

## **Organizational Theory: From Classical Sociology to the 1970s**

**Heather A. Haveman and Rachel Wetts**

University of California, Berkeley

Department of Sociology

410 Barrows Hall

Berkeley, CA 94720-1980

[haveman@berkeley.edu](mailto:haveman@berkeley.edu)

[rachel.wetts@berkeley.edu](mailto:rachel.wetts@berkeley.edu)

510-642-3495

16 April, 2018

(abstract 165 words; text 4,995 words; references 1,240 words)

## **Organizational Theory: From Classical Sociology to the 1970s**

### **Abstract**

Organizations are the fundamental building blocks of modern societies. So it is not surprising that they have always been at the center of sociological research, starting with Marx, Weber, and Durkheim. We review how these pioneering sociologists conceived of organizations, and then discuss other theories of organizations that were proposed from 1910 to the mid 1970s. Marx, Weber, and Durkheim described organizations within larger theoretical frameworks for understanding the transition to modernity, seeing organizations as sites of class struggle, rationalization, and organic solidarity, respectively. Later theorists focused more closely on the meso- and micro-level processes that happen within and between organizations. These theorists emphasized pragmatic concerns of optimizing organizational efficiency and labor productivity (scientific management and human relations theories), processes of affiliation and hierarchy (Simmel), limits to rational decision-making (the Carnegie School), and environmental conditions that shape organizational processes and outcomes (contingency theories). A companion paper describes the three perspectives (demographic, relational, and cultural) that have dominated sociological research on organizations since the mid 1970s.

## Introduction

Our goal is to explain the history of organizational theory. But before we begin, we want to be clear about terminology – about the meaning of organization and theory in particular. *Organizations* are collections of people, material assets, financial resources, and information, whose members have common goals that they co-operate to pursue. People create organizations when they cannot achieve their goals by working alone, in small informal groups, in families, or in dispersed social movements. People create formal organizations when the actions they must undertake to achieve their goals require the joint, sustained, and co-ordinated efforts of many people. Organizations are more than mere collections of individuals, however; they are sovereign actors, with legal powers bestowed by the state (Coleman 1974, 1982). This gives them autonomy, allowing them to influence individuals inside and outside their boundaries, the communities in which they operate, other organizations, and society at large (King, Felen, and Whetten 2010).

*Theory*, to us and many organizational theorists, is “theories of the middle range,” meaning logically interconnected sets of propositions, derived from assumptions about essential facts and causal mechanisms, that yield empirically testable hypotheses and deal with some delimited set of social phenomena (Merton 1968: 39-72). Because organizations are the fundamental building blocks of modern society, it is not surprising that theories of organizations have been proposed by scholars in many fields: sociology, economics, political science, and management. Here, we focus on sociological theories of organizations. We present three starting points for organizational theory in classical sociology, and then discuss the work of other important scholars up to the mid 1970s. In a companion paper (Haveman and Wetts, 2018), we introduce the three perspectives on organizations that have dominated contemporary research for the past four decades.

## Classical Sociologists on Organizations

### *Karl Marx*

Marx (1867 [1992]) held that the fundamental division in society is class, and that the lower classes (workers) are in perpetual struggle with the middle and upper classes (bourgeoisie, capitalists, and landowners). He also argued that capitalism's corollary – the industrial division of labor – alienates people from the products of their labor and from themselves and their fellows. Marx lived in England, the first nation to industrialize, when he wrote his most well-known books, so he observed first-hand the emergence of industrial capitalism.

Marx viewed the development of capitalism as a consequence of technology (changes in production systems, particularly the shift from home-based to factory-based manufacturing) and economics (class struggles and competition between capitalists for profit). Indeed, he put economics in the driving seat, arguing that technological innovation in industrial enterprises is made necessary by the economic system that the bourgeoisie put in place to dominate workers. Consider this quotation from *The Communist Manifesto* (Marx and Engels 1848 [1964]: 62-63):

The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify.

Thus, Marx and Engels argued that capitalism necessitates the ceaseless creation of novel technologies and work processes, which alter the ideologies that result from (and justify) relationships of production and exploitation. If individual capitalists did not find new ways to extract more profit from workers, market pressures would force them out of the capitalist class. In Marx's view, then, workplaces were important sites of exploitation and alienation.

Marxist theory undergirds research on power differences between workers, managers, and owners. Well-known modern Marxist analysts of organizations include Michael Burawoy

(1979), Robert Blauner (1964), Harry Braverman (1974), and Richard Edwards (1979). These scholars viewed firms as tools of domination and control of workers by capitalists and managers. Scholars also took inspiration in Marx's claim that workers' cooperative nature could create solidarity and resistance among, and thus a revolutionary class consciousness (Hyman 1975). More recent scholarship in this tradition has extended a Marxist understanding of workplaces as sites of class domination to examine how identities like gender, race, and nationality shape the labor process (e.g., Salzinger 2001).

