



OLABISI ONABANJO UNIVERSITY, AGO-IWOYE-NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF SOCIOLOGY
ILR PROGRAMME

Course Outline

Course Code: SOC 332

Course Unit: 02

Course Title: Formal Organisation

Course Status: Compulsory

Course Description

The aim of the course is to gain understanding of how an organisation works and how to achieve its aim and goals in which an organisation is set up. The nature, structure, functions and dynamics of formal organisations will be examined as well as the informal organisation and its functions, benefits and limitations. The course will also examine the general characteristics and cross cultural analysis of formal and informal organisations as well as the interaction between an organisation and its environment.

Students Learning Outcomes

It will enable students to understand the basic tenets of formal and informal organisations as well as understanding the organisational structure in the workplace.

Week one	Introduction: Organisation and Scope of an organisation
Week Two	Formal Organisation: Definition, Objectives, Characteristics, Functions, Principle of Formal Organisation
Week Three	Formal Organisation Con'd: Importance, Benefits and Limitations of formal Organisation
Week Four	Informal Organisation: Functions, Benefits of Informal Organisation and Problems associated with Informal Organisation.
Week Five	Comparative Analysis of Formal and Informal Organisation: Distinction between formal and Informal Organisation
Week Six	Organisational Structure: Types of Organisational Structure (Functional and Divisional organisational structure)
Week Seven	Bureaucracy: Definition, Characteristics, Reasons and Limitations of Bureaucracy
Week Eight	Theoretical Exposition of Bureaucracy: Karl Marx Perspectives of Bureaucracy; Functional Perspectives by Talcott Parsons.
Week Nine	Theoretical Exposition of Bureaucracy Con'd: Symbolic Interactionist Perspective of Bureaucracy and Robert K Merton Perspectives.
Week Ten	McDonalised of The Society: Principle of McDonalised
Week Eleven	The Sociological Significance of Bureaucracies
Week Twelve	Class Seminar Test

Lecturer-in-charge: Toyin Bawalla

SCOPE OF AN ORGANIZATION

Organizations are the building blocks of industrial and post-industrial societies, the basic vehicle through which collective actions are taken and it enables people to accomplish tasks otherwise beyond their individual competencies. Organisation is the foundation upon which the whole structure of any management is built. It is therefore necessary to understand the scope of organization in terms of definition, types, characteristics and significance.

Definitions

Organization means different things to different people and thus making the definition of organization abound. A simple definition is that organization is a social group that distributes tasks for collective goal. According to Talcot Parsons, organization is a particular type of social system that is deliberately structured to seek specific goals and values.

Organizations are goal-directed, boundary-maintaining, socially-constructed systems of human activity. It includes deliberateness of design, the existence of status structures, patterned understandings between participants, orientation to an environment, possession of a technical system for accomplishing tasks, and substitutability of personnel.

Organization is defined as a system of consciously coordinated activities and efforts of two or more persons, which entails formal planning, division of labor and leadership. Organization can be seen as an association of persons grouped around the pursuit of specific goals.

FORMAL ORGANIZATION

Depending on the group dynamics & organization functions we can divide organization in the following two groups: formal and informal

Formal organization

According to Chester Banard, an organization is formal when the activities are coordinated towards a common objective. The formal organisation is the coming together of two or more than two persons to accomplish a common objective, while following a formal relationship, rules, and policies which are established for compliance. Formal organization can be defined as a group that restricts membership and makes use of officially designated positions and roles, formal rules and regulations, and a bureaucratic structure

Formal Organization is also an organisation in which job of each member is clearly defined, whose authority, responsibility and accountability are fixed. Formal organization refers to the structure of well-defined jobs in a formally organized enterprise. These jobs are defined in terms of authority, responsibility and accountability.

The basis of establishing any organisation is the attainment of the organisation's goal. For this purpose, work is assigned, and authorities are delegated to each member and the concept of division of labour and specialisation of workers are applied which means that the work is assigned on the basis of their capabilities.

Objectives of Formal Organization

A formal organization has a specific set of commands to direct employees in achieving its goals. Some important objectives of the formal organization are:

1. To facilitate the accomplishment of the goals of the organization: In a formal organization the work is delegated to each individual of the organization. Employee works towards the attainment of definite goals, which are in compliance with the goals of the organization.
2. To facilitate the co-ordination of various activities: The authority, responsibility and accountability of individuals in the organization are defined. Hence, it facilitates the co-ordination of activities of the organization effectively.
3. To aid the establishment of logical authority relationship: The responsibilities of the individuals in the organization are well defined. They have a definite place in the organization due to a defined hierarchical structure which is inherent in any formal organization.
4. To aid the establishment of division of labor: Permit the application of the concept of specialization and division of labor, division of work amongst individuals according to their capabilities helps in greater specializations and division of work.
5. Create group cohesiveness: Creating a cohesive group is one of the fundamental objectives of an organization which ultimately results in increase in group dynamics & productivity.

