

# Organizational power, control, and conflict

Organization theorists who study power agree that this phenomenon pervades all aspects of organizing and therefore needs to be given consideration in theories involving every other concept found in organization theory. Their ideas about power vary considerably, however, and have done so ever since the founding of the field.

Max Weber, for example, assumed that the legitimate hierarchical power of owners and managers gives them the right to control both the means of production and the laborers who employ those means; while Karl Marx saw the use of hierarchical power as an act of domination inviting resistance and producing endless conflict. And where Marx saw conflict as the fundamental condition of organizing, scholars of the classical management school saw cooperation as its main requirement. Aligning these views yet coming from the perspective of cooperation, Mary Parker Follett described the creative potential inherent in power and conflict to promote democratic forms of organization.

Unlike Weber who worried over the 'iron cage' of bureaucracy, and Marx who believed domination and exploitation to be inherent to organization, most early modern organization theorists did not express concern about the ethics of control or their use of power to support it. Like Taylor they were enamored of the prospect of control justified by rationality and efficiency, though some worried a bit when scientific management went so far as to engineer the movements of workers' bodies within precisely controlled work environments. By and large, though, early proponents of the modern perspective assumed, as Weber did, that the use of managerial power to control workers was expected and accepted. American sociologist Arnold Tannenbaum expressed this attitude well when he pronounced unequivocally that:

Organization implies control. A social organization is an ordered arrangement of individual human interactions. Control processes help circumscribe idiosyncratic behaviors and keep them conformant to the rational plan of the organization. Organizations require a certain amount of conformity as well as the integration of diverse activities.<sup>1</sup>

Marx's theories were never completely excluded from the modern perspective in organization theory, though they often occupied a backwater as advocates of rationality and efficiency rose to prominence and worries over the dark side of power and control subsided. Nonetheless, neo-Marixists who theorized power, control, and conflict as central organizational concepts and adopted the worker's point of view as their primary perspective inspired critical postmodernist and feminist contributions to the theory of power in organizations such as those offering explanations for why women and minorities suffer widespread subordination in most organizations.

### Power, politics, and control

Most early modernists thought politics illegitimate in rational organizations where it could undermine the power of authority and threaten management control. Asserting rationality and efficiency as prime directives, the inefficiencies inherent in political behavior made theories about organizational power and politics easy for them to dismiss. Those advocating the political view were not so easily put off, however. Appropriating the methods of the modernists who resisted them, they studied organizational decision making and produced evidence that political behavior in fact occurs in all organizations.

These early theorists of power and politics found the metaphor of the political arena, borrowed from political science, highly useful for describing distributions of organizational power and studying their effects. So transformative were their efforts that by 1980 American sociologists Samuel Bacharach and Edward Lawler were able to state flatly: 'Survival in an organization is a political act. Corporations, universities, and voluntary associations are arenas for daily political action.'<sup>2</sup>

Two Americans, administrative theorist Herbert Simon and political scientist James March, were among the first proponents of political organization theory. Their compelling book *Organizations*, published in 1958, built on Simon's concept of bounded rationality, which was framed as a necessary correction to the overly rational decision-making models that dominated early modernist organization theories. Models describing rational decision making in organizations typically start with defining a problem and then collecting and analyzing all relevant information, following which decision makers generate and evaluate all reasonable alternatives, select a solution based on predefined criteria related to organizational objectives, and implement their choice.

Simon criticized the rational model for wrongly assuming that decision makers agree about organizational goals, possess or can attain all the necessary information to make a rational choice, or have the information processing capacity and the time to process all the complexity in the environment and the problem they face. He claimed these conditions rarely occur in cases of actual decision making in organizations, therefore organizational decision making is rarely rational. In the place of rationality, Simon offered the concept of **bounded rationality**.<sup>3</sup> Under conditions tend to dominate decision-making processes via political behavior that can be quite complex. And, when decision makers are aware of politics, they can manage or manipulate the decision-making process by aligning their interests with others to form a **coalition** in support of a jointly favored position.

Political decision making under bounded rationality works this way: decision makers take stock of their relative power positions in relation to the other decision makers involved in the process. If their forces are not strong enough to overcome opposition, they form a coalition with others who see the advantage of combining their influence. In most cases coalition formation requires behind-the-scenes negotiations to ensure that the interests of all coalition members are considered and it is here that decision-making processes diverge from the rational ideal, often leading to sub-optimal decision outcomes.

The sub-optimality of coalition model decision making is explained at least in part by the negotiated nature of the political process—the give and take required from individual members to reach agreement. What is traded for the sake of making a deal is not always, or even often, beneficial to the overall organization. However, while sub-optimality may be expected to occur, deals are yet beneficial in the sense that they enable decision makers to break deadlocks and take action, which is why, according to March and Simon, bounded rationality pervades organizations.

Following the theories of bounded rationality and coalition formation, power and political processes became more acceptable research subjects in organization theory. Modern organization theorists, however, were still inclined to submerge power and politics in their discussions of organizational control. A good place to start explaining why is to define these key terms.

#### What is power?

In 1957 American political scientist Robert Dahl defined power with words repeated ever since: 'A has power over B to the extent that he can get B to do something that B would not otherwise do.'<sup>4</sup> A and B can be defined at any level of analysis—individual, group, or organization—but, no matter the level, power is always exercised in the context of relationships between actors. Power never resides in actors; it is always relational.

Authority in particular stands out as a source of power. As Weber argued, an individual's formal authority derives from their structural position in the hierarchy. Its exercise flows downward in an organization, from top to bottom. But formal authority is only one source of individual level power and the others do not work in strictly top-down ways, they also work up the hierarchy, laterally, or cross-organizationally, and may work in all directions at once.

There are many forms of power individuals can draw on in addition to formal authority. They include: personal characteristics (a charismatic personality), expertise (skills, knowledge, or information needed by others), coercive force (the threat or use of fear), control of scarce and critical material resources (capital, raw material, technology, physical space), ability to apply normative sanctions (informal rules and expectations set up by cultural assumptions and values), and opportunity (e.g., access to powerful persons). As American sociologist Melville Dalton showed, these other sources of power provide lower level employees with counterbalancing power in their relationships with those in authority.<sup>5</sup>

Many theorists argue that authority is power from any source that has become legitimized within the organizational setting. The primary difference they see between authority and other forms of power lies in the way power is perceived. In this view authority occurs when the exercise of power becomes both accepted and expected within a given relationship. According to this view, an active distribution and redistribution of power is ongoing among the units and individuals of an organization; but when a particular distribution becomes institutionalized as a normal part of the organization's daily operations, power crystallizes into an authority structure.

An important difference between using authority and using other forms of power is that authority has fewer costs. Using other sources of power usually requires an expenditure of resources such as providing knowledge or personal attention to someone else, or by making commitments or concessions in exchange for support on a given issue (i.e., within coalition-building processes). Once expended, these sources of power cannot be recovered and the power holder must replace them or suffer an eroded power base. By comparison, the exercise of authority, because it is accepted and expected, has fewer costs and in some cases is enhanced through use.

What determines the power of the various social actors? When and how do actors use their power? Much of the research devoted to power in organizations is conducted at the individual level of analysis. Most leads to normative advice telling managers how to maximize their power and use it effectively. Common strategies for developing power within an organization are:

- Creating dependence in others
  - work in areas of high uncertainty
  - cultivate centrality by working in critical areas
  - develop non-substitutable skills
- Coping with uncertainty on behalf of others through:
  - prevention
  - forecasting
  - absorption
- Developing personal networks
- Developing and constantly augmenting your expertise

Common strategies for using power in an organization are:

- Control the information that flows to others
- Control agendas through:
  - issue definition
  - order of issues discussed
  - issue exclusion
- Control decision-making criteria, for example:
  - long- vs. short-term time horizons
  - return vs. risk
  - self-promotion: any criterion favoring your abilities or interests
- Cooptation and coalition building
  - external alliances (e.g., supply chain relationships, interlocking boards of directors)
  - internal alliances
    - promote loyal subordinates
    - appoint committees
    - gain representation on important committees
- Bring in outside experts (consultants) to bolster your position

#### What is politics?

Jeffrey Pfeffer defined **organizational politics** as: 'those activities taken within organizations to acquire, develop, and use power and other resources to obtain one's preferred outcomes in a situation in which there is uncertainty or dissensus about choices.'<sup>6</sup> Because differing interests are built into organizational structures, each decision represents an opportunity for negotiation and renegotiation in a never-ending stream of political maneuvering that constitutes everyday organizational life.

Seen distributed throughout the organization, Pfeffer's picture of unending organizational politics well suits the metaphor of organizations as political arenas, but also suggests that the dynamics of dominance most often keep control in the hands of those in power. In societies dominated by Western capitalism, postmodernists and feminists point out, these are typically white males, whose disproportion in positions of power across capitalist societies they provide as evidence that the **politics of identity** infiltrates organizations.

Power relationships can create patterns of domination that favor one gender, race, ethnicity, age group, sexual orientation, and/or religious affiliation over others. Of course, there are cultural differences with respect to the specific identities privileged. Age for instance is often a negative characteristic in Western societies, while it is positive in most Eastern cultures. At the societal level, such patterns emerge from the struggle among individuals to define themselves and each other. Societies use these definitions as the basis for distributing power, allowing some identities privileges that others do not enjoy.

Privileging may occur on such a deep level that the favored never recognize how privileged they are by the cultures their dominance allows them to shape in their own image. The negative stereotypes that privileging leaves in its wake cause some members of society to be devalued and discredited in ways only they can tell. Stereotypes serve to make it seem natural to both the privileged and the marginalized that marginalized identity groups take the jobs or occupy the roles that offer the lowest pay and confer the least power and status, while privileged identity groups get all the benefits and maintain control enough to stabilize their position in organizations just as they do in society.

#### What is control?

American organization theorist William Ouchi, a staunch modernist, stated that the primary responsibility of management is: 'achieving cooperation among individuals who hold partially divergent objectives.'<sup>7</sup> Managers always confront a diversity of interests held by employees who join the organization for different reasons and interpret their roles in ways that may or may not serve organizational objectives. Keeping energy and resources focused is therefore both necessary and problematic. Managerial control practices, according to the modern perspective, align behavior with goals.