A second line of Marxist analysis focused on the organization of the capitalist class and its relationship to corporations (e.g., Useem 1984). This work led to an interest in the constraints and opportunities afforded by corporate board interlocks (e.g., Mizuchi 1982; Mintz and Schwartz 1985). Related work examined how, when, and why state officials tended to craft public policy in the interest of the capitalist class (e.g., Block 1987; Domhoff 1983). A third line of Marxist analysis examined the growth of multinational corporations as capital accumulation, thus linking firm structures to the developmental trajectories of nation-states (e.g., Hymer 1971).

### *Max Weber*

In sharp contrast to Marx, whose explanations of social life emphasized economics, Weber held that religious values and ideologies shape societies – surprising because his academic training was in economics<sup>[RW1]</sup>. For example, in *The Protestant Ethic and the Spirit of Capitalism* (1904-05 [1958]), Weber argued that the ascetic ideals of Calvinism facilitated the rise of capitalist institutions. He emphasized the subjective meanings, intentions, and interpretations that people bring to any social situation. In his view, social life is fundamentally internal and subjective, rather than external and objective. The Weberian mode of sociological understanding – *verstehen* – requires us to interpret the meanings that people import into society.

Most germane to the study of organizations is Weber's (1968 [1978]) analysis of rational-legal bureaucratic structure and functioning – specifically, of the Prussian military and government administrative apparatuses. Note that in describing (and prescribing) the bureaucratic structures of the military and government offices, Weber was comparing state bureaucracy to administration of the state by notables. He argued that without an efficient and impersonal state bureaucracy, capitalist economic development would be hindered.

Weber believed that bureaucratic co-ordination of human actions was the hallmark of modern society, the result of the increasing rationalization of human activities. He talked about bureaucracy as an ideal type – an abstract concept used in theorizing, the purest understanding of a theoretical construct, rather than a form of organization seen in the real world. Weber's (1968 [1978]: 956-963) ideal-typical bureaucracy consists of the following elements:

- ◆ official jurisdictional areas whose regular activities, patterns of formal authority, and employment are ordered by rules (i.e., by laws or administrative regulations);
- ◆ a hierarchical structure in which authority flows from top to bottom and information flows from bottom to top;
- ◆ formal, written documents that allow organizational memory, accountability, and continuity;
- ◆ separation of bureaucrats' official capacities from their personal lives (e.g., managerial decisions are based on written rules rather than personal bias, and personnel are functionally rather than personally involved in their duties);
- ◆ specialization in training and a clear division of labor;
- ◆ official activity that [RW2] requires the full working capacity of bureaucrats; and
- ◆ management that follows general, written rules, which are more or less exhaustive.

In combination, these features make the ideal-typical bureaucracy effective, as it gets the right job done the right way, and efficient, as it gets the job done with the fewest inputs per unit output. In Weber's (1968: 973) own words:

The decisive reason for the advancement of bureaucratic organization has always been its purely technical superiority over any other form of organization.

The fully developed bureaucratic apparatus compares with other organizations exactly as does the machine with the non-mechanical modes of production. Precision, speed, unambiguity, knowledge of the files, continuity, discretion, unity, strict subordination, reduction of friction and of material and personal costs – these are raised to the optimum point in the strictly bureaucratic administration.

There are three reasons why no real organization exactly mirrors the features of Weber's bureaucracy (Perrow 1986). First, no organization can completely eliminate outside influences on its operations, because its employees have lives outside that organization and because every organization depends on suppliers, customers, and government authorities, and so must often bow to their demands. Second, the features of the ideal-typical bureaucracy function perfectly in an inert world where nothing is changing and everything can be predicted. But no organization operates in a static environment, so its employees must experiment to adjust to change. Third, people are only limitedly rational (Simon 1946 [1976]; Cyert and March 1963 [1992]), so they cannot design the formal structures of organizations to handle all possible situations<sup>[RW3]</sup>.

Weber's ideas continue to be fundamental to research on organizations as institutions, which **emphasize** <sup>[RW4]</sup> the importance of history (sensitivity to the peculiarities of time and place) and are centrally concerned with understanding [*verstehen*] what people in that time and place think and feel. Weber's ideas also reverberate in the study of power and relationships within and between organizations; this is seen in the explicit concern for the different understandings of the social world that arise from different positions in structures of exchange.