Characteristics of Formal Organization:

A formal organization has the following characteristics

1. Well defined rules and regulation: The first & foremost characteristic of a formal organization is a well-defined set of rules & regulations. These will be strictly followed to carry out the activities of the company to achieve goals.
2. Arbitrary structure: A formal organization always contains an arbitrary structure that allows all the departments of the organization work in a coordinated way to achieve the target.
3. Determined objectives and policies: A formal organization consists of specific objectives & policies. All the activities in the company follow around these policies & to achieve the objectives.
4. Limitation on the activities of the individual: Every individual in a formal individual is assigned with specific duties & responsibilities. This is true regulation for every personnel.
5. Strict observance of the principle of co-ordination: The co-ordination between different departments in an organization is strictly maintained to achieve the most efficient result.
6. Messages are communicated through vertical chain: Normally in a formal organization the vertical communication chain is followed so that the chain of command & its unity is maintained.
7. Status symbol: A formal organization is a separate social entity. The activities have a separate entity than the individuals performing those activities.

Functions of Formal Organization:

1. Set specific Goals for organization: A formal organization has to set specific goals for the personnel working in it. By achieving the goals individually achieved the organization as a whole will be benefited in achieving the eventual goals.
2. Establishing working relationship: In a formal organization the primary goal is to establish an efficient working relationship & to establish a clear chain of command. The effective work relationship is the most important thing for the goals.
3. Create group cohesiveness: It creates a sense off cohesiveness & belongings among the groups of the personnel working in a formal organization. The employees inter personnel interaction is important for the functioning of an organization.
4. Organizational Development: A formal organization works on the organizational development by testing all the rules, regulations & the chain of activities as present. Organization detects any problem & work to change them if necessary for better service.
5. Discipline: Discipline within an organization is important to get the best result of it. The organizational management has to find a proper way to achieve proper discipline.
6. Human Resource Development: It helps in other human resources development activities such as recruitment, promotions, career planning and development and manpower planning. The important part of a organization is its employees. A formal organization gives the opportunity to treat the human resources within the organization. The development & improvement of human resource is easy in a formal organization.

Principles of Formal Organization:

A formal organization works to achieve some specific goals regarding the organization. The principles are as:

1. Official nature of the organization: The organization must be legal & official in all respect. It should be a recognizable in its respective industry of operating in an official manner.
2. Authority & Responsibility: The formal organization emphasizes on clear delegation of authority & a specific set of responsibility for a specific position.
3. Focus on position: A formal organization focuses on the position of a personnel & its position regarding the organization rather than the personnel him/her.
4. Power delegated by Management: The formal organization management delegates the power regarding every position of personnel & specific power sets for specific authority.
5. Specific Rules & Policies: The rules & policies regarding a formal organization is specific & should be always followed in terms of performing activities for achieving organizational goals.
6. Rewards & Penalties: A formal organization has to have a systematic way of rewarding personnel based on their good services & also need to have a penalty system outlined to prevent carelessness & recklessness from the employees.

Importance of Formal Organization

The significances of formal organization areas followed:

1. Outlining the Company Structure: It provides basic structure of division of work and responsibilities. Without such a structure it will be very difficult for employees to agree between themselves on duties and responsibilities of each, and such difficulties multiply in geometric proportions with increasing size of the organization. A formal organization is helpful & strict in the ways a company will act upon.
2. Clarity in Chain of Command: It generates clarity on what support and input each employee can expect from others, and in turn what is expected of him by others. In a formal organization the chain of command is clearly drawn so that personnel in the organization can follow them as per requirement & ordered to do so. In a formal organization the chain of command is strictly followed to achieve the company goal.
3. Discipline in Organization: It promotes discipline in the organization. In a formal organization as the rules & regulations are in clear & organized, so the presence of discipline is there. This discipline itself influences the efficiency of the organization.
4. Organization Development: It makes it easier to review and revise organization with changing requirements. The world is changing everyday & so the environment in which the organization is operating. To keep up with the ever changing environment the organization needs to develop embracing changes. In a formal organization the process of development becomes easier.
5. Decision Making Process: It provides a structure for laying down pay scales and taking other decisions linked to organizational levels. A formal organization is logical distribution of resources to achieve the company goal in a most efficient manner. Any decision making regarding the organization is easy & easy to implement.

6. Human Resource Development: It helps in other human resources development activities such as recruitment, promotions, career planning and development and manpower planning. The important part of an organization is its employees. The development & improvement of human resource is easy in a formal organization.
7. Co-ordination in Different Departments: An organization consists of different departments to carry out various activities and contributes in the ultimate function of the organization. In a formal organization all the departments are well out lined along with their activities. So it is easy to relate & co-ordinate. Thus a formal organization is easier to manage.

Benefits of Formal Organization:

The benefits can be enlisted under two aspects:

a) Financial Aspect

1. Security: A formal organization is more established & the entity of the company is not dependent on individual losses. So working in such an organization provides a secured financial support to the employees & the employees working here is more devoted to work.
2. Slow but steady promotion: In a formal organization the promotion may not be rapid due to a chain of command but with certain seniority in the organization with sufficient performance a personnel is sure of a promotion.
3. Commissioned ranks open to men and women graduates: A formal organization will always put preference to recruit graduate or highly educated personnel, in this way creating job opportunities for this class of people.
4. Can't be fired: After recruiting a person a formal organization tries its best to develop the personnel. In many cases the personnel is not generally fired depending on few personal mistakes.
5. Good retirement benefits: The organization of such value will arrange a plan for the employees so that they can retire with benefits.

b) Social Aspect

1. Many different branches appeal to different interests: A formal organization has many different departments to perform various activities. So a person has a wide range of options from which he/she can choose depending on individual interest & skill level. So as a person there is a option in this type of organization on the choice of profession.
2. Social Status: A formal organization has specific position & position names that bears the status of the person in the organization. These posts are familiar in the environment the company is operating & often works as a social status symbol. By working in a formal organization the person has to way to achieve such position & thus achieving a high social activity
3. See interesting places and people: By working in a formal organization a person gets to meet many different people of different views & values. By interacting with these variations a person will learn more in working in such environment.

