

Rationalization and Bureaucracy

A. Rationalization

Rationalization as an ideal type and as an historical force appears in much of Weber's writings. He regards the development of rational forms to be one of the most important characteristics of the development of Western society and capitalism. Weber viewed traditional and charismatic forms as irrational, or at least non-rational. The latter may rely on religion, magic, or the supernatural as a way of explaining the social world and authority may also derive from these. These may have no systematic form of development, but may rely on personal insight, revelation, emotions and feelings, features that are non-rational in form.

In contrast, rationality consists of a set of social actions governed by reason or reasoning, calculation, plus rational pursuit of one's interests. Rationality forms a large part of rational-legal authority and there are several characteristics that Weber considers as aspects of rationality (Ritzer, pp. 124-125). Actions in the economic sphere or in formal organizations such as universities have most of these characteristics and many of these can be taken as examples of rationality.

- **Calculability.** Results can be calculated or estimated by adopting assumptions and considering the methods by which results will be achieved. This is especially the case in formal institutions or in businesses
- **Efficiency.** Actors have various ends and attempt to find the best means to achieving these ends.
- **Predictability.** Organizations have rules and regulations, and actors are subject to structures and authority. This, along with established procedures and ends, mean that the results of social action can often be predicted, perhaps not precisely, but certainly probabilities attached to the outcomes.
- **Non-Human Technology.** Technologies such as tools, machinery, and information technologies make predictability greater. That is, these technologies are constructed with certain purposes, and so long as they assist in achieving the desired ends, the results are generally predictable.
- **Control Over Uncertainties.** This can never be complete, but rules and methods are adopted that deal with many possible contingencies. Rules are set up not so much to deal with specific people or personalities, but attempt to be generic, dealing with a variety of possibilities. These allow outcomes to be constrained within certain limits, thereby reducing uncertainties about outcomes.

These principles of rationality can be applied to many activities and actions in the economic sphere, and have become highly developed and visible there. In modern society similar principles emerge in most areas of the social world, even including religion, politics, administration, sports, and music. Organizations and actions governed by rationality may produce an overall rationality for the system as a whole, but this is not a necessary result. For example, studies of economics show how many producers each acting rationally to maximize their own profits, may produce too many products. As a result, the consequences for people involved in formally rational systems may not always be desirable. Weber considered rationality to be necessary for organizations to operate efficiently, and he felt that the trend was that rationality would take over more and more spheres of society. At the same time, Weber feared that this could result in increased control over individual action, stifling charisma and tradition, and allowing few alternatives for creative human action.

1. Types of Rationality

In his writings, Weber used rationality in various ways. Four of the meanings of rationality are as follows.

a. Practical rationality involves the individual who considers ends, and on some systematic basis decide what is the best means or course of action to pursue in order to achieve these ends. This form of rationality can be considered to be pragmatic in that it provides individuals with a way of pursuing practical ends.

b. Theoretical rationality. Abstract concepts form an essential part of logical reasoning or theoretical models. These attempt to describe, explain, or understand the world in terms of models that are constructed from observation and reasoning. These forms of rationality need not be associated with social action but are more a part of logical structures and theory.

c. Substantive rationality. Individuals might consider a range of possible values or actions, and attempting to make them consistent. Weber termed this substantive rationality and considered it problematic in modern society in that rationalization of social life makes it difficult for people to pursue particular values. For example, pursuit of family or religious values may be difficult in modern society, given economic pressures and dominance of bureaucratic organizations.

d. Formal rationality is a broader form of rationality that characterizes organizations, especially bureaucratic ones. This leads to "universally applied rules, laws and regulations that characterize formal rationality in the West ... particularly in the economic, legal, and scientific institutions, as well as in the bureaucratic

form of domination." (Ritzer, p. 123). Rational-legal forms of authority such as the contemporary legal and judicial systems are examples of formal rationality

Weber's fear was that formal rationality was becoming more dominant in modern, western society, with substantive rationality declining in importance. Weber notes that formal rationality developed as capitalistic forms of organizations emerged and its expansion is associated with the development of formal organizations and methods. This formal rationality, and the organizational features associated with them, tend to crowd out other forms of rationality and limit the possibilities of creative social action.

2. Development of Rationality

Weber argues that capitalism is a rational system in the sense of being calculating, efficient, reducing uncertainty, increasing predictability, and using increasing amounts of non-human technologies. Accompanying the development of capitalism has been a decline of magic and religion, and there has been increased secularization. Weber notes that there are several preconditions that must be established before capitalist methods can become dominant. "The most general presupposition for the existence of this present-day capitalism is that of rational capital accounting as the norm for all large industrial undertakings which are concerned with provision for everyday wants" (Giddens and Held, p. 81). In order for capitalism to work, it is necessary to have a means by which a balance can be created, where various possible alternative lines of action can be considered, and where decisions can be made concerning how to organize production so that the balance at the end exceeds the balance at the beginning.