### *Émile Durkheim*

Durkheim, like Marx and Weber, studied the emerging industrial order – this time, in France rather than England or Germany. But in contrast to Marx and Weber, Durkheim focused on how the movement from a traditional, undifferentiated, and holistic social order to a modern, highly differentiated, and interdependent one affected social cohesion and solidarity –

the bonds between members of the society. He asked how individuals could retain autonomy in modern (complex, interdependent) societies while sharing a sense of solidarity with people who occupy very different roles. [RW5]

In *The Division of Labor in Society* (1893), which is most germane to the study of organizations, Durkheim proposed the ideas of mechanical solidarity (based on similarity of role) and organic solidarity (based on differences and interdependence between roles).<sup>1</sup> Mechanical solidarity involves undifferentiated and holistic connections among the members of simple traditional societies, comprising common values, sentiments, and norms. In contrast, organic solidarity encompasses the varied ways in which individuals relate to others who occupy different roles in modern societies. Because specialized industrial modes of production put people in different kinds of jobs and in different kinds of formal organizations, people in modern societies have less in common than people in traditional societies, who all did the same work in similar settings. But, paradoxically, people in modern societies depend on each other more than people in traditional societies; for example, in order to be clothed as well as shod, cobblers need to exchange the footwear they make for the clothing made by weavers and tailors. In contrast, people in traditional societies were highly self-sufficient, growing or making almost everything they needed to survive.

Durkheim (1982 [1995]) emphasized that society is a reality that cannot be reduced to factors at lower levels of analysis, notably psychological factors. In other words, society is a reality that cannot be understood by analyzing its components. He viewed society as having an objective existence outside any person's consciousness, and the objects of sociological inquiry as "social facts" that confront members of a society whether or not they endorse or even acknowledge those facts. He therefore argued that sociologists cannot simply ask men and women why and how they do what they do; instead, they must search for the hidden meanings in and the unexpected results of social life. Durkheim's ideas reverberate in sociology today

---

<sup>1</sup> This pair of concepts is similar, but not identical, to Ferdinand Tönnies's (1887 [1988]) concepts of *Gemeinschaft* ("community") and *Gesellschaft* ("society").



through the influence of Robert Merton (1936, 1968), who highlighted the difference between latent functions (produced by the action of a social system) and manifest functions (intended by members of that social system), and who dwelt at length on “the unanticipated consequences of purposive social action.”

Durkheim’s legacy in organizational theory is most apparent in research on organizational culture. Organizational culture comprises values and norms – what is good or important and what is expected or taken for granted, respectively. These social facts are exterior to individual organizational members, who may not accept them, and indeed, may actively contest them. Moreover, in his thinking about the state, Durkheim proposed that the rule of law and unwritten norms (the “non-contractual elements of contract”) were required for market transactions; therefore, he cast the state as the primary agent of social construction for orderly exchange relations.

### **Other Theories of Organizations**

#### *Georg Simmel*

In contrast to Marx, Weber, and Durkheim, Simmel was mostly not interested in politics and current affairs. Many of Simmel’s writings were in philosophy and ethics, rather than sociology. And for most of his career, he held no standard academic appointment. These facts help explain why there is no large school of Simmelians in contemporary sociology – although organizational scholar Peter Blau (Blau and Scott 1962; Blau and Schoenherr 1971; Blau 1977, 1994) strongly identified himself as a disciple of Simmel, as did Miller McPherson (e.g., McPherson 1983; McPherson, Popielarz, and Drobnic 1992).

Simmel’s intellectual territory – at least, the part that lies within sociology – is the study of interaction and affiliation in small groups. He attended mostly to affiliation, which today we would call social ties, and the conflict-engendering twin processes of subordination and superordination, which today we would call hierarchy (Simmel 1955). While agreeing with Marx that conflict is endemic to social life, Simmel departed from Marx in arguing that conflict

may not produce social change; instead, conflict may sharpen or crystallize existing social divisions.

In addition to his well-recognized attention to affiliation, Simmel understood the importance of understanding numbers (Simmel 1950). Simmel's definition of social structure encompassed both the pattern of relationships among people (network structure) and the pattern defined by their relative numbers in various social positions (demographic structure). The idea that social structure inheres in social relations and distributions remains influential in contemporary research on organizations, most strongly in research on social networks, especially studies of affiliative interactions ("ties") between individuals and organizations. Modern research on power and resource dependence takes from Simmel a recognition that a dyad is fundamentally different from a triad, and a triad from a tetrad, etc. Finally, modern research on organizational identity, which often takes an interactionist stance, is also indebted to Simmel.

### *Scientific Management*

Scientific management was a theory that aimed to increase worker productivity and organizational efficiency. Its most prominent proponent was Frederick Taylor (1911).<sup>2</sup> His goal was to increase industrial efficiency through redesigning the jobs of industrial workers through six simple steps (Shenhav 1999):

1. Find the most productive worker.
2. Break the tasks this worker performs into their simplest components and formalize these tasks into a set of rules and procedures that all other workers can follow.

