CHAPTER I

INTRODUCTION TO THE PROBLEM

One of the major problems of modern sociology is the study of complex organisations. The government offices, business corporations and the army are some examples of such organisations. At present these complex organisations are directly or indirectly related to our day-to-day life and it becomes all the more important to try to understand the working of such organisations. All large-scale organisations are often called bureaucratic organisations. Max Weber defined bureaucracy as follows:

"the organisation of official functions bound by rules; the hierarchical structure; the rational application of rules by officials, with specialized training; the separation of administrators from the means of production or administration; absence of his official position by incumbent; formulation of administrative acts, decisions in writings; the appointment of officials and promotion by seniority or achievement or both."¹

In modern sociology, analysis of complex, formal organisations began with the work of Max Weber, and it is helpful to make review of the conditions which gave

rise to it. Prior to the development of monetary systems, economy was based on the barter exchange. Communities then were small and self-supporting and there was no need of a big organizational set up to run the affairs of the community. The family was one of the dominating institutions in society and played an important part in all activities. Some families or family groups in Japan, India, Germany, Brazil, controlled important segments in small, simple industrial activities and this new type was known as Patrimonial Management. Generally, the managerial hierarchy sought people they can rely upon and trust and the family enterprises got the necessary managerial talent from within its own resources. The family enterprises were more effective in the early stages of industrialization because the group identity was common in most of the countries. Harbison and Burgess pointed out that "in many European countries family connections often served as the main basis for entrance into managerial positions." The groups were sometimes defined religiously, economically, geographically and so on. Max Weber dis-

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2 Patrimonial Management is business management in which ownership, major policy-making positions, and a significant proportion of other jobs in the hierarchy are held by members of an extended family. The effective decision-making authority is centered in the family, and the goals of the enterprise are oriented towards the interests and the aspirations of the family. F. Harbison and C. Myers, Management in the Industrial World. New York, McGraw Hill Book Co., Inc., 1959, p. 70.

cuased this phenomenon in essay "The Protestant Sects and The Spirit of Capitalism". In India Parsis, Gujarati, Marwaris are known as business communities. Later on, when family enterprises enlarged, it was very difficult to manage it. With the development of the money economy and enlargement of the group, affairs took a different turn. For the calculation and collection of taxes, duties, levies and other work some sort of administrative machinery was but necessary. Thus office as an institution came into existence or in other words the authorities accepted the bureaucratic procedure.

For such purposes some sort of bureaucracies developed in China, Egypt and home. In China the Han dynasty (147 B.C.) built up a well organized bureaucratic hierarchy. The princes were forced to employ centrally appointed officials in their administrations. During that period the bureaucracy was mainly concerned with the maintenance of law and order, collection of tax and revenues, military establishment and so on. Later on, bureaucracy was dominated by Confucian ideas. The importance of education increased. A system of examination (based on a curriculum) as a means of recruitment perhaps for the first time in the world was used by China. In the examinations more stress was given on practical skills, judgement, and statesmanship. Thus bureaucratic position was dependent

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upon qualifications tested by rigid examination procedures. The Ming Emperors divided the country into different provinces. These provinces developed a high degree of autonomy. The operation policy became more and more diversified. During this period, written norms, legal orders based on abstract, etc. were introduced in bureaucratic administration. Thus in the early days China adopted the bureaucratic administrative procedure.

"In Egypt, one of the oldest countries of bureaucratic state administration, the public and collective regulation of water-ways for the whole country and from the top could not be avoided because of the technical economic factors. This regulation created the mechanism of scribes and officials. Once established, this mechanism, even in early times, found its second realm of business in the extra-ordinary construction activities which were organized militarily. Thus the bureaucratic tendency has chiefly been influenced by needs arising from the creation of standing armies as determined by power politics and by the development of public finance connected with the military establishment."

"In Rome, bureaucratization advanced with the transition from a coastal to a continental ring of frontiers.

