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POSTMODERN ORGANIZATION AND NEW FORMS OF ORGANIZATIONAL CONTROL

APSTRAKT: U radu je predstavljen post-birokratski organizacioni koncept kao adekvatan predstavnik svih novijih organizacionih oblika koji su prirodni rezultat istražnih inicijativa za fleksibilnijim i intenzivnijim procesom rada. Pod ovim terminom podrazumevamo sve novije "podpredstavnike" kao što su upravljanje totalnim kvalitetom (total quality management), koncept just-in-time, mrežne sisteme i zajednička ulaganja, virtualne organizacije, timski rad, i druge slične strukture. Autor zaključuje da su glavne prednosti nove organizacione paradigme fleksibilnost, decentralizacija, veće opuno-moženje zaposlenih, zajedničko korišćenje znanja i informacija, odgovornost za sistem u celini, i konstantno ujevanje. S druge strane, uočavaju su i neki nedostaci. To su opasnost od anarhije, odgovornost i stres, veća nesigurnost zaposlenih, i otpor prema novim praksama. Osim toga, u radu se govori o dinamici moći i identiteta kroz prizmu poboljšanih i još uvek hotimanih metoda organizacione kontrole. Glavni argument glasi da opservivna "elja za kontrolom nikad ne jenjava, već da metode kontrole samo poprimaju druge, naprednije oblike kroz organizacionu kulturu, vokabular i diskurs, nadledanje sa distance, međusobnu evaluaciju zaposlenih unutar timova, izbor zaposlenih, i dr.

KLJUČNE REČI: birokratska organizacija, postbirokratska organizacija, organizaciona kontrola, identitet, otpor

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ABSTRACT: This article displays post-bureaucratic organisational concept as an adequate representative of all emerging organisational forms which are natural result of persistent initiatives to flexibilise and intensify working process. Under this term we assume all budding ‘sub-representatives’ such as Total Quality Management (TQM), Just-in-time concept (JIT), network systems and joint ventures, virtual organisations, teamwork and other related structures. The author concludes that main virtues of new organisational paradigm are flexibility, decentralisation, higher employee empowerment, knowledge and information sharing, responsibility for the system as a whole and permanent learning. On the other hand, some downsides become obvious. Those are danger from anarchy, responsibility and stress, greater employees’ insecurity and resistancy to new practices. Furthermore, the paper shed light on power and identity dynamics through the lens of improved and still intentional methods of organisational control. The main argument is that compulsive desire to control never fades away, only the methods of control takes different, more advanced forms through organisational culture, vocabulary and discourses, monitoring at a distance, peer evaluation inside teams, employee selection and many others.

KEYWORDS: bureaucratic organisation, post-bureaucratic organization, organizational control, identity, resistance
nizational control in general and new, hidden and more sophisticated methods of organizational control. Final section summarizes all the ideas displayed in previous sections and gives directions for further analysis.

1. MODERN ORGANIZATION

The concept of bureaucracy has been widely treated in both popular and academic literature. Here the term bureaucracy is used to denote all forms of rational or modern organization. This is in accordance with Weber’s ideal type of organization characterized by division of labour and authority, hierarchy of offices, careful specification of office functions, recruitment and promotion on the basis of the merits, and coherent hierarchical system of discipline and control. In a nutshell, organization is seen as a bounded and definable entity, which follows the stringent logic of standardization in order to accomplish precisely defined goals. According to Jaffe\(^1\), rational bureaucratic organization is based on three basic principles: formalization (rules, procedures, policies, reports given in a standardized written form), instrumentalism (organization is an instrument or ‘machine’ which transforms tasks into achieved goals in a routinized, algorithmic and predictable way) and rational-legal authority (authority is based on formal position, which is derived from objective personal qualifications and merits as opposed to nepotism, tradition or charisma).

In recent years, this paradigm has been largely criticized. For example, leading business magazines, such as Fortune, have continuously published articles with titles, such as “The Bureaucracy Busters”\(^3\). Nevertheless, the same sort of rationalization, though in more contemporary and insidious form, has been analysed by George Ritzer under the term of McDonaldization\(^4\). The most vivid example is fast-food industry but the same or similar organizational principles (‘efficiency, calculability, predictability, control’) have been diffused throughout the society in the domains of education, healthcare, travel, leisure, etc.