Power and control are closely related in that power is often expressed in the form of control. For example, coercion implies the threat of force or physical power to control others. Remuneration or reward power requires control of material resources that are desired or needed by those to be controlled. Normative power controls how cultural members perceive, think, and feel; it is supported by the legitimacy that conformance to cultural values and assumptions bestows. Based on these three types of control, American sociologist Amitai Etzioni distinguished three types of organizations: coercive power controls prisons and mental institutions, businesses are generally remunerative organizations, and churches, gangs, and volunteer organizations typically take the form of normative organizations. While all three types of control exist in all organizations, Etzioni claimed that every organization is dominated by one of these three defining forms of control.<sup>8</sup>

# Theories about organizational power and politics

Theories of organization-environment relations are easy to turn into theories explaining organizational power distributions. Population ecology, for example, explains the distribution of power among the members of a population of organizations in terms of each organization's relative ability to command needed resources. Institutional theory explains the distribution of organizational power within an institutional environment based on conformity to expectations, social norms, and legal regulations. Mimetic, coercive, and normative pressures all elicit conformity from organizations indicating the power of institutional environments to bestow legitimacy. Seen from within organizations the distribution of power among units and individuals was explained by resource dependence theory as the relative ability to manage uncertainty associated with the acquisition of scarce and critical resources. Among these three, resource dependence theory—and its precursor strategic contingencies theory—have been most explicit about the role organizational politics plays.

#### Strategic contingencies theory

In a study of a state-owned cigarette factory in France, French sociologist Michel Crozier witnessed the influence of uncertainty on power relationships.<sup>9</sup> Crozier discovered that the bureaucratic organization faced little uncertainty because it operated a highly routine technology within a stable environment. In spite of this the maintenance men held an unusual and unexpected amount of power, which they exercised through negotiations with plant managers.

Analysis revealed that the maintenance workers managed a key uncertainty for the organization, namely work delays. When machines broke down production workers who were paid on a piece-rate system lost money, and plant productivity dropped, a crucial factor in managers' performance evaluations. Dependence on the maintenance workers gave them enough power to negotiate for the right to organize their own work, which also allowed them to maintain the dependencies on which their power rested. Crozier reasoned that handling a critical uncertainty confers power to employees able to manage that uncertainty, even if they have low status in the hierarchy. He described his finding in terms of the power of lower level workers.

Findings similar to Crozier's have been reported in studies of universities, where power typically accrues to those departments that have the highest levels of enrollment, produce the most grants, attract the biggest donations, or otherwise bring funds into the university.<sup>10</sup> Such groups use their power to political advantage, for example, to promote one of their members to a top hierarchical position, or to garner control of other areas of critical uncertainty that will further enhance and secure their power base.

Studies such as these inspired strategic contingencies theory, a general theory about why the distribution of power inside organizations relates to uncertainty. According to the theory, individuals or units derive power from their ability to provide something that the organization needs, for example, a high level of performance, an irreplaceable skill, an ability to solve critical problems, or to obtain scarce resources. However, in their elaboration of strategic contingencies theory British organization researchers David Hickson, C.R. Hinings, and their colleagues pointed out that simply handling uncertainty is not enough. Power is linked to the ability of a unit to deal effectively with sources of uncertainty that otherwise would negatively affect the organization to a significant degree.

Hickson and his colleagues suggested three coping strategies organizational units can use to translate uncertainty into power: prevention, forecasting, and absorption. Consider a Human Resources (HR) Department confronting the uncertainty of potential discrimination lawsuits against the company. Prevention might involve developing anti-discrimination policies and training programs; forecasting could be accomplished by collecting, analyzing, and providing information about new legal requirements, recent court decisions, and changes in the definitions of discrimination; and absorption would result from handling discrimination lawsuits arising from the actions of other organizational units.

Remember, coping with uncertainty only generates power for a unit when the task is central to operations of the organization and when no other unit can perform the coping activity (that is, the unit's coping capabilities are non-substitutable). In short, identifying strategic contingencies for developing power in an organization means locating the sources of organizational uncertainty. Converting a strategic contingency into power requires effectively managing the negative consequences of that contingency on behalf of the organization.

#### **Resource dependence theory**

Pfeffer and Gerald Salancik reasoned along the lines of strategic contingency theory that dependence on the environment creates uncertainty inside organizations, and uncertainty, in turn, creates opportunities for organizational actors (individuals or units) to garner power.<sup>11</sup> But their resource dependence theory explained that the management of uncertainty produces differential subunit power because not all uncertainties are equally important and not all actors are equally competent.

Even if an actor or unit can cope with an uncertainty on behalf of the organization, another unit or actor may garner more power by coping with an uncertainty involving scarcer or more critical resources. Then, because changes in the environment can alter the mix of uncertainties a company faces, and/or the relative scarcity of its resources, resource dependence can make complex power structures volatile. But, Pfeffer and Salancik noted, politics dampens these effects.

Power dynamics become politicized when subunits are rewarded for dealing with uncertainty by being given bigger budgets, more resources, higher status positions for their members, and so on. The politics of resource dependence involves organizational actors using the resources power puts at their command to legitimate and institutionalize their power rather than to perform the organization's core task. Resource dependence theory recognized that internal political processes occur somewhat independently of environmental contingencies because different individuals and units within the organization make different uses of opportunities to cope with uncertainty, and because already powerful institutionalized units can subvert the resource redeployment and power redistribution attempts of those seeking to use newly acquired power, thereby stabilizing existing structures of power in the face of changing circumstances which can have the effect of making an organization less responsive to its environment.

In later work, Pfeffer pointed out that language and other symbols are important to the dynamics of power relationships because, like other resources, symbols can be appropriated by social actors to support and maintain their power position.<sup>12</sup> Among symbols of authority he listed high salaries and expense accounts, the right to call a superior by his or her given name, the ability to force others to call oneself by title (e.g., General, Detective, Doctor, Professor), executive dining room privileges, reserved parking spaces, and the location, size, and décor of one's office.

Once symbols represent power within a culture, they can be useful in constructing it. The politics of resource dependence can then be extended to symbolic power to explain why employees usually take a keen interest in the physical design of their organizations. The architectural design process becomes politicized by the potential to gain or lose control of symbols of power and identity embedded in buildings. Notice, too, that people can acquire the symbols of power without having any formal authority and yet gain status and power purely from association with symbolic artifacts.

I was once given a very large office because when I joined the university no other offices were available. It never ceased to amuse me to hear someone out in the hall ask who occupied my office in hushed and respectful tones, assuming based on the size of my office that I must be someone important. Knowing that this effect occurs creates competition over status symbols that can be as high, or even higher, than the competition over the formal authority these symbols represent.

The musical comedy *How to Succeed in Business without Really Trying*, a long-standing favorite among business students, satirizes this phenomenon. The story is about a young man who works his way into an organization and then up the corporate ladder by systematically associating himself with the organization's symbols of authority and success (e.g., wearing the right tie, having an office and a secretary). Although believing that symbols are all that is required for power is probably going too far, but it is true that symbols help to establish and maintain power by supporting interpretations of who has power.

Since power is relational, the attribution of power by others is what actually produces power that can then be used to control the power distribution, and the behavior of others.

# Theories of organizational control

Managers of organizations constantly face the problem of divergent interests interfering with organizational strategies and goals. Within the modern perspective this ongoing challenge provides the rationale for managerial control, a topic supported by normative concerns to define mechanisms for controlling employees and their managers in order to minimize self-interest and make certain that organizational interests are served.

Table 8.1 summarizes the main points of three theories of control: a cybernetic theory focused on the control of employees, agency theory which presents strategies for controlling

|                       | Cybernetic theory                                                                                                                                   | Agency theory                                                                                                                                            | Markets, bureaucracies,<br>and clans                                                                                                                          |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of control    | Identify and adjust for<br>differences between desired<br>and actual performance                                                                    | Ensure that agents<br>(managers) act in the best<br>interests of owners<br>(capitalists and shareholders)                                                | Minimize transaction costs, achieve cooperation                                                                                                               |
| Control<br>strategies | Output and<br>behavioral                                                                                                                            | Output and<br>behavioral                                                                                                                                 | Output, behavioral,<br>and symbolic                                                                                                                           |
| Control<br>processes  | <ol> <li>Set organizational goals<br/>as part of the overall<br/>strategic plan</li> </ol>                                                          | <ol> <li>Establish a contract<br/>between principals<br/>(owners) and agents<br/>(managers)</li> </ol>                                                   | Market–comparison of prices<br>and profit as indicators of<br>economic performance (Output<br>control)                                                        |
|                       | <ol> <li>Set work targets or<br/>standards at each level of<br/>the organization</li> <li>Monitor performance<br/>(individual and group)</li> </ol> | <ol> <li>Obtain information to<br/>ensure agents are meeting<br/>their contractual<br/>obligations and hence are<br/>serving the interests of</li> </ol> | Bureaucracy-compliance<br>with rules monitored by close<br>supervision (Behavioral control)<br>Clan-socializing organizational<br>members in cultural values, |
|                       | against targets<br>4. Assess and correct<br>deviations                                                                                              | principals<br>3. Reward agents for<br>fulfilling the demands of<br>the contract                                                                          | norms, and expectations<br>(Symbolic control)                                                                                                                 |

#### Table 8.1 Three theories of control

managers and executives, and, at the societal level, a framework comparing markets, bureaucracies, and clans as alternative forms of organizational control. As the table indicates, all three make use of output and behavioral control strategies.

**Output control strategies** are based on work results. They employ measures like the number of products completed, customers or clients served, rejects on an assembly line, processing errors, or customer complaints. But outputs are sometimes hard to measure in such a direct way; for instance, in nursing where the determination of patient health outcomes are complicated by many factors that nurses do not control (e.g., a patient's exercise or dietary habits). However, even when output control strategies are problematic due to ambiguity in defining outputs, advocates of the modern perspective may still use output measures, for example, when a government forces its schools to use standardized achievement tests to assess the quality of teaching in spite of the fact that many factors influence student learning that teachers cannot control.

