charisma, interpersonal skills, and the willingness to recognize problems—can have a great effect on organizational outcomes (Halberstam, 1986; Baron, Hannan, & Burton, 1999).

Authoritarian, democratic, and laissez-faire types of leadership (described earlier in this chapter) reflect individual personality as much as any organizational plan. In the "real world" of organizations, leaders sometimes seek to benefit personally by abusing organizational power. Many of the corporate leaders of banks and insurance companies that collapsed during the financial meltdown



Weber described the operation of the ideal bureaucracy as rational and highly efficient. In real life, actual large organizations often operate very differently from Weber's model, as can be seen on the television show *30 Rock*.

### Small Groups and Formal Organizations

|  | Small Groups | Formal Organizations |
|---|---|---|
| Activities | Much the same for all members | Distinct and highly specialized |
| Hierarchy | Often informal or nonexistent | Clearly defined according to position |
| Norms | General norms, informally applied | Clearly defined rules and regulations |
| Membership criteria | Variable; often based on personal affection or kinship | Technical competence to carry out assigned tasks |
| Relationships | Variable and typically primary | Typically secondary, with selective primary ties |
| Communications | Typically casual and face-to-face | Typically formal and in writing |
| Focus | Person-oriented | Task-oriented |

of 2008 walked off with huge "golden parachutes." Throughout the business world, leaders take credit for the efforts of the people who work for them, at least when things go well. In addition, the importance of many secretaries to how well a boss performs is often much greater than most people think (and greater than a secretary's official job title and salary suggest).

Communication offers another example of organizational informality. Memos and other written communications are the formal way to spread information throughout an organization. Typically, however, individuals also create informal networks, or "grapevines," that spread information quickly, if not always accurately. Grapevines, using both word of mouth and e-mail, are particularly important to rank-and-file workers because higher-ups often try to keep important information from them.

The spread of e-mail has "flattened" organizations somewhat, allowing even the lowest-ranking employee to bypass immediate superiors and communicate directly with the organization's leader or with all fellow employees at once. Some organizations object to such "open-channel" communication and limit the use of e-mail. Microsoft Corporation (whose founder, Bill Gates, has an unlisted e-mail address that helps him limit his mail to a few hundred messages a day) pioneered the development of screens that filter out messages from everyone except certain approved people (Gwynne & Dickerson, 1997).

Using new information technology as well as age-old human ingenuity, members of organizations often try to break free of rigid rules in order to personalize procedures and surroundings. Such efforts suggest that we should take a closer look at some of the problems of bureaucracy.

## Problems of Bureaucracy

We rely on bureaucracy to manage everyday life efficiently, but many people are uneasy about large organizations. Bureaucracy can dehumanize and manipulate us, and some say it poses a threat to political democracy. These dangers are discussed in the following sections.

### Bureaucratic Alienation

Max Weber held up bureaucracy as a model of productivity. However, Weber was keenly aware of bureaucracy's ability to *dehumanize* the people it is supposed to serve. The same impersonality that fosters efficiency also keeps officials and clients from responding to one another's unique personal needs. Typically, officials at large government and corporate agencies must treat each client impersonally as a standard "case." In 2008, for example, the U.S. Army accidently sent letters to family members of soldiers killed in Iraq and Afghanistan, addressing the recipients as "John Doe" ("Army Apologizes," 2009).

Formal organizations breed *alienation,* according to Weber, by reducing the human being to "a small cog in a ceaselessly moving mechanism" (1978:988, orig. 1921). Although formal organizations are designed to benefit people, Weber feared that people might well end up serving formal organizations.

### Bureaucratic Inefficiency and Ritualism

On Labor Day 2005, as people in New Orleans and other coastal areas were battling to survive in the wake of Hurricane Katrina, 600 firefighters from around the country assembled in a hotel meeting room in Atlanta awaiting deployment. Officials of the Federal Emergency Management Agency (FEMA) explained to the crowd that they were first going to be given a lecture on "equal opportunity, sexual harassment, and customer service." Then, the official continued, they would each be given a stack of FEMA pamphlets with the agency's phone number to distribute to people in the devastated areas. A firefighter stood up and shouted, "This is ridiculous! Our fire departments and mayors sent us down here to save lives, and you've got us doing *this*?" The FEMA official thundered back, "You are now employees of FEMA, and you will follow orders and do what you are told!" ("Places," 2005:39).

People sometimes describe this inefficiency as too much "red tape," a reference to the ribbon used by slow-working eighteenth-century English administrators to wrap official parcels and records (Shipley, 1985).

George Tooker's painting *Government Bureau* is a powerful statement about the human costs of bureaucracy. The artist paints members of the public in a drab sameness—reduced from human beings to mere "cases" to be disposed of as quickly as possible. Set apart from others by their positions, officials are "faceless bureaucrats" concerned more with numbers than with providing genuine assistance (notice that the artist places the fingers of the officials on calculators).

