Central Perspectives and Debates in Organization Theory

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The diverse schools of organizational thought are classified according to micro and macro levels of organizational analysis and deterministic versus voluntaristic assumptions of human nature to yield four basic perspectives: system-structural, strategic choice, natural selection, and collective-action views of organizations. These four views represent qualitatively different concepts of organizational structure, behavior, change, and managerial roles. Six theoretical debates are then identified by systematically juxtaposing the four views against each other, and a partial reconciliation is achieved by bringing opposing viewpoints into dialectical relief. The six debates, which tend to be addressed singly and in isolation from each other in the literature, are then integrated at a metatheoretical level. The framework presented thus attempts to overcome the problems associated with excessive theoretical compartmentalization by focusing on the interplay between divergent theoretical perspectives, but it also attempts to preserve the authenticity of distinctive viewpoints, thereby retaining the advantages associated with theoretical pluralism.

In recent years there has been a growing theoretical pluralism in the organizational literature, which reflects partly a growing awareness of the complexity of organizations and partly a refinement of the interests and preoccupations of organization theorists. On the one hand, this theoretical pluralism should be encouraged so that researchers will uncover novel aspects of organizational life and sharpen their critical inquiry. But on the other hand, this pluralism encourages excessive theoretical compartmentalization, and it becomes easy to lose sight of the ways in which various schools of thought are related to each other. It is the interplay between different perspectives that helps one gain a more comprehensive understanding of organizational life, since any one school of thought invariably offers only a partial account of reality. Moreover, the juxtaposition of different schools of thought brings into focus the contrasting world views that underlie the major debates that characterize contemporary organization theory.

Consequently, this paper examines six debates on the nature and structuring of organizations that currently permeate the literature. They revolve around the following questions:

1. Are organizations functionally rational, technically constrained systems, or are they socially constructed, subjectively meaningful embodiments of individual action?

2. Are changes in organizational forms explained by internal adaptation or by environmental selection?

3. Is organizational life determined by intractable environmental constraints, or is it actively created through strategic managerial choices?

4. Is the environment to be viewed as a simple aggregation of organizations governed by external economic forces, or as an integrated collectivity of organizations governed by its own internal social and political forces?

5. Is organizational behavior principally concerned with individual or collective action?

6. Are organizations neutral technical instruments engineered
to achieve a goal, or are they institutionalized manifestations of the vested interests and power structure of the wider society?

Though these issues have, to a degree, been debated in the literature, no satisfactory resolutions have emerged — nor is such resolution likely. The problem is that different schools of thought tend to focus only on single sides of issues and use such different logics and vocabularies that they do not speak to each other directly. As Poggi (1965: 284) said, “A way of seeing is a way of not seeing.” Some integration would thus be desirable, but at the same time, it must be an integration that preserves the distinctiveness of the different analytical perspectives involved. We contend that such integration is possible if it is recognized that different perspectives can present quite different pictures of the same organizational phenomenon without nullifying each other. This is achieved simply by using different analytical lenses to examine opposite or contradictory sides of the same issue. In this paper, rather than proclaiming certain points of view as “correct,” we reconcile contradictions between contrasting theories by bringing together a variety of dialectical interpretations of organizational life. Such reconciliations preserve the authenticity of “incompatible” theories, but, at the same time, achieve some measure of integration by highlighting sources of dialectical tension between the theories.

This approach is applied to each of the above debates within the context of a metatheoretical scheme that is sufficiently broad to link the different debates together. Treating the six debates as interdependent brings into relief both points of contrast and tangency between most of the major theoretical approaches to the study of organizations. The intention is not only to refine and sharpen current theory, but also to further understanding of the underlying structures of thought that generate particular theories. We thus attempt integration not only within debates, but across debates at a metatheoretical level. In this respect, the ultimate aim is analogous to Rank’s (1941) call that comparisons between “different psychologies” be replaced by a “psychology of difference.” While we distinguish differences in organizational theories, we hope to contribute to a theory of difference between them based on an explicit awareness of the contrasting metatheoretical assumptions that underlie them. Put differently, we attempt to identify the paradigmatic underpinnings of the field’s extant theoretical metaphors (Morgan, 1980).

**CENTRAL PERSPECTIVES IN ORGANIZATION THEORY**

The figure outlines a metatheoretical scheme for classifying the major schools of thought in organization and management theory into four basic views. The four views are based on two analytical dimensions: (1) the level of organizational analysis and (2) the relative emphasis placed on deterministic versus voluntaristic assumptions about human nature.

A number of authors have recently distinguished between organizational theories by using the classical duality between social determinism and free will — the view that human beings and their institutions are either determined by exogenous forces or are autonomously chosen and created by human beings (Weeks, 1973; Driggers, 1977; Burrell and Morgan,
### Perspectives and Debates

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<td>(Populations and communities of organizations)</td>
<td><strong>Schools</strong>: Population ecology, industrial economics, economic history. <strong>Structure</strong>: Environmental competition and carrying capacity predefine niches. Industrial structure is economically and technically determined. <strong>Change</strong>: A natural evolution of environmental variation, selection and retention. The economic context circumscribes the direction and extent of organizational growth. <strong>Behavior</strong>: Random, natural, or economic, environmental selection. <strong>Manager Role</strong>: Inactive.</td>
<td><strong>Schools</strong>: Human ecology, political economy, pluralism. <strong>Structure</strong>: Communities or networks of semiautonomous partisan groups that interact to modify or construct their collective environment, rules, options. Organization is collective-action controlling, liberating, and expanding individual action. <strong>Change</strong>: Collective bargaining, conflict, negotiation, and compromise through partisan mutual adjustment. <strong>Behavior</strong>: Reasonable, collectively constructed, and politically negotiated orders. <strong>Manager Role</strong>: Interactive.</td>
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<td>(Individual organizations)</td>
<td><strong>Schools</strong>: Systems theory, structural functionalism, contingency theory. <strong>Structure</strong>: Roles and positions hierarchically arranged to efficiently achieve the function of the system. <strong>Change</strong>: Divide and integrate roles to adapt subsystems to changes in environment, technology, size, and resource needs. <strong>Behavior</strong>: Determined, constrained, and adaptive. <strong>Manager Role</strong>: Reactive.</td>
<td><strong>Schools</strong>: Action theory, contemporary decision theory, strategic management. <strong>Structure</strong>: People and their relationships organized and socialized to serve the choices and purposes of people in power. <strong>Change</strong>: Environment and structure are enacted and embody the meanings of action of people in power. <strong>Behavior</strong>: Constructed, autonomous, and enacted. <strong>Manager Role</strong>: Proactive.</td>
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### Figure: Four views of organization and management.

1979; Van de Ven and Astley, 1981). Seen from the voluntaristic orientation, individuals and their created institutions are autonomous, proactive, self-directing agents; individuals are seen as the basic unit of analysis and source of change in organizational life. The deterministic orientation focuses not on individuals, but on the structural properties of the context within which action unfolds, and individual behavior is seen as determined by and reacting to structural constraints that provide organizational life with an overall stability and control.

Historically, the exchange of views between voluntaristic and deterministic approaches to organization analysis has been intertwined with a further distinction between the levels of organization analysis that are used. Traditionally, single organizations have been the primary focus; however, a number of recent theorists have raised the level of analysis to study total populations of organizations, under the assumption that populations exhibit distinctive properties and dynamics of their own that are not discernible in individual organizations. The major reason for our making this micro-macro distinction is to focus on the part-whole relations existing in all organizational
phenomena. Discussions about appropriate levels of analysis have overlapped the voluntarism-determinism argument, but this does not erase the analytical distinction between the two dimensions on which these debates are based.

Classifying schools of thought by these two dimensions yields four basic perspectives: system-structural, strategic choice, natural selection, and collective-action views of organizations. We contend that most, if not all, schools of thought can be classified in terms of these dimensions, whether authors refer to the dimensions explicitly or not. As the figure indicates, these four perspectives represent qualitatively different views of organization structure, behavior, change, and managerial roles. They provide a repertoire of ways to approach and understand organization theory.