The key feature of bureaucracy is the rational mapping of offices. The logic of the system is to cut work process into smaller parts and make employees responsible for their accomplishment. Therefore, the segmentation of responsibility is crucial to the effectiveness of the system as a whole. The main focus is on stringent control and efficient (based on experience curve, economies of scale) fulfilment of pre-defined and coordinated tasks under the assumption that environment is

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1 Jaffe, D (2001), p.91
3 Business Week, Dumain (1991)
4 Ritzer, G. (1993): The McDonaldization of Society
stable and predictable. There is universal, ‘one best way’ of doing things based on own positive working experience or/and practices of successful organizations (benchmarking).

The precise specification of duties and methods assures the leaders that their orders will be interpreted correctly, rather than being twisted and deformed by personal interests. Therefore, jobs are defined by the needs of organization and its proclaimed goals, rather than by the people in them. Apparently, matching the job and the person is the key task of personnel management of bureaucracy, often very difficult to achieve.

The main drawback of the concept arises from the strict separation between decision-making (intellectual) and production (physical) activities. The top layer is the only place where important questions of direction and strategy can be considered. All other levels are expected to deal exclusively with implementation. The communication is entirely vertical, mostly top-down through the rigid hierarchical channel. This strict segmentation results in the immense wastage of employees’ intelligence capacities. The majority of workforce is usually engaged in repetitive tasks that require low intelligent effort. Similarly, organizational creativity is mostly ‘depleted’ on internal problems (systems and procedures). The internal procedures (“push production system”5) consume much more resources than market-oriented activities. This approach is in line with the assumption that environment is stable, predictable and controllable.

However, the Japanese system of participation (‘kaizen’, ‘kanban’) proved the usefulness of consulting the workers’ ideas and opinions for the improvement of working practices and defining organizational goals. Undoubtedly, a successful mobilization of multiple sources of intelligence should outweigh any individual. On the other hand, the undesirable consequence of excessive participation may be spending too much time on discussions and debates (in decision-making process) and the threat of falling into chaos (in decision-implementation process).

The most vivid shortcoming of bureaucracy, especially in the last decade, has been inflexibility expressed through inadequate response to changing environment and loose touch with customers and other external stakeholders. This originates mainly from the segmented design, where only top layer has a ‘bird-eye view’ of what is really going on in a company. Lower layers can only see the pieces (given through job assignments) of the puzzle6. Therefore, they are unable

5 “The objective is to push as much product off the line and into the market as quickly as possible” (Jaffe, D., p.126)
6 “Merton refers to this as “displacement of goals”- adherence to methods and procedures at the expense of larger organizational purpose”. (Jaffe, D (2001), p.95)
to understand the strategic frame and adapt smoothly to the shifts in other parts of the organization. In a nutshell, more gradual evolution of the system is limited by the rigidity and formalism of the system. The adaptability is articulated only through very stressful restructuring process. These revolutions of the system may have detrimental effects on deep-rooted workers' identity linked to predictable and routinized reality.

The related problem is dehumanisation, alienation and demotivation of employees. The bureaucratic system simply discourages personal initiative, innovation and development of employee's personality through working process. The employees are seen as a tool or instrument (production factor) for accomplishment of pre-defined goals. The main motto is: 'That is your job, that is all you have to take care of'. On top of it, the organization insists on members' undisputable loyalty, commitment and discipline. Consequently, there is often clear separation between personal and professional in mind of workers: "When I go to factory I just leave my brain in front of the door". Organizational culture treats employees as production factor (or asset), which incurs costs and brings benefits to the company. Similarly, the 'Fordist' wages are fully contingent on increase in productivity, which may result in serious motivation problem. Motivation programmes are exclusively based on monetary incentives, neglecting the importance of socially-coloured sweeteners.

The 'ideal bureaucratic structure' hides an informal daily life made up of employees' lived experience, socialisation, debates, conflicts, exercise of power, manifestation of insecurity and inequality, continuous processes of identity formation and reproduction under the ambiguous realm of 'politics'. The crude, vertical control system of bureaucracy neglects informal lateral connections and the importance of group interaction and social climate to job performance.