George Tooker, *Government Bureau*, 1956. Egg tempera on gesso panel, $19\frac{5}{8}$ × $29\frac{5}{8}$ inches. The Metropolitan Museum of Art, George A. Hearn Fund, 1956 (56.78). Photograph © 1984 The Metropolitan Museum of Art.

To Robert Merton (1968), red tape amounts to a new twist on the already familiar concept of group conformity. He coined the term **bureaucratic ritualism** to describe *a focus on rules and regulations to the point of undermining an organization's goals.* In short, rules and regulations should be a means to an end, not an end in themselves that takes the focus away from the organization's stated goals. After the terrorist attacks of September 11, 2001, for example, the U.S. Postal Service continued to help deliver mail addressed to Osama bin Laden at a post office in Afghanistan, despite the objections of the FBI. It took an act of Congress to change the policy (Bedard, 2002).

### Bureaucratic Inertia

If bureaucrats sometimes have little reason to work very hard, they have every reason to protect their jobs. Officials typically work to keep an organization going even after its original goal has been realized. As Weber put it, "Once fully established, bureaucracy is among the social structures which are hardest to destroy" (1978:987, orig. 1921).

**Bureaucratic inertia** refers to *the tendency of bureaucratic organizations to perpetuate themselves.* Formal organizations tend to take on a life of their own beyond their formal objectives. For example, the U.S. Department of Agriculture has offices in nearly every county in all fifty states, even though only one county in seven has any working farms. Usually, an organization stays in business by redefining its goals. For example, the Agriculture Department now performs a broad range of work not directly related to farming, including nutritional and environmental research.

## Oligarchy

Early in the twentieth century, Robert Michels (1876–1936) pointed out the link between bureaucracy and political **oligarchy**, *the rule of the many by the few* (1949, orig. 1911). According to what Michels called the "iron law of oligarchy," the pyramid shape of bureaucracy places a few leaders in charge of the resources of the entire organization.

Weber believed that a strict hierarchy of responsibility resulted in high organizational efficiency. But Michels countered that this hierarchical structure also concentrates power and thus threatens democracy

because officials can and often do use their access to information, resources, and the media to promote their own personal interests.

Furthermore, bureaucracy helps distance officials from the public, as in the case of the corporate president or public official who is "unavailable for comment" to the local press or the U.S. president who withholds documents from Congress claiming "executive privilege." Oligarchy, then, thrives in the hierarchical structure of bureaucracy and reduces leaders' accountability to the people.

Political competition, term limits, and a legal system that includes various checks and balances prevent the U.S. government from becoming an out-and-out oligarchy. Even so, incumbents, who generally have more visibility, power, and money than their challengers, enjoy a significant advantage in U.S. politics. In recent congressional elections, nearly 90 percent of congressional officeholders on the ballot were able to win reelection.

# The Evolution of Formal Organizations

● **Analyze**

The problems of bureaucracy—especially the alienation it produces and its tendency toward oligarchy—stem from two organizational traits: hierarchy and rigidity. To Weber, bureaucracy was a top-down system: Rules and regulations made at the top guide every facet of people's lives down the chain of command. A century ago in the United States, Weber's ideas took hold in an organizational model called *scientific management.* We take a look at this model and then examine three challenges over the course of the twentieth century that gradually led to a new model: the *flexible organization.*

## Scientific Management

Frederick Winslow Taylor (1911) had a simple message: Most businesses in the United States were sadly inefficient. Managers had little idea of how to increase their business's output, and workers relied on the same tired skills of earlier generations. To increase efficiency, Taylor explained, business should apply the principles of science. **Scientific management** is thus *the application of scientific principles to the operation of a business or other large organization.*

Scientific management involves three steps. First, managers carefully observe the task performed by each worker, identifying all the operations involved and measuring the time needed for each. Second, managers analyze their data, trying to discover ways for workers

to perform each job more efficiently. For example, managers might decide to give the worker different tools or to reposition various work operations within the factory. Third, management provides guidance and incentives for workers to do their jobs more quickly. If a factory worker moves 20 tons of pig iron in one day, for example, management shows the worker how to do the job more efficiently and then provides higher wages as the worker's productivity rises. Taylor concluded that if scientific principles were applied in this way, companies would become more profitable, workers would earn higher wages, and consumers would benefit by paying lower prices.

A century ago, auto pioneer Henry Ford put it this way: "Save ten steps a day for each of 12,000 employees, and you will have saved fifty miles of wasted motion and misspent energy" (Allen & Hyman, 1999:209). In the early 1900s, the Ford Motor Company and many other businesses followed Taylor's lead and made improvements in efficiency. Today, corporations carefully review every aspect of their operation in a never-ending effort to increase efficiency.

The principles of scientific management suggested that workplace power should reside with owners and executives, who have historically paid little attention to the ideas of their workers. Formal organizations have also faced important challenges, involving race and gender, rising competition from abroad, and the changing nature of work. We now take a brief look at each of these challenges.

