

FOUR ACCOUNTS OF SOCIOLOGICAL RATIONALITY

Introduction

Organizations bring people together in order to pursue goals. Formal organizations bring them together to pursue explicitly stated goals. In this context, and theoretically speaking, “rationality” involves the efficient choice of means to attain explicit goals. Practically speaking, however, this involves taking into account organizational structures, limits and strategic manipulations of information, and the organization's relationship with the environment. In addition, goals are not always clear-cut or agreed upon. Such practicalities frequently bring out the irrationalities of an overly simplified bureaucratic model. It is clear that bureaucracy contains both rational and irrational aspects. Further, I feel that much of the confusion surrounding rationality is a result of unconsciously shifting among different definitions. In the following comparison of the treatments given to rationality and irrationality by Weber, Simon, Crozier, and DiMaggio and Powell, I will stress these differences in definition, assumptions, and focus.

Weber: Formal Rationality

Rationality. In his development of pure types of social action, Weber clearly differentiates *rational* action from action governed by impulse or habit. Rational action is self-conscious action, and can either be in the pursuit of a “value for its own sake” or “rationally pursued and calculated ends” (1968, pp. 24-25). Generally speaking, the latter is considered “rational.”¹ Weber emphasizes that technical knowledge and experience

¹ This is rationality in a narrow sense. Weber discusses the relationship between instrumentally rational and value rational action:

Action is instrumentally rational (*zweckrational*) when the end, the means, and the secondary results are all rationally taken into account and weighed. This involves rational consideration of alternative means to the end, of the relations of the end to the secondary consequences, and finally of the relative importance of different possible ends. Determination of action either in affectual or in traditional terms is thus incompatible with this type. Choice between alternative and conflicting ends and results may well be determined in a value-rational manner. . . .the more the value to which action is oriented is elevated to the status of absolute value, the more “irrational” in this sense the corresponding action is. For, the more unconditionally the actor devotes himself to this value for its own sake...the less he is influenced by considerations of the consequences of his action (1968, p. 26).

A large part of Weber's theoretical superiority lies in the fact that he distinguishes conflict over values (goals) from pure efficiency considerations. Bureaucracy is the best form of organization to achieve goals once stated.

facilitate rationality (1968, p. 225). *Formal* rationality codifies this knowledge into “rules, regulations, and structures that either predetermine or help...discover the optimum methods” (Ritzer 1993, p. 19). For Weber, a formalized organization structures a sense of duty to the office, the rules, and obedience to authority by virtue of the sanctity of the rules. This promotes precision, objectivity, expertness, and calculability (Weber 1968, pp. 974-975). To state an obvious point, when we utilize a form of organization (bureaucracy) that is superior, we are being rational. In this ideal sense, bureaucracies are more rational than other forms of organization because they formalize both the goals and the means to be utilized (rules) in efficiency terms.

Irrationality. Bureaucracy is hardly without its imperfections. Weber describes the “power interests” in keeping “office secrets” well beyond functional motivations (Weber 1968, p. 992). He clearly believed that technical specialization leads to a power position of the expert in a bureaucracy. Though formally superior, a leader is at a disadvantage when dealing with the expert, and becomes dependent on them to provide technical expertise. In Weber’s treatment, these “irrationalities” frequently involve conflicts between outsiders, such as a monarch or the public,² and a bureaucratic government agency. However, from the agency’s perspective, such action is *substantively* rational.³ It is not difficult to imagine such conflicts at the intra-organizational level. This is the difficulty faced when considering rationality, what is rational at the individual or office level becomes irrational for the organization as a whole. Although imperfect, bureaucracy’s strength is in its ability to impose the formal structure of rules on previously irrational areas.

The flip side to this is to view the formal structure as somewhat irrational. Rules, originally chosen as the best means to an end, can become outdated and inflexible. Weber

² Weber also suggests that democracy advances the spread and indispensability of bureaucracy, but that bureaucracy may have detrimental effects on democracy. “Bureaucratic administration always tends to exclude the public, to hide its knowledge and action from criticism as well as it can” (Weber 1968, p. 992). Russell (1993) elaborates on Weber’s point that democracy is hindered when bureaucracies are large, heterogeneous, or oligopolistic. In terms of democratic values, then, it can be argued that bureaucracy is somewhat irrational.