The System-Structural View

At the level of individual organizations, structural functionalism and systems theory have been the dominant schools of organization thought (Silverman, 1970). These schools influenced classical management theory (Gullick and Urwick, 1937; Fayol, 1949) and the theory of bureaucracy (Merton, 1940; Blau and Scott, 1962) which, in turn, preceded the development of structural contingency theories (Woodward, 1965; Lawrence and Lorsch, 1967; Thompson, 1967).

Although there is considerable diversity and debate among these schools, they share a common deterministic orientation by which organizational behavior is seen to be shaped by a series of impersonal mechanisms that act as external constraints on actors. Structural elements are assumed to be interrelated in such a way that they instrumentally serve the achievement of organizational goals and are therefore "functional." The basic components of structure are roles. These predefine the set of behavioral expectations, duties, and responsibilities associated with a given position. It is roles, not individuals, that are structured; human beings occupy these roles and must therefore be carefully selected, trained, and controlled to meet the requirements of the position they occupy. Shared organizational goals impose a need for conformity and coherence. Individuals are thereby immersed as component parts of an interdependent collectivity — a structured, interlocking system that shapes and determines their behavior.

According to the system-structural view, the manager's basic role is a reactive one. It is a technician's role of fine-tuning the organization according to the exigencies that confront it. Change takes the form of "adaptation"; it occurs as the product of exogenous shifts in the environment. The manager must perceive, process, and respond to a changing environment and adapt by rearranging internal organizational structure to ensure survival or effectiveness. The focus of managerial decision making, therefore, is not on choice but on gathering correct information about environmental variations and on using technical criteria to examine the consequences of responses to alternative demands.

The Strategic Choice View

Critiques of the system-structural approach have emerged in the form of an "action frame of reference," advocated by those
who adhere to a more voluntaristic orientation (Silverman, 1970). This viewpoint is used to attack system and structural-functional approaches for inferring the existence of self-regulating mechanisms that serve the "needs" and "functions" of the system. This is the problem of reification. In contrast, according to action theory, organizations are continuously constructed, sustained, and changed by actors' definitions of the situation—the subjective meanings and interpretations that actors impute to their worlds as they negotiate and enact their organizational surroundings. It is in this vein that a variety of approaches—exchange (Blau, 1964), symbolic (Feldman and March, 1981), interaction (Goffman, 1961), negotiated order (Strauss et al., 1963), phenomenological (Weick, 1979), and ethnomethodological (Bittner, 1965)—have come to the fore.

Action theory in organizational analysis has mainly been applied to "strategic choice" in decision-making situations (Child, 1972). According to this view, choice is available in the design of organizational structure, which may be fashioned more in accordance with political considerations than technical criteria. Decision theorists have emphasized that ambiguity is sufficiently widespread in organizations to afford the opportunity frequently to engineer such an outcome (March and Olsen, 1976). Strategic choice also extends to the organization's environment. Thus, strategic management and resource-dependence theorists argue that the environment is not to be viewed as a set of intractable constraints; it can be changed and manipulated through political negotiation to fit the objectives of top management (Pfeffer and Salancik, 1978; Lorange, 1980).

As the figure outlines, the strategic choice view draws attention to individuals, their interactions, social constructions, autonomy, and choices, as opposed to the constraints of their role incumbency and functional interrelationships in the system. Both environment and structure are enacted to embody the meanings and actions of individuals—particularly those in power. Managers are regarded as performing a proactive role; their choices are viewed as autonomous, and their acts are viewed as energizing forces that shape the organizational world.

The Natural Selection View

A more macro view of organization-environment relations that contrasts with both system-structural and strategic choice approaches has emerged in the form of a natural selection view that focuses not on single organizations, but on the structural and demographic characteristics of total populations of organizations or industries. Those who adopt this perspective include population ecologists, industrial economists, and economic historians.

The population ecology model is based on the notion that environmental resources are structured in the form of "niches" whose existence and distribution across society are relatively intractable to manipulation by single organizations. Consequently, this view emphasizes, rather deterministically, that there are definite limits to the degree to which autonomous strategic choice is available (Aldrich, 1979; Ch. 6). At the same time, organizations are seen as severely limited in their ability to adapt their internal "forms" to different niches. As a result,
organizations are placed at the mercy of their environments, since they either fortuitously “fit” into a niche or are “selected out” and fail (Hannan and Freeman, 1977). This view also implies a population level of analysis, since whole species of organizations are seen to survive or fail regardless of the actions taken by single organizations within them.

A parallel to the population ecologist’s concept of niche can be found in the industrial economist’s notion of industrial structure, defined as the relatively stable economic and technical dimensions of an industry that provide the context within which competition occurs. Industrial structure inhibits movement between markets through “entry barriers” and sharply delimits the economic feasibility and appropriateness of different strategic alternatives for particular industrial contexts (Caves and Porter, 1977). Traditionally understood, “market conduct,” or a firm’s strategy, merely reflects the environment (Porter, 1981).

Moreover, economic historians such as Chandler (1977) and institutional economists such as Williamson (1975) contend that industrial structure evolves in determinate ways. The general thesis is that a competitive economy driven by market transactions among many small traditional enterprises has evolved into a regulated economy dominated by the internal, hierarchical transactions of big business. This has occurred as a response to changing environmental forces over which individual organizations have little control. In the view of those authors, structural transformations of the modern industrial environment are governed by impersonal economic laws and the dictates of administrative efficiency, not contrived through management strategy. Big business prevails not because it has succeeded in amassing and exploiting market power, but because it is a more efficient instrument than the market for minimizing transaction costs (Williamson, 1975) or for coordinating the flow of goods and services in the economy (Chandler, 1977).

In summary, in the natural selection view, the evolution of corporate society and its economic infrastructure is driven by environmental forces. Change is explained in terms of a natural drift of resources through the economy, rather than in terms of internal managerial action. Primacy is ascribed to the environment, which inhibits choice by channeling organizations in predetermined directions. In this sense, the managerial role can be described as inactive (see Figure) or, at most, symbolic (Pfeffer and Salancik, 1978: 263).

The Collective-Action View

Instead of conceiving of corporate society as subject to an environmentally determined evolution, it is possible to conceive of it as guided and constructed by collective purpose and choice. This point has been made by social ecologists (Emery and Trist, 1973), human ecologists (Hawley, 1950, 1968), and social planning theorists (Vickers, 1965; Schon, 1971; Michael, 1973; Ackoff, 1974; Warren, Rose, and Bergunder, 1974). They contend that contemporary societal conditions are, or should be, regulated by purposeful (voluntary) action taking place at a collective level. Rather than view organizations as pitched in a competitive battle for survival through a direct confrontation with the natural, or exogenous, environment, these authors
emphasize collective survival, which is achieved by collaboration between organizations through the construction of a regulated and controlled social environment that mediates the effects of the natural environment.

The key notion involved in the idea of collective survival is that of the interorganizational network. A network is an interlocking system of exchange relationships negotiated between members of different organizations as they jointly shape their environments (Cook, 1977). This network consists of a social action system of symbiotically interdependent organizations that, over time, take on specialized roles within a framework of normative expectations that define rights and conduct (Van de Ven, Emmett, and Koenig, 1974; Benson, 1975). These norms — what Commons (1950) described as the “working rules of collective action” — permit the network to act as a unit and make decisions to attain the collective and individual interests of its member organizations.

The internal political structure of interorganizational networks has been represented in different ways: both as a pluralistic system of interaction (Schon, 1971; Metcalfe, 1974; Trist, 1979), and as a political economy (Benson, 1975), embodied in structures of domination or “hegemonic control” (Clegg, 1981; Perrow, 1981). But, in either case, change is understood to be actively produced by political negotiation and social definition rather than determined by neutral economic and environmental forces.