6 Max Weber, _op. cit._, pp. 211-212.
For the rest, in the domination structure of Rome, the strictly military character of the magistrate authorities - in the Rome manner unknown to any other people - made up for the lack of bureaucratic apparatus with its technical efficiency, its precision and unity of administrative functions, especially outside the city limits. The continuity of administration was safeguarded by the unique position of the Senate. In Rome, as in England, one presupposition for this dispensability of bureaucracy which should not be forgotten was that the state authorities increasingly 'minimized' the scope of their functions at home.”

In ancient India except caste hierarchy there were no bureaucracies as such. Kautilya, Prime Minister of Chandragupta, was thoroughly conversant with the administrative procedure. In his famous treatise known "Arthasastra", he discussed the various theories of administration which were more or less similar to bureaucratic administration.

Weber, having studied some of the ways how these countries solve the administrative problems advocated his own theory of bureaucracy.

With the development of management science another important type of management emerged in which enterprises

7 Kautilya, Kautilya's Arthasastra (translated by Dr. R. Shamasstry). Mysore, Mysore Government Press, 1929.
are owned and managed by the government. These enterprises were headed by the managing directors. These government undertakings were given autonomous status in order to free them from political pressures.

Weber’s Views on Authority

Before discussing the various aspects of bureaucracy Weber presented a theory of authority because he felt that to be effective and efficient as an organizational instrument a modern organizational structure requires a special type of authority. He divided authority into three components i.e. traditional, charismatic, and legal. He distinguished authority from other social influences like personal relations, corruption and so on. He institutionalized authority structure which was based on group values. Now we will consider the theory of authority advocated by Weber.

Traditional Authority: In this form, authority is legitimatized by the sanctity of tradition. Here, the established social order is viewed as sacred, eternal, and inviolable. The ruling person or party (group) defined by heredity and is supposed to have been obtained by supernatural powers to rule over the rest. The subjects are bound to their ruler by traditional feelings of personal loyalty and other cultural beliefs about the social order.

8 Max Weber, op. cit., pp. 245-52 and 496.
that reinforce his position; such as divine right of kings. Under this system a ruler is the supreme authority.

In this type everything is related to the past, and hence tends to perpetuate the existing social order and therefore, not suitable for social change.

Charismatic Authority: - The term 'Charisma' applies to a certain quality of an individual by virtue of which he is set apart from ordinary men and treated as endowed with supernatural or exceptional status.

To this category belong the prophets who are followed by those who believe in their extraordinary qualities. Hence, there are no such things like appointments, dismissals, hierarchy, promotion, salary and so on. Further, charismatic authority is unstable because it is not derived from established order and enactments. Everything depends upon leader's inspiration and his devotion to mission. In China the recognition of the charismatic character of the royal office, required his personal qualifications and effectiveness.9

In order to save people from charismatic movement Weber suggested a way for the depersonalization of charismatic authority into another form, viz. legal or bureaucratic authority.

Legal Authority: - Another important type of authority

9 Ibid., p. 247.
is 'legal'. It is based on the concept of supremacy of law. Here it is presumed that organizations are established with certain aims and objects. In this system Weber emphasized on legality because the structure of organization (hierarchy) can be established by the help of law and order. Here, obedience is owed to legally established impersonal order and not to the person who occupies the position.

After considering various aspects of these problems of authority, Weber formulated his theory of bureaucracy. Today it has assumed more importance in sociology because of its typical characteristics which are as follows.

**Characteristics of Bureaucracy**

(A) "The regular activities required for the purposes of the organization are distributed in a fixed way as official duties." Due to the division of labour it is possible to employ specialized personnel in responsible position for the execution of duties. The excessive specialization in the field of production has become a part and parcel of our modern social life. This is the impact of the bureaucratic administration. ¹⁰

(B) "The organization of offices follows the principle of hierarchy, that is, each lower office is under control

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and supervision of higher one."¹² Every officer in the administrative hierarchy is responsible to his superiors and he is held responsible for his own actions and also for the actions of his subordinates. It is in this way, top level officials are held responsible for the work of subordinates under them. Superior officers are given authority to issue orders to subordinates and the subordinates have to obey it. But this authority is limited for official operations only.

