

# INSTITUTIONS BETWEEN SOCIAL LIFE AND SYMBOLIC SYSTEM

Professor PhD. **Toma ROMAN**

The Bucharest Academy of Economic Studies, Romania

Assistant Professor PhD. **Ionuț ANASTASIU**

The Bucharest Academy of Economic Studies, Romania

## ABSTRACT

*The concept of scientific management introduced in history of sociology by Frederick Winslow Taylor considered that “the principal object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee”. Max Weber’s organizational theory distinguished three pure types of authorities and organizations: charismatic, traditional and bureaucracy. The institutions are composed by symbolic elements, social activities and material resources, being characterized by social durability and relative resistance on change. Also, the institutions have the tendency to transmit their systems of value from generation to generation. Sociological interrogation concerning institutions and organisations focuses on the internal processes or mechanisms of the company which led to the incorporation, maintenance and stabilisation of institutions; institutions modify and generally influence social life.*

**KEYWORDS:** *scientific management, charismatic, traditional and bureaucracy organization, social life of institutions, organizational culture*

The concept of *scientific management* was introduced in history of sociology by Frederick Winslow Taylor, which is regarded as the creator of this scientific field. He considered that “the principal object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity for each employee”. Taylor's scientific management consisted of four principles:

1. Develop a science for each element of a man’s work, which replaces the old rule-of-thumb method;
2. Scientifically select and then train, teach and develop the workman, whereas in the past he choose his own work and trained himself as best he could;
3. Heartily cooperate with the men so as to insure all of the work being done in accordance with the principles of the science which has been developed;
4. There is an almost equal division of the work and responsibility between the management and the workmen.

The scientific organization can be reduced to these options:

- science instead of empiricism;
- harmony instead of discord;
- cooperation instead of individualism/selfishness;
- maximum efficiency instead of low production;
- training and develop every man, for the cause to obtain maximum efficiency and prosperity.

A formal organization is defined as “any social group engaged in pursuing explicit announced objectives through manifestly coordinated effort”. Max Weber’s organizational theory distinguished three pure types of authorities, domination and political leadership:

✓ *charismatic authority*, defined as “resting on devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of the normative

patterns or order revealed or ordained by him". Charismatic authority is "power legitimized on the basis of a leader's exceptional personal qualities or the demonstration of extraordinary insight and accomplishment, which inspire loyalty and obedience from followers". Organization focused on leadership is dominated by a hierarchy consisting by leader and subordinates, who are entirely devoted to him. The decision-making power belongs exclusively to the leader, which involves a high degree of risk facing the organization.

✓ *traditional authority* – the tradition is glorified, the rank or position in society are very important, the social relations in this kind of organization are the type of authority of a master over his household. The rules of inheritance are essential; the master depends on the willingness of the group members to respect his authority.

✓ *bureaucracy* – is the third organization/authority system and the dominant institution in modern society.

Bureaucracy is described by Weber as more rational and efficient than charismatic or traditional organization. The defining elements of modern bureaucracy include:

- specialization, division of labor between members of the organization;
- hierarchical structure, the existence of governing principles defined very strictly;
- the system of formal rules guiding the activities of organization;
- the authority is impersonal and impartial;
- appointment and job placement are dependent upon employee technical qualifications;
- the bureaucratic organizations are the most efficient in relation with other types of organization.

To be able to discuss about the issue of the institution's organizational culture, first of all we must define the terms that are going to be used. Therefore, any theoretical attempt to fix this problem in the most accurate way must start from the attempt to circumscribe the meaning of the term "institution". Thus, in the sociological theory, the institutions were seen as:

1. Social structures with a great mobility rate;
2. Social systems compound from cultural-cognitive elements, normative and regulate whose activity and resources' consumption provides the social life with stability and meaning;
3. Their essential feature is that they are transmitted through the different factors that include relational, symbolic, routine systems, etc;
4. Another characteristic feature is the way "they operate on multiple levels of authority, from the global system to the interpersonal local relationships";
5. Finally, the institutions demonstrate a kind of paradoxical character/nature due to the fact that even they assume a great stability, still they are not reject the new, the changes both the ones based on development and the ones that are dominated by the discontinuity.