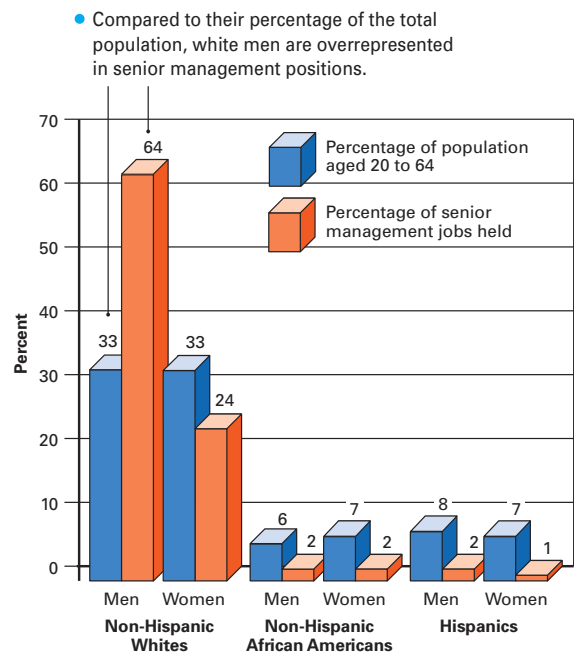## The First Challenge: Race and Gender

In the 1960s, critics charged that big businesses and other organizations engaged in unfair hiring practices. Rather than hiring on the basis of competence as Weber had proposed, organizations excluded women and other minorities, especially from positions of power. Hiring on the basis of competence is only partly a matter of fairness; it is also a matter of enlarging the talent pool to promote efficiency.

### Patterns of Privilege and Exclusion

Even in the early twenty-first century, as shown in Figure 7–3, non-Hispanic white men in the United States—33 percent of the working-age population—still held 64 percent of management jobs. Non-Hispanic white women made up 33 percent of the population but held just 24 percent of managerial positions (U.S. Equal Employment Opportunity Commission, 2010). The members of other minorities lagged further behind.

Rosabeth Moss Kanter (1977; Kanter & Stein, 1979) claims that excluding women and minorities from the workplace ignores the talents of half the population. Furthermore, underrepresented people in an organization often feel like socially isolated out-groups—uncomfortably visible, taken less seriously, and given fewer chances for promotion. Sometimes what passes for "merit" or good work in an organization is simply being of the right social category (Castilla, 2008).

Opening up an organization so that change and advancement happen more often, Kanter claims, improves everyone's on-the-job performance by motivating employees to become "fast-trackers" who work harder and are more committed to the company. By contrast, an organization with many dead-end jobs turns workers into less

● Compared to their percentage of the total population, white men are overrepresented in senior management positions.



## Diversity Snapshot

FIGURE 7–3   **U.S. Managers in Private Industry by Race, Sex, and Ethnicity, 2009**

White men are more likely than their population size suggests to be managers in private industry. The opposite is true for white women and other minorities. What factors do you think may account for this pattern?

Sources: U.S. Census Bureau (2010) and U.S. Equal Employment Opportunity Commission (2010).

productive "zombies" who are never asked for their opinion on anything. An open organization encourages leaders to seek out the input of all employees, which usually improves decision making.

### The "Female Advantage"

Some organizational researchers argue that women bring special management skills that strengthen an organization. According to Deborah Tannen (1994), women have a greater "information focus" and more readily ask questions in order to understand an issue. Men, by contrast, have an "image focus" that makes them wonder how asking questions in a particular situation will affect their reputation.

In another study of women executives, Sally Helgesen (1990) found three other gender-linked patterns. First, women place greater value on communication skills than men and share information more than men do. Second, women are more flexible leaders who typically give their employees greater freedom. Third, compared to men, women tend to emphasize the interconnectedness of all organizational operations. These patterns, which Helgesen dubbed the *female advantage*, help make companies more flexible and democratic.

In sum, one challenge to conventional bureaucracy is to become more open and flexible in order to take advantage of the experience, ideas, and creativity of everyone, regardless of race or gender. The result goes right to the bottom line: greater profits.

## The Second Challenge: The Japanese Work Organization

In 1980, the U.S. corporate world was shaken to discover that the most popular automobile model sold in this country was not a Chevrolet, Ford, or Plymouth but the Honda Accord, made in Japan. Recently, the Japanese corporation Toyota passed General Motors to become the largest carmaker in the world (BBC, 2011). This is quite a change. As late as the 1950s, U.S. automakers dominated car production, and the label "Made in Japan" was generally found on products that were cheap and poorly made. The success of the Japanese auto industry, as well as companies making cameras and other products, drew attention to the "Japanese work organization." How was so small a country able to challenge the world's economic powerhouse?

Japanese organizations reflect that nation's strong collective spirit. In contrast to the U.S. emphasis on rugged individualism, the Japanese value cooperation. In effect, formal organizations in Japan are more like large primary groups. A generation ago, William Ouchi (1981) highlighted five differences between formal organizations in Japan and those in the United States. First, Japanese companies hired new workers in groups, giving everyone the same salary and responsibilities. Second, many Japanese companies hired workers for life, fostering a strong sense of loyalty. Third, with the idea that employees would spend their entire careers there, many Japanese companies trained workers in all phases of their operations. Fourth, although Japanese corporate leaders took final responsibility for their organization's performance, they involved workers in "quality circles" to discuss decisions that affected them. Fifth, Japanese companies played a large role in the lives of workers, providing home mortgages, sponsoring recreational activities, and scheduling social events. Together, such policies encourage much more loyalty among members of Japanese organizations than is typically the case in their U.S. counterparts.

