

Bureaucratic Theory by Max Weber

Max Weber, a German scientist, defines bureaucracy as a highly structured, formalized, and also an impersonal organization.

He also instituted the belief that an organization must have a defined hierarchical structure and clear rules, regulations, and lines of authority which govern it. Max Weber bureaucracy ideally has the following characteristics:

- Specialization of labor
- A formal set of rules and regulations
- Well-defined hierarchy within the organization
- Impersonality in the application of rules

Bureaucratic organizations evolved from traditional structures due to the following changes:

- In traditional structures, the leader delegates duties and can change them at any time. However, over time, this changed and there was a clear specification of jurisdiction areas along with a distribution of activities as official duties.
- In a bureaucratic organization, the subordinates follow the order of superiors but can appeal if they feel the need. On the other hand, in traditional structures, the authority was diffused.
- Rules are exhaustive, stable, and employees can learn them easily. Further, the organization records them in permanent files.
- Personal property is separate from the office property. Also, the means of production or administration belong to the office.
- The selection of officials is based on technical qualification and appointment and not an election. Further, officials receive a salary as

compensation for their work.

- The official is taken in for a trial period and then offered a permanent position with the organization. This protects him from arbitrary dismissal.

Max Weber's Bureaucratic Form – 6 Major Principles

Max Weber listed six major principles of the bureaucratic form as follows:

- **A formal hierarchical structure** – In a bureaucratic organization, each level controls the level below it. Also, the level above it controls it. A formal hierarchy is the basis of central planning and centralized decision-making.
- **Rules-based Management** – The organization uses rules to exert control. Therefore, the lower levels seamlessly execute the decisions made at higher levels.
- **Functional Specialty organization** – Specialists do the work. Also, the organization divides employees into units based on the type of work they do or the skills they possess.
- **Up-focused or In-focused Mission** – If the mission of the organization is to serve the stockholders, board, or any other agency that empowered it, then it is up-focused. On the other hand, if the mission is to serve the organization itself and those within it (like generating profits, etc.), then it is in-focused.
- **Impersonal** – Bureaucratic organizations treat all employees equally. They also treat all customers equally and do not allow individual differences to influence them.
- **Employment-based on Technical Qualifications** – Selection as well as the promotion of employees is based on technical qualifications and skills.

While these rules have received criticisms from many corners, the bureaucratic form of the organization continues to live on.

Why is a Bureaucratic Organization criticized?

Here are some reasons:

- The rules are inflexible and rigid. Further, there is too much emphasis on these rules and regulations.
- Informal groups do not receive any importance. In current times, informal groups play a huge role in most business organizations.
- Typically, bureaucracy involves a lot of paperwork which leads to a waste of time, money, and also effort.
- The rules and formalities lead to an unnecessary delay in the decision-making process.
- While Government organizations can benefit from a bureaucratic structure, business organization need quick decision-making and flexibility in procedures. Therefore, it is not suitable for the latter.
- While the technical qualifications of the employee is an important aspect of his promotion, a bureaucratic organization does not consider the employee's commitment and dedication.
- There is limited scope for Human Resource management.
- Coordinating and communicating is difficult.

Previous Years Questions

1. Discuss Management as Science.
2. Discuss planning vs Controlling.
3. Explain the term ' Management'. Also discuss the nature & scope of management.
4. Elaborate 14 principles of Managment given by Henry Fayol.
5. Briefly discuss the term planning. Elaborate various steps of process of planning.
6. Define the term Organizing. What are various types of organization.