When output control strategies prove too difficult to apply, **behavioral control strategies** can be useful. Behavior control focuses on how work is performed rather than its outcomes. For example, nurses can be assessed on their demeanor with patients, their accuracy and responsiveness to doctors' orders, or their effectiveness working in a team. Behavioral control works best when behavioral indicators are known to relate to desired outcomes so that measuring behavior is a surrogate for output measures when these are difficult to come by.

When links between behavior and outcome are unclear, ambiguity can frustrate efforts at behavioral control. Difficulties in defining effective behaviors have led some to combine output and behavior control strategies, in the hope that using multiple channels will better direct attention and effort to desired outcomes.

#### **Cybernetic control systems**

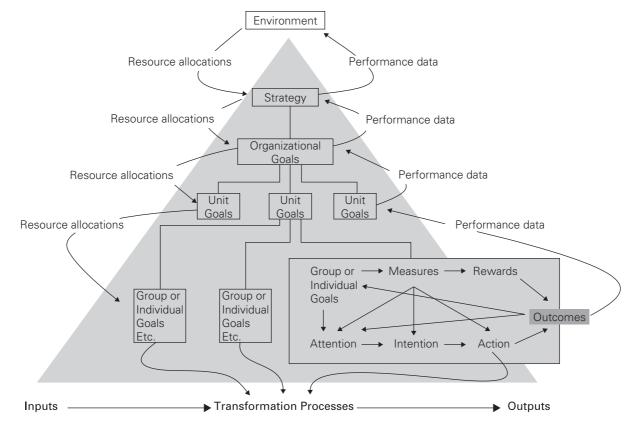
Cybernetic control systems align organizational and individual goals throughout an organization using resource allocation to direct employee attention to desired activities and communicating performance data to provide corrective feedback (see Figure 8.1). Designing such a system usually starts with setting goals and performance standards and developing the means for measuring outputs and/or behaviors.

Take the case of controlling the performance of faculty members in a university department using cybernetic controls. Performance standards are typically set with reference to goals and expectations such as demonstrated knowledge, enthusiasm, clarity, and skill at managing the classroom. These behavioral measures will likely be assessed with student evaluation and peer review processes that may be complemented by output measures of faculty performance such as the number of research articles published, the amount of grant money generated by research proposals, or the number of students who enroll in the faculty member's classes. Data derived from evaluating employee outcomes and/or behaviors will be combined and used to assess and compare the performance of individual faculty members relative to established goals and/or to each other. Any negative deviation from the desired level of performance is then used for feedback and punishment which can range from the denial of tenure or promotion to the assignment of unpleasant tasks, while positive deviations are recognized and rewarded through promotion and tenure, praise, research fellowships, teaching awards, and so on.

Organizations apply cybernetic control to groups as well as individuals. At the group level measures include things like statistical reports on unit output volumes (e.g., number of students or courses taught by department), quality control data (number of rejected items per 1,000 produced by shift), or occupancy rates (e.g., in a hospital, hotel, or apartment complex). Data from measures like these are then used to provide feedback to units and individuals about their performance relative to goals and targets, and to determine rewards and punishments, including increasing or decreasing resource allocations during the next budget cycle.

Negative deviations between goals and performance will usually be addressed in one of several ways. First, the goal or its measures can be adjusted if it is determined that the deviation is the result of an error in the control system. Second, the individual or group can decide to change their performance by altering their behavior or output level. Often this is encouraged by management through the use of pay or other incentives made contingent on specified levels of performance. Third, workers or units can be replaced or removed if it is determined that they cannot function as required by the system.

Over time, the cybernetic control system is designed to act like the thermostat it emulates the system can be set to any goals and standards and it will adjust its behavior accordingly. But to change the control system itself requires the intervention of managers who typically





Control processes operating at individual, unit, and the organizational levels of analysis. Notice that strategy connects the control system to the environment so that it can be changed to accommodate changes in the environment or in the intentions of owners and executives.

alter the control system to support new activities when this is deemed necessary or desirable.

#### Agency theory

Agency theory addresses the problem of how to control managers (agents) to ensure that they act in the best interests of owners (principals). This is typically done by designing contracts that specify goals and measures, and then monitoring and rewarding goal-related performance along the lines described by cybernetic control theory. However, according to agency theorists, the ability of principals to monitor their agents' performance against outcomes like profitability depends upon the amount, relevance, and quality of information available, which is often easy for managers to manipulate. This dicey situation is known as the **agency problem**.

Whether to choose behavior or outcome controls becomes a question of the costs associated with collecting the information required to minimize the chance that agents will shirk their responsibilities to serve the owners' interests. Behavioral controls can be costly if monitoring behavior requires either the use of added layers of management (e.g., hiring agents to watch other agents) or the development of sophisticated information systems, such as cost accounting, budgeting, and formal reporting. As behavioral control becomes too unwieldy or too expensive, output control generally becomes more attractive. Output control is least costly when output can be readily measured (e.g., number of units shipped); however, if outputs are difficult to measure (e.g., quality or customer satisfaction are as important as production quantities), output control becomes less attractive.

American organization theorist Kathleen Eisenhardt suggested that there are a variety of control strategies available to organizations that face the agency problem.<sup>13</sup> The first alternative is to design a simple routine job so that behaviors can be easily observed, and to reward based upon the performance of targeted behaviors (i.e., behavioral control). The second alternative is to design a more complex interesting job and invest in information systems (e.g., budgeting systems, audits, or additional layers of management) as a means of gaining knowledge about behaviors and rewarding performance (a combination of behavior and output controls).

The third alternative is to design more complex and interesting jobs, but use a much simpler evaluation scheme that bases salary increases and/or bonuses (including stock options) on the overall performance of the firm (e.g., profits or revenues). This alternative places agents in the same position as principals with respect to risk and reward. The alignment of rewards for agents and principals is presumed to align their interests as well, and thereby lead agents to make the same decisions that principals would make in their place. When this occurs, the need for monitoring the agents is reduced thus overcoming the drawbacks of the other two alternatives. The third alternative proves to have its own drawbacks however. Agents resist being penalized for things over which they have no control. They therefore demand higher inducements to offset the market risk they are forced to accept with this alternative.

Like alternative three, Eisenhardt's fourth option focuses on eliminating the divergent interests of principals and agents. This she proposed could be done using the organization's culture to control behavior, an idea first presented by Ouchi as clan control.

#### Markets, bureaucracies, and clans

Ouchi saw markets, bureaucracies, and clans as alternative solutions to the problem of control in organizations.<sup>14</sup> His work extended ideas presented by American institutional economist Oliver Williamson, whose 1975 book *Markets and Hierarchies* had given bureaucracy an intriguing economic explanation. In free markets organizations can command only reasonable prices and profits otherwise competitors take over, but in situations that lack competition, market control mechanisms cannot operate. According to Williamson when markets fail organizations turn to bureaucratic rules and procedures, job specifications, and the hierarchy of authority.<sup>15</sup>

Williamson's theory of market failure explains why many large organizations become bureaucratic. The market can only control behavior when an actor faces the market. For example, subsidiaries, or partners in a law firm or consulting practice can be treated as profit centers whose performance can be assessed by their contributions to profit, or by the prices they can command. But when the contribution to price or profit cannot be clearly assigned to specific individuals or units, the market fails to control behavior inside the organization and bureaucracy becomes necessary to maintain control.

You may think that all public sector and not-for-profit organizations are forced to use bureaucratic control because they do not face market competition. However, many such organizations find ways to incorporate or simulate market control. For example, allowing school choice in a community establishes competition among schools that would otherwise be controlled solely by bureaucratic means. Similarly, bidding out contracts for city services like database management or computer support, forces city departments to compete with external contractors, which creates market or market-like conditions. The reason typically given for such moves is the efficiency and effectiveness of market control mechanisms that keep costs down and quality high through competition, thus negating the need for expensive and demotivating bureaucratic control mechanisms.

In spite of its advantages, questions arise about making decisions strictly on the basis of price and profit where education or police and fire protection are concerned. Do we really want the cheapest schools or a profitable police force? Another concern involves asking government agencies to compete with private sector contractors that may be at liberty to employ minority workers on a part-time basis and provide them no benefits. Should government agencies mimic these practices in order to compete, or should they be expected to provide a living wage and benefits to their employees?

Furthermore, according to Ouchi, both markets and bureaucracies fail when environments are complex and rapidly changing, and uncertainty and ambiguity are consequently high. Under uncertainty and ambiguity, Ouchi reasoned, neither market nor hierarchical control will produce timely adaptation because these control systems depend, respectively, on clear market signals and established rules and procedures. Clear market signals are unavailable and established rules and procedures prove ineffective when environments are complex and rapidly changing. According to Ouchi, these conditions favor clan control.

Chief among the mechanisms of clan control Ouchi counted cultural values, norms, and expectations for defining proper behavior and keeping members focused on organizational objectives. Unlike markets or bureaucracies, clan control requires a fairly high level of commitment to the system by members who frequently sacrifice at least some self-interest to become socialized. But once socialized, internalized cultural understandings help direct, coordinate, and control organizational activities in ways that require much less overt monitoring than do markets and bureaucracies.

Organizations with large numbers of professionals offer particularly good examples of clan control. Because professionals are highly socialized to the norms and expectations of their profession, their commitment to preserving and enhancing their professional reputation helps to control their behavior. However, professional commitment can diverge from the interests of the organization, and when this happens professionals typically sacrifice organizational interests to maintaining their professional identities. So, while professionalization may be a good model of clan control, simply employing professionals is not equivalent to creating clan control in an organization.

Ouchi observed that all organizations employ a combination of the three forms of control, although each organization favors one over the others and this preference correlates with other organizational characteristics. For example, Ouchi observed that the social systems of clan controlled organizations were the most highly developed, while market-controlled organizations were the least, with bureaucracies falling in between. The opposite relationship held for his observations of information systems: market-controlled organizations possessed the most highly evolved information systems (e.g., for tracking prices and profits), while clan-controlled organizations seemed to demand less from theirs, with bureaucracies again falling into the middle.