Not everything has worked well for Japan's corporations. About 1990, the Japanese economy entered a recession that has lasted for two decades. During this downturn, many Japanese companies have changed their policies, no longer offering workers jobs for life or many of the other benefits noted by Ouchi. But the long-term outlook for Japan's business organizations remains bright.

In recent years, the widely admired Toyota corporation has also seen challenges. After expanding its operations to become the world's largest carmaker, Toyota was forced to recall millions of automobiles due to mechanical problems, suggesting that one consequence of the company's rapid growth was losing focus on what had been the key to its success all along—quality (Saporito, 2010).

## The Third Challenge: The Changing Nature of Work

Beyond rising global competition and the need to provide equal opportunity for all, pressure to modify conventional organizations is coming from changes in the nature of work itself. Chapter 4 ("Society") described the shift from industrial to postindustrial production. Rather than working in factories using heavy machinery to make *things*, more and more people are using computers and other electronic technology to create or process *information*. The postindustrial society, then, is characterized by information-based organizations.

Frederick Taylor developed his concept of scientific management at a time when jobs involved tasks that, though often backbreaking, were routine and repetitive. Workers shoveled coal, poured liquid iron into molds, welded body panels to automobiles on an assembly line, or shot hot rivets into steel girders to build skyscrapers. In addition, many of the industrial workers in Taylor's day were immigrants, most of whom had little schooling and many of whom knew little English. The routine nature of industrial jobs, coupled with the limited skills of the labor force, led Taylor to treat work as a series of fixed tasks, set down by management and followed by employees.

Many of today's information age jobs are very different: The work of designers, artists, writers, composers, programmers, business owners, and others now demands individual creativity and imagination. Here are several ways in which today's organizations differ from those of a century ago:

1. **Creative freedom.** As one Hewlett-Packard executive put it, "From their first day of work here, people are given important responsibilities and are encouraged to grow" (cited in Brooks, 2000:128). Today's organizations now treat employees with information age skills as a vital resource. Executives can set production goals but cannot dictate how a worker is to accomplish tasks that require imagination and discovery. This gives highly skilled workers *creative freedom,* which means less day-to-day supervision as long as they generate good results in the long run.

2. **Competitive work teams.** Organizations typically give several groups of employees the freedom to work on a problem, offering the greatest rewards to those who come up with the best solution. Competitive work teams, a strategy first used by Japanese organizations, draw out the creative contributions of everyone and at the same time reduce the alienation often found in conventional organizations (Maddox, 1994; Yeatts, 1994).

3. **A flatter organization.** By spreading responsibility for creative problem solving throughout the workforce, organizations take on a flatter shape. That is, the pyramid shape of conventional bureaucracy is replaced by an organizational form with fewer levels in the chain of command, as shown in Figure 7–4.

4. **Greater flexibility.** The typical industrial age organization was a rigid structure guided from the top. Such organizations may accomplish a large amount of work, but they are not especially creative or able to respond quickly to changes in the larger environment. The ideal model in the information age is a more open, *flexible* organization that both generates new ideas and adapts quickly to the rapidly changing global marketplace.

What does all this mean for formal organizations? As David Brooks puts it, "The machine is no longer held up as the standard that healthy organizations should emulate. Now it's the ecosystem" (2000:128). Today's "smart" companies seek out intelligent, creative people (AOL's main building is called "Creative Center 1") and nurture the growth of their talents.

Keep in mind, however, that many of today's jobs do not involve creative work at all. More correctly, the postindustrial economy has created two very different types of work: high-skill creative work and low-skill service work. Work in the fast-food industry, for example, is routine and highly supervised and thus has much more in common

with the factory work of a century ago than with the creative teamwork typical of today's information organizations. Therefore, at the same time that some organizations have taken on a flexible, flatter form, others continue to use the rigid chain of command.

## The "McDonaldization" of Society

As noted in the opening to this chapter, McDonald's has enjoyed enormous success, now operating more than 32,000 restaurants in the United States and around the world. Japan has more than 3,700 Golden Arches, and the world's largest McDonald's, which seats more than 1,000 customers, is located in China's capital city of Beijing.

McDonald's is far more than a restaurant chain; it is a symbol of U.S. culture. Not only do people around the world associate McDonald's with the United States, but also here at home, one poll found that 98 percent of schoolchildren could identify Ronald McDonald, making him as well known as Santa Claus.