Basically, one may assert that the institutions are composed by symbolic elements, social activities and material resources, being characterized by social durability and relative resistance on change. Also, the institutions have the tendency to transmit their systems of value from generation to generation. As a distinguished sociologist states, the institutions are by definition the most stable elements of the social life, conferring stability to the social systems in time and space".

Any institution is based on three types of systems: systems of settlement, normative and cultural-cognitive. Briefly, the system of settlement means that the institutions impose a set of constraints and they regulate the behavior, the normative system is based on rules, norms and social values and the cultural-cognitive system emphasize the function of symbols, of the ruling conceptions in a social system.

The organizational culture is defined by Ovidiu Nicolescu and Ioan Verboncu in "The foundations of the organization's management" as the "assembly of the values,

beliefs, aspirations, expectations and behaviors outlined/shaped during the time in each organization which are prevailing within the organizations and are conditioning directly or indirectly their functionality and performances". The most important manners for the manifestation of the organizational culture are: the symbols, the behaviors, the rituals and ceremonials, the status and roles, the myths and essential stories (usually, the last ones have a founding character and a major signification within the organization). Thus, the symbols have the function to promote the certainness values and behaviors and to be bearer of certainness conceptions. The behavior norms describe, formally or informally, the conduct (behavior), the rules of living together within an organization. The status is referring to the position and prestige of each individual member of the organization. Finally, the myths relate about the facts that in time have gained a vital signification for the organization's life, central elements of the myth being actualized by their each reiteration.

Further on, the notion of managerial culture "implies the value system, the beliefs, aspirations, expectations and behaviours of the managers of an organisation which reflect in the types of management applied within the organisation, thus having a significant impact on the content of organisational culture of every company and on the performance thereof". As highlighted in the definition, the focus is on the activity of the managers, particularly on their capacity to take the best actions and to make the best decisions in order to attain the objectives of the organisation. The finalist aspect of this concept is obvious, as it is directly connected to organisational behaviour and to the notion of strategy, defined by the above mentioned theoreticians as being "the core of all major long term objectives of the organisation, the main accomplishment methods, together with the resources provided, in order to obtain the competitive advantage according to the mission of the organisation". Consequently, the notion of strategy focuses on the means or the methods used to achieve certain well defined objectives of the organisation.

Therefore, the strategy pursues the accomplishment of certain well defined purposes, highlighting the major interests of the organisation, as "the strategy implies the forecast of a long term competitive behaviour for the organisation, considering both the culture of the company and contextual evolutions. The latter reflects the culture of the organisation, which is expressed by means of the attitudes, behaviours, belief system, regards, aspirations and values of performers and managers, manifested within work processes. A performing strategy projects a certain behaviour, which reflects the culture of the organisation, from an ameliorative point of view". However, we must emphasize the fact that the process aimed to fundament and to accomplish the strategy also implies an educational and organisational aspect, meaning that the members of an organisation do not only benefit of information and knowledge, but they also develop certain abilities that change their action methods and organisational behaviour.

On the other hand, the American sociologist William Foote Whyte focuses on the study of social behaviours present within an organisation, trying to delimit the statute and the role of the social factor, as well as the significance of the actions carried out by the latter. Thus, it was ascertained that human rationality is limited by the organisational environment, human behaviours are dominated by the constraints imposed by social organisations. In addition, "the changes concerning the size, composition or character of an organisation are always accompanied by certain changes of the symbols based on which people visualise the organisation and organisational leaders try to motivate their successors. These symbols may be prevailing instruments used to initiate or to block the change, but, in order to be effective, these symbols must "sound real". Whether or not they "sound real" depends on the context of their use. It is impossible to solve a problem by merely changing an isolated symbol. In other words, there is no magic in what symbols are concerned".<sup>1</sup>

---

<sup>1</sup> William Foote Whyte, *Organizational Behaviour. Theory and Application*, Ed. Richard D. Irwin, Inc. & The Dorsey Press, U.S.A., 1969, pp. 593.