---

<sup>2</sup> Taylor was an industrial engineer, an occupation that emerged as part of the Progressive movement, an effort to promote "continuity and regularity, functionality and rationality, administration and management" as solutions to the problem of social order (Wiebe 1967: 295). Taylor was not alone. His fellow-travellers included Henry Gantt, the inventor of the Gantt chart (e.g., Gantt 1919) and the husband-and-wife team Frank and Lillian Gilbreth, who pioneered time-and-motion studies (e.g., Gilbreth and Gilbreth 1917). In France, the mining engineer Henri Fayol (1916 [1930]) developed a set of fourteen "principles of management" that paralleled those of Taylor.

3. Analyze human capacities to perform these formalized tasks.
4. Hire and train unskilled workers.
5. Set goals for them consistent with their human capacities.
6. Link financial and career rewards to task performance.

Taylor proposed “conception by superiors, execution by subordinates” in order to discover “the one best way” to organize and manage. He believed that manual laborers are not capable of carrying out the design of work. (Note the side benefit of this belief: a secure position for Taylor and other members of his nascent occupation, because this belief suggested that they should be given control over work practices.) Taylor also emphasized economies of specialization; hence, tasks should be highly fragmented and grouped into narrow jobs, which in turn should be grouped within limited functions. Finally, Taylor believed that workers are tricky, lazy, and money-hungry. Therefore, they must be motivated with money, promotions (to jobs that pay more), or threats of dismissal. They must also be controlled directly with rules and oversight. Taylor’s ideas dovetail nicely with Marxist analysis of corporations and employment arrangements: Taylor was Marx’s ideal villain.<sup>3</sup>

One consequence of such fine specialization in job design is that it dehumanizes work. This fact was revealed most powerfully in *Working* (1967), an oral history of working life by journalist Studs Terkel. He interviewed dozens of people in all kinds of occupations – including a grocery store bagger, a gas station attendant, a bartender, a teacher, a professional athlete, and an actor – and the interviews illuminate how people feel about what they do all day. As a result of discoveries by people like Studs Terkel, Taylor has, for the most part, no lasting legacy in organizational sociology, apart for the notion that efficiency is a fundamental organizational goal.

---

<sup>3</sup> For a thoughtful review of Taylor and other engineering-based approaches to organizations, see Shenhav (1999). For an engaging diatribe on the non-scientific nature of scientific management, see Stewart (2006).

### *Human Relations*

Like scientific management, the human-relations school was fundamentally pragmatic, in that its members sought to improve worker productivity. But, in contrast to scientific management, the human-relations school was sympathetic to workers, seeing them as driven by social norms and needs. This school strove to ameliorate the problems created in organizations that were designed according to the mechanistic principles of scientific management: boredom, low morale, absenteeism, conflict, and turnover (Mayo 1933).<sup>4</sup>

One influential set of studies illustrates the human-relations school's attention to the social needs of workers, while also highlighting problems with this research tradition. A professor at the Harvard Business School, Fritz Roethlisberger, and a manager at the Western Electric Company's Hawthorne plant, William J. Dickson, conducted an experiment concerning the physical conditions of work (Roethlisberger and Dickson 1939). Rather than pinpoint the physical factors that improved worker productivity, they discovered puzzles. When they turned up the lights in a "test" group's workroom, productivity went up. But when they did nothing to the lights in a "control" group's workroom, productivity went up. And when they turned down the lights in the "test" group's workroom, productivity went up. They interpreted these results as being due social factors – in particular, the extra attention the researchers were paying to workers. This became known as the "Hawthorne effect": attention improved worker morale, which in turn improved productivity. ("A happy worker is a productive worker.") They conducted a dozen other experiments to determine what other changes might improve worker morale and thus productivity.

---

<sup>4</sup> In addition to the scholars discussed here, the human-relations school included Mary Parker Follett (1941), who emphasized the importance of using formal authority to co-ordinate action, Luther H. Gulick and Lyndall F. Urwick (1937), who focused on improving government bureaucracies by blending principles of scientific management with those of human relations, and Rensis Likert (1967), who pioneered his eponymous scales in surveys of managers measuring organizational climate and decision-making styles. For an insightful critique of this research tradition, see Perrow (1986).

These studies were immensely influential: they led to the creation of a school of research focused on informal group processes in psychology, sociology, and management. They were laudable in that they sought to balance the technical efficiency needs of the employing organization with the human needs of the organization's workforce. But they were criticized for their core concern for management interests and their conception of workers as mere tools to achieve management goals, even as they recognized that these "tools" had social and emotional needs. Moreover, Roethlisberger and Dickson's studies were beset by myriad flaws, including lack of adequate controls, confounds such as the replacement of slow workers by faster workers, and a tendency to ignore contrary evidence (Perrow 1986). A later re-analysis of their data revealed that 90 percent of the findings were due to factors not considered by the researchers, like incentives, quality of inputs, and the existence of layoffs elsewhere in the plant (Franke and Kaul 1978). The history of this research perspective should give all scholars of organizations pause, as it clearly demonstrates that you should not limit yourself to considering the arguments proposed; instead, you must also carefully and objectively weigh the empirical evidence that supports or counters those arguments.