Even more important, the organizational principles that underlie McDonald's are coming to dominate our entire society. Our culture is becoming "McDonaldized," an awkward way of saying that we model many aspects of life on this restaurant chain: Parents buy toys at worldwide chain stores all carrying identical merchandise; we drop in for a ten-minute oil change while running errands; face-to-face communication is being replaced more and more by e-mail, voice mail, and texting; more vacations take the form of resorts and tour packages; television packages the news in the form of ten-second sound bites; college admissions officers size up students they have never met by glancing at their GPA and SAT scores; and professors assign ghost-written textbooks[1] and evaluate students with tests mass-produced for them by publishing companies. The list goes on and on.

### Four Principles

What do all these developments have in common? According to George Ritzer (1993), the McDonaldization of society rests on four organizational principles:

1. **Efficiency.**  Ray Kroc, the marketing genius behind the expansion of McDonald's back in the 1950s, set out to serve a hamburger, French fries, and a milkshake to a customer in exactly fifty seconds. Today, one of the company's most popular menu items is the Egg McMuffin, an entire breakfast in a single sandwich. In the restaurant, customers dispose of their trash and stack their own trays as they walk out the door or, better still, drive away from the pickup window taking whatever mess they make with them. Such efficiency is now central to our way of life. We tend to think that anything done quickly is, for that reason alone, good.
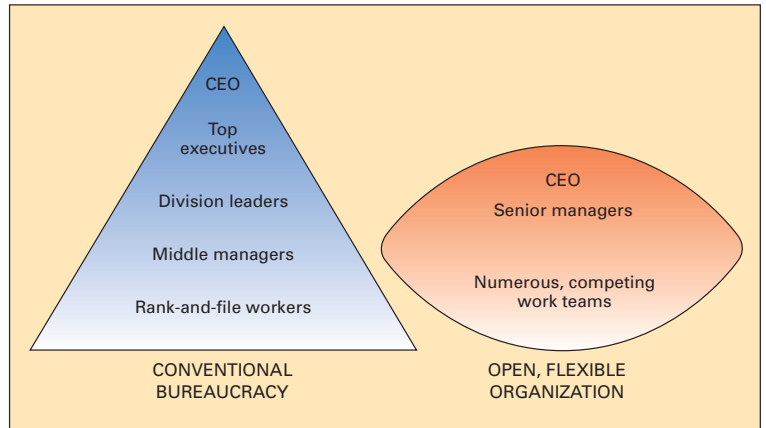


FIGURE 7–4   **Two Organizational Models**
The conventional model of bureaucratic organizations has a pyramid shape, with a clear chain of command. Orders flow from the top down, and reports of performance flow from the bottom up. Such organizations have extensive rules and regulations, and their workers have highly specialized jobs. More open and flexible organizations have a flatter shape, more like a football. With fewer levels in the hierarchy, responsibility for generating ideas and making decisions is shared throughout the organization. Many workers do their jobs in teams and have a broad knowledge of the entire organization's operation.
Source: Created by the author.

2. **Predictability.**  An efficient organization wants to make everything it does as predictable as possible. McDonald's prepares all food using set formulas. Company policies guide the performance of every job.

3. **Uniformity.**  The first McDonald's operating manual set the weight of a regular raw hamburger at 1.6 ounces, its size at 3.875 inches across, and its fat content at 19 percent. A slice of cheese weighs exactly half an ounce. Fries are cut precisely 9/32 of an inch thick.

   Think about how many objects around your home, the workplace, and the campus are designed and mass-produced according to a standard plan. Not just our environment but also our life experiences—from traveling the nation's interstates to sitting at home viewing television—are more standardized than ever before.

   Almost anywhere in the world, a person can walk into a McDonald's restaurant and purchase the same sandwiches, drinks, and desserts prepared in precisely the same way.[2] Uniformity results from a highly rational system that specifies every action and leaves nothing to chance.

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[1]A number of popular sociology books were not written by the person whose name appears on the cover. This book is not one of them. Even the test bank and much of the MySocLab that accompanies this text were written by the author.

[2]As McDonald's has "gone global," a few products have been added or changed according to local tastes. For example, in Uruguay, customers enjoy the McHuevo (hamburger with poached egg on top); Norwegians can buy McLaks (grilled salmon sandwiches); the Dutch favor the Groenteburger (vegetable burger); in Thailand, McDonald's serves Samurai pork burgers (pork burgers with teriyaki sauce); the Japanese can purchase a Chicken Tatsuta Sandwich (chicken seasoned with soy and ginger); Filipinos eat McSpaghetti (spaghetti with tomato sauce and bits of hot dog); and in India, where Hindus eat no beef, McDonald's sells a vegetarian Maharaja Mac (B. Sullivan, 1995).

The best of today's information age jobs—including working at Google, the popular search engine Web site—allow people lots of personal freedom as long as they produce good ideas. At the same time, many other jobs, such as working the counter at McDonald's, involve the same routines and strict supervision found in factories a century ago.

4. **Control.** The most unreliable element in the McDonald's system is the human beings who work there. After all, people have good and bad days, sometimes let their minds wander, or simply decide to try something a different way. To minimize the unpredictable human element, McDonald's has automated its equipment to cook food at a fixed temperature for a set length of time. Even the cash register at McDonald's is keyed to pictures of the items so that ringing up a customer's order is as simple as possible.