(C) Operations are governed "by consistent system of abstract rules ... (and) ... consist of application of these rules to particular cases."¹³ There is a system which is designed to create uniformity in performance of work, without taking into consideration the number of employees employed in it, and for the co-ordination of jobs the rules and regulations are framed which specifically defined the responsibility of each employee and his relationship with others.

(D) "The other official, conducts his office ... (in) a spirit of formalistic impersonality, without hatred or passion, and hence without affection or enthusiasm."¹⁴ If official develops strong feeling of grudge against some subordinates working under him, such feeling may influence


¹³ Ibid., p. 330.

¹⁴ Ibid., p. 340.
his official decisions and as a result of it he may dis-

criminate some subordinates in favour of others.

(E) The employment in bureaucratic organization is

based on technical qualifications and is protected against
dismissal. "It constitutes a career. There is system of
'promotions' according to seniority or achievement, or
both."\(^15\) To encourage the feeling of loyalty to the orga-
nization is the policy adopted by the civil service and
private organizations. It motivates employees to take more
and more efforts and as a result of it they separated from
the remaining members of the organization.

(F) "Experience tends universally to show that the

purely bureaucratic type of administrative organization ... is, from purely technical point of view, capable of attain-
ing the highest degree of efficiency."\(^16\) It is expected
that due to the specialization and employment on the basis
of technical superiority and this may prevent officials
from making bias decisions.

**Officials in Bureaucracy**

While discussing the institutionalization of authority
Weber discussed in detail the role of officials within
bureaucracy. He pointed out that every bureaucracy includes
a body of officials (bureaucrats) who are held responsible

\(^{15}\) Ibid., p. 334.

\(^{16}\) Ibid., p. 337.
for its day to day administration. The functioning of bureaucracy depends upon the behaviour of officials with others. He illustrated the conception of the role of the bureaucrat as follows: "The discipline of officialism refers to the attitude-set of the official for precise obedience within his habitual activity, in public as well as in private organizations. This discipline increasingly becomes the basis of all order, however great the practical importance of administration on the basis of the field documents may be. The naive idea of Bakunism of destroying the basis of the 'acquired rights' and 'domination' by destroying public documents overlooks the settled orientation of man for keeping to the habitual rules and regulations that continue to exist independently of the documents. Every reorganization of beaten or dissolved troops, as well as the restoration of administrative orders destroyed by revolt, panic, or other catastrophes, is realized by appealing to the trained orientation of obedient compliance to such orders. Such compliance has been conditioned into the officials, on the one hand, and on the other hand, into the governed. If such an appeal is successful it brings, as it were, the disturbed mechanism into gear again.

The objective indispensibility of the once-existing apparatus, with its peculiar, 'impersonal' character, means that the mechanism - in contrast to feudal order based upon piety - is easily made to work for anybody who
knows how to gain control over it."

According to Weber officials should follow rules and regulations in a precise manner. He traces on the impersonal process and pointed out that impersonal relations should control the behaviour of employees, or in other words officials do not own the means of administration. He advocated that the office holding is a vocation; the capacity to work selflessly and impartially is requisite of bureaucratic employment. In a bureaucracy official is appointed by a superior authority, on the basis of merits and guarantee against arbitrary dismissal is alse given. According to Weber the bureaucrat is entrusted in the specialized task and supposed to carry orders of the top officials. In a bureaucratic administration there is no place for amateurs, because a specialized knowledge is known as professional skill. Theoretically, the official gets regular remuneration in the form of money and according to his or her rank in hierarchy, the length of service, etc. The promotion system is based on objective criteria, i.e., seniority in service or achievement or both. It is dependent on the impartial judgement of superiors. Weber emphasised that bureaucrat should devote his full attention to his office work only because other external sources of income would disturb the smooth functioning of bureaucracy.

17 Max Weber (Gerth and Mills), op. cit., p. 229.
A Critical Review of Bureaucracy

Weber influenced by Karl Marx might have represented a utopian model of bureaucratic organization. During the last fifty years the eminent social scientists in Europe have looked upon his conception as a challenge, and have tested some of the ideas. Some of the leading among them were Alvin Gouldner, Peter Blau, Robert Merton, Ralph Turner, Talcott Parsons and others.