The collective-action view focuses on networks of symbiotically interdependent, yet semiautonomous organizations that interact to construct or modify their collective environment, working rules, and options. The manager’s role is an interactive one. He transacts with others through collective bargaining, negotiation, compromise, political maneuver, and so on. Movements toward solutions are guided by norms, customs, and laws, which are the working rules of collective action.

CENTRAL DEBATES IN ORGANIZATION THEORY

Each of these four perspectives represents only a partial view of reality, so that together they provide a repertoire of complementary ways to quadrangle on organizational phenomena. This suggests the desirability of systematically juxtaposing the four perspectives to provide a more comprehensive understanding of organizations. At the same time, each of the perspectives contradicts the others in key respects, since each presents its own distinctive interpretation of reality. This suggests the desirability of systematically counterposing the four perspectives to bring points of divergence into dialectical relief. Consequently, we now turn to an analysis of the six debates that are generated from an interplay of the four perspectives.

System versus Action: Q1 vs. Q2

Are organizations functionally rational, technically constrained systems, or are they socially constructed, subjectively meaningful embodiments of individual action? This debate is concerned with the interplay between what Dawe (1970) referred to as “the two sociologies”: one views individual action as the derivative of the social system, and the other views the social system as the derivative of individual action.

1 The abbreviations Q1, Q2, Q3, and Q4 will be used throughout the paper to denote the numbered quadrants of the figure.
In organization theory, Crozier and Friedberg (1980) have addressed this debate, contrasting a "systemic argument" (the system-structural view) and a "strategic argument" (the strategic choice view). The systemic argument begins analysis with the organization as a whole and locates individual action according to its place and function within the system. The individual is only a component of the system, an imitator that must be controlled so that overall functional integration can be maintained (see Howton, 1969).

The strategic argument, on the other hand, begins with the individual and proceeds to find the system only as the aggregated outcome of individual acts. It criticizes the functional explanation, claiming that the latter attempts to account for behavior indirectly, by reference to its supposed consequences, rather than directly, by reference to the specific acts that cause it (Silverman, 1970). To avoid reifying the organization, the strategic argument thus treats subjectively meaningful individual action as the central force of organizational behavior. In this view the organization is no longer a functionally cohesive monolith; it becomes a shifting coalition (March, 1962; Geor-giou, 1973; Keeley, 1980), a loosely coupled system (Weick, 1976), or even organized anarchy (Cohen, March, and Olsen, 1972).

A dialectical reconciliation that escapes the one-sided subjectivism of action theory while resisting functional determinism must recognize that individual action is always, in some measure, curbed to avoid total disintegration of the system. But the system is never totally integrated into a perfectly cohesive body, either. Organizations do maintain a degree of cohesion, but this must always be contrived through a partial suppression of internal antagonism. For Crozier and Friedberg (1980), this balancing and managing of complex internal tensions is like playing a "game." The game has rules that must be obeyed so that collective association can continue. Within the rules, however, several different strategies are always possible. Moreover, the rules can be broken, but only to a limited extent. The player remains free, but if he wants to win he must adopt a strategy in reasonable conformance with the rules, since a complete abandonment of the game cannot serve his interests.

A parallel debate has emerged over discussions of rationality in decision making. Conventional, structural-functional approaches contend that decision making is mostly rational in that it exhibits goal-directed, functional behavior. An objective logic of effectiveness based on "technical rationality" (Thompson, 1967: 14) is presumed to operate. The decision-making process is represented as an exercise in engineering; it is governed by laws inferred from a cost-benefit calculus, a "logic of cost and efficiency" (Roethlisberger and Dickson, 1939) that underlies managerial action.

For contemporary decision theorists employing an action frame of reference, such "rationality" is only a mystifying gloss that obscures the pervasive nonrational elements in decision making. March and Olsen (1976) and Weick (1979) suggested that decision making is best conceived not as rationally contrived toward the instrumental attainment of organizational goals; rather, events simply unfold for one reason or another, be it accident, habit, or personal preference and expediency. In
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reality, actions may precede goals. Goals may be imaginative reconstructions that impute order and rationality to acts and decisions after they have occurred. Organizational arrangements should not, therefore, be misinterpreted as functionally or logically required. They become indispensable only by virtue of our conscious reflections, which superimpose the quality of logic on the already established order. Here is the dialectic: Is the system rationally planned and constructed, or does action just emerge, to be subsequently rationalized?

The system/action debate is also present in the tension between contingency theory, on the one hand, and strategic management and resource-dependency theory, on the other hand. Contingency theory assumes that contextual constraints have binding effects on organizational operations. In other words, context has causal primacy; management merely responds in the technically appropriate manner. Strategic management and resource-dependence theorists, in contrast, point to the extent to which management has the leeway to create and define the organization’s context. Managers proactively choose from their environment what will be important and what will be the relevant operating context for them. There may well be costs involved in ignoring certain contextual factors, but these are only costs to be weighed against alternative costs; they are not determinants.

Child (1972) has attempted to reconcile these views by pointing out that, while a “goodness of fit” between organization context and structure may have performance implications that constrain managers, such performance constraints are themselves socially defined; they may be set at levels low enough to allow for the pursuit of other non-performance-related goals. Economic performance, in other words, may be only one of multiple points of reference influencing decision making. While managers still experience constraint, they do so only in the sense that they have chosen what will act as a constraint for them. Again, we see that the two sides of the argument are at once complementary, contradictory, and convergent.

Adaptation versus Selection: Q1 vs. Q3

Are changes in organizational forms explained by internal adaptation or by environmental selection? The first of these explanations, the internal adaptation view, has historically dominated organization theory. Drawing from systems theorists who analyze social organizations as “complex adaptive systems” (Buckley, 1968), contingency theorists have emphasized that organizations respond to change by modifying or elaborating their internal structures to maintain an isomorphic relationship with the environment. For example, environmental heterogeneity must be matched by internal differentiation and integration if organizational performance is not to suffer (Lawrence and Lorsch, 1967).

Population ecologists have reacted to this adaptation perspective, arguing that it exaggerates the degree to which managers of organizations can flexibly adjust their structural forms (Aldrich and Pfeffer, 1976). Sunk costs, historical precedent, political resistance to change, and so on, are held responsible for inducing a “structural inertia” (Hannan and Freeman, 1977). Given this inertia, if the niche that an organization occupies no longer continues to attract sufficient resources to sustain a
particular organizational form, that form becomes obsolete and is "selected out." At the same time, resources transfer into new areas, creating niches that are sufficiently novel that limited adaptations of existing organizations cannot provide adequate degrees of fitness. Thus, entirely new organizational forms must be "selected in." Environmental selection thus replaces internal adaptation as the major vehicle of change.

Both the adaptation and selection perspectives share a deterministic orientation, in that the ultimate source of change is the environment. But they differ with respect to their level of analysis (McKelvey, 1979). In the adaptation view, organizations respond to change by fine-tuning themselves to the contingencies of their local task environments. The analysis is strictly unit-based. But in the selection view, no amount of fine-tuning within the localized confines of an organization’s niche is adequate since, in the long run, the niche for a particular type of organization may disappear altogether. Thus, the focus shifts to entire species or populations of organizations that come and go in "waves" as whole industries are born and extinguished (Aldrich, 1979).

Population ecologists admit, however, that the natural selection model works much better for small, powerless organizations operating in environments with dispersed resources than for large, politically well-connected organizations operating in environments with concentrated resources (Aldrich, 1979: 111–112). This suggests a possible reconciliation between the selection and adaptation perspectives. The problem here is that large organizations are selected out only very infrequently (Edwards, 1979: 84–85). For this reason, Lawrence (1981) contended that the natural selection perspective needs to be supplemented by an adaptation-by-learning perspective. He argued that if an organization survives environmental selection in the early stages of growth and expands along any one of several lines (e.g., product mix, geographical area), it may be better able to adapt to subsequent environmental changes that would have been fatal at an earlier stage.