Comparisons of market, bureaucracy, and clan control suggested to Ouchi that type of control aligned with the control strategies each employed. The prices and profits of market control provide output control measures. In contrast to the market's reliance on output control, bureaucratic control focuses on behavior, particularly decision making. Behavior is controlled in bureaucracies through the use of rules and regulations governing decisions plus procedures for applying them. The hierarchy of authority similarly directs and controls behavior from the bottom to the very top of the organization.

That market-controlled organizations employ output control strategies, and bureaucracy relies upon behavioral control, suggested to Ouchi that clan control might produce an altogether different strategy. Drawing on his observations that clan controlled organizations rely less on formal information systems, and more on social systems involving cultural values, he concluded that clan controlled organizations employ strategies of symbolic control. But Ouchi, being a staunch modernist, never paused to reflect on the ethics of this type of control, a concern that was taken up by critical organization theorists.

# Critical studies of power and control

Whereas modernist scholars of organizational power and control focus most of their attention on explaining how power gets distributed in organizations and formulating normative advice for using it effectively in the contexts of politics and control, critical and postmodern scholars have been more interested in understanding the ways power relations become embedded in culture, knowledge, and ideology. In the most general terms, critical and postmodern scholars seek to establish humanistic, ethical, and inclusive organizational decision-making processes as alternatives to the rational ideal held by modernists, which they believe privileges the elite.

Based initially on Marx's definition of power as domination, and employing ideas like manufactured consent and systematically distorted communication, critical theorists retain something of the modernist stance when they assume that social, economic, and political structures explain power relationships. However, when challenging mainstream modernist ideologies and assumptions, particularly those favoring instrumental rationality, they align themselves with postmodernists.

Critical theorists question the institutionalization of power within the organizational hierarchy and the assumption that managers have a legitimate right to control others. The negative connotation they attribute to domination raises the Marxist question: why do dominated groups consent to their own exploitation rather than resist it? Many critical theorists study this phenomenon by analyzing the structural mechanisms and communication processes that maintain exploitative relationships. Their ultimate goal is to create communication and decision-making processes that represent the full range of stakeholder interests—including human rights and environmental protection. Starting from a critique of ideology, they follow Marx in defining power as domination, so this critique is a good place to start.

#### Ideology, managerialism, and hegemony

Wherever you find a group of people systematically expressing belief in a set of ideas you encounter **ideology**. In this sense ideology is sometimes conflated with cultural assumptions, but the two concepts are not substitutes. Ideologies may be expressed as either religious or secular beliefs, but typically they are held with firm conviction and therefore are difficult to question and resilient to attack. While the same may be said of cultural assumptions, culture consists of many other elements than beliefs and is arguably less political, though this is a contentious statement to make to a critical organization theorist and many postmodernists.

Ideologies are of particular interest to critical theory because they are often used to legitimate the domination of one group over another. Critical organization theorists, for example, make many references to **managerialism**, the ideology owners and managers rely upon to justify their right to control workers. Following from Marx's concept of false consciousness, critical theorists argue that workers participate in their own exploitation when they willingly consent to their oppression by buying into managerialism.

Italian Marxist theorist Antonio Gramsci presented an explanation of false consciousness in his theory of hegemony. According to Gramsci workers accept oppression and exploitation because institutional and ideological forms of domination become part of their takenfor-granted everyday reality.<sup>16</sup> **Hegemony** occurs when the practices and values of a culture or institution align with and maintain existing systems of wealth and power. Hegemonic practices never overtly coerce anyone, instead they lull you subtly and incessantly into regarding as normal and natural the established ways of thinking and talking that privilege the elite.

This gentle coercion can be done linguistically by defining the terms in which everyday organizational realities are constructed. Unguarded and unreflexive acceptance of the language offered by seductive training programs, often led by outside consultants, hides management's involvement in their domination while more or less dictating the terms in which employees will discuss and enact their actions and decisions. Even when the language programmed into the organization employs terms like participation, involvement, engagement,

and empowerment, critical theorists see hidden interests of managers operating beneath the surface.<sup>17</sup> This type of control can be considered the linguistic equivalent of factory architecture and machinery that silently controls shop floor workers.

Inspired by Japanese statistician Genichi Taguchi and American W. Edwards Deming, business programs like total quality management (TQM), business process re-engineering (BPR), and Motorola's trademarked Six Sigma Practices offer critical theorists some of their most compelling examples of hegemony. These programs use statistical measurement to control outcomes such as costs and variability in manufacturing and other business processes including software development, sales, and service delivery. Participants are guided by language that uses terms such as quality control, defects (errors), continuous improvement, customer involvement, excellence, and some rendition of Deming's Plan-Do-Check-Act Cycle. Six Sigma practices even assign identity labels—black belts and green belts—to distinguish participants' performance levels and to harness their achievement to program goals. All of this measurement and linguistic labeling is aimed at getting employees to accept a highly controlling environment with minimal resistance.

#### Three faces of power

The silent and consequently hidden aspects of hegemonic power are similar to what Steven Lukes, a British political and social theorist, called the **third face of power**. Lukes claimed that different faces of power show up in decision making, in non-decision making, and in the ability to shape the preferences and perceptions of others without their awareness.<sup>18</sup> The first face of power involves a forum, such as an organization or parliament, where various actors or groups fully and equally participate in every aspect of decision-making processes. The second face, non-decision, occurs when the powerful limit or prevent the involvement of the less powerful in making decisions. For instance, the powerful might manipulate the way issues are defined, determine what issues appear on meeting agendas (and which do not), suppress discussion of undesired alternatives, or interpret silence as agreement.

Lukes's third face of power incorporates Gramsci's notion of hegemony. This face of power is revealed when social practices shaping the desires and behavior of the dominated work against their interests and cause their oppression. Lukes's theory is that, by giving active consent to hegemonic interests, workers collude in their own domination. This can lead to paradoxes. For example, employees granted greater autonomy at work can end up relinquishing more self-interest to benefit the organization. In a study of a knowledge-intensive firm, Deetz found that employees worked long hours and under-reported the hours that they worked, slept at worksites to maximize the time they could devote to work, and dealt with aggressive and sometimes abusive clients, all in the name of autonomy.

Gramsci suggested that to change hegemonic power relationships, one needs to understand how power is constituted through structures and practices. Acts of resistance do not have to take the form of open rebellion and can be quite subtle, such as withdrawing effort and attention, or engaging in dishonesty, theft, or sabotage. Stories of injustice and oppression, if told and shared by organizational members, can also perform acts of resistance,<sup>19</sup> as illustrated in the following excerpt from a research conversation with a female manager in a large US organization.<sup>20</sup> Issues of diversity are very personal and unless you confront them in a personal way, organizations just aren't going to get anywhere. It's not about how do I get [me] to fit into this white, male oriented organization, because there is going to come a point at which I say 'No, I'm not going to give up who I am to do that'... And in meetings they use baseball and football metaphors—so I thought 'I'm not using any sporting metaphors, I'm creating my own.<sup>21</sup>

Notice how the manager in the example openly confronted her need to resist hegemonic practices like using male-privileging metaphors to exclude her from organizational conversations, or suppressing her interests in service to theirs. Her acts of resistance include telling her story and introducing her own metaphors to counter those used by her male colleagues.

#### Labor process theory and the deskilling of labor

American sociologist Harry Braverman introduced labor process theory with the idea that the owners of the means of production (capitalists) control work by systematically **deskilling** labor through job fragmentation and routinization, practices introduced under Taylor's Scientific Management.<sup>22</sup> The deskilling of labor continues, he argued, until the work is so simple that very little training is required. Thus it becomes easy for managers to replace workers who put up resistance to the hegemonic power of management and in this way erode the workers' power base to the point where they feel resistance is futile. When this occurs, control over the labor process shifts from workers to management. Deskilling allows owners to drive down the price of labor to enhance their profits but also exploits and degrades workers and contributes to their alienation from work and the workplace. It is the opposite story to the one Dalton and Crozier told about the power of lower level employees.

Graham Sewell, an Australian organizational theorist, illustrated labor process control in his study of teams in an electronics organization.<sup>23</sup> Sewell found that control was maintained through electronic quality tests at various stages of an assembly process. The resulting quality data were symbolically displayed over each employee's workstation using traffic lights: red meant the team member had exceeded quality error allowances, amber that they were within an acceptable range of error, and green that he or she had made no quality errors. This practice led not only to management control through vertical surveillance, but also to self-discipline and intense peer pressure in the form of horizontal surveillance. Sewell's study showed that the horizontal control team members exerted upon each other by expressing their approval or disapproval was far more potent than the vertical control exerted by the managers.

#### **Communicative rationality**

German social philosopher Jürgen Habermas claimed that modern society is dominated by scientific, technical, and administrative experts organized into institutions that focus their attention on the most technically-efficient and rational way of achieving goals.<sup>24</sup> This technocratic ideology invades our everyday life and ignores humanistic concerns for individual and social development. Defining **instrumental rationality** as goal achievement

through efficient means, Habermas presented the **communicative rationality** of debate, open discussion, and consensus as an alternative. He claimed that instrumental rationality distorts or undermines communicative rationality through the widespread acceptance and use of its logic of efficiency.

Consider this example. You are invited to a meeting of all departmental employees to discuss how work could be more productive and satisfying. The discussion ranges from streamlining procedures to eliminating the duplication of work that causes uncertainty and conflict between department members. Someone suggests that the department manager give an employee-of-the-month award with a bonus for attaining results above targets. Another person suggests weekly meetings to clarify individual responsibilities and share information. Departmental members might be able to come to some consensus about which of these proposals would make their work life better and feel good about their involvement in the process.

Habermas would argue that communication was systematically distorted during the meeting just described. First, those in power framed the discussion with their initiating question, which presumed a distinction between productivity and work satisfaction, suggesting these are competing concerns and may require tradeoffs between them. Second, those in charge had the possibility to distort communication by responding only to suggestions that supported instrumental rationality, thus ignoring the workers' interests while making them feel as though their interests were given consideration by being raised in the first instance.

From a Habermassian perspective, systematically distorted communication is an implicit form of manipulation and control because it privileges one ideology over others, involves deception (of self or other), and precludes sincere and ethically informed conversation. In this example the goal of the meeting was not to create a satisfying workplace by exploring a range of possibilities through open discussion and mutual understanding (i.e., communicative action), but a way for those in authority to take advantage of employee ideas to obtain consensus (although false) on how to improve productivity.