Limitations of Formal Organization

A formal organization has many benefits both for its internal & external environment but it has some drawbacks too. The common limitations can be listed as followed:

1. Limited Flexibility: As this type of organization is very specific in every activities there is very little margin of flexibility & spontaneous decision making in the company. Such practice in the company can demotivate the employees.
2. Slowness of processing: In a formal organization for performing a task needs many formal procedures. Such formalities often slow down the implementation of decision making.
3. Communication Barrier: As in a formal organization a task needs the coordination of different departments so communication needs to clear in this process. Any kind of miscommunication may lead to ultimate inefficiency.
4. Quality of decision: Sometimes the quality of the decision made in the top management may not be most compatible for the company but the chance of correction is very scarce.
5. Slowness in Problem detection & processing: As every procedure goes through lot of formalities any problem detected in the operation level cannot be instantly corrected. The right process will take some time to detect the problem & correction & its implementation. In such a process the organization may suffer financial loss.

Informal Organization

An informal organisation is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviors, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations.

Informal organization is usually formed within the formal organisation; it is a system of interpersonal relationships between individuals working in an enterprise that forms as a result of people meeting, interacting and associating with one another. The organisation is created by the members spontaneously, i.e. created out of socio-psychological needs and urge of people to have a sense of belonging. The organisation is featured by mutual aid, cooperation, and companionship among members. The informal organization evolves organically and spontaneously in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

Functions of informal organizations:

Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.

Firstly, perpetuate the cultural and social values: They perpetuate the cultural and social values that the group holds dear. Certain values are usually already held in common among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several informal groups that constitute the informal organization within the formal structure of the class. These groups may develop out of fraternity or sorority relationships, dorm residency, project work teams, or seating arrangements. Dress codes, hairstyles, and political party involvement are reinforced among the group members.

Secondly, provide social status and satisfaction: They provide social status and satisfaction that may not be obtained from the formal organization. In a large organization (or classroom), a worker (or student) may feel like an anonymous number rather than a unique individual. Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends-which contributes to personal esteem, satisfaction, and a feeling of worth.

Thirdly, promote communication among members: The informal group develops a communication channel or system (i.e., grapevine) to keep its members informed about what management actions will affect them in various ways. Many astute managers use the grapevine to "informally" convey certain information about company actions and rumors.

Fourthly, provide social control: They provide social control by influencing and regulating behavior inside and outside the group. Internal control persuades members of the group to conform to its lifestyle. For example, if a student starts to wear a coat and tie to class, informal group members may razz and convince the student that such attire is not acceptable and therefore to return to sandals, jeans, and T-shirts. External control is directed to such groups as management, union leadership, and other informal groups.

Benefits of Informal Organization:

1. Better Total System: Informal Organizations blend with formal systems to make an effective total system. Some requirements can be met better by informal relations, which can be flexible and spontaneous.
2. Lighter workload for management: Informal Organizations lighten the workload on management. When managers know that the Informal Organization is working with them, they feel less compelled to check on the workers to be sure everything is shipshape.
3. Work group satisfaction: Informal Organizations give satisfaction and stability to work groups. Workers feel a sense of belonging and security, so satisfaction is increased and turnover reduced.
4. A safety valve for emotions: Informal Organization is a safety valve for employee frustrations and other emotional problem. Employees may relieve emotional pressures by discussing them with someone else with in Informal group.
5. Cohesiveness: Cohesiveness is indicated by how strongly the employees stick together, rely on each other, and desire to remain members of the group.
6. Fill up gaps: If a manager is weak in planning, an employee may informally help with planning. In this way planning is accomplished in spite of the manager's weakness. Thus Informal Organizations act to fill in gaps in a manager's abilities.
7. Channel of employee communication: Informal Organization provides the means for people to keep in touch, to learn more about their work, and to understand what is happening in their environment. Thus Informal Organization can be a useful channel of employee communication.
8. To plan and act more carefully: The presence of Informal Organizations encourages managers to plan and act more carefully than they would otherwise. Because they know Informal groups can undermine even a worthwhile project
9. Encourage Cooperation: Informal Group support of a manager leads to better cooperation and productivity. It helps get the work done.
10. Understanding and Dealing with the Environmental Crisis: The IRG Solution - hierarchical incompetence and how to overcome it 1984, argued, hat Central media and government type hierarchical organizations could not adequately understand the environmental crisis we were manufacturing, or how to initiate adequate solutions. It argued that what was required was the widespread introduction of informal networks or Information Routing Groups which were essentially a description of social networking services prior to the internet.
11. Encourage improved management practice: Perhaps a subtle benefit of informal groups is that they encourage managers to prepare, plan, organize, and control in a more professional fashion. Managers who comprehend the power of the informal organization recognize that it is a "check and balance" on their use of authority.

