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# Chinese Bureaucracy Through Three Lenses: Weberian, Confucian, and Marchian

**Xueguang Zhou**

*Stanford University, USA*

**ABSTRACT** Chinese bureaucracy, with its long history and distinctive characteristics, has provided the organizational basis of governance and played a pivotal role in the economic takeoff in recent decades. Chinese bureaucracy also shows intriguing dualism between entrepreneurial activism and bureaucratic inertia, between formal rules and informal institutions, and between high responsiveness and noticeable loose coupling. In this study, I explore these distinctive features of Chinese bureaucracy through three lenses: Weber's comparative-historical approach helps locate Chinese bureaucracy in a distinct mode of domination; the Confucian lens identifies the prevalence of informal institutions that underlie bureaucratic behaviors; and the Marchian lens sheds light on the organized anarchy and set of mechanisms that shape the key characteristics of Chinese bureaucracy.

**KEYWORDS** bureaucracy, organized anarchy, variable coupling, Weberian

**ACCEPTED BY** Editor-in-Chief Arie Y. Lewin

*Only bureaucracy has established the foundation for the administration of a modern law.*

— Max Weber

*Once political course is set, cadre becomes the decisive factor.*

— Mao Zedong

## THE CHINESE BUREAUCRATIC PHENOMENA: PUZZLES AND PARADOXES

Chinese bureaucracy, consisting of both central and local governments, has presented a set of puzzles to social science research. Recent studies of Chinese bureaucracy, especially those close observations of the behaviors of local governments and officials, have presented strikingly different, at times conflicting, imageries. On the one hand, it is well recognized that Chinese bureaucracy has provided the organizational basis of governance in China and played a pivotal role in the historically

Corresponding author: Xueguang Zhou ([xgzhou@stanford.edu](mailto:xgzhou@stanford.edu))

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unprecedented economic growth over the last four decades. Some documented the Chinese state's effort in rationalizing the bureaucracy (Yang, 2004) and effective incentive provisions for economic growth (Oi, 1999; Zhou, 2017). On the other hand, a prevailing image emerged in the post-Mao era of fragmented authoritarianism (Lieberthal & Lampton, 1992), or regional decentralized authoritarianism (Xu, 2011). In the intensively researched area of policy implementation, conflicting images emerge as well: some observed the high responsiveness of local governments to top-down state policies and incentive designs (Kung & Chen, 2011; Rothstein, 2015; Walder, 1995; Whiting, 2000; Zhou, 2012a), while others pointed to deviations in local bureaucrats' behaviors in selective policy implementation, collusive behaviors, and loose coupling between policymaking and implementation (O'Brien & Li, 1999; Zhou, 2010).

These puzzles are not new. They were reflected in the series of hybrid terms coined in the literature as scholars grapple with these tensions and contradictions: neo-traditionalism, fragmented authoritarianism, decentralized authoritarianism, and resilient authoritarianism, etc. (Landry, 2008; Lieberthal & Lampton, 1992; Nathan, 2003; Walder, 1986). Indeed, these puzzles present themselves in various forms of dualism between the entrepreneurial role of local officials and bureaucratic inertia, between formal rules/authority and pervasive informal practice, and between responsiveness to the higher authority and, at the same time, considerable loose coupling in Chinese bureaucracy.

How do we make sense of these contradictory images and puzzles? In this study, I reexamine Chinese bureaucracy through three lenses – Weberian, Confucian, and Marchian – to understand the different layers – historical, cultural, and organizational – of Chinese bureaucracy, and the underlying institutional foundations and mechanisms. My goal here is not to advocate multiple perspectives toward the bureaucratic phenomena, nor to propose new mechanisms. Rather, I argue that these different aspects are interrelated, overlapping, and mutually reinforcing one another; as a result, they should be understood in a unified framework and in relation to one another. By bringing these theoretical lenses together, I aim to lay them one upon another so that we can bring the bureaucratic phenomena into better focus for analysis and interpretation.

These apparent puzzles reflect distinct, but interrelated, institutional processes that underlie Chinese bureaucracy. The institutional foundations, captured in the Weberian mode of domination, engender tensions between arbitrary power and bureaucratic power, and between formal rules and informal practice. The resulting limit to the rationalization of bureaucracy gives rise to the prevalence of informal institutions that facilitate and, in the meantime, undermine the central authority, inducing the dynamics of an organized anarchy and the distinct characteristics of dualism outlined above. The proposed three analytical lenses shed light on a set of stable institutional foundations that produce observed behavioral patterns.

The occasion for this reexamination is also fitting, as the reform era in China has drawn to completion a full cycle: after four decades of the so-called Opening-

Up and Reform era, characteristic of the grand trend of decentralization that allowed and encouraged the active role of local governments, the new phase of recentralization has set in, reproducing the kind of bureaucratic behavior that resembles Harding's (1981: 375) description of the Mao era: 'a stifling conformity among officials, a reluctance to take independent initiatives, a low level of technical and managerial skills, and disillusionment and cynicism at the frequent shifts in official line'. These observations provide a somber reminder and an appropriate occasion to rethink the place of Chinese bureaucracy in the institutional logic of governance.

In this study, the concept of Chinese bureaucracy broadly refers to the institutions of the Chinese government, including both those territorially based, local governments (e.g., provincial, municipal, county, and township) and the vertical, functional lines (e.g., ministries of transportation, environmental protection, public health, and their subordinate agencies). This inclusive definition reflects the intertwined nature of Chinese bureaucracy: bureaus and offices at each administrative level are under the dual authority of both their respective functional lines and territorial governments. For example, a municipal bureau of environmental protection is under the administration of the municipal government; at the same time, it is also subject to policy directives and tasks from the functional authority of the Ministry of Environmental Protection (renamed the 'Ministry of Ecology and Environment' since 2018).

The rest of this article is organized as follows: drawing on the three aforementioned lenses, I proceed in three steps. From the Weberian lens, I examine the locus of the bureaucracy in a distinct mode of domination in China and inherent tensions built therein. These tensions induce and reinforce a set of distinct, informal institutions in Chinese bureaucracy, leading to the Confucianization of Chinese bureaucracy, which I will explore using the second – the Confucian – lens. Tensions within the bureaucracy and the prevalence of informal institutions help foster particular kinds of organizational response and bureaucratic dynamics. From the Marchian lens, I make sense of Chinese bureaucracy as an organized anarchy characteristic of the dualism and paradoxes noted above. In the discussion, I propose a dynamic model of variable coupling in Chinese bureaucracy.

## THE WEBERIAN LENS: CHINESE BUREAUCRACY IN A DISTINCT MODE OF DOMINATION

Contemporary social science research emphasizes the importance of Weberian bureaucracy in governance and economic development (Acemoglu & Robinson, 2012; Evans & Rauch, 1999; Fukuyama, 2004). China scholars have, explicitly or implicitly, examined Chinese bureaucracy in light of Weberian bureaucracy, and discussed similarities and deviations between the two (Lieberthal & Lampton, 1992; Shirk, 1993; Walder, 1986; Whyte, 1973). On appearance, Chinese bureaucracy looks markedly similar to Weberian bureaucracy, with its

clearly delineated hierarchical structures, elaborate rules and written documents, and professional training and careers. There is a tendency in the social science literature to treat the Chinese state as a gigantic bureaucracy of one kind or another, with the central authority as the headquarters at the top and local governments as the subsidiaries at different levels, governed by the same bureaucratic logic. Scholars applied agency models to examine efficiency-driven issues related to information, incentives, and strategic interactions that induce the observed bureaucratic behavior (Oi, 1992; Qian, Roland, & Xu, 1999; Walder, 1995; Xu, 2011).