Alvin Gouldner, in his well-known study of mining industry, traced the causes of failure to enforce existent formal rules and how impersonal treatment to employees creates tensions among the members of the organization. He also discussed the effects of succession of leadership upon the employees.18 Peter Blau attacked Weber's concept of hierarchical control and spirit of impersonality. Blau discovered that most efficient method of administration is to give discretionary power to officials in discharging their duties. He also pointed out that officials derive more mental satisfaction out of their informal relations with their colleagues which indirectly help to increase administrative efficiency.19 Robert Merton has pointed out that conflict within the bureaucratic structure, arises

from the converse situation particularly, when personalized
tions are substituted for structurally required
imperical relationships. Further he also pointed out that
imperical relationship is characterized by such epithets
as graft, favouritism, nepotism, etc. The case study of
Ralph Turner revealed the way in which naval bureaucratic
structure changes and how the various pressures like
informal relations, conflicting orders from superiors
obliged navy personnel to deviate from ideal type.

Persons attacked the professionals' role in bureau-
cracy. He argued that their role as administrators would
give rise to conflict within the bureaucracy. Because
position of expertise in hierarchy is not a guarantee of
professional skill. Then the problem for members arise
as to whom to obey, the person with authority or man with
professional talent.

Bendix's findings are different from the classical
theory of bureaucracy. He has pointed out that bureaucratic
structures cannot be studied only with the help of bureau-
cratic form as laid down by Weber. He has pointed out that
"the analysis of a large scale organization in the modern
world will be deficient as long as it makes either the
formal organizational structure or informal human relations
within that structure the vantage point of its observations."

20 R. Merton, "Bureaucratic Structure and Personality," in
Merton and others (ed.). Reader in Bureaucracy, Glencoe, Ill.,
1952.
21 Ralph Turner, "The Navy Disbursing Officer as Bureau-
rate," in Reader in Bureaucracy.
According to him the relations between bureaucracy and bureaucrats are not impersonal as advocated by Weber. The employee's initiative (either positive or negative) plays an important part in a day to day work of bureaucracy (i.e. the functioning of bureaucracy). 23

Selznick has referred to Weber's ideal type of expertness. He has shown how the vicious circle can be developed by the specialisation of task and how it makes an expert narrow minded. He has analysed how the process of co-optation, brought changes in a government agency (e.g. Tennessee Valley Authority). The TVA authorities co-opted some of the opposition as a representative into its management. As a result the opposition members obliged management to change the policies of the organisation according to their interests. Thus co-optation instead of remaining as means to attain organizational goals and stability becomes end in itself. 24

Different critics have attempted different interpretations regarding Weber's theory of bureaucracy. But all of them uniformly acknowledge his contribution to the development of the theory of bureaucracy. The reason is obvious because Weber was the first person who studied the social


aspects of formal organization. It is true that Weber's theory of bureaucracy is without any empirical background even though it was not totally unrelated to the world. On the other hand, it is one of the possible modes of organizing groups which can be tested by empirical work.

Interpersonal behaviour between the organizational members, their contacts with non-officials (public) must be impersonal as advocated by Weber. When bureaucrat is entrusted with the task of development he has not only to deal with files and to follow laid-down administrative procedure only but to consider other factors. Especially, in the industrial bureaucracy officials have always to consider the production process, market situation and profit and loss which cannot be ignored at the time of decision. With the development of management science, industrialists have allotted maximum discretionary powers to their officials with a view to increase efficiency and production. In spite of it, many a time, desired results have not been achieved. It appears that social background of the bureaucrats come in the way of the performance of duties. As Merton points out "there is a tendency on the part of bureaucrat to act irrespective of his position within the hierarchy and act as a representative of entire structure." 25

Bureaucracy is a dynamic phenomenon which always fluctuates

according to social influences like kinship, informal relationship and so on. Under such circumstances it may not be possible for bureaucrats to adopt blindly, laid-down administrative procedure and maintain neutrality.