Problems Associated with Informal Organizations:

1. Resistance to change: Perpetuation of values and lifestyle causes informal groups to become overly protective of their "culture" and therefore resist change. For example, if restriction of output was the norm in an autocratic management group, it must continue to be so, even though management changes have brought about a more participative administration.
2. Role conflict: The quest for informal group satisfaction may lead members away from formal organizational objectives. What is good for and desired by informal group members is not always good for the organization. Doubling the number of coffee breaks and the length of the lunch period may be desirable for group members but costly and unprofitable for the firm. Employees' desire to fulfil the requirements and services of both the informal group and management results in role conflict. Role conflict can be reduced by carefully attempting to integrate interests, goals, methods, and evaluation systems of both the informal and formal organizations, resulting in greater productivity and satisfaction on everyone's behalf.
3. Rumor: The grapevine dispenses truth and rumor with equal vengeance. Ill-informed employees communicate unverified and untrue information that can create a devastating effect on employees. This can undermine morale, establish bad attitudes, and often result in deviant or, even violent behavior. For example, a student who flunks an exam can start a rumor that a professor is making sexually harassing advances toward one of the students in class. This can create all sorts of ill feelings toward the professor and even result in vengeful acts like "egging" the residence or knocking over the mail box.
4. Conformity: Social control promotes and encourages conformity among informal group members, thereby making them reluctant to act too aggressively or perform at too high a level. This can harm the formal organization by stifling initiative, creativity, and diversity of performance. In some British factories, if a group member gets "out of line", tools may be hidden, air may be let out of tires, and other group members may refuse to talk to the deviant for days or weeks. Obviously, these types of actions can force a good worker to leave the organization.
5. Undermine discipline: Informal groups oppose management policies rules, procedures that are meant to structure and discipline work behavior and performance of employees. Managers are forced to become lenient in enforcing rules and regulations in tolerating deviations from required behavior. The character and competence of management tend to suffer. Informal organization may ridicule and even sabotages the process, practices and culture of formal organizations.
6. Power politics: Informal organizations are often riddled with fictionalization and power politics. Members divert their energy and time from jobs to jungle in faction fighting and petty politics. The informal leader may manipulate the group towards selfish or undesirable ends.
7. Interpersonal and intergroup conflicts: Informal organization also develops interpersonal and internal group conflict that can be damage to their organization. When employees give more of their thoughts and energies to opposing one another, they can likely to give less to their employer. Conflicts and self-interests can become so strong in informal organization that they reduced employee's motivation and satisfaction.

Distinction between formal and Informal Organization:

1. In Meaning: A Formal Organization has its own rules and regulation. These rules must be followed by the members (employees and managers). A formal organization has a system of co-ordination. It also has a system of authority. It has a clear superior-subordinate relationship. In a formal organization, the objectives are specific and well-defined. All the members are given specific duties and responsibilities. An informal organization does not have its own rules and regulation. It has no system of co-ordination and authority. It doesn't have any superior-subordinate relationship or any specific and well-defined objectives. Here in informal organization, communication is done through the grapevine.
2. Formed by Whom: A formal organization is formed by the top level management. An informal organization is formed by social forces within the formal organization.
3. Rules and Regulations: The members of a formal organization have to follow certain rules and regulations. These rules are available in writing (documented). They are made by a formal authority (superiors). If the members follow these rules properly, then they will be rewarded. However, if they do not follow these rules, they will be punished. The members of an informal organization do not have to follow any rules and regulations.
4. Duties and Responsibilities: In a formal organization, the duties, responsibilities, authority and accountability of each member is well-defined. In an informal organization, there are no fixed duties, responsibilities, authority, accountability, etc. for the members.
5. Objectives or Goals: In a formal organization, the objectives or goals are specific and well-defined. The main objectives of a formal organization are productivity, growth, and expansion. In an informal organization, the objectives are not specific and well-defined. The main objectives of an informal organization are friendship, security, common interest, individual and group satisfaction, etc.
6. Stability: A formal organization is stable. An informal organization is not stable.
7. Channels of Communication: A formal organization uses formal channels of communication. An informal organization uses informal channels of communication (i.e. grapevine)
8. Organization Chart: A formal organization is shown on the organization chart. An informal organization is not shown on the organization chart.
9. Superior-Subordinate Relationship: In a formal organization, there exists a superior-subordinate relationship. In an informal organization, there is no such superior-subordinate relationship.
10. Benefits for Members: The members of the formal organization get financial benefits and perks like wages or salaries, bonus, travelling allowances, health insurance, etc. The members of informal organization get social and personal benefits like friend circle, community, groups, etc.