#### Workplace democracy

Although suggestions for achieving workplace democracy run the gamut from participation and stock ownership, to worker cooperatives and labor-managed firms (LMFs), it is the latter form of organization that most directly challenges capitalism by embracing democratic principles and promoting collective property ownership. Cooperatives are independent non-profit groups organized by and for the benefit of their members. They have a long history.

One of the earliest cooperatives, established over 250 years ago, was Benjamin Franklin's Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. The New Mexico Rural Electric Cooperatives, another example, is a cooperative of cooperatives—one generating electricity and nineteen others handling its distribution. The plywood industry of the Pacific Northwest was taken over by several independent cooperatives formed by local workers when the plants became unprofitable.<sup>25</sup> Many towns have food and day care cooperatives.

A group of British weavers formed the Rochdale Equitable Pioneers Society in the UK based on the seven cooperative principles that underlie most cooperatives in existence

today. These principles include ownership and governance by employees, decisions reached by the democratic vote of all employees, and the distribution of economic surpluses among employees in an equitable way, such as based on pay grade or hours worked. Those who promote cooperative organization argue that worker ownership leads to more socially responsible and community-based decision making and creates a supportive network.

One of the largest and most successful cooperatives in the world is Mondragón founded in the mid-1950s in the Basque region of Northern Spain. This worker-owned organization consists of over one hundred industrial, agricultural, housing, educational, financial, and distribution cooperatives.<sup>26</sup> Its notable features include an initial capital contribution by all new members, restrictions on the ratio of pay between the highest and lowest paid workers, and the rule that the cooperative's earnings may be distributed only as wages or pensions—no dividends are paid.

# Feminist and postmodern perspectives on power and control

The themes of ideology and hegemony are tightly interwoven with power and control throughout critical theories and their ideas have proven attractive to feminist and postmodern theorists who sought to expose and then overturn these effects in organizations. Exposure began with the critical concept of stratification and the theory of dual labor markets.

#### Stratification and dual labor market theory

Using labor market analysis, researchers have provided considerable evidence that high paying, powerful, and prestigious positions are inequitably distributed in modern organizations, with numerous studies demonstrating an extreme disproportion of white males holding these positions in many capitalistic societies. Interpreting this pattern as labor market stratification, American labor economists Peter Doeringer and Michael Piore proposed dual labor market theory.

Doeringer and Piore's theory argues that the market for labor is composed of primary and secondary sectors.<sup>27</sup> High wages and good career opportunities are typical in the primary sector, while the secondary sector is marked by lower wages and poor employment conditions, such as a lack of job security, and limited or no benefits. Doeringer and Piore explained this stratification of opportunities by suggesting that, to remain competitive, employers must have a steady supply of qualified workers who can maintain the firm's technological advantage in the marketplace. This means that they must pay top wages and provide substantial benefits to employees who have desired skills and education. Employers offset the costs of their primary sector workforce by employing unskilled workers to perform less central tasks for less pay in poorer working conditions.

Dual labor market theory explains stratification, but not the disproportion of white males in the primary sector. To put it bluntly, it cannot be that only white males are technically qualified for primary sector jobs. Why are women, ethnic minorities, and both the young and the elderly so underrepresented in the primary sector of the labor market and so overrepresented in the secondary? Because dual labor market theory only considers the economic and technological reasons for labor market stratification, it misses important explanations that can only be found by considering cultural, social, physical, legal, and political factors.

Barbara Czarniawska and Swedish organization scholar Guye Sevón applied narrative analysis to the biographies of four female scientists to explore the stratification phenomenon by focusing on places where women managed to infiltrate the primary labor market. Each was the first woman in the country where she lived to be named to a professorial chair at a university.<sup>28</sup> To explain how these women came to hold their positions in this male-dominated primary sector of the labor market Czarniawska and Sevón proposed the concept of double strangeness—the women were not only non-male, but all were foreigners in the country in which they achieved the recognition of being awarded a chaired professorship.

Because the women they interviewed had all faced competition for their posts from similarly qualified women nationals, Czarniawska and Sevón proposed that these female academics' foreignness cancelled the negative implications of their womanhood rendering these talented women less threatening to those already in power than were similarly qualified colleagues who were not foreigners. Either that or their universities were facing political, regulatory, social, and/or cultural pressure to correct the gender imbalance in their faculties. In that case foreign women, having lower status and less access to power than women nationals, would be seen by many of their male colleagues as the lesser of two evils.

#### Gender studies in organization theory

One popular feminist theory about why organizations are gendered holds that private life is characterized by caring and a sense of community associated with the feminine, while public life fits the expectations set by rationality and competitiveness, characteristics associated with the masculine. A number of feminist scholars have argued that the separation of male and female domains and the practices associated with them (e.g., working outside the home versus child rearing) reinforces a binary view of gender that underpins the everyday actions and interactions of both men and women in the workplace. Men are considered natural decision makers and leaders, while women are expected to be nurturing and play supporting roles. Gendering thus reproduces traditional societal relations of domination and subordination between men and women.

Calls to undermine the ongoing and taken-for-granted ways organizations produce and reproduce gendered outcomes led feminists to look beyond explanations for why women and other minorities are not better represented in the primary sector. Simply replacing male with female practices, after all, would not end stratification; it would only replace one dominant group with another, and anyway was not likely to happen in the competitive world of corporations. Although the feminist literature is far from homogeneous, deconstructing and overturning the practice of constructing gender as part of organizational life became a priority for some who turned their attention on the 'systematic forces that generate, maintain, and replicate gendered relations of domination.'<sup>29</sup>

Joan Acker, an American sociologist, based her work on the feminist theory that language is gendered because meaning circulates around a network of images that have distinctive male or female associations.<sup>30</sup> If language is gendered, then organizations must be gendered as well in that they produce and are the discursive products of gender-based power

relations. This is because masculine ways of doing things are inherent in structural, ideological, and symbolic aspects of organization as well as in the everyday interactions and practices of organizing. On this basis Acker proposed the concept of **gendered organizations**.<sup>31</sup>

Building on Acker's work, others have suggested that masculinity is deeply embedded in bureaucracy by its focus on hierarchy, the impersonal application of rules, and the separation of work and private life. For example, several organization theorists maintain that hierarchy is premised on the assumption of a masculine elite that depends on a feminized support staff, and careers based on one's continued commitment to the organization.<sup>32</sup>

While you may hear as a counter argument to the masculine domination of the workplace that women's interests are well represented in organizations through such policies as those establishing women's advisory committees, in effect this amounts to unequal representation. Such committees are explicitly separated from the dominant male structure, which has the effect of both stigmatizing women and keeping them outside the inner circle of power. With the ambition of overcoming this situation, both scholars and activists have proposed creating alternatives to bureaucracy that reflect 'women's ways of organizing.' In practice such organizations have proven effective, particularly in the areas of health care and domestic violence.

At the level of jobs rather than organizations, other feminist scholars explore gendered work in organizations and its construction. For example, in her study of female engineers Joyce Fletcher suggested that definitions of work have a masculine bias. In a high-tech organization she found that the characteristics and behaviors worthy of promotion were autonomy, technical competence, self-promotion, individual heroics, and being able to quantify issues. Relational practices (which she associated with feminine belief systems) included watching over the wellbeing of a project, contributing to programs, mutual empowering, and collaborative teamwork, all of which were undervalued or ignored. Inspired by Foucault, Fletcher claimed such biased practices had the effect of disappearing relational practices by interpreting them as inappropriate for work and/or as a sign of weakness.<sup>33</sup> Fletcher found that the female engineers themselves, while wanting to overk differently, colluded in the disappearing act by warning their female colleagues not to openly engage in relational behaviors.

Feminist theorist Karen Ashcraft and communication scholar Dennis Mumby–both American–articulated a feminist communicology of organization in which they suggested that researchers explore how meanings and identities are created inter-subjectively in embodied everyday communication.<sup>34</sup> They used the example of airline pilots to show that the construction of pilot identity is tied into various discourses of gender involving cultural icons and stories of male fliers (e.g., Superman); stories of romantic ladybird female pilots (e.g., Amilia Earhart); the discursive production of an ideal technically capable professional white masculine pilot by the commercial aviation industry; the separation of professional/commercial pilots and lady-fliers by questioning the ability of women to fulfill their duties because of family obligations or lack of physical strength; and the reconstruction of the masculine pilot as the adventurous, rugged yet civilized professional. Ashcraft and Mumby suggested that these discursive practices, woven together over time, produced gendered identity among airline pilots through the unobtrusive exercise of power.

If current gendered constructions lead to devaluing women's work and to keeping women out of power, it follows in the name of justice that these constructions be changed. Feminist organization theorists propose using their own research politically to produce this change by giving voice to women and minorities; making room for multiplicity by exposing and overturning unitary representations and replacing them with representations inclusive of gender, race, ethnicity, age, and class; and by changing the subjects and objects (audiences) that their research targets. For example, studying and writing for women, people of color, indigenous people, the working class, youth and the aged, rather than dominant white males exposes and overturns dominant assumptions.

#### Disciplinary power, surveillance, and self-surveillance

As part of his study of how power and control have changed over time, Foucault compared modern prisons to the public executions and tortures commonly used in earlier times, when most societies were ruled by sovereign power (e.g., as in a monarchy).<sup>35</sup> His comparison highlights the difference between overt repression and the subtle and inconspicuous forms of power and control modern societies rely upon for social control. Foucault claimed that modern power and control is disciplinary by nature and can be found not only in prisons, but in hospitals, schools, and factories.

Stan Deetz applied Foucault's concept of disciplinary power to organizations when he claimed that many organizational forms of power and control are inescapable and unobtrusive. He linked the internalization of disciplinary power to organizational culture and clan control when he noted that disciplinary power arises from the ways in which values, ideals, and beliefs are shared and become part of everyday life. According to Deetz, 'Disciplinary power resides in every perception, every judgment, every act.... It is not just the rule and routine which becomes internalized, but a complex set of practices which provide common-sense, self-evident experience and personal identity.<sup>136</sup> His description of knowledge workers who worked excessive hours, slept in their offices, and willingly served abusive clients and customers exemplified the disciplined control of the modern business world.