³ Weber consider this one of the “fundamental elements of irrationality— a conflict between formal and substantive rationality” (1968, p. 225).

termed this “red tape.” Bureaucratic organizations tend to be difficult to change or dismantle once created, given the value orientations of its members who come to believe in the moral character of the enterprise. Such a bureaucracy will work for anyone who can control it. The efficiency of the bureaucratic form has a drawback: its survivability even when it is not needed anymore. We can consider it irrational when the formal structure of a bureaucracy becomes immune to optimization by its masters.

At the societal level, the persistence and spread of the bureaucratic form has irrationalities. Weber points out that one of the consequences to this is increased rationality and the spread of a spirit of formal impersonality. Although initially created for efficiency, when taken too far rules restrict choice and freedom, and result in a dehumanizing “Iron Cage of Rationality.” Ritzer, in updating Weberian theory, details the irrationalities of an increasingly “McDonaldized” (bureaucratic) society.⁴ These include the limited options and services available in a divisionalized organization. Complex or difficult cases are rejected or poorly handled. Increased emphasis on predictability and calculability lead to a narrow focus on the criteria measured to the detriment of other goals. In sum, there is a body of theorizing that builds upon the Iron Cage and highlights the irrationalities of bureaucracy along purely *human* lines.

While the irrationalities detailed above must be acknowledged, I must emphasize that for Weber (and myself), bureaucracy is clearly superior to other forms of organization⁵ and in practical terms is the most rational choice.

Simon: Bounded Rationality

Rationality. Like Weber, Simon defines rationality as the selection of effective means to designated ends chosen by values. “Roughly speaking, rationality is concerned with the selection of preferred behavioral alternatives in terms of some system of values whereby the consequences of behavior can be evaluated” (1976, p. 75). At a more

⁴ Even once simple businesses like farming are not immune. How did the rational farmer count his cows? With a *cowculator!*

⁵ Weber’s primary alternative is the personalistic organizations of history. I find it interesting that critics of Weber overlook his own criticisms of bureaucracy (Collins 1975) and the gross inefficiencies and abuses of the alternatives.

complex, level,

Objective rationality...would imply that the behaving subject molds all his behavior into an integrated pattern by (a) viewing the behavior alternatives prior to decision in panoramic fashion, (b) considering the whole complex of consequences that would follow on each choice, and (c) with the system of values as criterion singling out one from the whole set of alternatives (Simon 1976, p. 80).

In other words, rationality involves listing the alternatives, identifying the consequences of each, and applying values to select an alternative on the basis of preferred consequences.

Simon rejects this stylized *economic man* who is completely aware of his alternatives with a “preposterously omniscient rationality,” and a “complete and consistent system of preferences” (1976, p. xxvii). Simon argues that perfect rationality is an impossibility, so he analyzes of the way we deal with limited or *bounded* rationality. He therefore contrasts economic man with his cousin, *administrative man*.

Nonrational Behavior. In administrative decision making, Simon highlights the practical limits to rationality: 1) knowledge and anticipation of the consequences of each choice is always fragmentary; 2) the value of future consequences can only be imperfectly imagined; and 3) only a small fraction of possible alternatives ever come to mind (1976, p. 81). Simon’s emphasis is that knowledge is always incomplete. “Administrative theory is peculiarly the theory of intended and bounded rationality—of behavior of human beings who *satisfice* because they have not the wits to *maximize*” (1976, p. xxviii). Simon considers these limitations *nonrational* rather than irrational.