**Problem**

The present study is an attempt to examine how far the actual operation of a modern bureaucracy in an Indian setting where ascriptive values still play an important part, fit into Max Weber's theory of bureaucracy which we have discussed earlier. For instance we wish to ask the question are the organizational activities in the bureaucracy not sufficiently immune from non-relevant, political, stratification and kinship considerations.

The following points will be examined in the context of Weberian theory of bureaucracy. A recruitment, decision-making, an informal relationship, various instruments used to regulate the operation of bureaucracy, and the place of professionals in bureaucracy.

**Characteristics and Features of the Study**

After independence India has entered into the modern industrial era. A new type of large scale industries are coming up. Many times conflicts have arisen between personnel occupying the top levels and those who are at the lower levels because of the lack of the proper functioning
of the bureaucratic organization. At present, efforts are made by social scientists to examine socio-economic problems of the industries like cotton textiles, paper and pulp, engineering, rubber, and the problems of the white collar workers, but efforts have not been made to study the problems of the employees in pharmaceutical industries. These industries are based on science and technology which require a different type of employees like scientists, technocrats, trained and efficient workers. It is common belief that in this country, bureaucracy exists in governmental offices (agency) only. Further, it is also believed that the private undertakings work more efficiently as compared to the government undertakings. In view of the above-mentioned reasons it was decided to limit the field of this study to pharmaceutical industries working in government and private sectors.

S.D. Pillai, Men and Machines, Bombay, Popular Prakashan, 1968.
Dr. S.D. Punekar and Dr. Manorama G. Savur, Management White Collar Relations, Bombay, Popular Prakashan, 1969.
The Study Design

Research Methodology

For this study we have selected members belonging to six different categories working in the factory such as Top Management, Senior Management, Junior Management, Scientists and Technocrats, Professionals and Administrators, and workers who are permanent in service and directly related to the production process in the industry. Their details are described below. Both the industrial units selected for study produced similar pharmaceutical products and were located in the western region of India. The management of both the undertakings did not want us to disclose their identity. Therefore, instead of giving their original names, we have named them as government undertaking and private undertaking.

Theoretically speaking the workers (skilled, semi-skilled) do not come under the scheme of bureaucracy. However, we have a good number of them included in our study as they are persons who get directly affected by various decisions taken by the bureaucrats.

(1) Top Management

Government Undertaking (3)
Managing Director, Works Manager, Financial Adviser.

Private Undertaking (10)
Managing Director, General Manager, Production Director, Technical Director, Marketing (Pharma) Director, Marketing Agricultural Director, Marketing Veterinary

The figures in the bracket indicate the No. of persons interviewed.
(2) **Senior Management**

**Government Undertaking** (16)
- Company Secretary, Purchase Officer,
- Sales Officer, Medical Officer,
- Stores Officer, Security Officer,
- Superintendent Production, Deputy Superintendent Production, (6)
- Assistant Superintendents Production (3 posts)

**Private Undertaking** (15)
- Plant Manager, Purchase Manager,
- Sales Manager, Manager Sterile
  Production, Plant Accountant,
- Manager Veterinary, Manager Farms,
- Company Secretary, Production
  Superintendents (5), Manager
  Pilot Plant, Manager Production
  Planning.

(3) **Junior Management**

**Government Undertaking**

(16)

**Private Undertaking** (15)

Foreman (Grade I and II)
Shop Level Supervisors

(4) **Scientists and Technocrats**

**Government Undertaking** (16)
- Scientists in Research and Development
- Laboratories and Quality Control Laboratories
- Technocrats - Electrical, Mechanical, Chemical and Industrial Engineers

**Private Undertaking** (15)

(5) **Professionals and Administrators**

**Government Undertaking** (9)
- Personnel Officer, Welfare Officer,
  Industrial Relations Officer,
Manager Personnel Training, Office Superintendents/Administrative Officers.