2. POSTMODERN ORGANIZATION

The growing perception of the fundamental inadequacy of the modern (bureaucratic) concept raises the question: What sort of organization can successfully replace the traditional bureaucratic structure? This question has been driving many experiments with organizational systems and arrangements. Therefore, it is very difficult, maybe impossible to define post-bureaucratic organization precisely. The notion of the postmodernism, as "a very slippery concept", is drawn from a set of examples of organizations that obviously left
traditional bureaucratic course. The transition from ‘old’ to ‘new’ paradigm is vividly expressed in the table below.

Table 1: The transition from old to new organizational paradigm

<table>
<thead>
<tr>
<th>Forces on organization</th>
<th>Old Paradigm</th>
<th>New Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets</td>
<td>Local, domestic</td>
<td>Global</td>
</tr>
<tr>
<td>Workforce</td>
<td>Homogeneous</td>
<td>Diverse</td>
</tr>
<tr>
<td>Technology</td>
<td>Mechanical</td>
<td>Electronic</td>
</tr>
<tr>
<td>Values</td>
<td>Stability, efficiency</td>
<td>Change, flexibility</td>
</tr>
</tbody>
</table>

Management Competencies

<table>
<thead>
<tr>
<th>Focus</th>
<th>Profits</th>
<th>Profits, employees, customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Autocratic</td>
<td>Distributed, empowerment</td>
</tr>
<tr>
<td>Approach to work</td>
<td>Individualistic</td>
<td>Team</td>
</tr>
<tr>
<td>Relationship</td>
<td>Competitive, conflict</td>
<td>Collaboration</td>
</tr>
</tbody>
</table>

Source: Senge, P.M. (1990)

2.1 VIRTUES OF NEW PARADIGM

Postmodern world is riddled by increased rate of change, global competitiveness, information and electronic revolution (information and knowledge are primary form of capital), turbulent and unpredictable environment. Flexibility and organizational responsiveness are getting crucial. Postmodern organization has recognized the necessity of introduction of more adaptable arrangements, such as homework\(^8\), teamwork, cross-training, job switching, multiskilling and multitasking, subcontracting, outsourcing, contingent employment contracts, etc. Organizations are becoming flatter\(^9\) and information technology enables communication in all possible direction.

Furthermore, organizations are striving for more decentralised structures with higher employee empowerment. The related propensity is gaining “right size” in

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9 “…I am not persuaded. I see layers added to organizations as often as I see them removed. I don’t see many low-level workers having intimate electronic chats with CEOs...” (Davenport, T.H. & Prusak, L. (1997), p.180)
terms of number of employees and asset value. For instance, ‘just-in-time’ system, tends to reduce inventory costs. The production is pulled by market demand, rather than pushed by “just-in-case principle”.

Postmodern organization is characterized by ‘fuzzy, shifting boundaries’. This is obvious through the growth of alliances, networks, joint ventures among different firms, but also through increasing fluctuation in work-force contingent. The flattening of structure brings numerous layoffs, which increases insecurity of employees and accelerates competition for job. On top of it, the number of temporarily hired workers has experienced steep rise\textsuperscript{10}. Temporary workers have long been used to fill in for sick or vacationing workers, but recently employers have been hiring temporaries in massive number to fill formerly permanent positions. Employers want to avoid having workers on their payrolls when demand is low. Also, they save by externalising the administrative costs entailed with recruitment, hiring, and control of temporary workers. This is a potential source of animosity, tension and conflict between permanent and temporary workers, “particularly if permanent workers view temporaries as a reserve army of labour, ready and willing to step into their full-time, permanent jobs”.\textsuperscript{11}

In contrast to bureaucratic concept, which insists on parochial responsibility, here everyone takes responsibility for the success of the organization as a whole.\textsuperscript{12} The prerequisite for this is integrating people around organizational mission and strategy. Employees need to understand the key objectives in depth in order to coordinate their actions with others.

In order to link individual contributions (individual jobs) to the mission, there is widespread sharing and dissemination of information. Information flows from the top down but also from the bottom up and laterally, which drastically improves the quality and credibility of the data being shared.