From the Weberian lens, however, Chinese bureaucracy differs from Weberian bureaucracy in significant, often fundamental, ways. Weber (1968: 152) was the first to point out the striking contrast between the two: Chinese bureaucracy ‘...was grafted upon a base which, in the west, had been essentially overcome with the development of the ancient polis’. It is worth noting that Chinese bureaucracy acquired its key characteristics in the Western Zhou era (1045 BC–771 BC) (Li, 2008) more than 2000 years before Max Weber (1946) introduced the concept of bureaucracy to contemporary social sciences at the turn of the 20<sup>th</sup> century. In contrast to Weberian bureaucracy that arose in response to international competition and to the capitalist economy, Chinese bureaucracy took a different path, in tandem with the historical evolution of the Chinese state and, in modern times, was molded in the organizational form of the Leninist political party (Schurmann, 1968; Selznick, 1952).

This is not to suggest that Weber’s analysis is irrelevant to Chinese bureaucracy. On the contrary, the Weberian historical comparative perspective is insightful in understanding key features of Chinese bureaucracy, especially regarding the locus of the bureaucracy in the mode of domination in China, and implications for the relationship between the bureaucracy and the Chinese state. In this section, I draw on Weber’s comparative, institutional perspective to examine this set of issues.

### Weber’s Comparative, Institutional Framework

Central to his comparative, institutional analyses is Weber’s insight that distinct bases of legitimacy produce different types of authority, which give rise to different modes of domination. ‘[T]he continued exercise of every domination always has the strongest need of self-justification through appealing to the principles of its legitimation’ (Weber, 1978: 954). In Weber’s view, no power can be built for long on the basis of coercion or violence; instead, power must be exercised on the basis of legitimate claims. As a result, different bases of legitimacy have shaped the corresponding types of authority: traditional, charismatic, and legal-rational.

Weber further extended these three types of authority to develop the corresponding three modes of domination: patrimonial, charismatic, and legal-bureaucratic. According to Weber (1978: 946), ‘*domination* will thus mean the situation in

which the manifested will (command) of the rule or rulers is meant to influence the conduct of one or more others (the ruled) and actually does influence it in such a way that their conduct to a socially relevant degree occurs as if the ruled had made the content of the command the maxim of their conduct for its very own sake. Looked upon from the other hand, this situation will be called *obedience*. At the macro-level, then, modes of domination refer to the foundations of authority relationships between the ruler and the ruled in a society. Here, Weber's notion of the mode of domination coincides with the institutional logic of governance – stable, recurrent patterns of interactions and institutions of authority relationship – in a society.

Bases of legitimation, types of authority, and modes of domination are three interrelated pillars in Weber's comparative, institutional analysis (see [Figure 1](#)). Weber's contribution is not only the delineation of these ideal types, but also the development of a set of analytical concepts and theoretical ideas to shed light on the relationships among the three, together with the corresponding institutional arrangements and societal contexts.

From the Weberian lens, different modes of domination are founded on their respective bases of legitimation. In other words, a power-holder must be able to justify his/her exercise of power on the corresponding institutions to substantiate this set of legitimacy claims. The patrimonial mode of domination, for instance, is built on the basis of the respect and acceptance of traditional authority. As a result, norms, ceremonies and rituals, and related cultural practices based on ancestral lineages are central institutions that sustain the legitimate claims for the patrimonial mode of domination. Charismatic authority is built on the followers' conviction in the charisma of the leaders; hence, those institutions are central that can ensure the direct interaction between the charismatic leader and his followers as well as the manifestation of 'miracles' by the charismatic leader. In the legal-bureaucratic mode of domination, there is a close relationship between formal procedures and legal-rational authority, and key institutions are organized around due process, procedural rationality, and equal rights before the law.

In this framework, the three pillars are interrelated such that a particular mode of domination rests on a specific type of authority associated with the corresponding type of legitimacy basis, which is incompatible with other bases of legitimacy. For example, traditional authority, once placed in the legal-rational environment (i.e., one person one vote), will experience tensions such that its basis of legitimacy becomes problematic, and its mode of domination is no longer stable. By the same logic, legal rational authority can hardly be built on the legitimacy claim of traditions or that of the leader's charismatic appeals.

Of course, as Weber recognized, domination in the real world may take the form of one main ideal type but mixed with the characteristics of others. In other words, the real authority in existence may have mixed bases of legitimacy, with one dominant basis of legitimacy but also intertwined with other types inherited from historical legacies; or some transformation of the ideal types, such as the

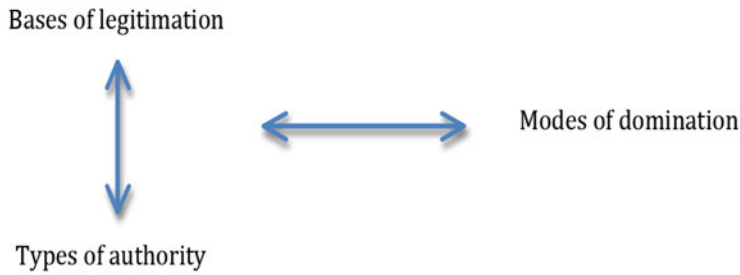


Figure 1. The three pillars in Weber's comparative, institutional analysis

routinization of charisma in office (Eisenstadt, 1968). For example, at times we observe that some key institutions of legal-rational authority, such as the Supreme Court in the US or popularly elected officials, acquire some characteristic of charisma. These multiple elements of legitimacy, though drawn from different sources, may coexist as they alternatively become salient on different occasions and at different points in time. On other occasions, these elements may become so incompatible that they create tensions and conflicts, exposing the fundamental nature of domination in a society. For example, in the 2020 presidential election in the US, Donald Trump's charismatic appeal to his followers led to a series of challenges to election results both on legal grounds (court filing) and in the form of protests and riots. Ultimately, the legal-rational authority prevailed and a peaceful transfer of power took place in due time.

### Locus of Bureaucracy in the Mode of Domination

It is now instructive to take a closer look at Weber's view of bureaucracy in different modes of domination. Weber developed his theory of bureaucracy at two levels. At the level of organizational analysis, he focused on bureaucracy as an organizational form, its key characteristics, such as the hierarchical structure, rule-based conduct, and professional training and career (Weber, 1946). To use the language of contemporary social sciences, at this level Weber's attention was on the structural features and internal mechanisms of formal organizations. At the second level, that of comparative, institutional analysis, Weber treated bureaucracy as the basis of a particular mode of domination, and contrasted it with other modes of domination, to highlight different types of societal organizations, authority relationships, and their bases of legitimacy. These two levels are interrelated: authority relationships within the bureaucracy are built on a particular basis of legitimacy claims, which in turn provides the institutional basis for the mode of legal-rational domination in a society.

In this light, Weberian bureaucracy is itself a set of institutional arrangements involving interrelated internal structures, type of authority, and basis of legitimacy. In contrast to traditional forms of organization, such as family, kinship, village or small craftsman shop, bureaucracies – formal organizations – are characteristic of

clear lines of authority, hierarchical structure, communication through written documents, and rule-based conduct; officials have their professional training and career, whose mobility and promotion are governed by formal rules and procedures (see Weber, 1978: 956–1005).

