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The Iron Cage in the Information Age: The Legacy and Relevance of Max Weber for Organization Studies. Editorial

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Max Weber's influence upon the study of organizations has been profound, perhaps unrivaled. But his contemporary relevance is less certain. This special issue celebrates the achievements of Weber and, at the same time, reflects on his current influence. Contributors vary in their assessment and suggestions.

Weber¹ was born on 21 April 1864. His university education and career, by today's standards, were unusual. He began his university studies as a student of law in Heidelberg but his education was broad in scope, embracing history, economics and philosophy. He also showed a facility with languages, learning Italian and Spanish in order to examine original materials for his doctoral thesis on the history of trading companies during the Middle Ages, completed in 1889. Later, Weber would learn Russian in order to follow events during the Russian Revolution. However, he was no intellectual ascetic. As a student, he engaged fully in university life and after only three semesters had become 'a massive, beer-drinking, duel-marked, cigar-puffing' student (Gerth and Mills 1970: 29).

Weber qualified as a university teacher with a second doctoral thesis, submitted in 1891, on the significance of Roman agrarian history for public and private law, and began his university career teaching law in Berlin, with a teaching load of 19 hours a week. In 1894, he took up a chair in political economy at Freiburg University but soon moved to Heidelberg as a professor of economics.

In 1898, soon after the death of his father, Weber became ill, beginning a cycle of 'neurotic collapse, travel and work' (Gerth and Mills 1970: 12) that lasted for the rest of his life. His illness prompted the university to grant him leave with pay. Weber then spent several weeks in a mental institution before convalescing while traveling in England, Scotland, Belgium and Italy. He returned to Heidelberg in 1902 but was unable to fully resume his responsibilities. His only published output in almost five years was a book review, but in 1904 he began publishing essays on a range of topics, including the first section of *The Protestant ethic and the spirit of capitalism*, in which he associated the origins of capitalism with the religious values of Calvinism. The completed version, published in 1905, became 'probably the most important sociological work of the twentieth century' (Bell, cited in Baehr and Wells 2002: xxxi) and contains the famous metaphor of the 'iron cage'.

Weber was much affected by a visit to the United States where he was struck by its 'capitalist spirit' and industrial practices, especially the scale and

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human consequences of large bureaucratic administrative organizations. Returning to Germany, Weber launched himself into an outpouring of essays and was intensely active in the development of sociology as a discipline, even though he was, officially, still on sick leave. It is unlikely that today's frenetic 'publish or perish' tenure system would have allowed Weber the same opportunity. As Macrae, somewhat disarmingly, comments: 'The strength of the German academic system that could allow Weber his prolonged leave, his "titular" chair, his ambiguity of field — he can be thought of as lawyer, historian, economist, philosopher, political scientist, as well as sociologist — is today nowhere to be found' (MacRae 1974: 34).

Weber was 50 at the outbreak of World War I and for a year was in charge of running nine hospitals around Heidelberg, gaining direct experience of the supervision of a bureaucracy. At the end of the war, he moved to the University of Vienna to a specially created chair of sociology and gave his first university lectures in 19 years. He died of pneumonia, aged 56, at about 5 o'clock on 14 June 1920.

Weber's influence on sociology and organization studies outside Germany was delayed. *The Protestant ethic* was not available in translation until 10 years later (Weber 1930). Further, Weber's essays on bureaucracy became widely known only following appearance of the Gerth and Mills (1946) volume. Despite the delay, Weber's formative influence on organization studies and organization theory during the decades after World War II was immense. His writings on power, authority, bureaucracy, capitalism and methodology shaped much early organizational research. Weber's articulation of 'bureaucracy' stimulated key streams of research into the functioning and dysfunctions of bureaucracies. His notion of formal organization as an 'iron cage' and the concomitant ascendance of instrumental reason were key themes of his work. Several scholars queried whether there was in fact a single form of bureaucracy, a movement that developed into structural contingency theory and configurational theory, which is one of the major perspectives within organization studies. It could be argued that Weber's insistence on the role of societal values in determining organizational forms in society foreshadowed some of the themes within institutional theory. The central theme of legitimacy figures in several organizational perspectives, including institutional theory and population ecology. Weber also connects to those who point to the role of large, complex organizations as significant agents within society, affecting the distribution of power and the allocation of privileges and advantage.