Organisation Structure

First and foremost we must remember that an organisation structure is a result of the organising process. The organisation structure consists of the various jobs, departments and responsibilities in the enterprise coupled with the definition of the extent of control, management and authority. It also consists of the relationships between various members of the enterprise. All in all, an organisation structure is a framework within which managerial and operating tasks are performed. This is because it defines the extent of management or the span of management. In other words, it specifies authority by clearly stating the subordinates to a superior and to whom the superior is a subordinate himself. In effect, this highlights the levels of management in an enterprise and allows for correlation and coordination among individuals. Talking about the significance of an organisation structure, it facilitates growth and changes within an enterprise. As a matter of fact, an enterprise with a static structure and thus resistance to change can soon go out of fashion in the dynamic business world. Thus it is important to realise that an enterprise needs a change in the organisation structure whenever it expands and grows in complexity. Also, an efficient organisational structure facilitates smooth business operations. Lastly, it also facilitates coordination and regulation of responsibilities within the enterprise. Consequently, this enables the enterprise to function as an integrated unit.

Types of Organisation Structure

On the basis of nature of activities performed, the organisation structure is classified into two:

- Functional Structure
- Divisional Structure

Functional Structure

As the name suggests, in a functional structure grouping is based on functions. This means that similar jobs are integrated into functions and major functions are further categorised as departments which are handled by respective coordinating heads. These departments can further consist of sections. Note that functional structure is a basic and simple organisational structure.

Advantages

- Since functional structure revolves around functions, the division is such that an employee performs a specific set of tasks as a part of his routine. Effectively, this creates room for job specialisation and efficient use of manpower.
- Again, as similar tasks are grouped together into a function and emphasis is laid on specific functions, this structure facilitates coordination and control.
- In a functional structure, we keep similar tasks together and different tasks away. This implies that there is no scope for duplication. Effectively, this lowers cost.
- As the focus is mostly on a specific and limited range of skills, training of employees becomes easier.
- This also leads to an increase in managerial efficient which in turn increases profit margins.
- Lastly, it ensures that all the diverse tasks get a fair amount of attention.

Disadvantages

- A major drawback of the functional structure lies in its definition itself. As stated already, it puts emphasis on division based on functions of an enterprise. Now as it stresses on the diverse functions, it generally leads to an increased concern on interests of departmental interests rather than the interests of the organisation as a whole. Technically, this can lead to the emergence of functional empires and even dwindling levels of concern for organisational objectives.
- Again, as the departments are completely different in operations from each other, there is a big barrier to communication between them.
- There may arise a conflict of interests among these departments which are profusely looking to fulfil the individual departmental interests. Such conflicts can hinder the growth of an enterprise. Further, such conflicts can further arise in the absence of clear separation of responsibility.
- When individuals always deal with specific tasks their perception narrows down and they don't appreciate the varying point of views. Consequently, they remain fixated on specific ideas and fail to develop as individuals. All in all, this leads to inflexibility.

In the light of above-mentioned facts, we can observe that functional structure is suitable for an enterprise which is large, has a large number of activities to perform and looks for a high degree of specialisation.

Divisional Structure

Divisional structure, as the name suggests perceives an enterprise as the integration of independent divisions. We must note that such a structure is adopted in large and complex enterprises which handle diverse products. This is because although an organisation produces a homogeneous set of products, it can deal in a wide variety of differentiated products. Again, the organisation does this to deal with complexity. We must remember that in such a structure, the organisation is divided into separate business units or divisions which are a bit independent and multifunctional in their operations. Each unit has a divisional manager at the apex who looks after all the operations within a division. Further, each division performs most of the functions like production; finance etc. to achieve a common goal. In a nutshell, each enterprise is divided into various divisions which further adapt the functional structure. For example, the Reliance group has various product lines like clothing, communications, electronics etc.

Advantages

- Here each divisional head looks after all the aspects of the division which is his responsibility. As a result of this, instead of fixation on specialisation the divisional head develop various skill sets which ultimately make him a suitable candidate for higher job positions.
- Again each division is the complete responsibility of the division head. Consequently, the division head looks after all the operations within the division. Hence, this helps in performance measurement. Additionally, the division head is responsible for the poor performance of a division. This also facilitates quick remedial actions.
- Each division functions as a self-sustaining and autonomous unit. Accordingly, it promotes flexibility, initiative and faster decision making.
- A notable advantage of the divisional structure is that it promotes expansion. Evidently, if an enterprise tries to step into a new product's market, it can simply do so by adding a new division for that product line without interfering with the existing structure.

Disadvantages

- Divisional structure promotes the emergence of autonomous divisions within an enterprise. Consequently, a division might try to compete with other divisions to maximise its profits and hence cause hindrance to the growth of the bigger entity that is the organisation.
- Similar sets of functions are performed across all units. In that case, there is a duplication of functions which lead to an overall increase in expenditure.
- Lastly, this structure gives a lot of power to a divisional manager. This may result in the rise of an independent manager who might hold the division's interests in higher regard than the organisational interests.

BUREAUCRACY

A Bureaucracy is a way of administratively organizing large numbers of people who need to work together. Organizations in the public and private sector, including universities and governments, rely on bureaucracies to function. The term bureaucracy literally means “rule by desks or offices,” a definition that highlights the often impersonal character of bureaucracies. Even though bureaucracies sometimes seem inefficient or wasteful, setting up a bureaucracy helps ensure that thousands of people work together in compatible ways by defining everyone’s roles within a hierarchy.

Characteristics of Bureaucracy

1. Administrative Class:

Bureaucratic organisations generally have administrative class responsible for maintaining and coordinating the activities of the members.