Weber (1978: 954) further argues that, the basis of legitimacy of a bureaucracy is such that '[T]he "validity" of a power of command may be expressed, first, in a system of consciously made rational rules (which may be either agreed upon or imposed from above), which meet with obedience as generally binding norms whenever such obedience is claimed by him whom the rule designates.... His power is legitimate insofar as it corresponds with the norm...'. That is, the bureaucratic authority is consistent and compatible with the legal-rational mode of domination, with impersonal orientation, rule-based behaviors as the core features. Here lies Weber's insight into bureaucracy as the basis of democratic governance:

Bureaucracy inevitably accompanies modern mass democracy, in contrast to the democratic self-government of small homogeneous units. This results from its characteristic principle: the abstract regularity of the exercise of authority, which is a result of the demand for 'equality before the law' in the personal and functional sense – hence, of the horror of 'privilege,' and the principled rejection of doing business 'from case to case'. (Weber, 1978: 983)

In other words, both democracy and bureaucracy share similar bases of legitimacy in rule following and equality before the law. In contrast, traditional authority rests on the hierarchical order based on cultural legacies, and charismatic authority based on leaders' charisma, all these are at odds with the legitimacy based on 'abstract rules'.

Yet, if we stop here, we would have missed the key insight in Weber's comparative, historical analysis. At the same time, Weber (1978: 1028) pointed out: 'Patrimonial officialdom may develop bureaucratic features with increasing functional division and rationalization, especially with the expansion of clerical tasks and of authority levels through which official business must pass'. That is, bureaucracy may also rest on an entirely different basis of legitimacy, serving as an efficient instrument of control in other modes of domination. Contrast bureaucracy in the legal-rational mode of domination with that in the patrimonial mode. In the former, bureaucratic power stems from procedures and rules that are accepted and seen as legitimate. In contrast,

the position of the patrimonial official derives from his purely personal submission to the ruler, and his position vis-à-vis the subjects is merely the external aspect of this relation. Even when the political official is not a personal household dependent, the ruler demands unconditional administrative compliance. For the patrimonial official's loyalty to this office is not an impersonal commitment to impersonal tasks which define its extent and its content, it is rather a servant's loyalty based on the strictly personal relationship to the ruler and on



an obligation of fealty which in principle permits no limitation. (Weber, 1978: 1030–1031)

Empirically, this observation is not surprising, as we find bureaucratic forms of government and officials present in different societies with distinct modes of domination. Their operation and characteristics are shaped by different modes of domination in which they are situated.

To Weber's discussion we may also add the proposition that Weberian bureaucracy is hardly compatible with the mode of domination based on charismatic authority. Central to charismatic authority is the appeal of the charisma of the leader to the followers, where a close, intensive relationship between the leader and the followers is crucial. The Weberian bureaucracy, with its emphasis on rules and rule-following behaviors, is part of the larger process of rationalization and disenchantment in history, which undermines the very basis of legitimacy for charismatic leaders.

Weber (1968: 50) wrote that 'the spirit of bureaucratic work differed widely in the East and in the West'. This observation captured the essence of the argument above, and it was also the focus of Weber's discussion of Confucianism in China. It is in this larger, institutional context that we examine the locus of Chinese bureaucracy.

### **Chinese Bureaucracy in the Distinct Mode of Domination in China**

Drawing on the Weberian lens, I make a conceptual distinction between the Chinese state and Chinese bureaucracy; the former refers to the collective of the top leaders today and the imperial monarchy in history, and the latter the bureaucratic apparatus that are subordinate to the former.

This conceptual distinction is important, for it directs our attention to identify the distinctive basis of legitimacy of the Chinese state and that of the bureaucracy, and the relationship between the two. In the patrimonial mode of domination in history, the monarchy rested its legitimacy claim on the patrimonial lineage as well as the charisma as 'the son of heaven' (Brandt, Ma, & Rawski, 2014; Schwartz, 1985). Significant changes took place after the collapse of the Qing dynasty in the early 20<sup>th</sup> century. In contemporary China, the Chinese state claims legitimacy on the mixed bases of rational-legal authority and charismatic authority, the former being demonstrated in the institutions such as the National People's Congress and other institutions of representative participation, and the latter through 'the routinization of charisma' in the ruling Chinese Communist Party and its top leaders (Zhou, 2013).

In both modes of domination in China, contemporary and in history, Chinese bureaucracy's basis of legitimacy has remained the same: it acquires its authority from the delegation of power from the Chinese state; hence, it can only exercise its power on behalf of the state. As such, the bureaucracy serves as a political

instrument of the ruling party or the organizational weapon of the party state, as Selznick (1952) aptly put it.

This distinction leads us to further recognize two types of power and their relationships in this mode of domination, i.e., the arbitrary power of the Chinese state and the bureaucratic power based on positions and organizational routines (Kuhn, 1990). These two types of power are hierarchically related: the former always trumps the latter. The power of the state is 'arbitrary' in the sense that the top leaders could intervene into and disrupt the bureaucratic operation at any step of the process, at any level, and at any time. The role of Chinese bureaucracy has not fundamentally changed today: it has served and still serves as the tool of domination for the Chinese state. The relationship between the emperor of the past or top leaders of today and bureaucrats depends to a great extent on institutionalized personal dependency and loyalty.

Not surprisingly, then, authority relationships in Chinese bureaucracy are organized in the form of upward accountability, fully exposed to the exercise of top-down arbitrary power. The dependency relationship entrenches in stable institutional arrangements: first, personnel management is highly centralized, as is the ultimate authority over resource mobilization. Second, bureaucracy is legitimated as the rational instrument of the Chinese state and it is organized for the purpose of effective implementation of top-down policies. Third, top leaders hold arbitrary power to intervene at will and disrupt or reorient the bureaucratic process.

Ironically, the arbitrary power cannot be confined to the very top, and it has to be replicated and extended to different levels of the hierarchy. This is because, absent of such arbitrary power at each level of the bureaucracy, officials would not be able to respond to the wills of the top leaders and to disrupt the routine operation of the bureaucratic machine. That is, to ensure the effective exercise of the state's arbitrary power to intervene, top officials at each administrative level must be given the same kind of arbitrary power to implement top-down decrees. Wittingly or unwittingly, the replication of arbitrary power at each level of the hierarchy is the logical consequence of this mode of domination.

This recognition exposes another source of tension in Chinese bureaucracy: the coexistence and legitimacy of both formal and informal institutions. To elaborate, let us consider the role of formal rules. Formal rules are a key characteristic of Weberian bureaucracy to constrain bureaucrats and produce standardized behaviors so as to increase reliability and predictability. Rules resolve conflicts, generate predictable behavior, and at the same time protect both managers and employees (Crozier, 1964; Gouldner, 1964; March, Schulz, & Zhou 2000; Merton, 1968).