Similarly, automatic teller machines are replacing bank tellers, highly automated bakeries now produce bread while people stand back and watch, and chickens and eggs (or is it eggs and chickens?) emerge from automated hatcheries. In supermarkets, laser scanners at self-checkouts are phasing out human checkers. We do most of our shopping in malls, where everything from temperature and humidity to the kinds of stores and products sold are subject to continuous control and supervision (Ide & Cordell, 1994).

### Can Rationality Be Irrational?

There is no doubt about the popularity or efficiency of McDonald's. But there is another side to the story.

Max Weber was alarmed at the increasing rationalization of the world, fearing that formal organizations would cage our imaginations and crush the human spirit. As Weber saw it, rational systems were efficient but dehumanizing. McDonaldization bears him out. Each of the four principles just discussed limits human creativity, choice, and freedom. Echoing Weber, Ritzer states that "the ultimate irrationality of McDonaldization is that people could lose control over the system and it would come to control us" (1993:145). Perhaps even McDonald's understands this—the company has now expanded its more upscale offerings to include premium roasted coffee and salad selections that are more sophisticated, fresh, and healthful (Philadelphia, 2002).

## The Future of Organizations: Opposing Trends

🔴 **Evaluate**

Early in the twentieth century, ever-larger organizations arose in the United States, most taking on the bureaucratic form described by Max Weber. In many respects, these organizations resembled armies led by powerful generals who issued orders to their captains and lieutenants. Foot soldiers, working in the factories, did what they were told.

With the emergence of a postindustrial economy around 1950, as well as rising competition from abroad, many organizations evolved toward a flatter, more flexible model that prizes communication and creativity. Such "intelligent organizations" (Pinchot & Pinchot, 1993; Brooks, 2000) have become more productive than ever. Just as important, for highly skilled people who now enjoy creative freedom, these organizations cause less of the alienation that so worried Weber.

But this is only half the story. Although the postindustrial economy has created many highly skilled jobs over the past half-century, it has created even more routine service jobs. Fast-food companies now represent the largest pool of low-wage labor, aside from migrant workers, in the United States (Schlosser, 2002). Work of this kind, which Ritzer terms "McJobs," offers few of the benefits that today's highly skilled workers enjoy. On the contrary, the automated routines that define work in the fast-food industry, telemarketing, and similar fields are very much the same as those that Frederick Taylor described a century ago.

Today, organizational flexibility gives better-off workers more freedom but often means the threat of "downsizing" and job loss for many rank-and-file employees. Organizations facing global competition seek out creative employees, but they are also eager to cut costs by eliminating as many routine jobs as possible. The net result is that

# Computer Technology, Large Organizations, and the Assault on Privacy

**Jake:** I'm doing Facebook. It's really cool.

**Duncan:** Why do you want to put your whole life out there for everyone to see?

**Jake:** I'm famous, man!

**Duncan:** Famous? Ha! You're throwing away whatever privacy you have left.

Jake completes a page on Facebook, which includes his name and college, e-mail address, photo, biography, and current personal interests. It can be accessed by billions of people around the world.

Late for a meeting with a new client, Sarah drives her car through a yellow light as it turns red at a main intersection. A computer linked to a pair of cameras notes the violation and takes one picture of her license plate and another of her sitting in the driver's seat. In seven days, she receives a summons to appear in traffic court.

Julio looks through his mail and finds a letter from a Washington, D.C., data services company telling him that he is one of about 145,000 people whose name, address, Social Security number, and credit file have recently been sold to criminals in California posing as businesspeople. With this information, other people can obtain credit cards or take out loans in his name.

These are all cases showing that today's organizations—which know more about us than ever before and more than most of us realize—pose a growing threat to personal privacy. Large organizations are necessary for today's society to operate. In some cases, organizations using or selling information about us may actually be helpful. But cases of identity theft are on the rise, and personal privacy is on the decline.

In the past, small-town life gave people little privacy. But at least if people knew something about you, you were just as likely to know something about them. Today, unknown people "out there" can access information about each of us all the time without our learning about it.

In part, the loss of privacy is a result of more and more complex computer technology. Are you aware that every e-mail you send and every Web site you visit leaves a record in one or more computers? These records can be retrieved by people you don't know as well as by employers and other public officials.

Another part of today's loss of privacy reflects the number and size of formal organizations. As explained in this chapter, large organizations tend to treat people impersonally, and they have a huge appetite for information. Mix large organizations with ever more complex computer technology, and it is no wonder that most people in the United States are concerned about who knows what about them and what people are doing with this information.

For decades, the level of personal privacy in the United States has been declining. Early in the twentieth century, when state agencies began issuing driver's licenses, for example, they generated files for every licensed driver. Today, officials can send this information at the touch of a button not only to the police but also to all sorts of other organizations. The Internal Revenue Service and the Social Security Administration, as well as government agencies that benefit veterans, students, the unemployed, and the poor, all collect mountains of personal information.