Today, Weber's status in organization studies is more complicated. While some scholars continue to draw on his work, developing research and theory that extends and refines his ideas, many of those ideas have ossified within the larger community of organizational scholars. The relevance of Weber in today's different circumstances is unclear. For example, his influence on the sociology of organizations began when contexts were less dynamic and the pace of change was, arguably, less punishing. The study of organizational change, one of today's major research themes, appeared less central in the middle decades of the 20th century. Today, new forms of technology are

enabling new forms of organizations, such as inter-organizational networks that, from one perspective, appear antithetical to the large, complex structures at the heart of Weber's analysis. Knowledge-based work, an important feature of today's network society, threatens the authority of the 'office' and creates tensions between hierarchical and knowledge-based organizational structures. The split between facts and values that has long been a characteristic of bureaucratic organization raises important questions regarding its sustainability, in the aftermath of corporate scandals and unethical organizational action. The relationship between instrumental rationality and value-based rationality, to which Weber was one of the first to draw our attention, may need to be rethought.

This special issue is thus intended to both celebrate Weber's contributions and encourage a re-examination of them in the light of theoretical traditions and social conditions that are markedly different from those in Weber's time. It is this apparent disjuncture between the circumstances that provoked Weber's work in the early decades of the 20th century and which resonated with and deeply influenced scholars later that century, and the economic, social and technological circumstances that prevail today, that provides the motivation for this special issue. Although the 140th anniversary of Weber's birth is the occasion for the special issue, from a substantive point of view we wish to reconsider the Weberian legacy because our circumstances today are so vastly different from the time in which he was writing. How does Weberian analysis help us today to understand organizations, and organized societies in general? Does Weber still have relevance in what might be termed the 'digital' or information age?

Contributions to the Special Issue

Turning to the contributions to the special issue, we find that the authors approach the relevance of Weber in wide-ranging ways. A notable commonality among these contributions, however, is their examination of 'big' issues in the field of organization studies; it seems that to discuss, examine or draw on Weber leads inexorably to a concern for the overarching theoretical and empirical questions that structure our field. In these contributions, we hear clear echoes of Weber's concerns for the relationship between organizations and society, why organizations exist, how they facilitate collective action, and the dynamics of power, authority and domination.

In order to situate these contributions in relation to one another and more generally, we introduce each article by examining its central orientation with respect to the relevance of Weber: its focus — which aspects of Weber's work it highlights as most relevant; and its attitude toward Weberian theory — whether it suggests a re-injection of Weberian concepts and methods into organization studies, or instead suggests a reinterpretation of Weber in light of contemporary realities.

Michael Lounsbury and Edward J. Carberry offer an historical investigation into the relevance of Weber in organization studies by examining

citation patterns over nearly 50 years. Because their study is inclusive of all citations to Weber in particular journals during that period, Lounsbury and Carberry highlight a wide range of Weber's work as relevant to organization studies. They argue that Weber influenced three major streams of organizational research: the study of organization in relation to its societal context, which directly and indirectly draws on Weber's comparative historical approach to understanding the rise of different forms of organizing; the study of intra-organizational arrangements, which drew particularly on Weber's notion of bureaucracy as an ideal-type organizational form and his analysis of forms of authority; and the study of the environment–organization relationship, which taps into Weber's analysis of the efficiency of bureaucratic organizations as well as his cultural analyses. Lounsbury and Carberry's study is concerned primarily with understanding the extent to which organizational scholars have drawn on Weber over time, but their attitude to Weber suggests a need for contemporary scholars to draw more heavily and substantively on Weber. They make the interesting case that Weber analyzed a cultural and societal shift that profoundly affected forms of organizing, just as many scholars would suggest that we are, or should be, doing today. Thus, Lounsbury and Carberry argue that Weber's concepts and methods be re-injected into organization studies as a means of understanding the post-industrial organization, social movements and economic sociology more broadly.

Stewart Clegg's essay, 'Puritans, Visionaries and Survivors', focusses on Weber as a cultural analyst and the implications of that analysis for the world of organizations and commerce. In a creative integration of ideas and contexts, Clegg traces a path from Weber's notion of rationality and the values that underpinned it, to the roles of values and rationality in contemporary organizations and markets. Along this path, Clegg clarifies Weber's relation to the bastions of scientific management with whom his ideas are often associated in contemporary textbooks, to the liberal values associated with modern societies that Weber was analyzing, and then to contemporary cultural forms including reality TV and 'McDonaldization' (Ritzer 2004). Clegg's attitude to Weberian concepts and notions includes an appreciation for the contemporary relevance of Weber's analyses of rationality and the ways in which Weber's work may have prefigured contemporary organizational realities. At the same time, Clegg exhorts us not to engage in nostalgia for Weber's contexts or questions. Clegg may trace a path from Weber to reality TV, but he does not suggest that understanding contemporary organizations and their role in society can rely on unaltered Weberian ideas rooted in the 19th century.