Therefore, the institutionalisation of dialogue plays an important role in enhancing the atmosphere of trust\textsuperscript{13} within the organization. The organizational networks and alliances, for example, are replacing all forms of vertical command and communication channels with lateral relationships among different compa-

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\textsuperscript{10} One third of all American workers hold temporary, part-time job, or short-term contract jobs. More than 90% of new jobs being created are part-time. It is interesting that two of three temporary workers are women and 20% are blacks, which suggests that gender and racial inequality still exist.


\textsuperscript{13} “The major source of trust is interdependence: an understanding that the fortunes of all depend on combining the performances of all” (Heckscher, C. & Donnellon, A. (1994), p.25)
nies. A network may be based on technical collaboration, massive outsourcing\textsuperscript{14}, wish to increase size and internationalise business activities, etc. International partnerships in forms of joint ventures accelerate the movement of financial, production and information resources between spatially dispersed locations.

Focus on mission is supplemented by course for action based on principles rather than rules. Principles, as opposed to rules, give only the general message for doing something. They leave certain extent of flexibility to employees, because the choice what to do is determined by the nature of the current problem, not by formal procedures. Instead of a role specified by the organization and codified in a job description, a role is identified by the current task and location of the worker. People are asked to think about the reasons for doing something rather than blindly follow rigid procedures. Furthermore, once established principles are not fixed, but susceptible to periodic discussions and reviews in line with changing circumstances.

Continuous learning is a condition for job security in contemporary learning organization. All employees are stimulated, through systematic and regular meetings with managers, to share their ideas and express ‘tacit knowledge’, which might be very useful for continuous re-definition of tasks. The aim is to learn by doing and by listening to the colleagues’ opinions and experiences (‘collective intelligence’). Moreover, the obsession with learning about work is expressed through increased demand for continuous innovation and adaptation and rapid obsolescence of working practices and knowledge. This is the basic principle of “knowledge creating company”\textsuperscript{15}. The best example is Japanese kaizen strategy, where all employees had an opportunity on a regular basis to discuss with their managers improvement of everyday working practices and redefinition of organizational goals.

2.2 DOWNSIDES OF POSTMODERNISM

In organization with loosely defined goals, watered organizational culture, low-level of self-discipline, insufficiently capable leadership, the application of this concept may result in anarchy and chaos. This may lead to increased costs of decision-making and decision-implementation.

\textsuperscript{14} “When all the task activities are outsourced, you have a virtual organization.” (Hatch, M. J., (1997):Organization Theory: Modern, Symbolic, and Postmodern Perspectives, Oxford University Press

The employees are subject to greater load of **responsibility and stress**. Workers are held responsible for outcomes that were once the exclusive responsibility of supervisors and managers. For instance, JIT system, although featuring improvements in flexibility, cost effectiveness, level of quality and employees’ participation, brings immense pressure on workers. One of the most stressful aspects of everyday work was related to late deliveries. If deliveries did not arrive on time, the production process is slowed down and targets could not be met. Similarly, adoption of TQM practice requires from factory workers to learn advanced methods of statistical control (in order to track production) and ‘problem-and-defect identification’, and to train to work under the pressure. All these practices speed up production processes and eliminate any idle time. They “pump work out of workers”, usually without tangible additional compensation.

This is supplemented by **insecurity of job place**, because layoff schemes are very often. New jobs are open predominately to young, highly educated people, who have advantage over long-employed manual operators. This obviously generates new form of inequality inside the company, besides still existing sex, class and racial tensions.

Also, many workers have developed an attachment to standard operating procedures and may be **resistant to new practices**. Long time ago, Erich Fromm noticed that “many, if not most people thrive on predictability and routine”. This is a strong motivation for individuals to engage in socially established institutions and routines (for example, in the institution of marriage). Some authors argue that the resistance was not simply a matter of job (in)security or new remuneration schemes, but, more importantly, was a consequence of “emotionally charged concern to preserve the established working practices and arrangements... and established sense of self-identity”. Obviously, the future is getting more blurred, and the support systems that formerly provided individuals with a deeply established sense of self-identity and direction (such as relatively stable...