*The Carnegie School: An Information-Processing Theory of Organizations*

Three professors at Carnegie Tech (now Carnegie-Mellon University) – Herbert Simon, Richard Cyert, and James March – applied insights from political science, economics, and psychology to the study of organizations. Simon's (1955) key insight, for which he won the Nobel Memorial Prize in economics in 1978, was to recognize that human beings are not the perfect calculators and decision-makers that economics had, until then, assumed. Instead, human beings are boundedly, if intendedly, rational. Therefore, the organizations they design are also boundedly, if intendedly, rational – an idea that he pursued in his book *Administrative Behavior* (1946 [1976]).<sup>5</sup>

---

<sup>5</sup> Simon's work was heavily influenced by Chester Barnard (1886-1961), an executive at AT&T whose *The Functions of the Executive* (1938 [1968]) reflected his experience. Perrow (1986) reviewed Barnard's ideas in depth.

A second book by members of the Carnegie School, March and Simon's *Organizations* (1958 [1993]), represents one of the first attempts to study formal organizations using positivistic social-science techniques and quantitative analysis. Extending Simon's ideas on bounded rationality, they concluded that organizations can do only a few things at any time and can attend to only a small part of the information recorded in their memory and presented by the environment. They rejected the notion of "economic man" proposed by classical economic analysis because of the numerous flaws of this theory (such as a lack of perfect information and other unrealistic assumptions on choice-making). Instead, they defined rationality in terms of "administrative man" and assumed that administrative man's choices are always exercised with respect to a limited, approximate, simplified model of the real situation. They further assumed that the definition of any situation is not objective, but rather is the subjective outcome of psychological and sociological processes.

According to Simon and March, decision-making in organizations is simplified, relative to its idealized conception in then-standard economic models. Optimizing is replaced by satisficing. Alternatives and consequences of action are discovered sequentially through search processes. Organizations and individuals develop repertoires of action that provide alternatives for choices in recurrent situations. Each repertoire of action deals with a restricted range of consequences and is only loosely coupled to others. Indeed, a study by March and two of his students (Cohen, March, and Olsen 1972) indicates that making decisions in organizations is similar to sorting through the contents of garbage cans. In their own, inimitable words:

Organizations can be viewed for some purposes as collections of choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions looking for issues to which they might be an answer, and decision makers looking for work... One can view a choice opportunity as a garbage can into which various kinds of problems and solutions are dumped by participants as they are generated. (Cohen et al. 1972: 1-2)

The third major work by members of this school of thought – Cyert and March's *Behavioral Theory of the Firm* (1963 [1992]) – focused on how organizations set and manage

goals, through a process they labelled problemistic search. They identified five types of goals: production, inventory, sales, market share, and profit. For each, they proposed that goals are set based on an organization's past goals, its past performance, and the past performance of other comparable organizations. They also argued that goal formation is a process of continuous bargaining and learning. Conflict is never fully resolved in any organization and so analysis of goals must deal with the potential for internal goal conflict inherent in a coalition of diverse individuals and groups. [RW6]

This school of thought is most evident today in analyses of individual and organizational learning (e.g., Baum, Li, and Usher 2000). It also underpins much contemporary research on organizational innovation and change (e.g., Greve 1998).

### *Contingency Theories*

This research tradition, which contains multiple, related theories described below, gets its name from the idea that organizational design choices are contingent on environmental conditions. Its basic precepts can be summarized in three sentences:

- ◆ There is no one best way to organize.
- ◆ All ways of organizing are not equally effective.
- ◆ The best way to organize depends on the nature of the environment in which the organization is situated.

This research tradition is a reaction to scientific management and the human-relations school, whose proponents thought they could discover the “one best way” to organize and manage workers. As time passed and research piled up, that was revealed to be a fruitless effort: researchers repeatedly discovered that organizations' goals, technologies, and environments varied greatly, as did their organizational structures and management processes. Contingency theorists paid attention to something that scientific-management and human-relations scholars had ignored: organizational environments. Thus, they developed “open-systems” theories, which contrasted sharply with the preceding “closed-system” theories (Scott

and Davis 2007). Contingency theorists characterized organizational environments along three major dimensions: (1) complexity, meaning the number of environmental elements dealt with simultaneously by any organization; (2) uncertainty, meaning the variability over time of those elements; and (3) interdependence, meaning the extent to which those elements are related to one another.