This way, we may speak about an organisational behaviour, which is defined as opposed to the omniscient rationality model, as treated by traditional sociology.

The characteristics of this classic model of human personality are as follows:<sup>1</sup>

1. he/she has all the information and has an unlimited capacity to process it
2. he/she seeks and most of the times manages to find the optimal solution out of all possible versions
3. "he/she has a clear idea of his/her preferences considered to be stated once and for all, being stable, coherent and categorised"<sup>2</sup>

Nowadays, it is obvious why this classic, purely theoretical model was abandoned, being replaced by another organisational personality model, combining rational characteristics as well as features of irrational nature. Rational characteristics include the notion of "strategy", whose essential features are of a purely rational nature, while the term of "organisational culture" reaches certain levels less dominated by human ration, being dominated more by other factors, which are closer to the irrational sphere, we dare say.

Sociological interrogation concerning institutions and organisations focuses on the internal processes or mechanisms of the company which led to the incorporation, maintenance and stabilisation of institutions. Moreover, an unavoidable problem concerns the way in which institutions modify and generally influence social life. In other words, organizational behaviour is not an exclusive characteristic of the life within an organisation, but, more often than not, it reaches outside the organisation, being visible in the sphere of social life. This way, a set of problems is discovered, initially concerning human behaviour interacting with the organisational environment and, on the other hand, the various methods of integration within an organisational structure and, finally, the analysis of the impact on the increase and development of the organisation in what life and social freedom are concerned.

The issue regarding the relationship between the organisational structure and its effects on inter-human relations was developed by William Foote Whyte by means of a fictional character, Tom Jones, also known as "the restaurant man". This story regarding the success of a person who started from a low level and managed to reach the top of the financial elite presents universal human characteristics, and may be summarised in three stages.

At first, Jones opened a small restaurant, with two employees and an extremely narrow scope of activity, limited to the provision of very simple foodstuffs. A specific feature of this stage is the lack of division of work, as no significant differences existed between Jones and the other two persons, as they were equally chefs, waiters or dishwashers and so on.

In the second stage, as the business developed, Jones decided to extend his restaurant into a larger location and hired additional employees. This stage highlights the first attempts to the division of work, as each employee was involved in a specific activity as chefs, dishwashers or waiters. There were not many employees and a single manager, who also acted as a supervisor, namely Jones himself.

During these first two stages, the specific organisational structure of the restaurant is characterised by informal inter-human relations. The owner was close to all his employees, had direct contact to each of them, they began to know each other very well and all these may constitute a good foundation for the development of friendships. More than that, the employees were very aware of the owner's expectations in what they were concerned, and of their own expectations regarding the owner. On the other hand, there was a direct relation between Jones and the regular customers of the restaurant. Gradually, he discovered that the restaurant had become a kind of social centre of that particular area of the town, where various people gathered and little by little became his friends. The regular

---

<sup>1</sup> Organisational behaviour is defined by the mere opposite of the characteristics listed below.

<sup>2</sup> Raymond Boudon, *Treaty of Sociology*, pp. 424

customers of the restaurant did not come there for a mere meal, but for conversation as well, thus Jones found out a lot of things about them, about their families or occupations.

The business became more and more prosperous, the number of employees increased, the restaurant developed, and Jones became unable to supervise the entire activity, thus he employed three department managers, each in charge of coordinating the activities concerning the serving, cooking of the meals and washing the dishes. These three employees reported to a manager (Stage 3). Subsequently, Jones became aware of the fact that further development was impossible without taking another step towards the division of work, thus he completely separated the cooking activity of the restaurant from the activity of the waiters. A new department was created, comprising employees in charge with transporting the products from the kitchen to the waiters. Jones hired a new set of supervisors, coordinating the activity of the department managers and permanently monitoring the efficiency of the restaurant (Stage 4).