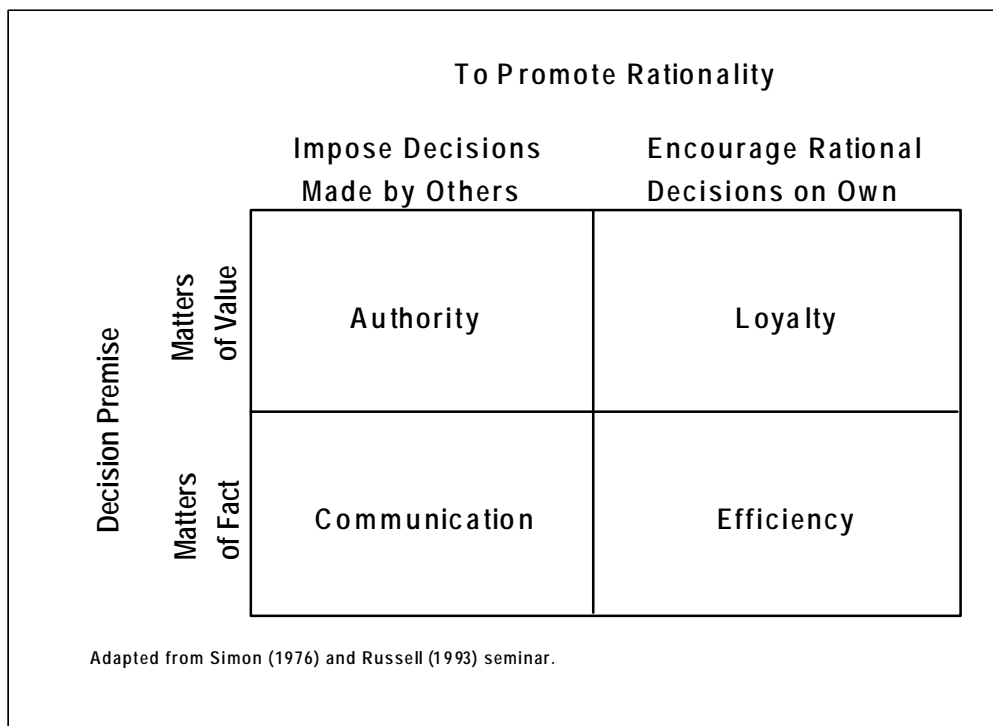
Despite the limits to rationality, Simon emphasizes the ways that large administrative organizations promote rationality (see Figure 1). Authority fosters the value of accepting decisions made by others. Loyalty is the internalization of organizational criteria. Communication involves the appropriate transmission of information from its sources to decision centers, and back again. Efficiency results when the individual chooses among all the alternatives for the alternative yielding the greatest return to the organization. For Simon, rationality develops out of organizational membership.

The rational individual is, and must be, an organized and institutionalized individual. If

the severe limits imposed by human psychology are to be relaxed, the individual must in his decisions be subject to the influence of the organized group in which he participates (1976, p. 102).

In other words, organizations institutionalize rationality through stable expectations and the mechanics of influence such as division of work, standards of practice, systems of authority and influence, formal and informal channels of influence, and indoctrination. The resultant structure facilitates rational thinking patterns. Unlike Weber's treatment, there is little conflict, and what there is can be overcome with proper socialization.

Figure 1: Simon's Model of Organizational Rationality



Crozier: Formal and Substantive Irrationality

The Problem of Rationality. Crozier strongly contrasts the technical efficiency of the industrial monopoly with human organization. The rational and technical world is “under the primacy of goal-setting and goal achieving,” while the world of personnel, morale, and human organization must take into account the feelings, reactions, and minds of the organization’s members (1964, p. 149). Crozier rejects the notion that socialization by the organization can make workers rational and efficient. Being a conflict theorist, his implicit assumption is that workers and supervisors can never agree on the goals, and will

therefore exploit power in any way possible. Organizationally, this is irrational.

Crozier agrees with Simon's bounded and limited rationality, however, suggesting that,

Such an approach allows us to deal with the problems of power in a more realistic fashion. It enables us to consider, at the same time, the rationality of each agent or of each group of agents, and the influence of the human relations factors that limit their rationality (1963, p. 150).

Crozier's workers see the formal structure as oppressive. Centralization, hierarchy, lack of participation and control, rules, and impersonality all alienate the worker. The only mechanism available to the workers is their power over uncertainty—what Weber termed expert knowledge. The maintenance workers, in particular, monopolized information critical to the efficient operation of the plant. Crozier emphasizes that rules are inadequate and “management must rely upon workers' support and must therefore bargain for it” (1964, p. 189). When the power of formal authority figures is weakened in these ways, the prospects for rationality are limited.

Limited Irrationality. Still, Crozier holds out some hope of rationality. Supervisors who accommodate the needs of workers, make exceptions on unimportant rules, overlook irregularities, and engage in subtle blackmail get compliance and information. Hardly rational in the technical sense, this it is substantively rational. Crozier suggests even this is limited, because of

The rational side of the organization and the series of social controls that prevent people from taking too much advantage of their own strategic situation. No organization could survive if it were run solely by individual clique and back-door deals (1964, p. 166).