But bureaucracy on the basis of elaborate rules would inevitably impose constraints on the arbitrary power of the top leaders and undermine the foundation of personal loyalty intrinsic to the patrimonial mode of domination. Personal loyalty and trust are essential in the patrimonial as well as charismatic authority relationship. Indeed, as Kuhn (1990) observed, the Chinese emperor was conscious about making use of bureaucratic rules to regulate his officials but at the same time not

getting himself caged by these rules. As many studies have demonstrated, the rationalization of bureaucracy, with its key characteristic of stable bureaucratic rules and procedures, would constrain the arbitrary power of the top leaders, and in effect transfer power from the ruler to the bureaucrats (Coleman, 1974; Wilson, 1975). Similarly, impersonal rules and rule-following conducts also impede the close link between the charismatic leader and his followers, thereby undermining charisma-based domination.

The Weberian lens highlights two inherent tensions within Chinese bureaucracy and between the Chinese bureaucracy and the Chinese state: first, the tension between the arbitrary power of the state and the routine-based power of the bureaucracy; second, the tension between formal rules and rule-based behaviors on the one hand, and personal dependence and loyalty on the other. Both tensions point to the limit to the rationalization of Chinese bureaucracy. That is, there has been a strong resistance, built into the institutional arrangements, to the enforcement of formal rules for all and to the principle of equality before the law – the very essence of Weberian bureaucracy.

The preceding discussions lead us to the recognition that Weberian bureaucracy and Chinese bureaucracy, their inceptions 2000 years apart, experienced two distinctive historical paths of evolution; the former evolved on the basis of legal-rational basis, whereas the latter has been infused with political dependency and personal loyalty. My discussion has contrasted and highlighted key features of the Chinese bureaucracy with the ideal type of Weberian model. In so doing, I have emphasized more the contrast than similarities between the two so as to gain theoretical insights. My discussion points to the distinct roles they play respectively in the legal-rational mode of domination and in the patrimonial and rational/charismatic modes of domination, as the quotes by Weber and Mao Zedong at the beginning of this article made clear. Small wonder that, in both patrimonial and charismatic mode of domination, there is a strong resistance to the rationalization of bureaucracy, which would weaken or constrain the arbitrary power of the top leaders representing the state.

## **THE CONFUCIAN LENS: INFORMAL INSTITUTIONS IN CHINESE BUREAUCRACY**

The limit to the rationalization of bureaucracy and the prevalence of informal institutions are interrelated: the exercise of arbitrary power imposes constraints on formal rules as a protective mechanism and thus induces strategic behaviors in response, giving rise to the second salient characteristic of Chinese bureaucracy: the pervasiveness of informal institutions.

Informal, social relations are ubiquitous in formal organizations, as early sociological research richly demonstrated (Blau, 1955; Crozier, 1964; Selznick, 1949). Here, my purpose is not to rediscover similar phenomena in Chinese bureaucracy; rather, I go further to argue that informal, social relations are highly

institutionalized in, and serve as an integral part of, Chinese bureaucracy, and they are stable, resilient, and reinforced in the everyday bureaucratic practice and social life, with a strong tendency in the Confucianization of Chinese bureaucracy.

I use the Confucian lens to interpret this important aspect of Chinese bureaucracy. Here the ‘Confucian’ image is used metaphorically to refer to, *not* the rhetoric in classics text that has been subject to intensive debates, but those common, observed cultural practices that help shape social relations in the inner working of Chinese bureaucracy.

### **Institutional Basis of Informal, Social Relations**

Let us first take a detour to consider the role of informal, social institutions in the literature. We do not need to search far to find rich sociological ideas and insights to guide our exploration here. Stinchcombe (1965) elaborated at length the multifaceted relationships between social structure and formal organizations in contemporary societies. A key proposition in Stinchcombe’s argument is that the distribution of resources in a society – human, financial, legitimacy, and knowhow – affect the ways by which people get organized. The formation of formal organizations – organizational form, practice, and interorganizational relationships – depends on specific social and historical contexts. In the same vein, Bendix (1956) examined authority relationships in Great Britain and Russia, among others, and showed how authority relationships within organizations varied systematically with historical processes and across societal contexts. A large literature points to the coexistence and complementary role of formal and informal institutions in governance (Ellickson, 1991; Kelmke & Levitsky, 2011; Milgrom, North, & Weingast, 2006; Ostrom, 1990).

Members of organizations draw upon those cultural practices and tactics in the larger social environments to manage uncertainty and to solve problems. Tilly (1986) developed the concept of *repertoire* in a society that provides the shared symbols and practice among individuals to coordinate their actions. Similarly, Swidler (1986) discussed ‘culture as toolkit’ in social actions and problem solving. We may find echoes of the same theme in organization and management theories. As Kanter (1977) observed, managers choose subordinates of their own kind to minimize uncertainty in their work environment. Cultural expectations and social relations are also used in reducing transaction costs in economic activities, as seen in ‘good-will’ capitalism in Japan (Dore, 1983; Williamson, 1985).

There is extensive literature on the role of social relations, so-called *guanxi*, in Chinese society and Chinese organizations. The early work on China’s communist revolution emphasized a break with traditions (Schurmann, 1968). But closer observations led to subsequent debates and revisions of this picture (Bian, 2018; Gold, 1985; Guthrie, 1998; Walder, 1986; Yang, 2002). As many studies have shown, the use of social relations in finding a job (Bian, 1997), in government-firm relationships is extensive (Boisot & Child, 1996, Haveman, Jia, Shi, &

Wang, 2017; Lin, 1995; Marquis & Qiao, 2020; Peng & Luo, 2000; Wank, 1999). In recent years, the importance of social relations in the Asian context has received much attention in the organization and management literature (Chen, Chen, & Huang, 2013; DiTomaso & Bian, 2018; Li, Zhou, Zhou, & Yang, 2019; Warner, 2010; Ying, Warner, & Rowley, 2007), especially in the MOR community, including the recent issue (July 2020) on informal networks. Bian (2019) provides the most recent, comprehensive discussion on the prevalence of *guanxi* in organizing the Chinese society.

The role of social relations is extensive in all aspects of Chinese bureaucracy and at the intersection between the bureaucracy and other spheres of social life. For example, Chinese bureaucracy routinely makes use of social relations in resource mobilization and in policy implementation (Sun & Guo, 2000; Wu, 2007; Ying, 2001). Social relations are exploited in repressing collective action and resistance, in local problem solving, and in collusion to meet policy targets (Deng & O'Brien, 2013; Heilmann, 2008; Lee & Zhang, 2013).

The aforementioned limit to the rationalization opens doors to the widespread of informal rules and social relations in Chinese bureaucracy, for several reasons. First, the upward accountability system produces high uncertainty for bureaucrats. As is well known, outcomes of managerial efforts are notoriously difficult to evaluate, because managers' work is highly contingent on a large number of factors beyond their control. The real authority of official evaluation is in the hands of their immediate supervisors who have better information of the circumstances and officials' performance. The large scale of the bureaucracy also accelerates this trend, as top leaders have to delegate their authority to lower-level officials, including the evaluation of subordinate officials. As a result, informal relations among supervisors and subordinates are critical for bureaucratic career advancement. Second, the top-down pressures in implementation often induce collusive behaviors among the lower-level bureaucrats to cover up problems, and to form strategic alliance for self-protection (Heberer & Schubert, 2012; Zhou, 2010). Third, local officials make use of informal, social relations to mobilize resources, solve local problems, and to get things done in everyday work environment. For this reason, informal institutions are not only tolerated, acquiesced, but often encouraged in the Chinese bureaucracy. Cultural resources – shared norms and expectations, behavioral disposition, social ties – are renewed and reinforced in everyday practice and become institutionalized, bending bars on the iron cage of the bureaucracy (Zhou, 2019).