The explanation for this may lie in the fact that small organizations experience greater risk of being selected out because they are typically locked into a single niche, whereas large organizations increasingly span many niches and thereby entrench their positions through geographical expansion and diversification (Pennings, 1980). Given that forces of institutionalization invariably induce structural inertia (Kimberly, 1980), however, it remains to be explained how small organizations can successfully change into larger ones without first being selected out. This may occur as institutionalization inhibits small-scale, short-term adaptation and leads to a build-up of tension as the organization becomes increasingly mismatched to its environment. Then, this tension is eventually resolved, not by "change within the system" but by "change of the system" (Parsons, 1961). This explains the "metamorphic" transformations (Sarbucks, 1965, 1968) organizations undertake as their operations spill over into new product-market locations (Chandler, 1962). Once having gained a foothold in one or more niches, the organization can avoid being selected out by adjusting its portfolio, transferring resources away from areas of decline into more munificent spheres of operation. While a myopic focusing of activity may still induce structural inertia within niche-bound

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2 Indeed, turnover among large corporations has declined markedly throughout the twentieth century (Scherer, 1980: 54–56), probably because large corporations are in the best position to take advantage of institutional adaptations (Meyer and Rowan, 1977; J. Meyer, 1978).
subunits, the organization can retain its overall buoyancy at the corporate level.

While this explanation of the adaptability of large organizations complements the population ecology view by overcoming one of the latter’s major deficiencies, it does little to challenge the adequacy of another perspective that focuses specifically on large organizations while remaining consistent with the natural selection view. This is the “market failures” framework offered by Williamson (1975). This framework qualifies as a natural selection view in the sense that it deals with how the economic environment “selects in” a new and important breed of organization — what Chandler (1977) described as “the modern multiunit enterprise.”

The general thesis is that “markets” are supplanted by “hierarchies” when markets cease to function properly because of “information impactedness,” an asymmetrical distribution of information that interferes with the optimal allocation of resources through market exchange. An organization’s superior monitoring and control capabilities overcome this problem: they reduce “transaction costs” and restore efficiency. The growth of large hierarchical organizations is therefore determined economically in the sense that internal organization reestablishes the natural operation of economic rationality when markets are no longer able to perform this function. At the same time, this economic rationality operates at a population level of analysis, since it governs the operation of the total market or industry. The shift from markets to hierarchies is explained as a triumph of the interests of the economic “system” as a whole over the opportunistic tendencies of its constituent members (Williamson, 1975: 27). Optimization of efficiency in allocating resources throughout the total economy is the salient force in operation.

While the market-failures framework plausibly extends the natural selection view to large corporations, it too is open to dialectical reinterpretation by the system-structural view. Thompson had a quite different account of how markets are supplanted by hierarchies as “organizations under norms of rationality seek to place their boundaries around those activities which if left to the task environment would be crucial contingencies” (Thompson, 1967: 39). In Thompson’s explanation of this phenomenon, it is not the rational workings of an economic system that matter, but the norms of technical rationality that govern the internal operations of particular organizations. It is the interests of the focal organization that are at stake, not those of the economic marketplace. Hierarchies are not by-products of market failure that act simply as alternative mechanisms for allocating economic resources for society’s benefit; rather, they are managerial contrivances for controlling, reducing, or removing contingencies that threaten the organization’s technical functioning. In this view, internalization represents an absorption of external threat, not a market failure. It embodies the logic of organizational adaptation, not the logic of environmental evolution. It is technological determinism applied to single organizations, not economic determinism applied to populations of organizations in a market system. Here again we see a dialectical tension; the subject matter is the same, it is the camera angle that shifts.
Constrained Niches versus Enacted Domains: Q2 vs. Q3

Is organizational life determined by intractable environmental constraints, or is it actively created through strategic managerial choices? This debate has been highlighted recently by Porter's (1981) discussion of the relationship between industrial economics and strategic management. In a systematic contrast of the two fields, Porter points to differences in orientation that pertain directly to the two dimensions of the figure. First, while industrial economists have been able to take the industry as a whole as their unit of analysis by assuming that all firms in the industry will react in identical ways to the same economic context, strategic management theorists have been interested in the problems of the individual firm as a unique entity with unique strengths and weaknesses. Second, industrial economists have presented a rather deterministic view because of their static, structural analysis of industries, while "the policy field has a long tradition of emphasizing the insight, creativity, and even vision that some firms have exhibited in finding unique ways to change the rules of the game in their industries" (Porter, 1981: 613).

Given these contrasting orientations, it is not surprising that Aldrich (1979: Ch. 6) relied heavily on the industrial economics literature to circumscribe the extent to which strategic choice is available within organizations. This argument centers around the postulated existence of niches, distinct combinations of resources and other constraints in the environment. The concept of niche implies a focus on populations of organizations rather than single organizations, since distributions of economic and other resources that form niches provide support for whole species of organizations. The fate of each single organization is tied to its membership in a particular population type because it cannot easily adapt to different niches. The macroeconomic, social, and political forces underlying the emergence and dissolution of niches overwhelm strategic managerial action in the long run, since only a few powerful and politically well-connected organizations can significantly counteract these forces.

By contrast, strategic choice theorists view the environment as a "domain" that managers enact, define, and otherwise influence (Levine and White, 1961). Rumelt (1979) has thus reacted to the natural selection position, arguing that a capacity for adaptation to new niches is reflected in the particular strategic posture adopted by managers of single organizations. The presence of idiosyncratic strategies produces variation in performance between organizations that are members of the same species but that nevertheless, carve out their own distinctive product-market niches. Thus, it is the particular transactions that managers of organizations engage in that alter their environmental position "without altering the environment itself" (Rumelt, 1979). Other theorists have argued that even the macro-structure of the environment changes in response to corporate strategy. Caves and Porter (1977) and Salop (1979), for example, have shown how managers can affect or even deter entry of their firms into industries by carefully choosing their strategies. Such observations require that the traditional industrial economics assumption that industry structure is relatively constant and is the primary determinant of strategy be counterbalanced by a "theory of dynamic industry structures"
that, instead of regarding structure solely as an independent variable determining firm behavior, also treats market structure as a dependent variable that over time comes to reflect the past strategies of firms in the industry (Brock, 1981, Ch. 2).

The contrast between natural selection and strategic choice views is crystallized in Weick’s (1979) modification of the variation-selection-retention model used by population ecologists (e.g., Aldrich, 1979), which he relabels an “enactment-selection-retention” model. Weick’s substitution of enactment for variation is meant to emphasize that “managers construct, rearrange, single out, and demolish many ‘objective’ features of their surroundings” as they literally define and create their own constraints (Weick, 1979: 164). Selection criteria are not so much embodied in external environmental conditions as they are lodged in organizational members themselves. Selection takes place as individuals impose meaning upon, and make sense out of, their enacted raw data. Those patterns of data that fit their interpretation schemes and cognitive repertoires are selected in, while the rest is edited out. Selection criteria are thus specific to the particular individuals of particular organizations rather than being transmitted to whole species of organizations as niche constraints. Again, the reten-
tion process inheres not in features of the environment, but in “cause maps” built up out of individuals’ past experience. These cause maps feed back to the enactment and selection processes, providing them with cues, attention patterns, and processes for scanning and monitoring, all of which play an active role in constructing an “artificial” environment out of the objective environment. Weick consequently insists that meaningful environments are outputs of organizing, not inputs to it, as population ecologists would contend. The variation-selection-retention model thus appears equally compatible with both natural selection and strategic choice views.