Contingency theory had three variants.<sup>6</sup> The first, *structural contingency theory*, emphasized differences in the essential designs and operations of organizations in placid versus rapidly changing environments (Burns and Stalker 1961 [1994]; Thompson 1967; Lawrence and Lorsch 1967). Structural contingency theorists (e.g., Blau and Scott 1962; Woodward 1965 [1994]; Pugh et al. 1968, 1969) surveyed large numbers of organizations and assessed the interplay among many features of formal organizations, most notably production technology, organizational size, and environmental uncertainty. They viewed environmental conditions as exogenous to organizations and argued that in order to perform well, decision-makers had to adapt their organizations to environments. This variant of contingency theory had strong roots in Weberian analysis of bureaucracies, as it followed Weber's path of searching for ideal combinations of organizational features.

In contrast, *strategic contingency theory* (e.g., Hickson et al. 1971; Child 1972) argued that organizational structure and performance are not fully environmentally determined. Rather, power holders within organizations (usually managers) decide on strategic actions. Not only do managers choose organizational structures, but they also manipulate environmental features and choose relevant performance standards. Thus, this perspective saw decision-makers in organizations as both responding to and shaping environments.

A third variant of contingency theory, most closely associated with Jay Galbraith (1973), stressed the *information-processing requirements* of navigating organizational environments.

---

<sup>6</sup> Others who surveyed this research perspective divided up contingency theories in ways that differed in some details but are generally congruent with the categorization scheme presented here (see Perrow [1986] on "technology" and Guillén [1994] on "structural analysis").



As environmental complexity and uncertainty increase, and as interdependences among the organization's basic tasks increase, so does the amount of information needed to perform those tasks. This, in turn, requires organizations to do one of two things: (1) reduce the need for information processing (e.g., by changing structures, specifically by grouping together people whose tasks require them to mutually adjust their actions, or by creating slack resources such as inventories of spare parts) or (2) increase the ability to process information (e.g., by strengthening formal hierarchies and forging horizontal relations between organizational members to foster communication).

All three contingency theories were broadly and ambiguously formulated. The precise form of external contingencies was never specified, which made it impossible to test the theories empirically (Perrow 1986; Schoonhoven 1981). Thus, contingency theories gradually evolved into an orienting strategy for organizational sociology – a meta-theory – rather than a distinct set of propositions that might be tested against other explanations of organizational outcomes. All contemporary research on organizations recognizes explicitly that organizational structure is contingent on external forces and that organizational performance is jointly contingent on structure and environment.

## **Conclusion**

Here we have summarized the history of organizational theory from the writings of Marx, Weber, and Durkheim up through the mid 1970s. Given their importance in modern societies, it is not surprising that organizations have been a site of inquiry for sociologists since the beginning of the discipline. Much of social life occurs in the context of formal organizations; people use organizations to pursue their economic, social, cultural, civic, and political goals; and organizations are sites at which valuable resources such as income and educational credentials are conferred. Organizations are therefore central to processes central to sociological inquiry, such as stratification, network formation, and political mobilization.

Observing the emergence of industrial capitalism, Marx, Weber, and Durkheim described organizations within larger theoretical frameworks for understanding modern societies. For Marx, who emphasized class struggle as one of the fundamental drivers of history, workplaces were arenas of alienation and domination of workers, but also places where workers could forge a revolutionary class consciousness. For Weber, the rationalization of human activities that was the hallmark of modernity found its ideal-typical embodiment in rational-legal bureaucratic organization. For Durkheim, increasing specialization in the context of differentiated organizations marked the transition from traditional to modern societies, necessitating forms of solidarity characterized by interdependence rather than similarity. Their perspectives on the roles that organizations play in modern society continue to exert broad influence today.

Later theorists of organizations tended to focus less on placing organizations within sweeping narratives of social history and attended more closely to meso- and micro-level processes that happen within and between organizations. Simmel called attention to processes of affiliation and hierarchy that resonate with current approaches of network analysis and resource-dependence relations. Scientific-management and human-relations theories took a pragmatic approach, prioritizing managers' goals and asking how worker productivity and workplace efficiency might be optimized. Other scholars reacted against this effort to find the "one best way" to organize and against the premise that organizational decision-making could be perfectly rational. The Carnegie School highlighted constraints on information and decision-making, drawing attention to the bounded rationality of decision-makers and the organizations they design. Finally, contingency theories stressed the role that complexities, uncertainties, and interdependence in the environment play in shaping organizing processes and organizational outcomes.

In a companion article, we continue our survey, bringing the history of organizational theory up to the present day.