Here, tensions between the long-chain of command and the short-distance of social relations and loyalty are fully exposed. It is noteworthy that, in the post-Mao era, the extent of informal institutions has not abated but in many circumstances intensified (Bian 2019) – a sure indication of limited progress in the rationalization of Chinese bureaucracy. Our next question is: what are the specific forms of social relations that characterize the informal institutions in Chinese bureaucracy?

## The Confucianization of Chinese Bureaucracy

At the risk of oversimplification, I put forth the following proposition: the key characteristic of social relations in Chinese culture can be summarized in the concept of the so-called ‘differential mode of association’ (*chaxugeju* 差序格局). As Fei Xiaotong (1992/1948: 63) put it:

In Chinese society, the most important relationship – kinship – is similar to concentric circles formed when a stone is thrown into a lake. Kinship is a social relationship formed through marriage and reproduction. The network woven by marriage and reproduction can be extended to embrace countless numbers of the people.

A salient characteristic of the differential mode of association depicted here is that it is based on systematic, kinship-like mechanisms. Analogous to kinships in traditional societies, social relations in the Chinese culture vary with the distance between the ego and the individuals or groups he/she interacts with, ranging from strong family ties, kin, friends, to strangers and outsiders. The same cultural disposition cultivates multiplex relations in everyday life: starting from the ego’s center, the closer one is located toward the center of the concentric circle, the more intense social relations are in dealing with transactions of all kinds. As one’s position moves away from the center of the concentric circle, relationships become more formal and impersonal. The social distance in the differential mode of association is not forged at will; rather, it is shaped and regulated by the stable social institutions of family and kinship, and the resulting patterns of interaction. In this social world, then, the same cultural disposition can generate intimate social relations as well as an impersonal bureaucratic face in the same bureaucracy, depending on one’s social distance to the agent.

Although Fei made his observation more than half a century ago, differential mode of association is alive and thriving today, being practiced extensively and intensively. It is *extensive* in that there exist extended social networks on the generalized kinship bases such as teacher-student relationships, mentor-apprentice relationships, hometown- or alumni-based social ties, among others, that reach all walks of life and become the social fabric of everyday life. The differential mode of association is also consistent with the authority relationships in the patrimonial mode of domination where personal loyalty and differential relationships are the norms.

Informal institutions based on the differential mode of association is also *intensive* in that, at the inner circle, social relations are based on stable institutions of family and kinship of intimate, strong ties. One salient characteristic of the differential mode of association is that it tends to be identity-based rather than formed for instrumental purposes. The large literature on social network based market economies emphasizes the instrumental role of network in information transmission and resource mobilization, where reciprocity is the central mechanism (Burt, 1992; Granovetter, 1974; Greif, Milgrom, & Weingast, 1994). In contrast, the differential mode of association is based on kin-analogy mechanisms.



As Lin (2001) and Bian (1997) point out, strong ties and asymmetric exchange often characterize these social relations in the Chinese setting. Strong social relations are extended, by analogy, to relationships organized around formal institutions of hometowns, schools, and workplaces. Unlike instrumental networks that are transient and evolving in response to payoffs, identity-based networks tend to be dense, overlap and intersect with other social circles; hence, they are robust and resilient, and they reproduce hierarchical structures (Yan, 1996). Greif and Tabellini (2017: 3) contrasted organizational forms of economic activities between traditional China and Europe and found the former characteristic of clan form, kin-based with limited scope of reach, whereas the latter characteristic of generalized morality, impersonality, and considerable scalability. 'In China, the predominant role of clans and kin-based interactions reinforced moral obligations towards kin. In Europe, the proliferation of open and heterogeneous communities such as independent cities strengthened notions of generalized morality and the rule of law'.

In contrast to the conventional views of networks in the marketplace, I argue that social networks in Chinese bureaucracy tend to be identity-based, for two reasons: first, they are formed on the stable basis of work organizations. The everyday work environment induces intensive interactions and social relations. Second, the high uncertainty associated with the limit to rationalization leads bureaucrats to make great efforts in cultivating hierarchy-based social networks for self-protection, which is more enduring, robust and resilient than the conventional social ties based on reciprocal exchange in the marketplace. The centrality of personal loyalty and informal institutions gives rise to honeycomb-like modular cells insulated from the intervention of central authority (Shue 1988). Personal loyalty and social relations greatly facilitate strong coalitions at the local level, producing and reproducing segmented, localized social circles and collusive behaviors in response to pressures from the higher authority (Zhou, 2010).

There are deep historical roots of informal institutions in Chinese bureaucracy. Above all, top leaders have been relying on personal loyalty and trust to overcome bureaucratic constraint and resistance and to exercise their arbitrary power. The emperor actively cultivated informal relations and loyalty to ensure the effectiveness of his rule (Hou, 2018). Informal institutions extend far beyond the ruler-official dyads and become entrenched in different aspects of the Chinese bureaucracy, and at the intersection between the state and the bureaucracy. Historically, the very civil examination process provided the occasion to form strong social networks based on cohorts (*tongnian* 同年) and master-apprentice relationships (*tongmen* 同门), as Kuhn (2002) observed. The emperor-sanctioned secret reporting system (the *mizhe* system 密折) coexisted with the formal reporting institutions based on bureaucratic routines. And those officials dispatched to govern in counties or prefectures had to rely on a staff of his own (the so-called *muliao* system 幕僚) to manage everyday business of running the county/prefecture magistrate, from taxation, crime investigation, to dispute resolution, among others.

Small wonder that informal institutions were intertwined with, and become an integral part of, Chinese bureaucracy.

The differential mode of association is the antithesis of impersonal rules in Weberian bureaucracy. While impersonal rules rid of informal and ‘case by case’ flexibility, social relations soften and bend the bars on the iron cage of the bureaucracy. As Chu (1965) demonstrated, historically, the differential mode of association found its expression even in the Chinese legal system; namely, persons of different social status and social relations received different treatments for the same crime. Chu labeled this characteristic the *Confucianization of law* in the Chinese society. Today we observe similar phenomena in the Chinese bureaucracy where policy implementation and public goods provision may also vary ‘case by case’ based on the differential mode of association. I label this tendency as the *Confucianization of bureaucracy*, whose practice is infused with the characteristics of differential, flexible treatments in policy implementation, regulation and public goods provision.

Informal, social relations play an ironic role in China’s governance. On the one hand, they are an indispensable component in governance by providing effective means for resource mobilization and for local problem solving; on the other hand, they are threats to the central authority, as they undermine the formal institutions and the political order. From time to time, the Chinese state launched political campaigns targeting rampant informal practice in the bureaucracy. But despite the repeated efforts of the Chinese state to rein in such behaviors, informal institutions are robust, resilient, and reproduced in everyday bureaucratic operation, to which a large literature on bureaucratic behaviors gives testimony.

We observed a precarious positive feedback loop here. The limit to the rationalization of Chinese bureaucracy induces and reinforces the differential mode of association and considerable variations in bureaucratic behaviors and implementation, and engenders tensions between the central and local governments, which, in turn, further impedes the process of rationalization in the bureaucracy. That is, there is a tendency toward the Confucianization of the bureaucracy where fragmented interests and informal relations run amok, a tendency that the Chinese state – especially the Leninist ruling party – has tried hard to combat against, which will be examined below from the Marchian lens.