Business organizations now do much the same thing, and many of the choices we make end up in a company's database. Most of us use credit—the U.S. population now has more than 1 billion credit cards, an average of five per adult—but the companies that do "credit checks" collect and distribute information about us to almost anyone who asks, including criminals planning to steal our identity.

Then there are the small cameras found not only at traffic intersections but also in stores, public buildings, and parking garages and across college campuses. The number of surveillance cameras that monitor our movements is rapidly increasing with each passing year. So-called security cameras may increase public safety in some ways—say, by discouraging a mugger or even a terrorist—at the cost of the little privacy we have left. In the United Kingdom, probably the world leader in the use of security cameras with 4 million of them, the typical resident of London appears on closed-circuit television about 300 times every day, and all this "tracking" is stored in computer files. Here in the United States, New York City already has 4,000 surveillance cameras in the subway system and city officials plan to install 3,000 more cameras in public places by the end of 2011.

Government monitoring of the population in the United States has been expanding steadily in recent years. After the September 11, 2001, terrorist attacks, the federal government took steps (including passage of the USA PATRIOT Act) to strengthen national security. Today, government officials closely monitor not only people entering the country but also the activities of all of us. It is possible that these efforts increase national security, but it is certain that they erode personal privacy.

Some legal protections remain. Each of the fifty states has laws that give citizens the right to examine some records about themselves kept by employers, banks, and credit bureaus. The federal Privacy Act of 1974 also limits the exchange of personal information among government agencies and permits citizens to examine and correct most government files. In response to rising levels of identity theft, Congress is likely to pass more laws to regulate the sale of credit information. But so many organizations, private as well as public, now have information about us—experts estimate that 90 percent of U.S. households are profiled in databases somewhere—that current laws simply cannot effectively address the privacy problem.

## Join the Blog!

Do you think that the use of surveillance cameras in public places enhances or reduces personal security? What about automatic toll payment technology (such as E-ZPass) that allows you to move more quickly through highway toll gates but also collects information on where you go and when you got there? Go to MySocLab and join the Sociology in Focus blog to share your opinions and experiences and to see what others think.

Sources: "Online Privacy" (2000), Heymann (2002), O'Harrow (2005), Tingwall (2008), Werth (2008), (Hui, 2010), and Stein (2011).

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some people are better off than ever, while others worry about holding their jobs and struggle to make ends meet—a trend that Chapter 11 ("Social Class in the United States") explores in detail.

U.S. organizations are the envy of the world for their productive efficiency. For example, there are few places on Earth where the mail arrives as quickly and dependably as it does in this country. But we should remember that the future is far brighter for some workers than for others. In addition, as the Sociology in Focus box explains, organizations pose an increasing threat to our privacy—something to keep in mind as we envision our organizational future.

# Seeing Sociology in Everyday Life

## What have we learned about the way modern society is organized?

This chapter explains that since the opening of the first McDonald's restaurant in 1948, the principles that underlie the fast food industry—efficiency, predictability, uniformity, and control—have spread to many aspects of our everyday lives. Here is a chance to identify aspects of McDonaldization in several familiar routines. In each of the two photos on the facing page, can you identify specific elements of McDonaldization? That is, in what ways does the organizational pattern or the technology involved increase efficiency, predictability, uniformity, and control? In the photo below, what elements do you see that are clearly not McDonaldization? Why?

**Hint**  This process, which is described as the "McDonaldization of society," has made our lives easier in some ways, but it has also made our society ever more impersonal, gradually diminishing our range of human contact. Also, although this organizational pattern is intended to serve human needs, it may end up doing the opposite by forcing people to live according to the demands of machines. Max Weber feared that our future would be an overly rational world in which we all might lose much of our humanity.

Small, neighborhood businesses like this one were once the rule in the United States. But the number of "mom and pop" businesses is declining as "big box" discount stores and fast-food chains expand. Why are small stores disappearing? What social qualities of these stores are we losing in the process?

Automated teller machines became common in the United States in the early 1970s. A customer with an electronic identification card can complete certain banking operations (such as withdrawing cash) without having to deal with a human bank teller. What makes the ATM one example of McDonaldization? Do you enjoy using an ATM? Why or why not?

At checkout counters in many supermarkets, customers lift each product through a laser scanner linked to a computer in order to identify what the product is and what it costs. The customer then inserts a credit or debit card to pay for the purchases.

# Seeing Sociology in *Your* Everyday Life

1. Have colleges and universities been affected by the process called McDonaldization? Do large, anonymous lecture courses qualify as an example? Why? What other examples of McDonaldization can you identify on the college campus?

2. Visit any large public building with an elevator. Observe groups of people as they approach the elevator, and enter the elevator with them. Watch their behavior: What happens to conversations as the elevator doors close? Where do people fix their eyes? Can you explain these patterns?

