

## 6.3 Formal Organizations

### LEARNING OBJECTIVES

By the end of this section, you should be able to:

- Distinguish the types of formal organizations
- Recognize the characteristics of bureaucracies
- Identify the impact of the McDonaldisation of society

A complaint of modern life is that society is dominated by large and impersonal secondary organizations. From schools to businesses to healthcare to government, these organizations, referred to as **formal organizations**, are highly bureaucratized. Indeed, all formal organizations are, or likely will become, **bureaucracies**. We will discuss the purpose of formal organizations and the structure of their bureaucracies.

### Types of Formal Organizations



**FIGURE 6.8** Girl Scout troops and correctional facilities are both formal organizations. (Credit: (a) moonlightbulb/flickr; (b) CxOxS/flickr)

Sociologist Amitai Etzioni (1975) posited that formal organizations fall into three categories. **Normative organizations**, also called **voluntary organizations**, are based on shared interests. As the name suggests, joining them is voluntary. People find membership rewarding in an intangible way. They receive non-material benefits. The Audubon Society and a ski club are examples of normative organizations.

**Coercive organizations** are groups that we must be coerced, or pushed, to join. These may include prison or a rehabilitation center. Symbolic interactionist Erving Goffman states that most coercive organizations are **total institutions** (1961). A total institution is one in which inmates or military soldiers live a controlled lifestyle and

in which total resocialization takes place.

The third type is **utilitarian organizations**, which, as the name suggests, are joined because of the need for a specific material reward. High school and the workplace fall into this category—one joined in pursuit of a diploma, the other in order to make money.

	Normative or Voluntary	Coercive	Utilitarian
Benefit of Membership	Intangible benefit	Corrective benefit	Tangible benefit
Type of Membership	Volunteer basis	Required	Contractual basis
Feeling of Connectedness	Shared affinity	No affinity	Some affinity

**TABLE 6.1** Table of Formal Organizations This table shows Etzioni’s three types of formal organizations. (Credit: Etzioni 1975)

### The Structure of Bureaucracies

Bureaucracies are an ideal type of formal organization. By ideal, sociologists don’t mean “best.” Rather, bureaucracies have a collection of characteristics that most of them exhibit. Pioneer sociologist Max Weber characterized a bureaucracy as having a hierarchy of authority, a clear division of labor, explicit rules, and impersonality (1922). People often complain about bureaucracies—declaring them slow, rule-bound, difficult to navigate, and unfriendly. Let’s take a look at terms that define a bureaucracy to understand what they mean.

**Hierarchy of authority** refers to the chain of command that places one individual or office in charge of another, who in turn must answer to her own superiors. For example, as an employee at Walmart, your shift manager assigns you tasks. Your shift manager answers to his store manager, who must answer to her regional manager, and so on, up to the CEO who must answer to the board members, who in turn answer to the stockholders. Everyone in this bureaucracy follows the chain of command.

Bureaucracies have a **clear division of labor**: each individual has a specialized task to perform. For example, at a university, psychology professors teach psychology, but they do not attempt to provide students with financial aid forms. The Office of Admissions often takes on this task. In this case, it is a clear and commonsense division. But what about in a restaurant where food is backed up in the kitchen and a hostess is standing nearby texting on her phone? Her job is to seat customers, not to deliver food. Is this a smart division of labor?

Bureaucracies have **explicit rules**, rules that are outlined, written down, and standardized. For example, at your college or university, the student guidelines are contained within the Student Handbook. As technology changes and campuses encounter new concerns like cyberbullying, identity theft, and other problems that arise, organizations scramble to ensure their explicit rules cover these emerging issues.

Finally, bureaucracies are also characterized by **impersonality**, which takes personal feelings out of professional situations. This characteristic grew, to some extent, out of a desire to avoid nepotism, backroom deals, and other types of favoritism, while simultaneously protecting customers and others served by the organization. Impersonality Bureaucracies can effectively and efficiently serve volumes of customers quickly. However, explicit rules, clear division of labor, and a strict hierarchy of authority does not allow them to easily adjust to unique or new situations. As a result, customers frequently complain that stores with bureaucratic structures, like Walmart, care little about individuals, other businesses, and the community at large.

Bureaucracies are often **meritocracies**, meaning that hiring and promotion is based on proven and documented skills, rather than on nepotism or random choice. In order to get into a prestigious college, you

need to perform well on the SAT and have an impressive transcript. In order to become a lawyer and represent clients, you must graduate law school and pass the state bar exam. Of course, there are many well-documented examples of success by those who did not proceed through traditional meritocracies. Think about technology companies with founders who dropped out of college, or performers who became famous after a YouTube video went viral.