## References

- Barnard, Chester I. 1938 [1968]. *The Functions of the Executive*. Cambridge, MA: Harvard University Press.
- Baum, Joel A.C., Stan Xiao Li, and John M. Usher. 2000. Making the next move: How experiential and vicarious learning shape the locations of chains' acquisitions. *Administrative Science Quarterly*, 45: 766-801.
- Blau, Peter M. 1977. *Inequality and Heterogeneity: A Primitive Theory of Social Structure*. New York: Free Press.
- Blau, Peter M. 1994. *Structural Contexts of Opportunities*. Chicago: University of Chicago Press.
- Blau, Peter M., and Richard Schoenherr. 1971. *The Structure of Organizations*. New York: Basic Books.
- Blau, Peter M., and W. Richard Scott. 1962. *Formal Organizations: A Comparative Approach*. San Francisco, CA: Chandler Publishing Company. (Republished 2003 by Stanford University Press, Stanford, CA.)
- Blauner, Robert. 1964. *Alienation and Freedom: The Factory Worker and His Industry*. Chicago: University of Chicago Press.
- Block, Fred. 1987. *Revising State Theory*. Philadelphia, PA: Temple University Press.
- Braverman, Harry. 1974. *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. New York: Monthly Review Press.
- Burawoy, Michael. 1979. *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism*. Chicago: University of Chicago Press.
- Burns, Tom, and George M. Stalker. 1961 [1994]. *The Management of Innovation, 3<sup>rd</sup> Ed.* Oxford: Oxford University Press.
- Child, John. 1972. Organizational structure, environment and performance: The role of strategic choice. *Sociology*, 6: 1-22.
- Cohen, Michael D., James G. March, and Johan P. Olsen. 1972. A garbage can model of organizational choice. *Administrative Science Quarterly*, 17: 1-25.
- Coleman, James S. 1974. *Power and the Structure of Society*. New York: W.W. Norton.
- Coleman, James S. 1982. *The Asymmetric Society*. Syracuse, NY: Syracuse University Press.

- Cyert, Richard M., and James G. March. 1963 [1992]. *A Behavioral Theory of the Firm*, 2<sup>nd</sup> Ed. Cambridge, MA: Blackwell.
- Domhoff, G. William. 1983. *Who Rules America Now?* Englewood Cliffs, NJ: Prentice-Hall.
- Durkheim, Émile. 1893 [1984]. *The Division of Labor in Society*. (Introduction by Lewis Coser. Translated by W.D. Halls.) New York: Free Press.
- Durkheim, Émile. 1951. *Suicide: A Study in Sociology*. (Translated by John A. Spauling and George Simpson. Edited with an introduction by George Simpson.) New York: Free Press.
- Durkheim, Émile. 1982 [1995]. *The Rules of Sociological Method and Selected Texts on Sociology and its Method*. (Edited by Steve Likes. Translated by W.D. Halls.) New York: Free Press.
- Edwards, Richard. 1979. *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*. New York: Basic Books.
- Fayol, Henri. 1916 [1930]. *Industrial and General Administration*. (Translated by J.A. Coubrough) London: Sir Isaac Pitman & Sons.
- Follett, Mary Parker. 1941. *Dynamic Administration: The Collected Papers of Mary Parker Follett*. (Edited by Henry C. Metcalf and L. Urwick.) New York: Harper Brothers.
- Franke, Richard H., and J.D. Kaul. 1978. The Hawthorne experiments: First statistical interpretation. *American Sociological Review*, 43: 623-643.
- Galbraith, Jay R. 1973. *Designing Complex Organizations*. Reading, MA: Addison-Wesley.
- Gantt, Henry Laurence. 1916. *Industrial Leadership*. New Haven, CT: Yale University Press.
- Gilbreth, Frank B., and Lillian M. Gilbreth. 1917. *Applied Motion Study: A Collection of Papers on the Efficient Method to Industrial Preparedness*. New York: Sturgis and Walton.
- Greve, Henrich R. 1998. Performance, aspirations, and risky organizational change. *Administrative Science Quarterly*, 43: 58-86.
- Guillén, Mauro F. 1994. *Models of Management: Work, Authority, and Organization in a Comparative Perspective*. Chicago: University of Chicago Press.
- Gulick, Luther H., and Lyndall Urwick. 1937. *Papers on the Science of Administration*. New York: Columbia University Institute of Public Administration.
- Haveman, Heather A., and Rachel Wetts. 2018. What is organizational sociology? In preparation for *Sociology Compass*.