Foucault claimed that modern societal forms of control evolved alongside the development of psychology as a body of knowledge that legitimated the systematic observation and evaluation of people. This knowledge and these methods, he argued, empower the professionals who use them to control subordinated populations. This intertwining of power and knowledge led Foucault to his concept of power/knowledge. Key to understanding the role psychology played in creating disciplinary control is the widespread acceptance of the idea of normalcy as the goal and ideal of human behavior. Foucault's theory of disciplinary power is that those who decide who is normal and control the treatment of those they label abnormal, use their power/knowledge to discipline others through technologies of control such as incarceration, hospitalization, education, and management.

Foucault's theory of disciplinary power rests on his observations about how surveillance led to self-surveillance, a historical development he traced to an eighteenth-century prison design called the Panopticon. First described by Jeremy Bentham, the Panopticon has a central guard tower around which prison cells are arranged in a circle. The tower is constructed so that prisoners cannot see into the guard tower, but guards can observe everything that goes on in the cells. Prisoners in the Panopticon constantly conform to the rules and behave in the desired way because someone *might* be watching them. In Bentham's words:

the more constantly the persons to be inspected are under the eyes of the persons who should inspect them, the more perfectly will the purpose of the establishment have been attained. Ideal perfection, if that were the object, would require that each person should actually be in that predicament, during every instant of time. This being impossible, the next thing to be wished for is, that, at every instant, seeing reason to believe as much, and not being able to satisfy himself to the contrary, he should *conceive* himself to be so.<sup>37</sup>

Foucault used the Panopticon to explain that surveillance generates self-surveillance through two mechanisms: the gaze and interiorization. The practice of observation that Foucault called **the gaze** sets up the expectation of surveillance. Then anticipation of the gaze, or the **interiorization** of its psychic force, leads to self-monitoring. Since the self-monitoring prisoner only requires potential surveillance, the control system based on disciplinary power/ knowledge operates without the overt repression of pre-modern control systems. The psychological presence of authority subtly and inconspicuously controls self-monitoring subjects, and it works whether those subjects are prison inmates, hospital patients, school children, or assembly line workers.

British organization theorist Barbara Townley argued that in organizations the gaze is embedded in tools used by human resource managers such as interview protocols, psychological tests, performance appraisals, and assessment centers.<sup>38</sup> Insofar as individuals anticipate the use of these techniques and respond in expected ways, they help to construct the disciplinary control system even as they submit to it. Similarly, Townley claimed, job descriptions, training programs, and the technologies workers employ to do their work lead to the interiorization of expectations. Thus the gaze and interiorization as practiced by HR professionals and those who submit themselves to their methods normalize disciplinary power in organizations.

Foucault believed disciplinary power to be neither inherently good nor bad. In addition to its potential for abuse, he saw its possibilities to produce pleasure, with the implication that we might not want to resist all disciplinary practices. Think about the discipline you adopt to learn a subject matter (also called a discipline!) wherein you allow disciplinary power to transform your subjectivity and often your body for the sake of gaining knowledge. For instance, as you 'take the subject matter in' pathways in your brain are reshaped and your body adapts to the chair in which you study. You will similarly find the effects of disciplinary power in sports, the arts, health and wellness, and parenting. Of course discipline has its dark side, as when expectations aimed at appearance cause people to diet obsessively or risk disfiguring themselves with unnecessary plastic surgery, but disciplinary power and control are not good or bad per se.

Organizational theorists who build on Foucault's theory examine the micro-practices of power and how these may be influenced by broader strategies of power at an institutional and societal level. For example, Australian organization theorist Stewart Clegg studied the power created through techniques of discipline and production that reinforce the status quo.<sup>39</sup> He identified three **circuits of power**: the episodic (daily interaction), dispositional (socially constructed rules), and facilitative (systems and mechanisms including technology, work, rewards). These three intersect and can lead to the empowerment or disempowerment

of groups. For example, if a group of workers have knowledge about a particular technology on which others depend (facilitative circuit), they will be empowered in relation to other groups and will be able to negotiate outcomes to their advantage within the episodic and dispositional circuits. Think about Crozier's maintenance workers in the French cigarette factory.

Following Foucault, Burrell argued that, if contemporary organizations both reflect and maintain the disciplinary power of society by categorizing, analyzing, and normalizing us, or by making us focus on productivity or efficiency to the exclusion of our other interests, then modern organization theory is paradoxically complicit in reproducing the chains that critical postmodernists seek to break.<sup>40</sup> The reigning truth of the modernist perspective, capitalism, is based on the idea that profit can be generated through the efficient management of productive resources. Good modernist knowledge therefore addresses how efficiency can be achieved. Organizational hierarchies, technologies, culture, architecture, and processes like training and performance appraisal should all be designed to support this truth. Experts who create this knowledge are powerful because they influence what is done by whom and how, as well as who gets rewarded or punished. As long as modernism prevails in mainstream organization theory, proponents of symbolic and postmodern perspectives will be excluded whenever they resist the assumptions and philosophical position of the dominant discourse.

# Theories of organizational conflict

Along lines suggested by Marx, some modernists see conflict as an inevitable aspect of organizing. Their models invoke other aspects of organizing—environment, social and physical structure, technology and culture—to explain why conflict arises and offer normative advice about how to deal with it. Although the organizational conflict theories presented below arose within the modern perspective, with the knowledge you now possess about critical, feminist, and postmodern theories of power, politics, and control, you should be able to adapt these frameworks to embrace the symbolic perspective, and you may even be ready to deconstruct them.

#### Organizational performance and levels of conflict

Organizational conflict has most often been defined as the struggle between two or more individuals or groups in an organization, or between two or more organizations in an environment. In general, conflict is produced by a state or condition that favors one group of actors over others and emerges when one or more actors perceive the efforts or outcomes of others as interfering with their own. American social psychologists Daniel Katz and Robert Kahn defined conflict as 'a particular kind of interaction, marked by efforts at hindering, compelling, or injuring and by resistance or retaliation against those efforts.<sup>41</sup>

One widely accepted modernist theory of conflict proposes that both too little and too much conflict result in poor organizational performance, whereas performance is optimized by an intermediate level of conflict, as shown by the curvilinear relationship depicted in Figure 8.2. The normative implication of this theory is that conflict should be managed so as

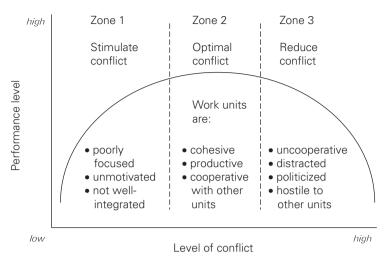


Figure 8.2 The curvilinear relationship between conflict and performance

Strategies for conflict management differ depending on whether the organization is experiencing too little or too much conflict. Characteristics typical of those experiencing conflict in each zone are described beneath the curve.

to produce the benefits of optimal stimulation of ideas and fresh points of view and to strengthen intragroup cohesiveness, while minimizing the negative effects of uncooperative behavior or open hostility.

Because group cohesiveness stimulates productivity, some organizations intentionally create competition between units to maximize their productivity. The price of this extra productivity, however, can be poor cooperation and communication between groups. The tradeoff between the productive influences of inter-unit competition and the negative effects that conflict can generate needs to be managed and much conflict theory is focused on providing normative advice for both reducing and encouraging conflict. Some ways to reduce organizational conflict are shown in Table 8.2.

There are many ways to stimulate conflict in organizations, including:

- Acknowledge repressed conflict
- Role model functional conflict through open disagreement and collaborative responses
- Alter established communication channels
- Hold back information
- Overcommunicate
- Deliver deliberately ambiguous messages
- Differentiate activities or outcomes among subordinates
- Challenge the existing power structure <sup>42</sup>

To make effective use of normative advice about managing conflict, you need a clear understanding of the situation you are facing. This is where the theory of inter-unit conflict comes in handy.

| Recommended action            | Implicit strategy     |
|-------------------------------|-----------------------|
| Physical separation           | Avoidance             |
| Increase resources            | Avoidance             |
| Repress emotions and opinions | Avoidance             |
| Create superordinate goals    | Collaboration         |
| Emphasize similarities        | Smoothing             |
| Negotiate                     | Compromise            |
| Appeal to higher authority    | Hierarchical referral |
| Rotate jobs                   | Structural change     |
| Physical proximity            | Confrontation         |

 Table 8.2
 Ways to reduce conflict in organizations

Source: Based on Robbins (1974); Neilsen (1972); Pondy (1967).

#### The inter-unit conflict model

Explaining conflict in organizations is tricky because humans employ numerous psychological defense mechanisms and conscious strategies in order to disengage from overt conflict, including avoidance, smoothing, compromise, problem solving, and hierarchical referral (examples are given in Table 8.2). Thus, overt conflict does not occur every time the opportunity for conflict presents itself. You will find that explanations for specific instances of conflict are easily constructed in retrospect, but predicting when overt conflict is going to occur before it actually happens is much more difficult.

The model explaining inter-unit conflict shown in Figure 8.3 helps explain why organizations produce so many instances of conflict that Marx could believe that was their fundamental condition. The normative value of the model should become obvious as you work through the framework provided by American organization theorists Richard Walton and John Dutton, based on their study of conflicts between the sales and production departments of two firms.<sup>43</sup> You will grasp its value as a diagnostic tool most easily by reading it backwards, that is, from right to left. It will also help you to think of a specific example of organizational conflict you have experienced or witnessed and apply the model to it as you work your way through its components.

#### Observable indices and local conditions

A range of behaviors you might observe in a conflict situation appears on the right side of Figure 8.3. Ranging between the two extremes of open hostility and complete avoidance of interaction, they constitute only the surface layer of organizational conflict. You may find some of the behaviors described, like lack of cooperation and avoidance of interaction, difficult to observe at first; their presence may be more felt than seen, but with some experience you will become more sensitive to its full range of expression. Once you have observed behaviors indicating the presence of conflict, you should look to the nine local conditions described below to see how many of them apply to the conflict you are analyzing.



