Bureaucratic Management Theory by Max Weber

Bureaucratic management theory developed by Max Weber, contained two essential elements, including structuring an organization into a hierarchy and having clearly defined rules to help govern an organization and its members.

Max Weber (1864-1920), a German sociologist; described a theory to operate an organization in an effective way which is known as the Bureaucratic management approach or Weberian bureaucracy.

Max Weber’s work was oftentimes interpreted as a caricature of modern bureaucracies with all of their shortcomings.

But it was more than that. Weber’s work was indented for displacing the old organizational structures of the industrialization period.

According to Max Weber, the Bureaucratic management approach emphasized the necessity of organizations to operate in a rational way instead of following the “arbitrary whims” or irrational emotions and intentions of owners and managers.

He found different characteristics in bureaucracies that would effectively conduct decision-making, controlling resources, protecting workers and accomplishment of organizational goals.

Bureaucratic management approach developed by Max Weber is not suitable for business organizations but may be suitable for government organizations.

Max Weber described 6(six) principles of the Bureaucratic management approach.

6 Principles of Bureaucratic Management Approach

1. Proper Division of Labor
Division of labor specialization should be fixed and there should be a balance between power and responsibilities.

2. **Chain of Command**

The chain of command or organizational hierarchy should be constructed in a way that information related to decisions and works can flow effectively from top to bottom.

3. **Separation of personal and official property**

Owners and organization’s assets are separate and can to be treated as same by the owner or the organization.

4. **Application of Consistent and Complete Rules**

There should be proper rules and regulations in the organization for running the organization.

These rules should be followed in every step of the organization and they are equally applicable to every member of the organization.

5. **Selection and Promotion Based on Qualifications**

The selection and promotion of workers should be based on equalization like; skills, experience, age. It should not be influenced by personal relations and benefits.

Training in job requirements and skills. There is a difference between management and other parts of organization and training and improving skills of management is important.

**Features of Bureaucratic Organization**

From the principles of bureaucratic organization, we can find these characteristics or features of Bureaucratic Organization are as follows:

- The high degree of Division of Labor and Specialization.
- There is a well-defined chain of command.
- It follows the principle of Rationality, Objectively and Consistency.
- The relationship among the member of the organization is Formal and Impersonal relations. And it’s based on positions and not on personalities.
- Rules and Regulations are well defined and it indicates the duties and rights of the employees. These rules apply to everyone from to bottom of the organization and must be strictly followed.
- Selection and Promotion are based on Technical qualifications.
- Only Bureaucratic or legal power is given importance.
Criticisms of Bureaucratic Organization

Bureaucratic Management Approach of Max Weber also has some fault-lines and received criticism for it.

- The emphasis only on rules and regulations.
- There will be unnecessary delays in decision-making due to formalities and rules of Bureaucratic Organization.
- Coordination and communication hampered because of too much formality and rules.
- Bureaucracy involves a lot of paperwork and has just too much level of authority which results in a lot of wastage of time, effort and money. Not ideal for efficiency.
- Because of its too much formality, a Bureaucratic approach is not suitable for business organizations. The bureaucratic model may be suitable for government organizations.
- Too much importance is given to the technical qualifications of the employees for promotion and transfers. Dedication and commitment of the employee are not considered.
- **Limited scope for Human Resource (HR).** No importance is given to informal groups and neither any scope is given to form one.

Max Weber’s bureaucratic approach worked as a solution to problems of traditional administrative systems. But it was not the perfect or “close to perfect” solution.

The bureaucratic structure gives all the importance and power to top-level management.

And the rules and levels of authority are just too much. It gives a greater sense of security to the employees. But bureaucratic management gives a window for “red-tapism”.

Max Weber Bureaucracy Theory

**Definition**: The bureaucratic management theory, introduced by Max Weber stated that to manage an organization efficiently, it is essential to have a clear line of authority along with proper rules, procedures and regulations for controlling each business operation. Bureaucracy refers to the possessing of control over a group of people or activities through knowledge, power or authority.

This theory focuses on the following two primary criteria:

- developing a hierarchical system in the organization;
- defining clear procedures, methods, rules, and regulations to carry out business operations and transactions.
Max Weber and His Bureaucracy Theory

Max Weber (1864-1920) was a German sociologist and a political economist, and he came forward with the concept of bureaucracy in management.

Weber believed that there could be only three kinds of power in the organization:

- **Traditional**: In traditional authority, the workers (considered as servants) are dependent upon the leader (lord) working as their servants and following the stated rules and regulations blindly.
- **Charismatic**: Under charismatic power, due to the extraordinary personality of the managers, the workers are deeply motivated to perform their best on the task allotted to them. However, this charisma may fade away with the manager’s lay off, resignation or demise.
- **Legal-Rational**: In legal-rational power, the workers either need to abide by the legal rules or the naturally applicable laws. In short, all the employee need to follow a consistent set of principles.