## THE MARCHIAN LENS: CHINESE BUREAUCRACY AS AN ORGANIZED ANARCHY

I now turn to the Marchian lens to provide an organizational analysis of tensions and issues that emerged from the preceding discussion, and to identify the organizational mechanisms in response that have induced the distinctive dynamics of Chinese bureaucracy as an organized anarchy. I begin with a brief sketch of the related concepts and ideas in organizational analysis.



## Organized Anarchy: Processes and Mechanisms

In contrast to the ideal type of Weberian bureaucracy, organization theorist James March developed a model of organized anarchy involving multiple processes, multiple participants, and different problems and solutions flowing through decision-making processes. In the Marchian world of organizations, the outcomes of decision-making and implementation depend on the timing of decision occasions which induce a temporal matching among these multiple processes (March & Olsen, 1979). Moreover, there are multiple, conflicting goals; information is ambiguous, subject to multiple interpretation and political manipulation; technology is poorly understood, the causal link between efforts and outcomes is often unclear; and decisions have to be made under time pressures (March, 1988). As such, organizational processes are characteristic of organized anarchy and involve ‘muddling through’ in policymaking and implementation (Lindblom, 1959, 1979).

In essence, an organized anarchy is a loosely coupled system in which ‘coupled events are responsive, but that each event also preserves its own identity and some evidence of its physical or logical separateness...and that their attachment may be circumscribed, infrequent, weak in its mutual affects, unimportant, and/or slow to respond... Loose coupling also carries connotations of impermanence, dissolvability, and tacitness all of which are potentially crucial properties of the “glue” that holds organizations together’ (Weick, 1976: 3).

Several mechanisms contribute to the loose-coupling aspects of organizations (Orton & Weick, 1990). Consider the idea that organizations are political coalitions, in which different parties bring their own interests and resources to the bargaining table explicitly or implicitly (March, 1962). As a result, there is a tendency in pursuing goals of subgroups at the expense of organizational goals. Information is vital in policymaking, implementation as well as performance evaluation. However, information needs interpretation, which depends on those experiences, perceptions, and interests that different parties bring into the decision-making and implementation processes. Moreover, implementation is a continuation of the decision-making process (March, 1994). That is, those participating in policy implementation inevitably infuse into the process their own views and interests and play an active role in reshaping policymaking outcomes.

These issues and tensions are greatly amplified in a large hierarchical organization like the Chinese bureaucracy, with its enormous size, and diverse administrative jurisdictions and functional lines.

## Chinese Bureaucracy as an Organized Anarchy

Indeed, it is appropriate to see Chinese bureaucracy as an organized anarchy with considerable loose coupling elements built into the system. Our preceding discussion has already touched on a set of elements in this regard.

Institutionally, the M-form of organizational architecture in Chinese bureaucracy imposes dual authority in an organizational unit (Qian, Roland, & Xu, 1999). The multi-layered organizational structure, with dual lines of territorial and functional authorities, the ensuing long chains of command, and great variations of local circumstances, all these create an ecology of organizations where different units are linked to one another but also preserve their own identities, characteristic of what Weick described as a loosely-coupled system. Such institutional arrangements have provided the basis for the so-called regional decentralized authoritarianism (Xu, 2011), or the administrative subcontracting form of governance (Zhou, 2017). These considerations fit the fragmented authoritarianism model in the literature (Lieberthal & Lampton, 1992).

Moreover, as noted before, the prevalence of informal institutions and the differential mode of association help cultivate social circles based on formal institutions that are multi-centered yet overlapping, which play an active role in coordination and exercise of power within the administrative jurisdiction. These patterns of informal, kin-like practice are embedded in the formal institutions (Feng 2010) and connect different units in unusual and often unexpected ways, creating new opportunities for solutions, and expanding the toolkit for problem solving. Informal institutions add flexibility, connectivity and adaptability, above and beyond the formal institution; at the same time, it moves away from the formal model of Weberian bureaucracy.

Even those top-down processes of policymaking and implementation are considerably less formal or rigid than they first appear. Often times, major policies were made in the form of broad principles rather than detailed instructions, allowing lower levels to add specifics that tailor to their conditions. For example, the program of ownership reform in the forestry area, according to He and Kong (2011), was implemented by allowing local governments to add specifics and adapt to local circumstances. When top-down goals are specific and detailed, they often do not fit diverse local realities, and flexible adaptation in implementation is likely to ensue, and the higher authorities lack the capacities in monitoring, inspections, and enforcement. Those who conduct inspections tend to be the immediate supervisors who have more local information and tend to be sympathetic to local officials' flexible behaviors. As we can see, considerable loose coupling is built into the Chinese bureaucracy.

Burdens of administrative oversight and enforcement also force the central authority to delegate substantive authority to the lower levels. In a study of policy implementation in environmental regulation, Zhou and colleagues (2013) show that, the process involves multiple participants at county, prefectural and provincial/central levels. Although the tasks and quota are quantitative and well-specified, in reality the extent of meeting targets is subject to multiple interpretations and manipulations. Technologies in both implementation and inspection are full of uncertainty, and information is incomplete, asymmetric, and ambiguous. The local officials have to juggle with multiple tasks and competing goals, and they have to

shift attention from one project to another. The picture emerged is indeed that of an organized anarchy in which local bureaucrats have to ‘muddle through’ the implementation process, rather than a careful, deliberate course of action portrayed in the rational image.

Another salient aspect of loose coupling is between symbolic compliance and behavioral deviation. On the one hand, given the authoritarian nature of the formal institutions where there is a high level of centralization with arbitrary power, it is essential for local officials to show compliance with the top-down instructions in order to survive. On the other hand, varied local circumstances and multiple processes pull and push the actual policy implementation in different directions, and considerable loose-coupling takes place at behavioral level. In these circumstances, symbolic compliance is vital to signal one’s loyalty and commitment to the party line so as to minimize the risk and cost of behavioral deviations on the ground.

All these point to Chinese bureaucracy as a loosely-coupled system characteristic of strong social circles for patron-client relationships, collusion among local officials, and flexible, selective implementation of top-down policies (O’Brien & Li, 1999; Zhou, 2010). This tendency echoes the positive feedback loop discussed earlier. It is worth pointing out that these institutional arrangements are by no means rationally designed; rather, they took shape over the historical evolution in response to the tensions of over-centralization. These characteristics are reinforced by, and contribute to, the limit to rationalization and the prevalence of informal institutions.

### **Regulating the Garbage-Can Process**

Yet, Chinese bureaucracy is also under intensive regulations with considerable top-down capacities and mechanisms of mobilization, as the Chinese state have made tremendous efforts to combat against the tendency toward the Confucianization of Chinese bureaucracy. Indeed, we often observe the highly responsive, tight-coupling aspects of the bureaucracy, where decisions are swift, implementation responsive, and enforcement strict. Here, the Marchian lens helps us identify and make sense of a set of mechanisms in regulating Chinese bureaucracy as an organized anarchy.