The fact that there is nothing inherent in the variation-
selection-retention model that biases it toward a deterministic orientation suggests that the population ecologist’s success in ascribing causal primacy to the environment relies more than anything else on the characteristic adoption of a population level of analysis. The actions of single organizations are held to count for little in the face of long-term demographic trends that affect whole populations. If it is true, however, that the successful application of the population ecology model to environmental selection rests on its level of analysis (Aldrich, 1979: 107), then the theoretical conclusions of population ecology that emphasize the importance of external environment-
al constraint are based on an analytical conflation of the two dimensions of the figure.

In other words, the population ecology model attributes to the environment what a population level of analysis actually achieves. If one focuses on populations of organizations, the
strategic choices of single organizations must assume minimal importance. This is so, simply because the switch in level of analysis is designed to achieve just that effect. By seeking to understand the dynamics underlying aggregate distributions of organizations across environmental conditions, one takes a macro focus on the population, thereby automatically foregoing a micro view of the activities of single organizations. But to conclude from this restricted focus that the environment has
primacy and that it is "the environment that selects" (Hannan and Freeman, 1977) incorrectly underplays the role of voluntarism in organizational life. Though it is still true to say that the actions of small, single organizations count for little in the face of long-run trends discerned at a population level of analysis, one should not be seduced into representing this fact in terms of vague natural forces and external constraints residing in a faceless environment. This is borne out by the fact that it is quite possible to employ a population level of analysis in conjunction with a voluntaristic orientation, as the following contrast of natural selection and collective-action views illustrates.

Economic Aggregates versus Political Collectivities: Q3 vs. Q4

Is the environment to be viewed as a simple aggregation of organizations governed by external economic forces, or viewed as an integrated collectivity of organizations governed by its own internal social and political forces? At the population level of analysis, the voluntarism-determinism dialectic between theories of ecology focuses on two issues: (1) the definition of "population," itself and (2) whether populations of organizations are driven by economic or by social and political dynamics. These two interrelated issues will be separated for analytical clarity.

In the population ecology view, a population is defined as an "aggregate" of organizations that are "relatively homogeneous" (Hannan and Freeman, 1977). All organizations within the population share certain "key elements" that constitute their "common form." Consequently, they also share a mutual "vulnerability" to the environment. This common vulnerability explains the occurrence and distribution of different species of organizations across differing environmental conditions.

In contrast, human ecologists (Hawley, 1950, 1968; Duncan, 1964; Boulding, 1978) define a population not in terms of common susceptibility to the environment, but in terms of the internal patterning of relationships between its constituent members. For human ecologists, the population is not an incoherent agglomeration, but a coherent organization — an "integrated system having some degree of unit character" (Hawley, 1968). Internal "organization" is the very attribute that transforms an assemblage of organizations into a collectivity with distinctive properties of its own.

The human ecologist's conception of collective behavior thus extends beyond Hannan and Freeman’s notion of single-species populations. These single-species populations are comprised of a homogeneous set of organizations that share a competitive, "intraspecific" relationship known as "commensalism." For human ecologists, a population emerges only when the quality of corporate unity or internal cohesion can be attributed to it. Such cohesion derives from the functional interdependence that develops on the basis of complementary differences between heterogeneous units, especially units sharing an "interspecific relationship" known as "symbiosis."

In the human ecology view, adaptation takes place through the mechanism of network closure. Symbiosis results from the fact that some organizations become functionally specialized in
obtaining needed resources directly from the environment, while others secure these resources indirectly through boundary-spanning organizations. The internal functioning of the population is thereby shielded from environmental effects, and this represents a creative, collective effort by the population to manage and control its existence, partially free from the need to react to environmental intrusions. "The symbiotic union enhances the efficiency of production or creative effort; the commensal union, since its parts are homogeneous, can only react and is suited, therefore, only to protective or conservative actions" (Hawley, 1968: 332).

Through its focus on populations of homogeneous organizations that are commensalistically related (i.e., indirectly related because of common dependence on the environment), the natural selection view draws attention to the open-system condition, where each member of the population interacts directly with the environment and is therefore directly influenced by it. Environmental influence is highlighted by defining the population in terms of its shared environmental vulnerability. By definition, the greater this vulnerability, the greater the population effect.

Through its focus on symbiotic interdependence and the movement toward network closure, which removes most parts of the population from direct contact with the environment, the human ecology view automatically plays down the effects of the environment while highlighting the social constructions of collective action. By definition, the greater the insulation from environmental influence through system closure, the greater the population effect.

In summary, population ecology focuses attention on a "natural" environment comprised of forces beyond the organization's control. Organizations can vie for environmental resources with other organizations in a competitive bid for survival, but ultimately their fortunes are environmentally determined. In contrast, human ecology focuses attention on the active construction of a protective "social" environment that displaces the natural environment as the critical influence. In effect, organizational parties symbiotically collude to ensure the continued existence of the interorganizational network as a whole.

This contrasting focus on "natural" versus "social" environments also carries implications for each view's assessment of what constitutes the essential dynamic underlying organizational activity. Thus, for population ecologists, "environmental pressures make competition for resources the central force in organizational activities" (Aldrich, 1979: 27–28), and the population ecology model is held to work best in environments with "dispersed resources" (Aldrich, 1979: 111), that is, in environments that approximate perfectly competitive markets. The whole notion that relationships between organizations are mediated indirectly through natural environmental processes implies that something akin to Adam Smith's (1937) "invisible hand" is operating. The dynamic is essentially that of economic competition.

On the other hand, the human ecologist's emphasis on socially constructed and regulated environments tends to highlight the importance of social and political rather than economic forces.
Power begins to play an explicit role as those units responsible for obtaining resources directly from the "natural" environment are able to regulate the conditions essential to the functioning of other units in the network that have only indirect relations with this environment. While some degree of power is held by all units, this power varies inversely with the number of steps that a unit is removed from direct environmental contact, with the result that power relationships between organizations grow even more elaborate as interorganizational networks attain greater closure (Hawley, 1968). As this occurs, political negotiation plays an increasingly important role in regulating the flow of economic resources throughout the network. Though such resource flows may still be characterized as economic exchanges, to the extent that powerful members of the network are able to define their own terms of exchange and impose these on others, a political-economic analysis is required.

Benson (1975) has consequently contended that the process of resource acquisition in interorganizational networks is inevitably linked to the distribution of power and must, accordingly, be analyzed as a "political economy."

Another aspect of this same emerging debate between industrial economists on the one hand and political economists on the other relates to the growing dominance of big business at the core of interorganizational networks. The construction of an artificial social environment among a community of organizations is one way to ensure immunity from the harsh realities of competition in the natural environment. An equally important way is to control the natural environment by absorbing it within the corporate boundaries of single enterprises. Galbraith (1967) and Edwards (1979) have pointed to this elimination of market exchange as a principal method of promoting control of the economy by an elite of giant corporations. Edwards (1979: 83) provides supporting evidence, noting that consolidations that control less than 50 percent of their markets fail nearly three times more often than firms with greater market control, while the latter earn roughly 30 percent higher profits than the former.

While these authors highlight the political rather than the economic significance of this phenomenon, others have incorporated it within a natural selection framework. As we noted earlier, Williamson (1975) argued that the growth of big business occurs when markets fail to allocate resources efficiently, so that a hierarchical monitoring of transactions becomes necessary to restore economic rationality by reducing costs. Similarly, Chandler (1977) argued that administrative efficiencies underlie the growth of big business because the latter provides superior scheduling and coordination of standardized products in high-volume industries. In other words, economic forces (especially the economic advantages of vertical integration) have led to the emergence of large-scale enterprise, since those firms that did not adjust to changing market and technological conditions by internalizing the environment were unable to compete and were selected out.

Perrow (1981) has criticized this neutral efficiency explanation for failing to take into account the possibility that vertical integration takes place for the somewhat more nefarious purpose of cutting off competitors' supplies or dominating available distribution outlets, rather than simply reducing eco-
nomic costs. While he agreed that economic factors provide the necessary conditions that permit vertical integration to take place (since not all industries do, or can, vertically integrate), it is power and market control rather than economic efficiency that provides the essential motivation for such growth. Thus, the dialectic emerges again: industrial concentration is hegemonic power; economic success is political domination; corporate organization is social control.