Weber lists six factors that he considers essential to the development of capitalist techniques (see Hadden, p. 149). Note how each of these can be connected to the development of formal rationality.

a. Appropriation. The appropriation of all physical means of production as disposable property. This provides the possibility that the resources necessary for production can be bought and sold on a market. Where land or resources are not available as private property, or where they are subject to traditional uses, it is not possible to compute the costs of production. In earlier societies land may have been held in common or by feudal lords, making them unavailable for capital accumulation, thus retarding the development of capitalism.

b. Market Freedom. Limits to the development of markets, such as traditional rights and barriers to trade, restricted the possibility of the development of capitalistic methods, and limited their application geographically. Chances for expansion and a wider development of trade and markets are thwarted. Weber notes how status groups or class monopolies may result in such restrictions.

c. Rational Technology. Mechanization and other forms of rational technology allow methods to be more efficiently organized and costs to be reasonably accurately computed. Where handicraft and other traditional forms of production dominate, costs of production vary and predicting profits is difficult. In these circumstances, conditions of production may be different from region to region and this can retard the application of uniform methods.

d. Calculable Law. "Forms of adjudication and administration ... allow for predictable outcomes" (Hadden, p. 149). This means fewer arbitrary rules and laws which can be applied to some and not to others, with limited special favours. This permits for the administration of law and justice to be understood and implies fewer arbitrary or unforeseen developments.

e. Free Labour Markets. These permit employers to obtain the labour required for enterprises and they also mean that labour costs can be reasonably accurately determined. That is, the employer makes an agreement before the production process, concerning how much is to be paid for how much labour, and has some certainty concerning what will be produced from this labour. While Weber notes that the whip of hunger may be essential for this, "rational capitalistic calculation is possible only on the basis of free labour" (Giddens and Held, p. 82).

f. Commercialization of Economic Life. This is a development which allows capitalistic methods to be pursued on a more widespread basis using economic means such as bonds, shares, finance, banking, and stock markets. These permit capital to be more mobile and allow owners of capital to pursue maximum profits in any commercialized area. This leads to the progress of capital in all areas of economic life, and promotes the development of market mechanisms.

In order for the modern corporate form to emerge and become dominant, these features had to become well developed. Capitalistic enterprises initially begin as businesses under individual or family control but there is a strong tendency to develop a bureaucratic form of management in order for the company to continue past the lifetime of the individual entrepreneur and survive in competitive markets. The separation of ownership from management developed in most corporations, and this separation promotes the increased rationality of the capitalistic corporation.

In summary, Weber had mixed view on the development of capitalism and western forms of formal rationality. On the one hand, they created the possibility for the development of modern, western society, with its wealth and efficient forms of economic and social organization. The development of formal rationality was necessary for modern economic life and corporate organization to emerge and become successful. At the same time, Weber feared that formal rationality, associated with organizations, bureaucrats, and capitalists would come to dominate in Western society. The autonomous and free individual, one whose actions had continuity by reference to ultimate values, would be less able to exercise his or her

substantive rationality (Ritzer, p. 125). Many areas of life and social action, as well as organizations, would become dominated by rationality and rationalism, according to Weber.

Whether this would also create a rational society as a whole is not so clear. The irrationality of the market, and the unplanned nature of social organization may mean that there is no tendency toward overall rationality. It may have been that Weber hoped that there would be enough different sectors of life that were not tied together by an overall rationality, that formal rationality would not govern the whole system. Charismatic individuals, social movements, and forms of countervailing power are approaches that Weber might have encouraged.

Perhaps such a rationality would emerge in a socialist system, as both the economy and society became more and more under the control of the same authority. Weber looked on this rationality as further reducing human freedom. The official would increasingly be able to exercise legal authority in a wide range of areas.

B. Bureaucracy

One major type of organization that has emerged in modern, western society has been bureaucracy or bureaucratic administration. This is the primary way that rational-legal authority has developed in formal organizations. The dominance of bureaucratic organizations in modern society shows the effectiveness of formal rationality as a way of organizing society. Hadden notes that "bureaucratic administration is generally capable ... of efficiency, precision, and fairness" (p. 140). The ideal type of formal bureaucracy has a continuous and hierarchical organization of official functions or offices, with rules that govern each positions and relationships in the organization. Ten characteristics are associated such an ideal type (Hadden, p. 140):

a. Personally Free. People in such an organization are not bound to others in a servant-master, slave-master, or family relationship. They are free to leave the job, and the corporation is free to end the individual's contract with the organization.

b. Hierarchy. Offices or positions within the bureaucracy are organized into a hierarchical system, where some have more power than others. But the power is associated with the position, not the individual.

c. Clearly Defined Sphere of Competence. The office or position carries with it a set of obligations to perform various duties, the authority to carry out these duties, and the means of compulsion required to do the job.

d. Office Contractual. Positions are not associated with particular people who have inherent rights to them, but are associated with a particular contract governing duties, expectations, rights, and other conditions associated with doing the job.