First of all, the recognition of the patrimonial mode of domination gives us the first clue to the mechanisms of tight-coupling in the system, and, so to speak, to put a lid on the garbage can. The top leaders and those leaders at each level of hierarchy possess the arbitrary power that can at any time disrupt political coalitions at the lower levels and upset local equilibria. The upward accountability structure and authority relationship in Chinese bureaucracy are in place to ensure that top-down policy goals are taken seriously and with all efforts. The authority of inserting deadlines and exerting political pressures is in the hands of top leaders, as important levers to regulate the extent of coupling among multiple processes

and to overcome bureaucratic resistance (Kuhn, 1990). The limit of the rationalization of bureaucracy contributes to this type of mobilizational capacity, as formal rules do not provide the stable buffer to resist top-down intervention. Not surprisingly, we often observe temporal variations in the extent of coupling among these multiple processes.

Second, the Chinese state has developed a series of organizational mechanisms for attention management; and these tools are honed to set priorities among multiple tasks. The personnel management system is organized around regulations at every stage of the bureaucratic career, from entry to retirement, including periodic rotation of personnel in key positions, inspections and evaluation, regulations on the kind and duration of work experience required for promotion, etc. For example, in the environmental policy area, once policy targets are allocated to different levels of the administrative jurisdiction, a set of bureaucratic milestones are set accordingly, such as quarterly or semi-annual reviews, annual evaluations, as well as unscheduled inspections. These efforts predictably draw organizational attention to these designated tasks and inserting deadlines for resolution in the organized anarchy. In particular, the outcome-driven, penalty-loaded inspection procedures, such as the ‘one-item veto’ policy, generate tremendous pressures on local officials to meet policy targets, at whatever cost and by whatever means (Wu, 2007).

Third, one salient organizational phenomenon in Chinese bureaucracy is the frequent, widespread use of campaign-style mobilization for policy implementation (Feng, 2011; Zhou, 2012b). Arbitrary power and the lack of formal rules for protection induce local officials to be extremely sensitive to such mobilization. From the Marchian lens, we can interpret the use of campaign-style mobilization as an effective mechanism of attention allocation that sets bureaucratic priority to accomplish the designated task. The political nature of such mobilization also means that all resources are mobilized to accomplish designated tasks, above and beyond the bureaucratic routines.

These observations direct our attention to a striking characteristic of Chinese bureaucracy, that is, the politicization of the organizational processes and authority relationship. In Weberian bureaucracy, as Mannheim (1936) observed, there is a tendency to turn political issues into administrative matters and channel them into bureaucratic routines. In contrast, the Chinese bureaucracy shows an opposite tendency; that is, to turn administrative matters into political ones, so as to evoke the arbitrary power of higher authorities, to take the matters outside of the constraints of the bureaucratic rules, and to make use of tools of political mobilization. For example, government officials frequently advocate to treat various policy implementations as ‘important political tasks’, such as the anti-poverty campaign, environmental protection regulation, and organizational response to public health crises as such COVID-19.<sup>[1]</sup> One common expression in such implementations is as follows: ‘This is a political task, one needs to get it done no matter what!’ The message accompanying this declaration is loud and clear: one needs to go above

and beyond bureaucratic routines and formal procedures to get the job done, at whatever cost. Indeed, the politicization tendency also runs counter to the rationalization of the bureaucracy.

And bureaucrats are extremely sensitive and responsive to such mobilization efforts. The lack of formal rules for protection and the reliance of personal ties produce ripple effects downward across hierarchical levels. In response, bureaucrats have also mastered coping strategies: adopting risk-averse behaviors, cultivating and strengthening social relations in protecting informal sphere of influence, and over-reacting as signals of compliance.

These mechanisms and the induced behavioral patterns temporarily produce a tightly-coupled system. The end result is predictable: to use March's garbage-can model metaphor, the top-down imposed deadlines produce decision occasions that force different kinds of decision outcomes – resolution, flight, or oversight – depending on the timing of these multiple, fluid processes in the organization, which may or may not meet the proclaimed policy goals.

However, tight coupling among different levels of the bureaucracy is costly and cannot last forever. As Orton and Weick (1990) noted, tight coupling in one part of the organization is likely to trigger loose coupling in another. Organizations involve multiple tasks and goals, and attention is a scarce resource. Mobilization for one task inevitably leads to the neglect of other tasks. After the intensity of heightened mobilization in one area subsides, the organization predictably has to turn attention to other, neglected agenda in other areas. As a result, the state of loose coupling returns to the focal area.

### **Variable Coupling in the Chinese Bureaucracy**

What emerges from the preceding discussion is a picture of the dynamics of Chinese bureaucracy characteristic of *variable coupling* across levels of authority, both spatially and temporally. Loose coupling takes place in space in two senses here: first, the lower the administrative level, the more participants are involved, with their own interpretations and perceptions in the policy implementation process; second, the lower the administrative level, where reality sets in, the more variable are the local strategies deployed to get things done. There are also noticeable variations in the extent of coupling across functional areas: some areas experience strong top-down pressures for tight coupling, such as the area of social stability maintenance, whereas other areas show more loose coupling or routine-based operations.

Variable coupling is also salient in the temporal dimension, in response to evolving agenda and pressures from the top-down processes. Since bureaucratic power is centralized into the hands of top leaders, attention varies over time with changes in the top leaders' priority. Along with the top-down mobilizational pressures in a specific task environment, local officials' attention is directed in that area, resources mobilized, and other organizational routines suspended; as a result,

the bureaucracy becomes tightly coupled in that area. As tasks are accomplished or attention is diverted to other tasks or crisis areas, loose coupling returns to this area. Over time, we observe the alternation between tight coupling and loose coupling as a recurrent organizational phenomenon.

Another important aspect of variable coupling is between symbolic versus substantive compliance. As we noted before, the formal institution of authoritarianism denies the legitimacy of autonomous interests in different localities, and officials at all hierarchical levels have to demonstrate obedience and loyalty. On the other hand, their behaviors have to be flexible and adaptive in response to local circumstances. Therefore, there is loose coupling between symbolic compliance and behavioral deviation. But in the period of heightened political mobilization, strong political pressures are mounting and deviating behaviors are being severely penalized. As a result, compliance to the higher authority may be temporarily tightly coupled, both symbolically and behaviorally. Over time, then, we also observe rhythms of variable coupling between symbolic and behavioral compliance.

The Marchian lens helps us identify a set of mechanisms that produce variable coupling: bureaucratic layers and administrative jurisdictions as bases for segmented interests and political coalitions; the prevalence of informal institutions provides the lubricants for loosening up bureaucratic rigidity. On the other hand, the arbitrary power of the higher authority and the limit to rationalization, as well as campaign-style mobilization all provide means for attention mobilization in inducing temporary tight-coupling of multiple processes. These discussions lead us to an organized anarchy with Chinese characteristics, with the distinctive dynamics of variable coupling between the top leaders and bureaucrats, between symbolic vs. behavioral compliance, across hierarchical levels and areas, and over time.

## **DISCUSSION: TOWARD AN INTEGRATED APPROACH TO CHINESE BUREAUCRACY**

In the proceeding section, I proposed to make sense of Chinese bureaucracy through three lenses: Weberian, Confucian, and Marchian. These lenses reflect distinct imageries of organizations and capture different aspects of the organizational phenomena. The central theme proposed here is that these aspects are not separate or isolated from one another; rather, they are interlocking, mutually reinforcing, and inducing distinctive bureaucratic dynamics. As such, they should be understood in relation to one another in a unified framework. In this concluding section, I take stock and discuss their implications for understanding bureaucratic phenomena in China.