**Individual versus Collective Action: Q2 vs. Q4**

Is organizational behavior principally concerned with individual or collective action? This question focuses on the basic tension between self versus collective frames of reference as these are exhibited in micro and macro levels of organizational analysis. In the main, organization and management theories have embraced a self-interest orientation by adhering to the rational model of administrative behavior. In contrast, the collective-interest problem remains largely ignored.

The basic axiom of rational behavior is to “maximize,” or at least “satisfice,” self-interests (Simon, 1976). A consistent preference ordering is assumed, in which individuals or organizations have a clearly specified objective function by which they can select the best from a set of alternatives. “As long as we assume that organizations have goals and that those goals have some classical properties of stability, precision, and consistency, we can treat an organization as some kind of rational actor” (March, 1981: 215). Indeed, the entire theory of rational organizational behavior relies on the premise that participants share common goals, for without it cooperative “teamwork” would not be possible (Simon, 1976).

But organizational stakeholders often have conflicting goals, particularly under conditions of scarcity. Then the rational model transforms into either a competitive theory of games with probability pay-off matrices for each participant, or attempts are made to alter the preferences of dissenting parties into a consensus so that “teamwork” can again prevail. Classical theories of the firm handle this problem in two stages. First, conflicting demands are converted into prices by having each individual negotiate the terms needed to agree to pursue another’s preferences. Second, managers or entrepreneurs impose their goals on the organization in exchange for the negotiated wages paid to employees (March, 1981). In addition to these wage negotiations, organizations use elaborate systems of motivation, promotion, reward, and control to maintain order and consensus among organizational participants. Thus, the employment contract is reinforced by a system of inducements that provides management with a means of securing employee consensus toward organizational goals.

It is along these lines that Mancur Olson (1965) argued that because of the “free rider problem” there is no rational justification for individuals to contribute to “collective goods.” In small groups, or oligarchies, individuals may be willing to contribute voluntarily to obtain collective goods because of a common norm of reciprocity, interpersonal trust, friendship, social pressure, or an altruistic concern for the welfare of the group as a whole. For large groups, these inducements diminish, however, and the problem of generating collective action becomes increasingly acute. For Olson (1965: 51), “only
a separate and ‘selective’ incentive will stimulate a rational individual in a latent group to act in a group-oriented way.”

Reacting to this individualistic thrust of classical economists, for whom “the human individual acted somewhat like an atom,” Commons (1950: 36) argued “that individuals are not self-sufficient, independent entities; and society is not the summation of the individual members” (Commons, 1950: 14). Individual freedom is not an innate right; it is a collective achievement. The only way individual freedom can be obtained is through a collective adherence to “duties” that define and protect individual “rights” for everyone. Rights and duties are not individually determined; they come from norms, customs, and laws that are enforced by a sovereignty. Commons referred to these norms, customs, and laws as the “working rules of collective action,” a notion he based on the legal concept of a “reasonable man.” The reasonable man follows a very different logic from the rational man (Van de Ven and Freeman, 1983). In law, the reasonable man must meet some uniform, collective standard of conduct. This standard is determined with reference to a community valuation and must be the same for all persons, “since the law can have no favorites” (Prosser, 1971: 150).

Reasonable behavior, however, does not deny rational behavior; it provides an institutional framework within which it can work. Clearly, individuals do pursue their own goals and do attempt to maximize their self-interests as best they can under given conditions. Consequently, conflict and disruption are as ever-present and important as consensus and order, a fact that is recognized in the pluralistic perspective of Lindblom (1965), Wilson (1973), and Dahl and Lindblom (1976). These authors analyze collective action as an incremental process emerging from mutual adjustments among multiple, partisan interest groups. While partisan actors pursue their own interests, however, they do so within limits and must negotiate with others to find compromises that are acceptable from a collective point of view. This is the function served by the working rules of collective action: they embody an institutional order that defines limits within which individuals may exercise their own wills.

This individual-versus-collective-action debate is clearly evident in the literature dealing with organization-environment relationships. Again, the individual-as-rational-actor perspective has prevailed, a fact that is reflected in the tendency of authors to adopt the point of view of a focal organization. For example, resource dependence theory (Pfeffer and Salancik, 1978) contends that astute managers seek to increase their power over critical sources of dependence in the environment by, on the one hand, striking favorable bargains with their exchange partners, and, on the other hand, avoiding costly entanglements with them. Necessary resources must be acquired, but only in a way that guards against the organization’s surrendering too much autonomy and becoming overly dependent on external parties (Thompson and McEwen, 1958). The resulting interaction is viewed as a kind of game: managers strategically counteract each others’ maneuvers. Even apparent instances of collaboration are analyzed from a game-theoretic viewpoint. Thus, joint ventures, coalitions, informal agreements, and so on, are seen as mixed-motive games. They are alliances put
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together for expedient purposes, but they are temporary alliances that are adhered to only insofar as, and so long as, they serve each coalition partner's self-interests.

On the other hand, a genuinely collective orientation has also begun to emerge in the organization-environment literature. Thus, Benson (1975) and Pfeffer and Salancik (1978: 147) have outlined some of the norms (or working rules of collective action) that operate in interorganizational networks. Such norms stabilize the collective functioning of interdependent systems of organizations, and yet they do not completely suppress autonomy, the pursuit of localized interest, or the emergence of conflict between organizations. Instead, they facilitate mutual adjustment among multiple partisan interests in a pluralistic system that is neither individualistic and anarchic nor totalitarian. As Metcalfe (1974) and Van de Ven (1980) have indicated, pluralistic participation can reconcile both sectional interest and collective well-being in interorganizational relations.

But a problem remains: if organizations represent sectional interests, why do they voluntarily adhere to collective working rules at all — particularly those that are not legally enforceable — instead of relentlessly seeking to exploit each other's dependencies? The answer lies in the understanding that as representatives of organizations interact, their relationships become infused with shared values that turn sectional orientations into collective orientations. As expedient patterns of acting are discovered through trial and error, they tend to be repeated. Eventually, managers who continually interact come to share the idea that "these are the ways things should be done." With this development, norms become dissociated from the specific situations from which they first arose and are generalized to cover broad areas of collective activity. As such, they take on the character of autonomous social forces, directing and regulating collective action. This is the function that Warren, Rose, and Bergun der's (1974) "institutionalized thought structures" and Useem's (1982) "classwide rationality" serve in interorganizational networks.

Normative patterns of interorganizational interaction thus become infused by what Durkheim (1933) referred to as "the moral basis of social contracts." That is, norms become imbued with a sense of morality, rather than sheer pragmatism, so that organizational decision makers feel compelled to abide by them. Moral obligation should not, however, be interpreted as external constraint, since for Commons and Durkheim it is a liberating force. By making stable patterns of collective association possible, it frees organizations from the need to contrive new patterns of acting in each situation they encounter. Compliance with norms is voluntary rather than coerced. It signifies the adoption of a collective orientation with which managers and their organizations identify.

In summary, organizational parties are both independent actors and involved members of a larger collectivity. On the one hand, they act autonomously so as to maximize their chances of obtaining whatever goals they seek individually, apart from those of the collectivity. On the other hand, they adhere to unifying patterns of cultural and social order as they take on responsibilities as part of a larger social entity. In other words,
the manager acts both as gamesman and statesman. The need to establish a balance between these opposing pressures underlies what Thompson (1967: 48) described as “the paradox of administration.” The existence of this paradox produces not only contradictions in the practice of everyday organizational life, but also, as we have seen, a dialectical tension in theorizing.