Main features of this class are as follows:

- i. People are paid and are whole time employees,
- ii. They receive salary and other perquisites normally based on their positions,
- iii. Their tenure in the organisation is determined by the rules and regulations of the organisation,
- iv. They do not have any proprietary interest in the organisation,
- v. They are selected for the purpose of employment based on their competence.

2. Hierarchy:

The basic feature of bureaucratic organisation is that there is hierarchy of positions in the organisation. Hierarchy is a system of ranking various positions in descending scale from top to bottom of the organisation. In bureaucratic organisation, offices follow the principle of hierarchy that is each lower office is subject to control and supervision by higher office.

3. Division of Work:

Work of the organisation is divided on the basis of specialisation and division of labour. Each office in the bureaucratic organisation has specific sphere of competence. Division of labour try to ensure that each office has a clearly-defined area of competence within the organisation and each official knows the areas in which he operates and also to ensure that no work is left uncovered.

4. Official Rules:

A basic and most emphasised feature of bureaucratic organisation is that administrative process is continuous and governed by official rules to ensure stability, continuity, predictability, uniformity and coordination of efforts by individual members in the organisation.

5. Impersonal Relationships:

The relationships among individuals are governed through the system of official authority and rules which are free from personal involvement, emotions and sentiments. Thus, decisions are governed by rational factors rather than personal factors.

6. Official Record:

Bureaucratic organisation is characterised by maintenance of proper official records. The decisions and activities of the organisation are formally recorded and preserved for future reference. This is made possible by extensive use of filing system in the organisation. An official record is almost regarded as encyclopedia of various activities performed by the people in the organisation.

REASONS FOR BUREAUCRACY

Bureaucracy developed as a result of four historical conditions which include money economy, capitalism, protestant ethics and large size.

1. Money economy: The payment of money for the services rendered creates a degree of commitment among the bureaucrats and the workforce. According to George Simmel, the growth of money economy contributes greatly to impersonality in social relations. When compensation is based strictly on money, people tend to restrict their relations with one another and also ignore personal considerations.
2. Capitalism: Money economy and capitalism go hand in hand in developing and promoting bureaucracy. Capitalism is an economic and political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state. Under capitalism, formal and complex organizations emerged to ensure that governmental operations succeed, thus, bureaucracy is fully developed in the private economy
3. Protestant ethic: Protestant ethics is a study of the relationship between the ethics of ascetic Protestantism such as hard work, discipline and frugality and the emergence of the spirit of modern capitalism. This gave rise to capitalism which in turn gave rise to

bureaucracy. People's attitude towards work changed and there was a growing emphasis on unlimited gain which ultimately led to the development of bureaucracy.

4. Large size: The existence of bureaucracy is associated with large organizations. The broadest structural cause of bureaucracy is the tremendous size of the organization. Bureaucracy is therefore seen as the product of increased size and complexity of organizations.

DISADVANTAGES OF BUREAUCRACY

1. Karl Marx believed that bureaucracies were used by the dominant capitalist class to control and subdue the working class and it only exists to benefit the capitalist.
2. In public bureaucracies, the concentration of power in the hands of bureaucrats can jeopardize the liberties of individual citizens.
3. Merton suggested that bureaucracies are usually characterized by red tape formalism and rigid rules.
4. Bureaucracies generate forms of professionalism and specialization that result in conservatism, timidity, rigidity and dependence on seniors and may divert attention from the need to adaptability in the face of changing circumstances.
5. Bureaucracies do not adequately allow for personal growth and the development of mature personality

PROBLEMS OF THE NIGERIAN BUREAUCRACY

The culture of any society determines the type, functions and the operations of the bureaucracies that emerge within the society. Nigerian bureaucracy therefore includes the administrative machinery, personnel of government and the large amount of rules and regulations that govern their behaviour. The following are the problems of Nigerian bureaucracy

1. Nigerian bureaucracies are corrupt, inefficient and overstaffed. The bureaucrats too have grown corruptible and corrupt.
2. They are filled with favouritism, nepotism, ethnic loyalties, elitism, inability of supervisors to delegate responsibilities, unreliability of junior staff in executing delegated tasks, failure of all to apply specialized knowledge and training skills in the management of public service and failure to appreciate the importance of timeliness or efficiency in the performance of tasks.
3. Politics affect the spheres of administration and in the process; the whole bureaucratic apparatus is disrupted and put into disarray.

4. The awareness of institutional elite class interests is preserved and nourished through an interconnected chain of internal bureaucratic networks of influence and shared protectionism.
5. Over the years, Nigerian bureaucracies have been slowly converted into an intricate network of favours provided only in exchange for some other kinds of favour given or expected.
6. In their pursuit of private goals, several officials in the Nigerian bureaucracies form cliques and informal groups in order to maximize their benefits all at the expense of the attainment of institutional goals.