Thus, Weber developed the bureaucratic management theory, where he emphasized on a formal organizational structure. If proper hierarchy is maintained, and hence a clear set of six principles were framed.

Principles of Bureaucratic Theory

Government organizations majorly adopted Max Weber’s bureaucracy theory. Weber gave the following six principles for managing an organization effectively and efficiently:
Authority Hierarchy

Weber proposed that there should be a systematic hierarchy in the organization, defining the position of each employee from top to the lowest level. In such a system, each employee knows who they have to report, whose orders they need to follow, and what is the role of different personnel in the organization.

Formal Rules and Regulations

There should be a clear set of principles, procedures, rules and regulations in written form, to be followed universally by everyone working in the organization irrespective of their position.

Division of Labor

The whole work should be assorted into smaller task sets to ascertain that every set of tasks is assigned to the right person, i.e., the one who has the capability of fulfilling it. This not only improves the work efficiency but also ensures proper allocation of job responsibilities.

Career Orientation

Another essential principle is that management should motivate employees to build a long-term career in the organization by providing job security and performance-based incentives to them.
Impersonality

In an organization, the impersonal relations develop among the employees, which may lead to favoritism or nepotism. Weber said that the application of rules and managerial decisions should be impartial and independent of such relations.

Moreover, these decisions must be based on rational and practical grounds rather than emotional or impersonal influence.

Formal Selection Process

Weber believed that the workers should be recruited through their technical skills and expertise instead of ‘first come first selected’ basis. Even the promotion should be based on performance and merit. This not only leads to better productivity but also adds to employee’s growth and satisfaction.

Advantages of Bureaucracy

Weber’s bureaucracy theory has been widely applied in the era of the 1900s by the business entities, government organizations and political associations.

The benefits of this approach are explained in detail below:
Specialization or Expertise: In bureaucracy management, the work is divided among the employees according to their skill, capabilities and expertise, which results in job specialization in the organization.

Skill-Based Recruitment: The employees are recruited by matching their skills and experience with that required for the vacant job position to ensure that the right person is placed at the right job.

Predictability: When there is a systematic hierarchy and defined rules and methods of performing the complicated tasks in the organization, actions in similar situations become somewhat predictable for the management.

Equality: The management remains unbiased towards the employees and ensures a fair-judgement at the time of any issue or problem in the organization.

Structure: A systematic organizational structure can be developed through bureaucracy where the rules, regulations, methods and procedures are pre-defined.
**Systematic Record Keeping:** This approach focuses on systematically recording all the business transactions and operations in documents to be used by the other employees in future.

**Rationality:** The recording of operations brings rationality, i.e., framing the laws, rules, regulations and procedures for future, based on the experience.

Disadvantages of Bureaucracy

When we talk of bureaucratic management, there are numerous drawbacks of purely adopting this theory to run any organization.

Let us now elaborate over each of such shortcomings below:

<table>
<thead>
<tr>
<th><strong>Disadvantages of Bureaucracy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>One Way Communication</td>
</tr>
<tr>
<td>Exploitation of Power</td>
</tr>
<tr>
<td>Wastage of Time, Efforts and Money</td>
</tr>
<tr>
<td>Delay in Business Decision Making</td>
</tr>
<tr>
<td>Hinders Innovation and Creativity</td>
</tr>
<tr>
<td>Inflexible and Rigid Methods</td>
</tr>
</tbody>
</table>

**One Way Communication:** The bureaucracy theory emphasizes on the passing of information, i.e., tasks, orders, rules and regulations, from the top-level management to the bottom level; however, feedback concerning the operational issues and other suggestions are not taken from the employees.

**The exploitation of Power:** In a bureaucracy, managers have a higher authority which can be misused by them to meet their interest or to dominate their subordinates.

**Wastage of Time, Efforts and Money:** It involves the recording of all the business transactions and operations to create documents which require a lot of time, money and efforts of the personnel.
**Delay in Business Decision-Making:** The top-level management keeps the decision-making authority with itself. Therefore, the lower-level managers have to rely upon the top-level managers, even in the case of any emergency or situations demanding immediate action.

**Hinders Innovation and Creativity:** The supervisor controls every activity of the employees, which ultimately restrict the subordinates to apply creativity and innovation to their work.

**Inflexible and Rigid Methods:** The bureaucracy theory does not entertain any change or modification in the management system, which makes it quite rigid.

**Conclusion**

Bureaucracy is rooted in controlling something with the use of power or authority; therefore, it is usually taken as a negative concept by many of us.

But, it is not so, the concept of bureaucratic management initiates the creation of a proper hierarchy in the organization. Here, the power or authority is distributed among the workers according to their position in the organization.

Every business operation is systematically penned down, and the employees follow the stated rules and regulations.

However, in the present scenario, it is tough to have a pure bureaucratic system in the organization. Still, a zest of it can be seen in the management of civil department, political and government organizations.

References:

https://www.iedunote.com/bureaucratic-management-theory-max-weber

https://theinvestorsbook.com/max-webers-bureaucracy-theory.html