- Hickson, David J., C. Robin Hinings, C.A. Lee, R.E. Schneck, and Johannes M. Pennings. 1971. A strategic contingencies' theory of intraorganizational power. *Administrative Science Quarterly*, 16: 216-229.
- Hyman, Richard. 1975. *Industrial Relations: A Marxist Introduction*. London: Macmillan.
- Hymer, Stephen. 1972. The multinational corporation and the law of uneven development. In Bhagwati, Jagdish (Ed.), *Economics and World Order*: 113-140. New York: Macmillan.
- King, Brayden G., Teppo Felin, and David G. Whetten. 2010. Finding the organization in organization science: A meta-theory of the organization as a social actor. *Organization Science*, 21: 290-305.
- Lawrence, Paul D., and Jay W. Lorsch. 1967. *Organizations and Environments: Managing Differentiation and Integration*. Boston: Harvard Business School Press.
- Likert, Rensis. 1967. *The Human Organization*. New York: McGraw-Hill
- Marx, Karl. 1867 [1992]. *Capital: A Critique of Political Economy*. (Translated by Ben Fowkes) Harmondsworth: Penguin Books.
- Marx, Karl, and Friedrich Engels. 1848 [1964]. *The Communist Manifesto*. (Translated by Samuel Moore). New York: Washington Square Press.
- Mayo, G. Elton. 1933 [1960]. *Human Problems of Industrial Civilization*. New York: Viking.
- McPherson, J. Miller. 1983. An ecology of affiliation. *American Sociological Review*, 48: 519-532.
- McPherson, J. Miller, Pamela A. Popielarz, and Sonia Drobnic. 1992. Social networks and organizational dynamics. *American Sociological Review*, 57: 153-170.
- Merton, Robert K. 1968. *Social Theory and Social Structure, Enlarged Ed.* New York: Free Press.
- Perrow, Charles. 1986. *Complex Organizations: A Critical Essay, 3<sup>rd</sup> Edition*. Glenview, IL: Scott, Foresman.
- Pugh, Derek S., David J. Hickson, and C. Robin Hinings. 1969. An empirical taxonomy of structures of work organizations. *Administrative Science Quarterly*, 14: 115-126.
- Pugh, Derek S., David J. Hickson, C. Robin Hinings, and C. Turner. 1968. Dimensions of organizational structure. *Administrative Science Quarterly*, 13: 65-105.
- Roethlisberger, Fritz Jules, and W.J. Dickson (with Harold A. Wright and Carl Pforzheimer). 1939. *Management and the Worker: An Account of a Research Program Conducted by*

- the Western Electric Company, Hawthorne Works, Chicago*. Cambridge, MA: Harvard University Press.
- Salzinger Leslie. 2001. *Genders in Production: Making Workers in Mexico's Global Factories*. Berkeley: University of California Press
- Schoonhoven, Claudia Bird. 1981. Problems with contingency theory: Testing assumptions hidden within the language of contingency "theory". *Administrative Science Quarterly*, 26: 349-377.
- Scott, W. Richard, and Gerald F. Davis. 2007. *Organizations and Organizing: Rational, Natural, and Open Systems Perspectives*. Upper Saddle River, NJ: Prentice-Hall.
- Shenhav, Yehouda. 1999. *Manufacturing Rationality: The Engineering Foundations of the Managerial Revolution*. New York: Oxford University Press.
- Simmel, Georg. 1950. *The Sociology of Georg Simmel*. (Translated and edited by Kurt H. Wolff.) New York: The Free Press.
- Simmel, Georg. 1955. *Conflict and the Web of Group-Affiliations*. (Translated by Kurt H. Wolff and Reinhard Bendix.) New York: Free Press.
- Simon, Herbert A. 1946 [1976]. *Administrative Behavior: A Study of Decision-Making Processes in Administrative Organization, 3rd Edition*. New York: Free Press.
- Simon, Herbert A. 1955. A behavioral model of rational choice. *Quarterly Journal of Economics*, 69: 99-118.
- Stewart, Matthew. 2006. The management myth. *The Atlantic Monthly*, June.
- Stigler, Taylor, Frederick Winslow. 1911. *The Principles of Scientific Management*. New York: W.W. Norton and Co.
- Terkel, Studs. 1972. *Working: People Talk about What They Do All Day and How They Feel about What They Do*. New York: Avon Books.
- Thompson, James D. 1967. *Organizations in Action*. New York: McGraw-Hill.
- Tönnies, Ferdinand. 1887 [1988]. *Community and Society*. (Translated by Charles P. Loomis.) New Brunswick, NJ: Transaction Publishers.
- Useem, Michael. 1984. *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the U.S. and U.K.* New York: Oxford University Press.
- Weber, Max. 1904-05 [1958]. *The Protestant Ethic and the Spirit of Capitalism*. (Translated by Talcott Parsons.) New York: Charles Scribners' Sons.

Weber, Max. 1968 [1978]. *Economy and Society: An Outline of Interpretive Sociology*. (Translated and edited by Guenther Roth and Claus Wittich.) Berkeley: University of California Press.

Weick, Karl E. 1976. Educational organizations as loosely coupled systems. *Administrative Science Quarterly*, 21: 1-19.

Wiebe, Robert H. 1967. *The Search for Order, 1877-1920*. New York: Hill and Wang.

Woodward, Joanne. 1965 [1994]. *Industrial Organization: Theory and Practice*, 2<sup>nd</sup> Ed. Oxford: Oxford University Press.