16 “Workloads are high and increasing, health risks are high and increasing, work is stressful and becoming more stressful...” (Lewchuk, W. & Robertson, D. (1996), p. 79)
18 For example, workers have discretion to halt the flow of the production line if they spot defective product.
20 “Americans are being forced to give up security for opportunity and stability for mobility”, Rethinking world, Business Week, October 17, 1994, p.252
family life and relationships, schooling, cultural practices, career ladder or working arrangements) are changing fast. However, Knights believes that the flexible organization needs “a flexible self with little or no attachment to secure and stable identities”\(^{23}\). Indeed, changeable tasks, roles, positions and projects render identities less stable and more impermanent and transitory.

The frequent defence mechanism of dissatisfied workers is indifference to their working situation. The psychological distancing from the working reality serves to preserve and protect the subjectively established image of self. The usual defence of self-image is represented through this social construction: “I am a family man rather than a career person”.\(^{24}\)

### 3. NEW FORMS OF ORGANIZATIONAL CONTROL

Braverman holds that the twentieth century has experienced the tightening of managerial control, primarily through the application of Taylorist and scientific management strategies. The compulsive desire to control has not disappeared in postmodern era. What is constantly changing are the means and methods used to manage control process. The newly developed methods of overt and covert social control are natural answer to increasingly blurred and fragmented identity of working force. Jaffe emphasizes: “... it is more than the formal working role and the informal nonworking role (‘imported baggage’); rather it is a human who might be developing multiple identities and roles at work, employing multiple sensemaking perspectives, and occupying positions of authority and subordination simultaneously.”\(^ {25}\) Obviously, it is very difficult to develop successful strategies of social control, which would be able to integrate and mobilize all employees in a long run.

Deetz contends that managerial approach is managing the “insides”- the hopes, fears and aspirations of workers, rather than their behaviours directly\(^ {26}\). The target is to win over workers’ “hearts and minds”\(^ {27}\) and integrate their activities towards organizational mission. The aim is to establish the official, dominant definitions of reality in organization. This is in line with Knights’ view that “politics constitutes reality, not the other way around”.\(^ {28}\)

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24 Alvesson & Willmott, p. 633
27 This expression is very popular these days regarding Iraqi crisis
Organizational culture plays a very important role in integrating employees around the same mission. The aim of the strong corporate culture is to form strong identification and loyalty with the main organization’s objectives and values. Ray argues that the use of culture as a management strategy can be “potentially very effective in promoting loyalty, enthusiasm, diligence and even devotion to the enterprise.”

The main task of corporate culture is to join together employees’ sense of identity with the economic priorities (productivity and quality) of the organization. Willmott termed this process as ‘the de-differentiation of economy and culture’⁴⁻³⁰. In his opinion, this process is promoted “by institutionalising a sense of fun and playfulness”⁴⁻³¹, as the most fluid and casual way to spread ‘universal values’ and express affectionate and caring quality of organization. It is expected that people should look for appropriate adaptations within this flexible cultural framework. This cunning discourse system is the contemporary ‘weapon’ against employee resistance and anyone questioning or confronting the nature of these rituals is labelled to be disloyal to the company, to lack a sense of humour, or to ascribe undue importance to something that is transparently trivial. Heydebrand named this new management practice as ‘technocratic informalism’ representing “an intentional, postmodern strategy of increasing the flexibility of social structures and making them amenable to new forms of indirect and internalised control”⁴⁻³². Other authors claim that these managerial methods are designed to undermine organized labour (unions), squeeze out more effort from workers, intensify the pace, and gain greater control over all aspects of work process.

Spanking new vocabulary and discourses play an important role in this intentional psychological process. For example, the term “We” is preferred to “The Company” or “They”⁴⁻³³. On the other hand, a dominant discourse about work (full-time, 9 to 5, male, ‘public’ office or factory, one career for life) is declining, waiting for another yet to be articulated. For the beginning, we have steep rise in number of female managers (supports very interesting notion of ‘de-masculinization’ of management) or temporarily hired workers with flexible working hours.