e. Technical Qualifications. The offices may carry with them technical qualifications that require that the participants obtain suitable training. Selection and promotion is on the basis of ability to perform the technical requirements of the job.

f. Salaried. Wages or salaries are associated with the position. These are likely to be part of the contract associated with the position. Note how this allows for calculation in terms of costs associated with the position.

g. Primary Occupation. The individual filling the position is expected to devote time and energy to the position, and be devoted to the job.

h. Career. Individuals in the bureaucracy expect to have a career in the organization, and the organization is expected to commit itself to promoting individuals in the organization. This is to be done on the basis of technical qualifications and abilities, and not on the basis of friendship or personal likes and dislikes.

i. No Ownership of Positions. The staff that fills the offices does not own the means of production or administration associated with the position. Those filling the position cannot pass the position on to friends or family and once their contract ends, they have no rights to any aspect of the position. Individuals in the positions are provided with the means to carry on the duties associated with the position.

j. Discipline. While those who are higher in the bureaucratic hierarchy may be less subject to discipline than those lower in the hierarchy, everyone is subject to discipline. If the individual does not meet the requirements of the position or breaks the rules, the individual may be disciplined or removed from the position.

A good example of a bureaucracy is a university, where most of these characteristics are expected to exist. Of course, in the social world, no bureaucracy conforms exactly to the ideal type, and there is often favouritism, bending of rules, or incompetence. But many organizations have a large number of characteristics of this ideal type. The manner in which any actual bureaucracy operates can be compared to the ideal type. Often the complaints of individuals in bureaucratic organizations relate to ways in which some part of the ideal type is not met. For example, rules may not be clear or incumbents of a particular office may misuse their position.

While bureaucracies may seem to limit freedom, and provide structures of domination, they are also necessary to carry out the administration of modern, complex society. If these bureaucratic forms did not exist, society would be worse off, in that actions would be carried out in an inefficient and wasteful manner.

The short section in Giddens and Held (pp. 76-77) entitled "Power and Bureaucracy" contains an argument that just because bureaucracy is indispensable does not mean that it is also powerful. After all, the proletariat is indispensable but not powerful. As further evidence, Weber notes that economic interest groups, lay representatives, various levels of parliament, etc. may also have influence, and thus limit the power of bureaucracies. This could be a forerunner of the theory of countervailing power. This section again shows Weber's close attention to detail, and to carefully defining and analyzing each institution.

At the same time, Weber notes that bureaucracies do tend to have great power. Their rational and efficient methods of administration, and their legitimate forms of authority do act to eliminate human freedom. Like Marx's alienation surplus value, Weber views bureaucracy as alienating (although he does not use this term) in that it is a set of structures which dominate people.

These bureaucratic structures also have a tendency to develop in most areas of life – in the economy, law, politics, and even in religion. Each area of life tends to become bureaucratized, and at times in Weber's writings, these tendencies appear to be overpowering and inevitable. Weber sometimes writes as if there is a linear tendency toward rational-legal authority and bureaucracy which exists in history, and little can be done to resist this.

Weber's analysis of bureaucracy has made it seem as if bureaucracies are inherently limiting to human freedom. While Weber praises bureaucracies for their efficiency and predictability, he feared that people would become too controlled by them. Weber does not appear to focus on the forces of freedom and equality that can come from bureaucracy. Standardized rules make it less possible for personal favours to be provided and for arbitrary directive to be given. Members of an organization may generally benefit from bureaucratic rules and regulations, and these make it possible for hiring and promotion to occur on the basis of merit. Rewards can be given for performance, rather than through favouritism and arbitrariness. Before condemning bureaucracies in their totality, the overall effect of these organizations, both positive and negative, should be considered.

Means of Administration

Weber argued that there were enduring structures of domination "by which social action is governed on a regular basis and through which a system of inequality is established and sustained." (p. 66). These could be traditional or charismatic forms in earlier societies, but in Western society, tend to be associated with some of the major institutions of capitalism. These may be economic, but they may be political, educational, religious, military, communications and media, etc. For Weber, each of these institutions and organizations hold power in their own right, and this power is based on a variety of different factors.

Each area of life tends to develop a bureaucracy or administration associated with it. These bureaucracies become enduring structures of domination. They govern social action on a regular basis, and they establish and sustain patterns of inequality. Access to economic power directly through market situation or property ownership may be important. But access to the means of administration is also a source of power, and a means of control. There is differential access to the means of administration, administrative structures, and the control of knowledge. Compared to the control of property, one difference in the control of means of administration is that access to this form of control is not easily inherited.

The development of the modern corporate form, with a bureaucratic management, is an example of this type of development. The separation of ownership from management is allowed by this, and this separation promotes the increased rationality of the capitalistic corporation.

For Weber, the means of administration provides a basis for power in the political or organizational arena. This is analogous to Marx's control of the means of production in the economic arena.

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