Organization versus Institution: Q1 vs. Q4

Are organizations neutral technical instruments engineered to achieve a goal, or are they institutionalized manifestations of the vested interests and power structure of the wider society? The point of departure for this debate is Selznick’s (1957) distinction between “organizations” and “institutions.” According to Selznick, “organizations” are designed according to a “logic of efficiency”; they are “technical instruments” for mobilizing activity toward set goals. They can be regarded as “expendable tools” or “rational instruments engineered to do a job.” “Institutions,” on the other hand, are “infused with value beyond the technical requirements of the task at hand.” They are “responsive-adaptive organisms,” a product of the “social needs and pressures” that mold and shape them. As such, they embody a response to vested interests residing in their environments. As Meyer and Rowan (1977) indicate, institutions are significant less for their technical attributes than for the roles they play in the wider society; they merely reflect the institutional structures in which they are embedded.

There is little doubt that an image of the organization as a tool has dominated the history of organization theory, as Gouldner’s (1959) prevailing “Rational Model” has shown. But there has been a contemporary reaction to this school of thought since Child (1972) attacked contingency theory’s explanation of organizational behavior by reference to functional imperatives rather than to political action. This critique has gained force particularly from the work of radical, Marxist, and political economy theorists (Marglin, 1974; Stone, 1974; Clegg, 1975, 1979, 1981; Benson, 1977a; Goldman and Van Houten, 1977; Salaman, 1978; Burawoy, 1979; Edwards, 1979; Clegg and Dunkerley, 1980; Clawson, 1980). Those authors rejected the idea that organizational structure is designed on the basis of a neutral logic of technical effectiveness. Instead of viewing structural constraints as functional necessities whose existence is justified by reference to related ideals of “efficiency” and “rationality,” they drew attention to the sectional advantages and functions of ostensibly neutral organizational elements and exposed efficiency and rationality as ideologies that buttress, disguise, and justify the inequitable nature of organizational structure. Political domination, rather than technical efficiency, is held to underlie the design of organizational structure.

The conventional argument that capitalist methods of production are more productive than earlier forms of work organization because they are more efficient is usually countered by the question, “efficient for whom?” (Perrow, 1980). The criticism here is that efficiency is defined in a way that is biased toward management’s interests. A neutral definition would measure the efficiency of a transformation process by the ratio of outputs to inputs: the higher this ratio, the more efficient the transformation process. It is charged, however, that where
capitalism is more productive than earlier modes of production, this is not because its transformation process is technically superior; rather, it is because its system of control has enabled managers to extract from workers a greater value of production than they needed to expend on the purchase of labor power. In other words, higher productivity results from increased labor input rather than from a more efficient transformation process. Of course, this makes capitalist production appear efficient to management, but it is only efficient from management’s point of view (Clawson, 1980). For workers, it represents only exploitation and domination.

In this view, the capitalist form of organization is driven not by immutable laws of technical efficiency, but by the socially fashioned interests of managerial elites. Moreover, such domination is held to be rooted in factors emanating from beyond the particular circumstances of the shop floor, insofar as it occurs within a broader social context. For example, Edwards (1979) explained capitalist exploitation by reference to developments in the labor force at large: the proletarianization of the work force, the shift from agriculture to industry, the declining importance of workers’ skills, and the segmentation of labor markets. It is thus that Burrell (1981) described contemporary organizational conditions as “epiphenomena” of forces that permeate society. Political domination in the workplace is one reflection of the larger dynamics of capitalism. Events seemingly far removed from the workplace itself impose important constraints on workplace relations. In this light, the worker-management struggle in organizations is to be seen, simply, as a microcosm of the wider arena of class conflict.

Thus, the focus shifts from the “problematic of rational structuring” (Benson, 1979) inherent in the system-structural view, to the socially and politically defined network relationships of the collective-action view. The proper unit of analysis becomes the structure of the wider societal environment itself (M. Meyer, 1978). Organizational structure and functioning must be seen in terms of the priorities of the “host” society rather than as a consequence of particular forms of work process or technology (Salaman, 1978). The organization comes to reflect its own distinctive history (Stinchcombe, 1965; Meyer and Brown, 1977) through an assimilation of values and demands thrust upon it by a multitude of vested interests in society (J. Meyer, 1978: Perrow, 1979). The political domination argument thus requires that we shift our analytical focus away from the determinism of efficiency considerations, internal to the organization, toward broad social dynamics that unfold at a collective level of analysis.

**DISCUSSION**

By comparing and contrasting four basic views of organization theory (see Figure), six debates pervading the literature have been addressed. These debates provide much insight for understanding the dialectical tensions of organizational life. Throughout the debates, the tensions focus on structural forms versus personnel action (debates 1 and 4) and on part-whole relationships (debates 2 and 5), as well as on the interaction of these two sources of organizational tension (debates 3 and 6). In conclusion, we speculate about the importance of these two overall dialectical tensions for directing future organizational
theory and research. Benson’s (1977b) “principles of dialectical analysis” are particularly relevant to this discussion.

Benson’s (1977b) first principle was “social construction/production.” Briefly, it asserted that “an organization, as part of the social world, is always in a state of becoming.” Consequently, attention must be focused on the mechanisms through which an established organizational form is constructed, maintained, reproduced, and continuously reconstructed. This is the task to which theories located on the right-hand side of the figure are committed. But Benson (1977b) also indicated that the processes that explain organizational emergence and dissolution occur within an existing social structure that constrains organizational action. The analysis of these constraining forces distinguishes the theories located on the left-hand side of the figure. These two sets of opposing forces are discussed below in terms of an interplay between “structural forms” and “personnel action.”

The second principle of dialectical analysis is referred to by Benson (1977b) as the principle of “totality.” This principle “expresses a commitment to study social arrangements as complex, interrelated wholes with partially autonomous parts.” Thus, on the one hand, organizations are seen as intrinsically tied to the societal context in which they are located: they are regarded as constituent parts of the wider patterns and forces that unfold in society at large. But on the other hand, organizations are also capable of partially autonomous action in their own right, and this produces tensions between the parts and the whole. This source of tension is captured by the interplay between the lower and upper halves of the figure and is discussed below.

**Structural Forms and Personnel Action**

Structural forms and personnel action are central issues of interest to organization and management theory. While determinism and voluntarism are useful for classifying organization theories, they have the limitation of easily misdirecting the inquiry by implying that deterministic views of organization structure and voluntaristic views of personnel action are mutually exclusive. In fact, both views are jointly necessary for developing a dynamic appreciation of organizations.

Organizations, after all, are neither purely objective nor purely subjective phenomena. They are objective systems insofar as they exhibit structures that are only partially modifiable through personnel actions, but they are subjective insofar as these structures are populated by individuals who act on the basis of their own perceptions and act in unpredictable as well as predictable ways. The interesting questions and problems, then, turn on how structural forms and personnel actions interrelate and produce tensions that stimulate changes over time.

For example, at the individual level are the problems of selecting, socializing, and controlling individuals for positions or jobs in the structure, on the one hand, and, on the other hand, examining how the actions of people over time restructure these positions. Over the years, tensions and misfits arise between the changing personal aspirations, needs, and growth of individuals and the changing career options for promotion.
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and mobility among positions in the organizational structure. At the group level, an ongoing tension is produced as the structural division and integration of labor and resources among subunits both influence and are influenced by the social-psychological emergence of different norms, interaction patterns, conflict, and power relations within and between groups. At the organizational level is the question of how organizational structure is both a cause and consequence of environmental shifts and strategic choices of powerful individuals within and outside the organization. Finally, at the population level are questions about how organizational niches or market structures are both the product and constraint of collective action, arrived at through a long series of political contests and bargains among partisan groups as well as through societal norms and culture.

These questions are interesting because they (1) admit to both deterministic and voluntaristic views of organizational life; (2) juxtapose these views by reciprocally relating structural forms and personnel actions at comparable levels of analysis; and (3) focus on how these relationships unfold over time in complementary and contradictory ways. Unfortunately, the interesting aspects of these questions are often destroyed when attempts are made to represent these observable patterns in theoretical models. Because of training, socialization, and cognitive limits, theorists tend to reduce these observed complexities to unidirectional causal models among a limited set of factors that are viewed in isolation from other variables.