This last aspect implies an ultimate limit to irrationality whereby the environment steps in and causes the organization to fail.

DiMaggio and Powell: The Rationality of Environmental Imperatives

Rationality. The new institutionalism of DiMaggio and Powell provides yet another critique of Weber's ideal rationality. DiMaggio and Powell consider how organizations operate at the field level and, although not explicit, imply that formal rationality is especially problematic when we consider the realities of the external environment. Perhaps John Meyer best sums up the new institutionalists' conception of

rationality: “the institutionalization of rational organization tends to lower the formal rationality of specific organizations” (1992, p. 263). In other words, while those responsible for organizations would like them to rationally pursue their goals, they are immersed in environmental structures which constrain and influence this pursuit. These influences typically result in homogeneity within the organization and among the organizations in a field.⁶

There is a more sociological rationality to such homogeneity. On the internal side, there is the efficiency of a common set of values (now termed goal congruence) and at the field level homogeneity promotes certainty and stability. A “rational” organization in this context would take the environment into account and act accordingly.⁷ The primary distinction of this approach is its emphasis on the rationality of *survival*, over the formal rationality of organizational goals and values. These do not always correspond, and the major contribution of institutional thought is that it categorizes the typical “non-rational” approaches taken in the pursuit of survival.

Comparisons

Weber emphasizes both the virtue and possibility of bureaucratic rationality. Simon echoes this for the most part, but emphasizes that there can never be perfect rationality. Both see the organization as more rational than its members, primarily because of the adoption of organizational (rational) *values*. For Weber rationality is *structured* when we use bureaucracy, but for Simon, it is *socialized*. Both Simon and Weber contrast sharply with Crozier and DiMaggio and Powell in their optimism for (formal) rationality. Crozier suggests that since conflicts are insurmountable, organizations will remain both formally and substantively irrational. The rationality of DiMaggio and Powell simply takes another form—although they critique the optimism of

⁶ Institutional rationality draws heavily from Hawley’s (1950) belief that groups in the same habitat will develop a common culture if isolated (Hawley’s description of the tendency for certain adaptations in living organisms to become fixated is reflected later in Stinchcombe’s structural inertia.), but will adopt the most advanced culture (technology) if subject to environmental pressures. Generally speaking, selection pressures will favor those groups with the best adaptations, and this form will predominate. For the institutionalists, *survival* is rational, and they point out that legitimacy and coercion from the environment are major influences.

⁷ This would correspond to Weber’s substantive rationality at the level of the organizational actor.

Weber’s rational bureaucracy, their emphasis is on the substantive rationality of focusing on the environmental interface. To the institutional theorists, rationality is simply a “myth.” Table 1 summarizes these distinctions.

Table 1: Comparisons of Four Views of Rationality

	Weber	Simon	Crozier	DiMaggio and Powell
<i>Assumptions</i>	Individuals and Organizations both Rational and Irrational	Impossible to have Complete Knowledge	Those with Specialized Knowledge will Co-opt Power	Organizations without Legitimacy will not Survive
<i>Level of Analysis</i>	Individual through Society	Individual Decision Maker	Sub-group to Organizational	Sub-group to Field
<i>Goal Conflict</i>	Some	None	Always	Some
<i>Type of Rationality</i>	Formal Rationality	Bounded Rationality	Formal Irrationality	Substantive Rationality
<i>Source of Rationality</i>	Formal Structure	Organization	Irrationality of Formal Structure	Environmental Imperatives Legitimacy
<i>Method of Increasing Rationality</i>	Structuring for Efficient Means to Valued Ends	Socializing for Efficient Means to Org’l Ends	Problematic, Perhaps Impossible	Adopt Legitimate Forms
<i>Rationality is:</i>	Possible	Limited	Impossible	Constrained

Summary

One of sociology’s strongest contributions is that, more often than not, rationality is socially constructed in an organizational setting. The social context of our so called rational behavior is central. Even in the most purely economic sense, goals are based on values that are socially derived, and means are chosen frequently because they are the ones available or most socially appropriate. Each of the theorists discussed above share the belief that we must take a wider view when considering rationality—this includes understanding the effects of structures on values, information asymmetries, the goals of

other actors, and environmental imperatives. In this light, it is no surprise that the attempt to understand rationality has enriched so many related areas, as we will see below.