3. What experiences do you have that are similar to using an ATM or a self-checkout at a discount store? Identify several examples and explain ways that you benefit from using them. In what ways might you be harmed by using these devices? Go to the "Seeing Sociology in *Your* Everyday Life" feature on mysoclab.com to learn more about the advantages and disadvantages of living in a highly rational society as well as suggestions about ways of making choices that enhance the quality of your own life.

## What Are Social Groups?

**Social groups** are two or more people who identify with and interact with one another.
- **A primary group** is small, personal, and lasting (examples include family and close friends).
- **A secondary group** is large, impersonal and goal-oriented, and often of shorter duration (examples include a college class or a corporation). **pp. 146–47**

### Elements of Group Dynamics

**Group leadership**
- *Instrumental leadership* focuses on completing tasks.
- *Expressive leadership* focuses on a group's well-being.
- *Authoritarian leadership* is a "take charge" style that demands obedience; *democratic leadership* includes everyone in decision making; *laissez-faire leadership* lets the group function mostly on its own. **p. 148**

**Group conformity**
- The Asch, Milgram, and Janis research shows that group members often seek agreement and may pressure one another toward conformity.
- Individuals use *reference groups*—including both *in-groups* and *out-groups*—to form attitudes and make evaluations. **pp. 148–50**

**Group size and diversity**
- Georg Simmel described the *dyad* as intense but unstable; the *triad*, he said, is more stable but can dissolve into a dyad by excluding one member.
- Peter Blau claimed that larger groups turn inward, socially diverse groups turn outward, and physically segregated groups turn inward. **pp. 150–51**

**Networks** are relational webs that link people with little common identity and limited interaction. Being "well connected" in networks is a valuable type of social capital. **pp. 151–52**

**social group** (p. 146) two or more people who identify with and interact with one another

**primary group** (p. 147) a small social group whose members share personal and lasting relationships

**secondary group** (p. 147) a large and impersonal social group whose members pursue a specific goal or activity

**instrumental leadership** (p. 148) group leadership that focuses on the completion of tasks

**expressive leadership** (p. 148) group leadership that focuses on the group's well-being

**groupthink** (p. 149) the tendency of group members to conform, resulting in a narrow view of some issue

**reference group** (p. 149) a social group that serves as a point of reference in making evaluations and decisions

**in-group** (p. 150) a social group toward which a member feels respect and loyalty

**out-group** (p. 150) a social group toward which a person feels a sense of competition or opposition

**dyad** (p. 150) a social group with two members

**triad** (p. 150) a social group with three members

**network** (p. 151) a web of weak social ties

## What Are Formal Organizations?

**Formal organizations** are large secondary groups organized to achieve their goals efficiently.
- **Utilitarian organizations** pay people for their efforts (examples include a business or government agency).
- **Normative organizations** have goals people consider worthwhile (examples include voluntary associations such as the PTA).
- **Coercive organizations** are organizations people are forced to join (examples include prisons and mental hospitals). **p. 153**

✳ **Explore** the **Map** on **mysoclab.com**

All formal organizations operate in an **organizational environment**, which is influenced by
- technology
- political and economic trends
- current events
- population patterns
- other organizations **p. 154**

**formal organization** (p. 153) a large secondary group organized to achieve its goals efficiently

**organizational environment** (p. 154) factors outside an organization that affect its operation

## Modern Formal Organizations: Bureaucracy

**Bureaucracy**, which Max Weber saw as the dominant type of organization in modern societies, is based on

- specialization
- hierarchy of positions
- rules and regulations
- technical competence
- impersonality
- formal, written communications   **pp. 153–54**

**Problems of bureaucracy** include

- bureaucratic alienation
- bureaucratic inefficiency and ritualism
- bureaucratic inertia
- oligarchy   **pp. 155–56**

## The Evolution of Formal Organizations

### Conventional Bureaucracy

- In the early 1900s, Frederick Taylor's **scientific management** applied scientific principles to increase productivity.   **pp. 156–57**

👁—**Watch** the **Video** on **mysoclab.com**

### More Open, Flexible Organizations

- In the 1960s, Rosabeth Moss Kanter proposed that opening up organizations for all employees, especially women and other minorities, increased organizational efficiency.
- In the 1980s, global competition drew attention to the Japanese work organization's collective orientation.   **pp. 157–58**

### The Changing Nature of Work

Recently, the rise of a postindustrial economy has created two very different types of work:

- highly skilled and creative work (examples include designers, consultants, programmers, and executives)
- low-skilled service work associated with the "McDonaldization" of society, based on efficiency, uniformity, and control (examples include jobs in fast-food restaurants and telemarketing)   **pp. 158–60**

📖—**Read** the **Document** on **mysoclab.com**



**bureaucracy** (p. 153) an organizational model rationally designed to perform tasks efficiently

**bureaucratic ritualism** (p. 156) a focus on rules and regulations to the point of undermining an organization's goals

**bureaucratic inertia** (p. 156) the tendency of bureaucratic organizations to perpetuate themselves

**oligarchy** (p. 156) the rule of the many by the few

**scientific management** (p. 156) Frederick Taylor's term for the application of scientific principles to the operation of a business or other large organization