In 'A Neo-Weberian Theory of the Firm', Pursey Heugens draws on Weberian concepts to provide the foundation for an integrative theory of the firm. In this provocative article, Heugens argues that the field of organization studies is divided into two complementary sets of theories: those that attempt to explain why firms exist (e.g. transaction cost economics and agency theory), and those that attempt to explain how firms connect the actions of individual actors to collective outcomes (e.g. behavioral, knowledge-based

and evolutionary theories of the firm). In this article, Heugens uses Weber's theory of bureaucracy, and particularly his notion of rational-legal decision rules, to develop a theory of the firm that addresses both why firms exist and how they operate. Thus, Heugens expresses a utilitarian attitude to Weber's work, not only arguing for its contemporary relevance but demonstrating its practical application for the development of theory. Heugens' neo-Weberian theory of the firm offers a distinctively rich and coherent account of organizations based on a scaffold of clear premises.

Eric J. Walton's contribution also focusses on Weber's theory of bureaucracy, but does so through an empirical investigation of its general validity. Through a meta-analysis of almost four decades of empirical research, Walton estimates the statistical relationships among key elements of bureaucracy, finding strong support for a model of bureaucratic control. Walton's work synthesizes and extends one of the major traditions in organization studies that has been a direct descendant of Weber's writing — structural contingency theory (see also Lounsbury and Carberry in this issue). Contingency theory, perhaps more than any other tradition in organization studies, is directly tied to Weber's conception of bureaucracy, taking from it not only a concern for the form as a whole, but also for its specific, constitutive elements: a fixed division of labour (horizontal differentiation), a hierarchy of authority-based positions (vertical differentiation), written documents and general rules (standardization and formalization) and the use of expert personnel (specialization). Walton investigates the relationships among these elements of bureaucracy both on a cross-sectional basis and over time. This contribution is important not only because it provides a convincing empirical basis for understanding the robustness of these relationships, but also because it suggests that even the dynamics of 'post-bureaucratic' forms of organizing can be understood more clearly by attending to their relationship with bureaucratic forms of control. Walton's attitude to Weberian concepts is perhaps the most strongly preservationist of the contributions to the special issue: through this comprehensive meta-analysis, Walton demonstrates the value of retaining key elements of Weber's theory of bureaucracy as central to contemporary organization studies.

Marcel Hoogenboom and Ringo Ossewaarde explore the integration of institutions and action through the Weberian concepts of rationality and authority. They argue that rationalization of society has occurred at the institutional level through the development of modern capitalism, the constitutional state and modern bureaucracies, and at the individual level through a shift from traditional to goal-oriented rationality as the primary basis for social action. Hoogenboom and Ossewaarde suggest, however, that Weber's analysis does not reflect the contemporary relationship between institutions and action because of the shifts that have occurred in the nature of rationality and authority. The authors draw on the work of Ulrich Beck and Anthony Giddens to update these concepts and conceptualize new forms of rationality and authority, which they refer to as 'reflexive rationality' and 'reflexive authority'. Hoogenboom and Ossewaarde argue that the work of Beck and Giddens suggests that late modernity involves a society in a continuous

legitimation crisis, and is thus either in, or moving toward, a state of disorder. Hoogenboom and Ossewaarde, however, disagree with this sentiment; on the contrary, they argue that late modernity is stabilized by new kinds of institutions, the authority of which rests on a 'reflexive authority' that stems from their ability to accommodate competing rationality claims. Thus, acceptance of authority is based on a belief not that the leading actor is 'rational', but that they embody a process through which multiple rationalities are accommodated and some socially rational outcome might be achieved. Hoogenboom and Ossewaarde extend this logic to differentiate between what they refer to as the 'reflexive organization' (one premised on reflexive authority) and both Weber's notion of a modern bureaucracy and the post-modern organization. Through this analysis, Hoogenboom and Ossewaarde provide a distinctive contribution to our understanding of the relationship between institutions and action, one that reflects Weber's concerns for both rationality and contemporary realities.

The final contribution is by P. Devereaux Jennings, Martin Schulz, David Patient, Caroline Gravel and Ke Yuan. Unlike the other contributions to the special issue, this article describes original empirical research explicitly intended to test an aspect of Weber's work. The authors focus on Weber's interest in the role of law in the rationalization of society. They argue that bureaucratic rationalization depends importantly on the law, to bolster the authority of bureaucratic functionaries, to formally encode bureaucratic decisions, and to legalize complementary elements of the economy, such as money and securities. The Weberian thesis tested in this article concerns the proliferation and refinement of laws: the authors study this issue in the context of a regional water law over a 90-year period, examining the degree to which its sections proliferated and were refined, and the factors that led to these dynamics. The attitude expressed in this article is one of engagement with Weber. The article draws explicitly on Weberian theory for its foundation, and then tests its predictions empirically, providing new insights into the dynamics of law over time and into the nature of rationalization processes more generally.

Notes

- 1 The biographical summary that follows draws heavily on (especially) Gerth and Mills (1970: 3–31) and Macrae (1974).

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