#### Figure 8.3 A model showing possible sources of inter-unit conflict

Conflict is seen to be related to local conditions that are more deeply embedded in environment and organizational contexts.

Source: Based on Walton and Dutton (1969).

#### Interpersonal differences

Not all people get along with each other. You will encounter many individual differences in organizations—for example, differences in authoritarianism and sociability, self-esteem, and the diversity of gender, race, ethnicity, age, or socioeconomic background—any of which can provide a reason for conflict. When you observe conflict under these conditions it can be hard not to attribute it to merely individual differences. You may be tempted to simply blame one party or the other and take sides without considering other factors.

In organizations taking sides is not likely to be effective, since the vast majority of conflicts found there are not simply the result of interpersonal differences, but rather arise from conditions at the group, organizational, and/or environmental levels of analysis. In fact, many people who truly have personal conflicts with one another routinely work together in organizations everywhere, proving that this factor alone is unlikely to account for all dimensions of a conflict that is underway. One or more of the remaining local conditions are likely to be involved.

#### Group characteristics resulting from differentiation

Each internally differentiated unit of an organization performs a different task and/or copes with a different segment of the environment. These differences become conditions ripe for conflict when units develop distinct discourses, subcultures, and identities. Expecting differentiated units to coordinate their activities and share resources and opportunities can magnify the risk of conflict and its intensity. Some organizations add layers of management or additional units to bridge relations between conflicted parties, but this only multiplies the opportunities for future conflict among now more numerous organizational units.

American sociologist William Foote Whyte studied a classic situation of conflict between the wait staff and cooks in a restaurant.<sup>44</sup> Whyte found the two groups differed markedly in their flexibility, their time horizons, and the results for which they were held accountable. Wait persons followed strict routines in order to be efficient enough to give adequate attention to all of their customers, while cooks remained flexible so they could adapt to the unpredictable flow of customer orders coming into the kitchen. Wait persons generally kept track of time in terms of the stages of a meal, whereas cooks thought in terms of shifts (e.g., lunch, dinner). Customers evaluated wait staff on their efficiency, demeanor, accuracy in taking orders, and skill in serving food, while cooks were evaluated on their culinary achievements. These differences defined unique characteristics of the subcultures to which the wait staff and cooks belonged and these characteristics made communication and coordination between them difficult.

#### Goal incompatibility

Goals defined at the highest levels of an organization must be translated and divided between the units and positions of the organization so that a variety of activities will ultimately be performed to achieve the overall strategy (see Figure 8.1). Once the goals have been translated to the operational level, however, it is often the case that tradeoffs are revealed.

For example, marketing departments typically state their goals in terms of sales to customers, which are enhanced by responsiveness to customer demands for services, such as fast delivery or customized product designs. A manufacturing unit, on the other hand, will usually specify its goals in terms of cost savings and production efficiency. Since their goals may be incompatible with marketing's responsiveness to customer requests, there is plenty of opportunity for disagreement and hostility to develop.

#### Task interdependence

As James Thompson explained, there are at least three different forms of task interdependence and each implies different amounts and types of conflict. Pooled task interdependence produces minimal direct conflict because interdependent units have little reason to interact as they pursue their goals and interests independently of one another.

Reciprocal task interdependence is a different story. It demands almost continuous interaction and therefore offers unlimited opportunities for conflict. However, conflict in these conditions tends to be moderated by the incentive to manage relationships well. Because each actor or group depends upon the others to achieve its objectives, open conflict hinders both parties simultaneously. In practice reciprocal task interdependence tends to produce periods of smooth interaction punctuated by periods of intense conflict because, when reciprocal interdependence breaks down, rapid escalation usually occurs on both sides.

Sequential task interdependence is the case where one unit is highly dependent on another but the dependency is not reciprocated. The more independent unit has little incentive to respond to the interests and demands of the dependent unit, setting up the conditions for chronic conflict between them.

#### Rewards and performance criteria

When performance criteria and rewards are not carefully coordinated between units they can damage the combined performance of the entire organization and lead units to refuse to cooperate. Consider the problem of giving exams to multiple sections of students taking the same course during the semester. One way to ensure that students in earlier sections will not reveal the questions to students in later sections is to inform them that all examinations

will be graded on the same standard, and that if students in later sections improve their own scores because they know the questions in advance, it will be at the expense of students who did not have this advantage.

Notice how creating conflict between students leads to elimination of cooperation between them. Also be aware that while this strategy may increase fairness in the grading system, such strategies may be counterproductive from the viewpoint of encouraging information-sharing and the formation of cooperative study groups that benefit all students and the classes they attend.

#### Common resources

Dependence on a common pool of scarce resources often provokes conflict. Competition, for example over operating funds or capital allocations, physical space, shared equipment, and centralized staff services can produce conditions ripe for conflict.

Consider how your frustration level increases with the length of the queue for using a shared copy machine or one of a limited number of computer terminals in the library. When two groups both face pressure to work rapidly, claims about their relative need for access to shared resources can quickly escalate into open hostility or seething rage.

#### Status incongruity

Asking groups with significantly different statuses to coordinate their activities produces another condition that can lead to conflict. The imbalance of status is not problematic as long as higher status groups influence lower status groups; however, if lower status groups must initiate activities or exercise influence over higher status groups, then conflict is likely. Whyte observed this conflict condition in the restaurant where wait staff routinely initiated activity for cooks by giving them customer orders. Similar status incongruity was observed when engineers directed a higher status research group to do routine testing.<sup>45</sup> In both of these cases the inversion of a status hierarchy led to breakdowns in inter-unit cooperation.

You may observe conflict of this sort in required classes on organizational behavior (OB) in business schools. Grades in these classes often invert the status hierarchies of business schools that give more status to the quantitatively gifted than to those having other abilities, like the people skills that OB classes reward. This inversion frequently leads to conflicts between finance students and their organizational behavior professors and also contributes to devaluing this subject in business school cultures dominated by finance majors admired by other students for their higher earning potential.

#### Jurisdictional ambiguities

Jurisdictional ambiguities occur with unclear delineation of responsibility when credit or blame is at stake. Situations in which it is unclear who deserves credit or blame present an opportunity for units to come into conflict as each tries to take credit from, or assign blame to, the other. A lost order in a busy restaurant kitchen is a problem that triggers this sort of conflict when wait staff and cooks each can claim the other is at fault. Whyte showed that the addition of food servers to buffer communication between wait staff and cooks eased this conflict but only when this new group was given responsibility for tracking all orders, thus eliminating the ambiguity of who was at fault for a lost order.

#### Communication obstacles

When units speak different languages, they are less likely to agree on issues of mutual concern and more likely to attribute the lack of agreement to intransigence and self-interest by the other party. They may fail to understand it as the result of two groups looking at things in incompatible ways. Take the example of resident doctors and hospital administrators. Conflicts between these groups can often be traced, at least in part, to the different ways in which they communicate. Each of their discourses (medical vs. administrative) depends upon language that serves the unique purposes of their group, but as each group uses its preferred terms the other group feels its interests are being marginalized, a situation that can provoke resistance and hostility. Similar communication obstacles are famous sources of conflict between university departments whose faculties are professionally committed to producing well-differentiated (and some would say impenetrable) discourses.

#### Environment and organization as contexts for inter-unit conflict

It is now time to consider the deeper patterns that relate observable conflict and its local conditions to the environment and to aspects of the organization that relate to the core concepts of organization theory. Grasping the larger picture will help you put conflict in its proper perspective, even when those around you are caught in the grip of negative emotions.

#### Environment

The principle of isomorphism suggests that organizations attempt to match the complexity and rate of change in their environments by internal differentiation into specialized units and by adaptation to environmental change. Changing environmental conditions are often experienced as uncertainty within the organization, and groups that develop greater capacities for coping with the uncertainty can thereby alter organizational power relations between themselves and other units. Altered power relations can shift control over, as well as the need for resources, reward distributions, relative status, jurisdictions, and so on. Thus, complexity and change in the environment of an organization can contribute to any or all of the local conditions for conflict reviewed above.

#### Strategy

A growth strategy for an organization leads to increases in size and differentiation with effects similar to those just related to environmental complexity and change, including an increase in internal complexity and changes in the existing power structure. If growth involves mergers, acquisitions, or joint ventures, then adaptation to new units and the cultures they

bring with them will also put strains on the organization that can contribute to conflict. Strategies involving downsizing contribute to conflict by creating the perception of shrinking resources, which provokes competition over what remains to be divided. When jobs are on the line, competition becomes fierce. Thus, strategies that affect organizational size in either a positive or a negative direction can magnify the effects of some or all of the local conditions for conflict. On the other hand, periods of abundance can mask conflict, so in these periods you may not find it easy to observe conflict even when it exists.

#### Technology

The organization's tasks are defined in large measure by its choice of technology, and changes in technology mean changes in the tasks assigned to units and their members. Since the assignment of tasks influences the amount and type of interdependence between units of the organization, technologies set up at least this local condition for organizational conflict. But technology can influence other local conditions as well, for example, status incongruity (e.g., when a new technology is introduced technical experts often need to instruct higher level organizational members in its use), reward criteria (new tasks demand different control structures), and even group characteristics (as when computers were new and organizations added information technology specialists to their organization structures).

#### Social structure

The creation and maintenance of a hierarchy of authority defines the basis for vertical conflict in the organization, while the division of labor separates the organization in a way that presents opportunities for horizontal conflict. Thus, choices about social structure lay a foundation for all the local conditions of conflict.

#### Organizational culture

When subcultures develop in opposition to dominant cultural values they are likely to create conflict, as in the case of countercultures. Divergence in basic assumptions between subcultures can help to explain the communication obstacles that arise in many organizations, such as incompatible discourses and silos. Differing basic assumptions can also produce incompatible goals, for example the assumption that science is a communal activity that requires sharing research findings within the scientific community brings research and development scientists into conflict with the corporate legal department that assumes *not* sharing research findings is the best way to protect the organization from patent infringement or industrial espionage.