29 Ray (1986), p. 289
32 Heydebrand(1989), p. 345
‘Monitoring at a distance’, through the use of accounting measures, is an attempt to hide the true level of direct and intentional control. Leading-edge information technology is used to monitor the location of products, provide detailed information about work performance, and build in quality control mechanism.

The stringent control is often replaced by peer evaluation inside teams. After working on particular project together, each member of team gets a relatively detailed view of others’ strengths and weaknesses, which then can be very useful for forming more internally consistent teams for future projects. Also, it is more elegant way of spotting the others’ failures in completing tasks and offering informal supervision and assistance by more skilful colleagues. On the other hand, everyone controls everyone. “Indeed, with everyone watching everyone else, it can feel like having a hundred bosses”34. Moreover, different workload for the same-paid jobs may just exacerbate the atmosphere. This may enhance insecurity of employees and result in abstinence, sabotage, strikes, etc.35

Team-based and consumer-based (e.g. opinions of consumers in supermarkets) control represents new, decentralised and less visible tactic of control. The only novelty is that control is moved from the hands of managers and supervisors into the hands of teammates. Smith argues that “…power potentially resides in all locations, emerging at different times and being exercised by different actors: supervisors, co-workers, and even customers”.

Japanese companies are famous for strong employees’ attachment to organization, which is not only the consequence of longstanding tradition and national culture, but also of excellent managerial practices (‘toyotatism’). These practices encompass different material bonuses, lifetime employment, predictable career path, numerous informal social events (such as picnics or recreation days). Also, all sorts of business-related interactions, debates and discussions are stimulated. In general, the aim of these practices is to replicate the family-like atmosphere inside the company, which then should lead to enhanced motivation and higher profitability.

The crucial point is to integrate functional and social aspect of organization and that is possible only with a help of widely accepted corporate values and norms, which, in fact, successfully replace formal structure and control. On the other hand, we can face the problem of several competitive powerful cultures

35 “Instead of employees embracing teamwork as an opportunity to become self-determining, they experienced teamwork as an intrusion and divisive form of control that sets machinist against machinist as each was required to become the others’ supervisor and controller.” (Ezzamel, M. & Willmott, H.C. (1998), p.388)
inside organization or, even worse, organization without apparent core norms and values (the myriad of autonomous particles). This only blurs the real mission of the organization and gives too much space for subjective interpretations of main goals, which, bit by bit, leads the organization into chaos and anarchy.

In this context, **the employee selection** is very important. Organizations usually look for workers with ability to work with others, to share information, to exchange ideas freely, to take on responsibility and to work under pressure and stress. The greater burden of responsibilities requires additional knowledge, skills and training in problem solving, quality standards, usage of information technology, etc.

**4. CONCLUSION**

Although new flexible models have involved fresh, elastic production techniques, this has not brought a definite break with traditional, hierarchical models of authority, command and control. Moreover, it has even further developed them by obscuring power behind participatory language. Obviously, there is a huge gap between the rhetorical and real structural changes. Employees may recognize this and perform even greater resistance, dissent and absenteeism. The vocabulary is still ‘them’ and ‘us’, regardless veiled endeavours to be ‘we’. Moreover, traditional control is coupled with a heightened job requirements, involvement and responsibility, often without added compensations.

Consequently, workers may begin to romanticize formal, hierarchical production arrangements with secure job place, predictable ‘tomorrow’, relatively stable identity and the privilege of “leaving their brains at the door”. On the other hand, the fact is that rational, bureaucratic ‘model’ of organization is far from dead. It still exists and permeates working reality, though in combination with other organizational arrangements and under different terminology (McDonaldization, for example).

It is important to stress out that each study of this type should be embedded in particular political, cultural and historical milieu. Any simplified generalizations regarding pros and cons of two ‘contrasting organizational models’ are laughable.

Organization theory should not regard these two approaches as mainly contrasting and confronting but should integrate them in order to provide more objective understanding of real organizational processes. Therefore, it is difficult to isolate pros and cons of any of these concepts. I do not see clear boundaries of these concepts nor plus-minus antagonism between them.
The simple notion is that rationalist approach, with its emphasis on structures, procedures, goals and rules, should be useful starting point and framework for the study of contemporary, personal and political dimensions of managerial and organizational work.
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