In addition, organizations that aspire to become meritocracies encounter challenges. How well do you think established meritocracies identify talent? Wealthy families hire tutors, interview coaches, test-prep services, and consultants to help their kids get into the best schools. This starts as early as kindergarten in New York City, where competition for the most highly-regarded schools is especially fierce. Are these schools, many of which have copious scholarship funds that are intended to make the school more democratic, really offering all applicants a fair shake?

There are several positive aspects of bureaucracies. They are intended to improve efficiency, ensure equal opportunities, and serve a large population. And there are times when rigid hierarchies are needed. But remember that many of our bureaucracies grew large at the same time that our school model was developed—during the Industrial Revolution. Young workers were trained, and organizations were built for mass production, assembly line work, and factory jobs. In these scenarios, a clear chain of command was critical. Now, in the information age, this kind of rigid training and adherence to protocol can actually decrease both productivity and efficiency.

Today's workplace requires a faster pace, more problem solving, and a flexible approach to work. Too much adherence to explicit rules and a division of labor can leave an organization behind. And unfortunately, once established, bureaucracies can take on a life of their own. Maybe you have heard the expression “trying to turn a tanker around mid-ocean,” which refers to the difficulties of changing direction with something large and set in its ways. State governments and current budget crises are examples of this challenge. It is almost impossible to make quick changes, leading states to fail, year after year, to address increasingly unbalanced budgets. Finally, bureaucracies grew as institutions at a time when privileged white males held all the power. While ostensibly based on meritocracy, bureaucracies can perpetuate the existing balance of power by only recognizing the merit in traditionally male and privileged paths.

Michels (1911) suggested that all large organizations are characterized by the **Iron Rule of Oligarchy**, wherein an entire organization is ruled by a few elites. Do you think this is true? Can a large organization be collaborative?



**FIGURE 6.9** This McDonald's storefront in Egypt shows the McDonaldization of society. (Credit: s\_w\_ellis/flickr)

## The McDonaldization of Society

The **McDonaldization of Society** (Ritzer 1993) refers to the increasing presence of the fast food business model in common social institutions, including government, education, and even relationships. The term itself isn't widely used in publications, research, or common conversation, but its effects are very familiar, even commonplace. The McDonald's model includes efficiency (the division of labor), predictability, calculability, and control (monitoring). For example, in your average chain grocery store, people at the register check out customers while stockers keep the shelves full of goods and deli workers slice meats and cheese to order (efficiency). Whenever you enter a store within that grocery chain, you receive the same type of goods, see the same store organization, and find the same brands at the same prices (predictability). You will find that goods are sold by the pound, so that you can weigh your fruit and vegetable purchase rather than simply guessing at the price for that bag of onions. The employees use a timecard to calculate their hours and receive overtime pay (calculability). Finally, you will notice that all store employees are wearing a uniform, and usually a name tag, so that they can be easily identified. There are security cameras to monitor the store, and some parts of the store, such as the stockroom, are generally considered off-limits to customers (control). This approach is so common in chain stores that you might not even notice it; in fact, if you went to a large-chain restaurant or a store like Walmart, seeing a worker or a process that didn't have these uniform characteristics would seem odd.

While McDonaldization has resulted in improved profits and an increased availability of various goods and services to more people worldwide, it has also reduced the variety of goods available in the marketplace while rendering available products uniform, generic, and bland. Think of the difference between a mass-produced shoe and one made by a local cobbler, between a chicken from a family-owned farm and a corporate grower, or between a cup of coffee from the local diner and one from Starbucks. Some more contemporary efforts can be referred to as “de-McDonaldization”: farmers markets, microbreweries, and various do-it-yourself trends. And with recent advertising and products emphasizing individuality, even McDonald's seems to be de-McDonaldizing itself.

The corporate impact of this phenomenon is interesting on its own, but sociologists and ordinary citizens are often more concerned about its echoes in other areas of society. A primary example, discussed extensively later on in this text, is education. Curricula and teaching practices were long the domain of local districts under state guidance. Some experts felt that this led to both inefficiency and underperformance. Starting in the 1990s and especially in the early 2000s with the No Child Left Behind law, national standards began to override local approaches. But the desired outcome (improved education) is difficult to measure and far more difficult to achieve. Due to funding gaps, difficult standards, and intense public and local government opposition, the law was largely seen as having limited impact and was eventually phased out.

Healthcare has also gone to a mass production and efficiency model. As you will explore later in the text, U.S. healthcare providers and insurers faced overwhelming increases in demand, partly the result of America's aging and less healthy population. In the 1990s, providers consolidated in what was called hospital “merger mania.” Local hospitals and even small doctors' offices were merged or acquired by larger systems (Fuchs 1997). The trend continued with new growth in providers like urgent care offices. Other efficiency and standardization methods include telemedicine, new types of healthcare professionals, insurance mandates, and artificial intelligence.