THEORETICAL EXPOSITION OF BUREAUCRACY

Karl Marx's perspective on bureaucracy

Karl Marx believes that there is an inherent relation between labour and human nature and the relation is perverted by capitalism. This perverted relation is called alienation. Alienation refers to the separation of things that naturally belong together, or to put antagonism between things that are properly in harmony. Karl Marx believed that alienation is a systematic result of capitalism. Alienation is also the process whereby the worker is made to feel foreign to the products of his/her own labor. It is the estrangement of people from aspects of their human nature. Karl Marx believe that in every bureaucratic org, there is alienation and it can be divided into four (4) basic components

1. Alienation from productive activity: Workers are alienated from their productive activities. They do not produce objects according to their own ideas or to directly satisfy their own needs. In bureaucratic organizations, people work for bureaucrats who then pay them a subsistence wage in return for their job and this gives them the opportunity to use them in any way they see fit. Workers also lack control over the process of production. Because capitalists own the firms that employ workers, people have no say over the conditions in which they work, how the work is organised, and how it affects them physically and mentally. The process of work is not only beyond the control of the workers, it is in the control of forces hostile to them because capitalists and their managers are driven to make people work harder, faster and for longer hours.
2. Alienation from the products: Workers in capitalist societies are not only alienated from productive activities; they are also alienated from the objects of those activities. Capitalists need not do any labor themselves because simply by owning the means of production, they control the profit of the firm they own, and are enriched by it. They make profit by selling commodities which are entirely produced by workers thus becoming alienated from the work he produced, or from the product of his labor. In bureaucratic organizations, the product of any labour belongs to the bureaucrat.
3. Alienation from fellow workers: workers in capitalist societies are alienated from their fellow workers. They are estranged from each other and they see each other as opposing competition and sometimes conflict may occur. For capitalist to extract maximum productivity and prevent development of cooperative relationships, they pit one worker against another to see who can produce more. The workers who succeed are given extra rewards and those who fail are discarded. Considerable hostility is

thus generated among the workers towards their peers. This isolation and the interpersonal hostility tends to alienate workers from their fellow worker.

4. **Alienation from human potential:** Workers in capitalist society are alienated from their own human potential. By working like a machine, relations with other workers are destroyed thus making them become unable to express their essential human qualities.

Functionalist perspective on bureaucracy

The functionalist believed that the bureaucracy exists to serve the needs of society and that all aspect of the organization must function together to achieve equilibrium.

Talcott Parsons

Using the AGIL model, Talcott parsons explained that specialized functions for everybody concerned enables the organization to function well.

Adaptation: Employees must cope with their external boundary conditions, such as their resource base, physical environment, territory and so on. Economic activity serves to solve problems of adaptation.

Goal Attainment: The goals of the organization has to be well defined, resolving goal conflicts, prioritizing some over others, determining resource allocations and directing social energies. Political activity organizes and directs the goal attainment of modern social systems.

Integration: All of the adaptive efforts of organizations within a society need to be integrated into a cohesive system. The organization need to be regulated so that a harmonious society can emerge from their interaction. Legal systems solve this problem, seeking overarching principles for aligning social activities.

Latency: The en-cultured patterns of behaviour required by the social system must be maintained. Peoples' motivation must be established and renewed, and the tensions they experience as they negotiate the social order must be managed. Furthermore, the cultural patterns that accomplish this renewal must themselves be maintained and renewed. Fiduciary systems such as families, schools and churches solve these problems of pattern/tension management.

Symbolic Interactionist Perspective On Bureaucracy

Symbolic interactionism tends to focus on the language and symbols that help us give meaning to the experiences in our life. Symbolic interactionism is a theory that analyzes patterns of communication, interpretation, and adjustment between individuals in society. With diversification of groups, people get to relate together.

Major Assumptions

1. The theory is a framework for understanding how individuals interact with each other and within the organization through the meanings of symbols.
2. The bureaucracy consists of groups of people interacting with one another in patterned ways, on a day-to-day basis.
3. The bureaucracy provides a mechanism for social interactions among disparate groups and individuals.
4. In bureaucratic organizations, symbolic interactionists believe that series of events, experiences and interactions with other people help to form our understanding of reality.
5. Symbolic interactionists also argue that shared activities help to build emotional bonds, and that these relationships are based on negotiated meanings.

Robert K. Merton

The basic assumptions of Robert Merton on bureaucracy are below

- i. Bureaucracies are usually characterized by red tape formalism and rigid rules. Red tape is an idiom used to refer to excessive regulation or rigid conformity on formal rules.
- ii. He observed that goal displacements occur when formalistic goals become more important than the main substantive goal of an organization.
- iii. He argued that the system can easily breed conformity, timidity and conservatism.
- iv. Discipline can become overemphasized with great importance place on people doing as they are told whether or not it is the right thing to do
- v. Experts tend to become narrow-minded and constrained thereby developing ways of not seeing circumstances that do not fit easily with their pre-programmed behaviour.
- vi. Merton concluded that bureaucratic characteristics can have both beneficial and harmful effects on organization.

MCDONALDIZATION OF THE SOCIETY

McDonaldization is a term developed by George Ritzer. McDonaldization can be seen as the way in which "the principles of the fast-food restaurant are coming to dominate more and more sectors of American society as well as of the rest of the world. The building block of McDonaldization is Max Weber's concept of **rationalization**, which is the process of replacing traditional and emotional thought with reason and efficiency. Weber believed that most societies throughout history were governed by tradition and that the most significant trend in modern sociology is an increasing rationalization of every part of our daily lives. He also believed that rationalization would continue until our society would become an iron cage, dehumanizing everyone and creating an extreme level of uniformity.