Such models are too constricting. As Weick (1979: 52) stated, "‘When any two events are related interdependently, designating one of those two ‘cause’ and the other ‘effect’ is an arbitrary designation.’ Most theorists and ‘managers get into trouble because they forget to think in circles… Problems persist because managers (and theorists) continue to believe that there are such things as unidirectional causation, independent and dependent variables, origins, and terminations’" (Weick, 1979: 52). Moreover, in efforts to identify ultimate causes and effects, the most interesting parts of the above questions tend to be ignored — namely, an investigation of the process by which the loops in the circular relationships unfold. To say that A causes B and B causes A is predictive, but it is intellectually sterile until one can explain the processes by which the reciprocal relationship unfolds over time.

It is these reciprocal relations between structural forms and personnel actions that make tension and conflict a pervasive characteristic of organizational life. As Gomberg (1964) pointed out, the very concept of organization implies conflict. This conflict can be interpreted in terms of the Hegelian dialectic, in which existing structural forms provide the thesis and contradictory personnel actions provide the antithesis ultimately leading to a synthesis:

The structuring of an organization is identified with the thesis. The resulting hierarchy spawns the seed of its own opposition, the antithesis. The need for revision is generated within the womb of the organization by the activity of the old hierarchy. The needs for new and revised functions grow until they challenge the existing hierarchy. This antithesis, when fully developed, challenges the existing structural hierarchy. Out of this clash emerges either decline or a new hierarchy and set of relationships which we identify as the new temporary synthesis. This synthesis now emerges as the thesis in a new cycle of

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conflict and thus the process repeats itself as innovating organizers or entrepreneurial managers pursue their satisfactions from the continuous building up of tension in order to savor their subsequent release. The history of management can be interpreted as this kind of dynamic process. (Gomberg, 1964: 52–53)

Part-Whole Relationships

Many problems apparent at one level of organization manifest themselves in different and contradictory ways at the other levels. At the micro level one focuses on the characteristics of positions, jobs, and subunits as well as the skills, orientations, preferences, and actions of individuals. At the macro level the focus is on the global structural configuration and domain of the organization and the relationships among collectives of decision makers within and outside the organization. The frame of reference, however, is substantially altered when the focus is on the relationships between the parts and the whole, or between these micro and macro levels of analysis.

For example, relying on the concept of requisite variety, Weick (1979) argued that with increasing environmental complexity, uncertainty, and variety, the overall structure of the organization becomes more complex, loosely coupled, decentralized, particularistic, and anarchic. If this is so, then the structure of the individual parts or groups within the organization will become more simple, tightly coupled, hierarchical, universalistic, and cohesive — all the factors that lead to nonadaptiveness, narrowness, and inflexibility. Although Weick clearly did not intend to write about this consequence, it is the result of a basic principle of opposite part-whole relations established in 1908 by Georg Simmel. “The elements of differentiated social circles are undifferentiated, those of undifferentiated ones are differentiated” (Blau, 1964: 284). Conant and Ashby’s (1970) principle of requisite variety at the macro level turns out to be a law of requisite simplicity at the micro level.

Gouldner’s (1959) notions concerning “functional interdependence” and “functional autonomy” are valuable in underscoring this point. Gouldner pointed out that the preoccupation of systems theorists with functional interdependence focuses attention on the constraints imposed by joint collaboration in the pursuit of systemic objectives. He argued, however, that such interdependence is never totally constraining and that it imposes different degrees of constraint at different points in the system. Thus, it makes as much sense to emphasize degrees of functional autonomy as functional interdependence. What appears as constraint from the point of view of the system appears as freedom from the point of view of its parts.

Blau (1964) further refined Gouldner’s concept by noting that the dependence of subunits on their encompassing social structures directly conflicts with their autonomy. “The conflict is inevitable, since both some centralized coordination and some autonomy of parts are necessary for organized collectivities” (Blau, 1964: 303). Relationships between groups and collectivities are manifest in their interdependence, in the mobility of individuals acting as representatives of their groups, and in their roles as group members, whether this involves actions in the pursuit of collective or individual ends. Since individuals can simultaneously belong to many groups, Blau’s image of part-whole relations is not one of concentric circles.
with mutually exclusive memberships at each level. Instead, it is one of intersecting circles, because social networks that define group structure are interpenetrating and overlapping and the boundaries between them are neither sharp nor fixed. "Groups expand and contract with the mobility of members in and out of them" (Blau, 1964: 284).

This kind of dialectical relationship between parts and wholes of organizations is not adequately taken into account by many organizational theories. This is unfortunate because it can be shown that any macro theory of order and consensus includes a micro theory of conflict and coercion, and vice versa. For example, structural-functional theories of organizations have been attacked by radical (Burrell and Morgan, 1979) and action (Silverman, 1970) theorists alike for their inability to explain change because of the emphasis on order, consensus, and unity. While this is true at the macro-organizational level, at the micro level it is only possible because of coercion, domination, and control of disruptive tendencies. If this were not so, there would be no need for rules, indoctrination, socialization, and control mechanisms in organizations; these are central concepts in structuralist views of organizations. On the other hand, radical-change theories (Burrell and Morgan, 1979) overemphasize conflict, coercion, and disruptive tendencies in organizations without admitting that these tendencies can only occur by having order, consensus, and unity at the micro level. Thus, it can be seen that while Marx posited conflict and struggle between classes, he failed to give due recognition to the forces of cohesion and unity within the classes. As Coser (1956) suggested, "out-group conflict" is associated with "in-group cohesion."

In summary, to properly study organizations across levels of analysis is to understand the dialectical relations between forces of conflict, coercion, and disruption at one level of organization, and forces of consensus, unity, and integration at another level — forces that are prerequisites and reciprocals of each other.

CONCLUSION

To have an adequate appreciation of organization theory, one must pay attention to the field's basic antithetical nature. We have focused on two general sources of antithesis manifested in structure-action and part-whole dialectics. The widespread existence of tensions generated by these opposing modes of analysis partly explains the ongoing theoretical debates and contradictions in organization theory. Benson's third principle of dialectical analysis, the principle of contradiction, addressed this point. He called attention to the "ruptures, inconsistencies, and incompatibilities in the fabric of social life" (Benson, 1977b). Because contradictions are pervasive in organizations, the theories that capture and reflect discrete segments of organizational life must also inevitably be contradictory and can be reconciled only dialectically.

But organization theory not only reflects organizational reality, it also produces that reality. As Albrow (1980) indicated, organization theory shares a dialectical relationship with organizational life. Like other social sciences, it helps to structure its own subject matter. By giving accounts of organizational
phenomena, theory helps to give objectivity to the practices to which it refers. This reflexivity between theory and practical events is captured in a fourth and final principle of dialectical analysis formulated by Benson (1977b) — the principle of praxis, or the creative reconstruction of social arrangements on the basis of reasoned analysis.

This understanding gives an added significance to the analysis of this paper. It suggests that the interplay of organization theories is in reality a contest over the future shaping of the organizational world. In consequence, an awareness of the underlying values and biases upon which theory is constructed becomes essential. These values and biases act as assumptions, taken for granted, in the world views that guide theorizing, and they constitute paradigms that channel attention in specific directions and preclude the investigation of alternative theoretical, ideological, and practical spheres. Even when organizational theorists claim to be free from values, they invariably imply and contribute to value commitments through the construction of partial views of reality. This is why Ritzer (1980: 12) contended that “multiple paradigm sciences” like organizational theory fulfill essentially political functions. The proponents of each paradigm are engaged in political efforts to gain dominance within the discipline as a means of imposing their own conceptions of reality on the practical events of social life.

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