During these two stages there were certain significant changes regarding the position and activity of Tom Jones. First of all, he was no longer able to develop friendships with the regular customers of the restaurant. They became very numerous, they spent much less time in the restaurant than they used to. The relationships between Jones and the clients were characterised by obvious formality, which can be summarised in stereotypic phrases such as: "Good evening, sir...", "How are you today, sir...?". Jones became aware of the fact that he could no longer rely on the direct and complex relationship with his customers in order to consolidate and develop his business. This relationship with the clients was mediated by supervisors, by the department managers and by each employee. The central concern of Jones was to permanently improve the services rendered by his restaurant, so that clients who had never met him to come here to eat, for the simple reason that "this is the best place in town". On the other hand, there were also major changes concerning the relationship between the manager and his subordinates. The restaurant had so many employees that Jones only knew some of them by name or by appearance. New problems appeared which Jones had never faced before. There were certain conflicts between new employees and senior ones and Jones, who had always taken pride in his good relationship with employees, felt the need to take action in this respect. Apparently, he seemed to understand the discontent of new employees, but he was nevertheless aware of the fact that the loyalty of his old collaborators had a great contribution to the success of his restaurant. And that meant something. Jones was not willing to cancel his relationship with people he had known for a lifetime in just a minute, although he was convinced that they were not always right.

On the long term, it was inevitable for the direct relationships between Jones and the employees of his restaurant to tend to disappear and to be taken over by supervisors. Jones no longer had the time to develop direct relationships with all his employees, and the considerably increasing number thereof made it impossible to even attempt to permanently stay in contact with them. The supervisors were in charge with the good development of employee activity, which also implied the direct contact with the latter. This new situation implicitly raised new problems. One of them was, for example, the method used to select and to evaluate people, in order to choose the specific persons who had the necessary abilities to act as good supervisors. A good supervisor is a person who has the same attitude towards both the management and the subordinates, but people usually want to make a good impression to the managers and have no popularity whatsoever with regular employees.

Finally, the last stage of organisational development analysed by William Foote Whyte implies a great expansion of the business, the development of an entire chain of restaurants run by Tom Jones. The main focus is now standardisation. Within such a great organisation, informal human relations are replaced by formal ones, and Jones himself came to be known as a name, rather than as a real person. He no longer had the same visibility, concerning both clients and employees. He became concerned with building a

system for the detailed analysis of his business, of the cost-outcome rate, and the employees also had to adapt to the new expectations of the organisation. Of course, the kitchen of the restaurant underwent major changes, the standardisation that affected the life of the restaurant had a great impact in this area, but, regardless of this aspect, the prestige that the restaurant had gained during so many years should not be wasted, even given the fact that the rules had changed.

Consequently, business development involves a great number of effects which greatly affect people's life. Standardised procedures and techniques are adopted, implying many routine activities, and if they are adopted without a mere ability, the employees may be greatly demoralised. The changes undergone by the organisation may affect the relationships between people, their feelings and the entire activity of the social system. Organisational behaviour may lead to many changes suffered by people, together with the social system they belong to.

### References

1. Bogathy, Z., *Manual de psihologia muncii și organizațională*, Editura Polirom, Iași 2004
2. Boudon, R., *Tratat de sociologie*, Editura Humanitas, București, 2006
3. Hall, R. H., *The Formal Organization*, Basic Books, Inc., Publishers, New York, 1972
4. Năstase, M., *Cultura organizațională și managerială*, Editura ASE, București
5. Nicolescu, O., Verboncu I., *Fundamentele managementului organizației*, București, Editura Tribuna Economică, 2001
6. Scott, W. R., *Instituții și organizații*, Editura Polirom, 2004
7. Taylor, F. W., *The Principles of Scientific Management*, Editura Cosimo Inc., New York 2006
8. Roman, T., *Introducere în sociologia economică*, Editura Economică, 2005
9. Weber, M., *Theory of Social and Economic Organization*, The Free Press, New York 1997
10. Whyte, W. F., *Organizational Behaviour. Theory and Application*, Editura Richard D. Irwin, Inc & The Dorsey Press, U.S.A., 1969.