Principles of McDonaldization

Ritzer identified four main principles of McDonaldization which are all characteristics of McDonald's and other fast-food restaurants. However, they continue to be characteristics of other changing industries, such as shopping districts, education, healthcare, etc. They include predictability, calculability, efficiency, and control.

Predictability

Customers of McDonald's can predict the food menu: you'll find the same Big Mac in California as you would in New York. The building, the decorations, and the uniforms are also usually the same. Likewise, other industries are becoming increasingly predictable. Most of the shopping malls across the country have the same stores. Popular fiction is 'rebooted' over and over again in all kinds of media. Many popular websites even have the same basic layout. Consumers seem to love predictability. They like knowing what to expect and what to do in any situation.

Calculability

The second principle of McDonaldization is calculability, which can be seen at McDonald's in several ways. First, there's an emphasis of quantity over quality. The size and weight of a burger that you buy is the exact same as the size and weight of a burger someone else buys - and the bigger, the better. Second, the cost of that burger is a big selling point. The appeal of low prices is obvious in their Dollar Menu. Third, speed is also considered extremely important and sometimes comes at the cost of quality. Likewise, quantity is increasingly important everywhere you go. Consumers often use price and number of items sold to gauge the appeal of a business. Many stores are now open 24 hours a day in order to stay

competitive. They also continue to offer holiday merchandise earlier and earlier, giving consumers additional quantity of both time and purchasing options.

Efficiency

McDonald's takes pride in the efficiency of its operations, which is the third principle of McDonaldization. When your order is taken, it is usually already waiting for you while keeping warm. Each employee also has a specific role to play, and this division of labor adds to operational efficiency. Likewise, we see the same focus on efficiency in other markets.

Control and the replacement of human by non-human technology.

In the book, Ritzer combines these two elements of the McDonaldization process because they are closely linked. That is, the replacement of human by nonhuman technology is usually oriented towards greater control. What this means is that the skills and capabilities of the human actor are quickly becoming things of the past. Who we are and how we interact is becoming defined by our dependence upon and subordination to the machine.

When things are pre-packaged, pre-measured, and automatically controlled, the human employee is no longer required to think. They simply have to follow the instructions and occasionally push a button. The great source of uncertainty and unpredictability in a rationalizing system are people-either the people who work within those systems or the people who are served by them. (Ritzer 1994:148). For example at home, our ovens or microwaves tell us when our food is done, seasoning is premixed, or the meal comes complete in one convenient package. Checkers at the supermarket don't have to think either, just scan the barcode which allow for more control over the customer; prices are no longer on the items we buy so we have less ability to oversee our spending and the accuracy of the store's charges. Airplanes are already under the control of computers, pilots merely oversee the process. Soon automobiles will follow suit-already diagnostic modules "tell" mechanics what components need to be replaced.

The Sociological Significance of Bureaucracies

Perhaps the main sociological significance of bureaucracies is that they represent a fundamental change in how people relate to one another. When work is rooted in social relationships, much more is at stake than efficiency in performing tasks and keeping an eye on the bottom line. Seeing that all family members are employed, or that everyone in the community has a chance to make a living, for example, may be the determining factors in making decisions. Bureaucracies, or the rationalization of society, changed all this (Volti 1995). Although bureaucracies have become the dominant form of organization for large, task oriented groups, even more common are voluntary associations. Let us examine their essential characteristics. Back in the 1830s, a Frenchman traveled across the United States, observing the customs of this new nation. Alexis de Tocqueville wrote a book about his observations, *Democracy in America* (1835), which became widely read in Europe and in the United States and is still quoted for its insights into the American character. As an outsider, de Tocqueville was able to see patterns that people immersed in them could not. One of de Tocqueville's observations was that Americans joined a lot of voluntary associations, groups made up of volunteers who organize on the basis of some mutual interest. Over the years, Americans have maintained this pattern and are extremely proud of it. A visitor entering any of the thousands of small towns that dot the U.S. landscape is greeted with a highway sign proclaiming which volunteer associations that particular town has: Girl Scouts, Boy Scouts, Kiwanis, Lions, Elks, Eagles, Knights of Columbus, Chamber of Commerce, Future Farmers of America, American Legion, Veterans of Foreign Wars, and perhaps a host of others. One form of voluntary association is so prevalent that a separate sign usually indicates which varieties are present in the town: Roman Catholic, Baptist, Lutheran, Methodist, Episcopalian, and so on. Not listed on these signs are many other voluntary associations, such as political parties, unions, health clubs, the National Right to Life, the National Organization for Women, Alcoholics Anonymous, Gamblers Anonymous, Association of Pinto Racers, and Citizens United For or Against This

and That. Americans love voluntary associations, using them to express a wide variety of interests, goals, opinions, and even dissatisfactions. Some groups are local, consisting of only a few volunteers; others are national, with a paid professional staff. Some are temporary, organized to accomplish a specific task such as arranging a town's next Fourth of July fireworks. Others, such as the Scouts and political parties, are permanent, large, secondary organizations with clear lines of command—and they are also bureaucracies.