Private Undertaking (15)

Government Undertaking (100)

Private Undertaking (100)

Skilled Workers

Semi-Skilled Workers, Unskilled Workers

Data Collection

A study of this type cannot be done only with the help of rigidly framed questionnaire method. One has to make a good deal of observations by living with them and by participating in their activities too. Therefore, this study was divided into two parts: (1) questionnaires and (2) Participation, observation, case study.

(1) Questionnaires: The questionnaires included mainly the following aspects of the problem:

1. Individual information such as age, sex, religion, caste, marital status, language.

2. Place of origin, causes of migration, visits to native place, previous experience, patterns of recruitment, reasons for the selection of present employment.

3. Communication system, decision-making process, promotion policy, trade unionism, pattern of relationship within the organisation, expectation of employees from management and actual fulfilment of it, problems of middle-management.

A pilot study was undertaken to test the questionnaires and it was found that answers from respondents were more or less

* The data of this study was collected during the period - 10th June 1970 to 15th February 1971.
similar, hence it was decided to take up limited number of cases for personal interviews and more emphasis was given on observation and participation and case study method. For example, the cadres of top management, senior management had less than 15 persons and nearly all of them were covered in for the study. The strength of the personnel in scientists and technocrats cadres consisted of more than 40 persons and more than half of this were covered in the study. Thus from both the factories the total number of 325 employees were covered. However, every endeavour was made to maintain some representative character of the study.

(2) Observation, Participation Case Study: We had an opportunity to discuss with the officers of top ranks about the functioning of bureaucracy. They discussed with us the problems and other difficulties in the day to day administration. We had an opportunity to attend various meetings of the Canteen Committee, Works Committee, Union meetings which helped us to understand how they tackled various problems. Some important cases also included in the study.

Record

The factual data and other information about strikes, slow-down, trade unionism, court cases were collected from the record, reports and other important documents maintained in the offices.
The Response

The workers were contacted through trade union leaders, shop-level supervisors, co-workers. Therefore, question of refusal did not arise very much. In the beginning workers used to get frightened when they were called for an interview. But when they were convinced that the collected information would be kept confidential and their prospects in the company were not affected in any way in giving the information, they cooperated satisfactorily.

Brief summary of the Chapters to follow will be as stated below:

CHAPTER 2: THE BUREAUCRACY UNDER STUDY

In the first part of this chapter an attempt has been made to trace the development of industrial bureaucracy in India. Further characteristics and features of the bureaucratic organizations under study are also discussed.

The second part mainly deals with the social characteristics of personnel involved in bureaucratic organisations, i.e., sex, age, marital status, caste, education, father's occupation, migrant status, language, previous experience etc.

CHAPTER 3: BUREAUCRACY IN OPERATION

This chapter deals with the consequences of managerial actions of the industries under study viz. communication, system, decision-making process, informal relations, conflict between bureaucratic relations and informal groups, promotions,
succession, role of middle managers (foremen, sectional managers, etc.).

CHAPTER 4: PERSONNEL IN BUREAUCRACY

This chapter describes the importance of professionals like scientists, technocrats, personnel manager, public relations officer, company secretary in a bureaucratic organization how while trying to fulfill their professional needs comes into conflict with the rules of the bureaucracy. The problems which they face in day-to-day work in the organization are discussed. Their expectations from management and vice versa.

CHAPTER 5: BUREAUCRACY AND TRADE UNION

Generally trade union is looked upon by the society as a product of industrial advancement and also reactionary group to capitalistic system. But in this study attempt has been made to understand how trade union operates as a pressure group within the bureaucracy and try to correct errors made by the bureaucrats particularly the management. Further efforts are made to study how they settle the grievances of their members in matters like working conditions, increments, promotions, bonus etc. Other important matters like pattern of leadership, members attitude towards trade union, management expectations from union and vice versa.

The methods adopted by trade union like strikes, go-slows, gheraos etc. to correct the follies of the bureaucracy also studied.
CHAPTER 6: BUREAUCRACY IN INDIAN INDUSTRY - CONCLUSIONS AND SOME SUGGESTIONS FOR ITS IMPROVEMENT

Summing up of the material discussed above and a series of suggestions for the improvement of the bureaucratic organisation in industry based on the observations made above.