The three analytical lenses help us better understand the inherent tensions and resulting dynamics in Chinese bureaucracy. The Weberian identifies two major tensions based on the distinctive mode of domination, i.e., those between

arbitrary power and bureaucratic power, and between formal rules and informal practice. These tensions give rise to the prevalence of informal institutions that, as we see from the Confucian lens, facilitates the exercise of the arbitrary power and, at the same time, undermines the very legitimacy of the centralization of authority in the political regime.

These tensions also induce distinctive dynamics in bureaucracy as an organized anarchy. First, tensions between arbitrary power and bureaucratic power are reflected in loyalty over ability, political lines over formal rules; as a result, organizational routines are often disrupted, reoriented and mobilized beyond conventional boundaries. Second, tensions between formal rules and informal practice reinforce the differential mode of association. Segmented pockets among the bureaucrats, closed social circles, and the honeycomb patterns (Shue, 1988) are salient in interactions within the bureaucracy and at the intersection between bureaucracy and the larger society. Even the formal operation of the bureaucracy involves the active role of informal institutions in the formation of political coalitions and mobilizational capacities.

The three lenses are interrelated, as are the phenomena and aspects they capture. At one level, these three are causally related to one another: the distinctive mode of domination identified in the Weberian lens engenders the limitation of rationalization, an emphasis on personal loyalty, and the prevalence of informal institutions, as captured in the Confucian lens. These salient characteristics further induce the bureaucratic dynamics with particular response mechanisms in the Marchian world of organized anarchy, in which bureaucracies tried to manage uncertain and ambiguous environment.

At another level, these three aspects are interactive and mutually reinforcing one another. The distinct mode of domination finds its expression in the practice of informal institutions in everyday work environment; and the latter also gives meaning to the mode of domination – the arbitrary power and dense, identity-based network. The interaction of the two induces and shapes the organizational mechanisms that regulate the organized anarchy in the bureaucracy. A picture of bureaucratic dynamics emerges that is characteristic of variable coupling across hierarchical levels, between behavior and symbols, and over time. By laying these lenses one upon another, we are able to interpret these aspects and their interconnectedness in a more meaningful way.

Organizational phenomena are messy but not mysterious (Gibbons, 1999). The proposed approach advocated here suggests that those apparently disparate or even conflicting images of the bureaucratic phenomena – fragmented authoritarianism, prevalent informal, social relations, as well as the tremendous mobilizational capacities and organizational responsiveness – are interconnected to one another and underpinned by the same institutional logic. They become salient alternately at different stages and under different conditions, but, in the final analysis, these are manifestations of the same institutional foundations developed over time in response to the fundamental tensions built into Chinese bureaucracy,



between the centralization of authority and diverse local circumstances, and between the uniformity in policymaking and diversity in policy implementation.

By laying the three lenses one over another, the proposed model sheds new light on the paradoxes outlined at the beginning of this article. For example, the dualism between formal rules/authority and pervasive informal, social relations in the bureaucracy can be understood in light of the differential modes of association. That is, the same bureaucrat or the office can treat different individuals or organizations differentially depending on their social distances. Similarly, the active, entrepreneurial role of local officials and bureaucratic inertia coexist and vary to a considerable extent with the particularistic, patronage relations that provide incentive or protection to the bureaucratic behaviors of one kind or another, thereby inducing different bureaucratic coping strategies. Under top leaders' sponsorship, officials may be entrepreneurial and risk taking; without such protections, they become extremely cautious and risk averse. Variations in informal institutions may also lead to the ecology of differential behaviors, with some taking an entrepreneurial role and others a more risk-averse disposition.

These tensions in the bureaucracy can also explain the dualism between loose coupling and responsiveness. As discussed before, considerable flexibility exists in the bureaucratic system (unclear goals, routine inspections, lack of incentive instruments), and the bureaucratic system is often highly decentralized. At the same time, there are mobilizational mechanisms built into the system: the party apparatus, the mechanism of political campaign, and personal loyalty, among others. With the lack of formal rules for protection in face of arbitrary power, local bureaucrats have to be extremely sensitive to the top-down advocacy, especially in the time of political campaigns. Close, social relations and personal loyalty may also make the bureaucracy highly responsive upon the advocacy of the top leaders at each administrative level. As a result, the larger-political system can be at times highly mobilizational on the basis of political patronage; on other occasions, it may also turn to be loosely coupled under the patronage shelter.

What are the implications of the proposed model for business organizations in the Chinese context? There is no doubt that the central and local governments present the most important business environment to which firms respond and adapt. The appearance of high centralization in the political regime tends to project an image of uniformity in policymaking and effective implementation. In reality, as the proposed model makes clear, there are inherent tensions that induce and reinforce variations and flexibility at local levels. The proposed model also highlights the dubious role of local governments as the business environment. The upward accountability of the bureaucracy in this mode of domination means that local officials are sensitive to higher authority, especially in time of heightened mobilization. This observation points to the fragility of local governments: they have significant capacities in promoting local business development, but they are vulnerable to the arbitrary power of the higher authorities and macro-political turbulence.



Perhaps more importantly, the bureaucratic environment has inevitably shaped the forms and practice of those firms in China, domestic or foreign. As is well known in the organization literature, all firms must adapt to their environments for survival, and they tend to become isomorphic to their institutional environment to gain legitimacy and to reduce transaction costs. The differential mode of association as a central characteristic of the Chinese bureaucracy shapes its differential relationships with business organizations, inducing firms' investment in government-firm relationships and other coping strategies. A better understanding of the Chinese bureaucracy will shed light firm behaviors in China.

I hope this study contributes to interpretive social science literature where, as Clifford Geertz (1973: 25) put it, 'studies do build on other studies, not in the sense that they take up where the others leave off, but in the sense that better informed and better conceptualized, they plunge more deeply into the same things'. Historically, as Levenson (1965) remarked, tensions between the Confucian bureaucracy and the monarchy infused energy and life into the Chinese polity. Such tensions have persisted to present, as the fundamental mode of domination remains the same. Close observations of how these tensions evolve, resolve or exacerbate over time help us make sense of the trajectories of change in China's governance as well as the role of Chinese bureaucracy in this process.

## NOTES

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- [1] For anti-poverty campaign, see [http://www.ccdi.gov.cn/special/2017qglh/wyzs\\_2017qglh/201703/t20170307\\_95194.html](http://www.ccdi.gov.cn/special/2017qglh/wyzs_2017qglh/201703/t20170307_95194.html); for environmental protection, see <http://www.scio.gov.cn/xwfbh/xwfbh/wqfbh/39595/40821/zy40825/Document/1658087/1658087.htm>; for fight against COVID-19, see <http://cpc.people.com.cn/n1/2020/0330/c431247-31654366.html>. [Cited 17 March 2021].

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**Xueguang Zhou** ([xgzhou@stanford.edu](mailto:xgzhou@stanford.edu)) is a professor of sociology, the Kwoh-Ting Li Professor in Economic Development, and a senior fellow at Freeman Spogli Institute for International Studies, Stanford University, US. His research examines the institutional logic of governance and government bureaucracies in China. Professor Zhou's current research project examines patterns of personnel flow in the Chinese bureaucracy. Another line of his research explores the historical origins of the bureaucratic state in China.

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