#### Physical structure

Differences in the size, location, quality, or style of physical spaces assigned to different units can feed feelings of superiority or inferiority. These conditions can contribute to all the local conditions for conflict or may increase sensitivity to conflicts inherent in other contextual factors. Layout of physical facilities and location can produce or eliminate communication obstacles and affect the level of conflict that is due to task interdependence. Physical proximity contributes to conflict when it makes otherwise conflicted groups accessible to one another, while physical distance can reduce opportunities for engaging in conflict behavior but may introduce a communication obstacle.

#### Applying the inter-unit conflict model

There are probably endless ways to combine the factors producing a context in which conflict may or may not overtly occur, and many other scenarios than those discussed can be formulated, but you should by now see how the model works as a diagnostic tool. While not all factors will be present in every case of conflict you encounter, it is always a good idea to check them all to be sure not to miss something important.

But the inter-unit conflict model is useful in another, less normative way that starts by reading Figure 8.3 from left to right. Try imagining the organization embedded in its environmental context, responding with strategy, social and physical structure, technology, and culture to changes that constantly bring new potential conflicts into play. In this sense the Walton and Dutton inter-unit conflict model presents a theory of organization that builds directly on Marx's notion of conflict as central to organizing.

As an organization theory consider also how the inter-unit conflict model can be used to elaborate the five circles of Figure 1.1. By placing importance on how the parts of the organization align or not to produce the issues (including conflicts) faced daily in organizations, Figure 8.3 shows how the lives that organizational members lead map onto the ways an organization unfolds through everything people think, say, and do, as structuration theory claims. But do not forget that the use of conflict to change organizations is a political act that depends upon the use of power and the ability to control others—and that power and control, like conflict itself, may be suppressed and hidden from view. Thus do the themes of power and control ceaselessly intertwine with conflict, just as all three are part of organizing.

# Summary

When politics is needed to overcome legitimate differences in preferences for goals or methods, then the coalitional model of decision making is of great value in resolving conflicts and moving organizations forward to take action. Politics loses its organizational usefulness, however, when it is applied to situations in which these conditions do not hold. This does not mean that politics will never be misapplied in organizations. A seasoned organizational politician can create conflict out of nearly any situation and will do so if the stakes are high enough. The bad feelings you may have experienced surrounding political maneuvering in organizations most likely stem from counter-productive applications of politics within organizational decision-making processes and the consequent occurrence of conflict that such behavior can produce. However, you

should recognize the useful aspects of both political behavior and conflict, as well as their risks.

Modernist views suggest that the political process is most effectively managed by seeking a balance between too little and too much political activity, channeling political action into situations where it will be of value, and discouraging it when conditions favor other decisionmaking activities. However, critical, postmodern, and feminist studies remind you to be selfreflexive about the judgments you make as to what are useful and what are disruptive uses of political action. If managers only permit political discourse around issues that do not challenge *their* claims to authority and autonomy, then suppression of voices within the organization is likely to occur. Since suppression can affect productivity, particularly where innovation is important, even the most modern of managers will do well to reflect honestly on their motivations concerning political actions—their own and those of other members of the organization. Postmodernism encourages managers to understand that power is part of everyday social relationships and can lead to unintended consequences and repressive practices that dehumanize and mechanize the self. By revealing these practices, along with the gendered nature of organizations, more ethical and responsive forms of organizing can be created.

For critical and many feminist organizational scholars, power is evident in the domination of one group over another and is reflected in social, economic, and class structures. Seen from this perspective, organizations are networks of power relations that exist within broader historical, ideological, economic, and social conditions. The focus of these organization theorists is on the oppression of workers by owners and managers, and how capitalist ideology is maintained by all members of society without the necessity of their awareness that this is what they are doing. These scholars examine the material differences and injustices associated with the control of one group over another—with control being exercised through the deskilling of work (labor process theory) and by workers giving their active consent to the policies, practices, and requirements of management (hegemony and false consciousness). While some critical theorists focus on a theoretical critique, others have carried out empirical studies of how power relationships are produced and maintained in organizational practices and these merge with the perspective of postmodernists who study the effects of voice and other acts of resistance within the context of everyday organization life, often using the ethnographic methods introduced by culture researchers.

Critical theorists have studied taken-for-granted inequalities lying within ideologies, the negative effects of instrumental reasoning on human beings and the planet, false consciousness, and systematically distorted communication. By doing this they attempted to ensure that all interests are heard and no one's interest dominates. As you have seen, postmodern scholars use concepts of difference and fragmentation to study conflicts between alternative constructions of reality and the marginalization of groups of people. They believe that by bringing conflict and resistance into the open, they can reclaim a space for marginalized voices. Meanwhile, modernist approaches carry on viewing conflict as a manageable tool for leveraging worker and organizational productivity.

Table 8.3 summarizes the core ideas of the chapter by presenting modern, critical, and postmodern conceptions of power, control, and conflict.

|                             | Modern                                                                                      | Critical                                                                                                                                                                   | Postmodern                                                                                                                               |
|-----------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Locus of power              | Hierarchy, knowledge,<br>and skill to solve key<br>organizational problems                  | Social, economic, and political institutions and ideologies                                                                                                                | Everyday social relationships,<br>and discursive and non-<br>discursive practices                                                        |
| Basis of power              | The unquestioned and<br>unchallenged right to<br>control production work<br>and workers     | A democracy of stakeholder<br>interests; challenges owner/<br>shareholder's right to profit                                                                                | Disciplinary power embedded<br>in taken for granted, discursive<br>and non-discursive practices                                          |
| View of organizations       | Rational and/or political arenas                                                            | Systems of exploitation,<br>domination, and resistance                                                                                                                     | Producers and products of disciplinary power                                                                                             |
| Goal                        | To improve organiza-<br>tional efficiency and<br>effectiveness                              | To emancipate dominated<br>groups and develop<br>democratic and humanistic<br>forms of communication<br>and decision making                                                | To interrogate practices that<br>lead to self-disciplinary<br>behaviors and the marginaliza-<br>tion of groups and individuals           |
| Implications<br>for control | Use of market,<br>bureaucracy, or clan<br>(cultural) control<br>mechanisms                  | Use of hegemony and<br>systematically distorted<br>communication; employees<br>must consent to their own<br>exploitation                                                   | Use of disciplinary technolo-<br>gies and self-surveillance;<br>requires both 'The Gaze' and<br>interiorization                          |
| View of conflict            | Counter-productive and<br>should be managed by<br>those in power to<br>maximize performance | Inevitable consequence of<br>capitalism's social and<br>economic inequalities;<br>necessary for resistance and<br>the overthrow of the powerful,<br>and for radical change | Emerges within the network of<br>power relations as groups<br>contest the right for some to<br>frame others' reality and<br>subjectivity |

| Table 8.3 Modern, critical, and | postmodern conce | ptions of power, cont | rol, and conflict |
|---------------------------------|------------------|-----------------------|-------------------|
|---------------------------------|------------------|-----------------------|-------------------|

# Key terms

| bounded rationality            | organizational politics        |
|--------------------------------|--------------------------------|
| coalition                      | politics of identity           |
| power                          | control                        |
| conflict                       | strategic contingencies theory |
| conflict resolution strategies | resource dependence theory     |
| domination                     | symbolic power                 |
| compromise                     | output control strategies      |
| integration                    | behavioral control strategies  |

#### ORGANIZATIONAL POWER, CONTROL, AND CONFLICT

| cybernetic control                         | stratification                     |
|--------------------------------------------|------------------------------------|
| agency theory                              | dual labor market theory           |
| agency problem                             | gendered organizations             |
| market control                             | disciplinary power                 |
| market failure                             | surveillance and self-surveillance |
| bureaucratic control                       | the gaze                           |
| clan control                               | interiorization                    |
| ideology                                   | three circuits of power            |
| managerialism                              | episodic                           |
| hegemony                                   | dispositional                      |
| third face of power                        | facilitative                       |
| labor process theory                       | conflict and performance           |
| deskilling                                 | conflict reduction                 |
| instrumental vs. communicative rationality | conflict stimulation               |
| workplace democracy                        | inter-unit conflict model          |

# Endnotes

- 1. Tannenbaum (1968: 3).
- 2. Bacharach and Lawler (1980: 1).
- 3. Simon (1957, 1959); March and Simon (1958); see also Cyert and March (1963) and March (1978).
- 4. Dahl (1957: 203).
- 5. Dalton (1959); see also Mechanic (1962).
- 6. Pfeffer (1981b: 7).
- 7. Ouchi (1979: 845); see also Ouchi and McGuire (1975).
- 8. Etzioni (1975).
- 9. Crozier (1964).
- 10. Hickson et al. (1971).
- 11. Salancik and Pfeffer (1977); Pfeffer and Salancik (1978); Pfeffer and Moore (1980).
- 12. Pfeffer (1981a).
- 13. Eisenhardt (1985).
- 14. Ouchi (1979).
- 15. Williamson (1975).
- 16. Gramsci (1971).
- 17. Alvesson and Willmott (1996: 98).
- 18. Lukes (1974).
- 19. Deetz (1998).
- 20. Gabriel (2000).
- 21. Cunliffe (1997).
- 22. Braverman (1974).
- 23. Sewell (1998).

#### **CORE CONCEPTS AND THEORIES**

- 24. Habermas (1971).
- 25. Craig and Pencavel (1992).
- Mondragón has recently deviated from cooperative principles by hiring non-member workers and centralizing decision making http://www.geo.coop/huet.htm
- 27. Doeringer and Piore (1971).
- 28. Czarniawska and Sevón (2008).
- 29. Ibid. 139.
- 30. This part of Acker's theory traces to Ferguson (1994).
- 31. Acker (1992: 249); see also Calás and Smircich (1992, 1999).
- 32. For example, see Grant and Tancred (1992) and Martin, Knopoff, and Beckman (1998); see also Huff (1990-2009).
- 33. Fletcher (1998).
- 34. Ashcraft and Mumby (2004).
- 35. Foucault (1980a, 1980b).
- 36. Deetz (1992: 37).
- 37. Bentham (1787).
- 38. Townley (1994)
- 39. Clegg (1989).
- 40. Burrell (1988).
- 41. Katz and Kahn (1966: 615).
- 42. This list is based on Robbins (1974).
- 43. Whyte (1949).
- 44. Seiler (1963).
- 45. Walton and Dutton (1969).

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