
UNIT 9 ORGANISATIONS AND INSTITUTIONS*

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9.0 OBJECTIVES

After reading this Unit, you will be able to:

- Understand the meaning of Institutions and Organisations;
- Understand the difference between Institutions and Organisations;
- Identify different kinds of Organisations and Institutions presently structuring society;
- Understand perspectives on Organisations;
- Understand different types of Organisations; and
- Understand Organisational Behaviour.

9.1 INTRODUCTION

This unit looks at institutions and organisations as units of society. It highlights the relationship between society, institutions and organisations. It further examines in details what is meant by institutions, organisations and organisational

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behaviour. It also captures the various sociological perspectives on the idea of institutions and organisations, and their relationship with the society.

Society is made up of individuals and collectives and a sum total of all the relationships that exist between them. Society, however, needs to order itself through organising its various constituents. One of the ways in which society orders itself is through institutions and organisations. Institutions and organisations provide the society a fair amount of consistency and predictability which is essential for the stability of the society.

Institutions are set of rules that structure social interaction (Jack Knight, 1992). Institutions can be understood as code of conduct or a set of rules and guidelines for human activity. Institutions structure human interaction through stated or implied rules that set expectations. Some examples of institutions are law, education, marriage, and family.

Organisations are specific types of institutions with more clearly defined and stated boundary that separate members from non-members. Organisations are singular in that they are characterised by its members being tied in a chain of command. Organisations clearly demarcate the responsibilities, authority and spheres of influence. They also arrange their members in a hierarchy of roles with a sovereign in-charge. Some examples of organisations are trade unions, schools, and courts.

Consider the examples of education as an institution and school as an example of organisation. Every known society formulates some ways in which it trains and cultivates the faculties of its young ones, constructs new knowledge and transmits the existing knowledge. In doing so, it organises human interactions and human activity within the society. Education becomes a way in which the young are made to understand their roles, expectations and duties as members of the society. All societies (clans, tribes, agrarian, industrial) have devised some or the other way of transmission of knowledge, values and skills among their younger members. This objective can be fulfilled through various means such as apprenticeship, *gurukulas* (traditional residential education system in India), mentorship and training.

9.2 INSTITUTION

- 1) Institutions are components of the society that help to maintain order and stability through structuring human interaction and activity. Institutions manifest themselves in terms of overt or implicit rules that structure human interactions. Institutions function through the members of a society being socialised into them. This makes the study of institutions critical to the field of sociology. Emile Durkheim referred to sociology as the scientific study of principle institutions. Institutions such as religion, family, education et cetera are still critical to the discipline of sociology.

Let us consider a few scholarly definitions of institutions to acquaint with the meaning of institution:

According to Morris Ginsberg (1921), “Institutions are definite and sanctioned forms or modes of relationship between social beings, in respect to one another or to some external object”.

Robert Morrison MacIver¹ defines Institutions as “established forms or conditions of procedures characteristic of group activity”.

William Graham Sumner (1906:53) suggests that “an institution consists of a concept, idea, notion, doctrine or interest and a structure”.

Bronislaw Malinowski² argues that, “every institution centres around a fundamental need, permanently unites a group of people in a co-operational task and has its particular body of doctrines and its technique or craft. Institutions are not correlated simply and directly to new functions. One need not receive one’s satisfaction in one institution.”

Jonathan Turner defines institution as “a complex of positions, roles, norms and values lodged in particular types of social structures and organising relatively stable patterns of human activity with respect to fundamental problems in producing life-sustaining resources, in reproducing individuals, and in sustaining viable societal structures within a given environment” (Turner 1997: 6).

From the above definitions we learn that 1) institutions may not be physical entities but visible in the co-ordinated patterns of behaviour of members of a society. 2) Institutions can help explain the behaviour of individual members. 3) Institutions have both restrictive and enabling potential in that it both constraints the choices available to an individual and defines the ways in which choices are to be exercised. Consider a situation whereby two individuals decide to live together the institution of marriage both defines and constraints the way in which they exercise their desire to live with each other. 4) Institutions function to forge and reiterate solidarity among members of a society. 5) It structures the interaction between members.

Institutions can be identified, in terms of the regular and consistent patterns of behaviours that are structured through norms and sanctions. While manifest behaviours may be read as observable form of institution. Institutions cannot be reduced merely to associated behaviour; for if the associated behaviour were to get disrupted that may not necessarily mean that the institution has ceased to exist. There are no clear boundaries that can be drawn between norms and institutions but institutions are distinct in that they are consistent and have generalised normative expectation. These normative social expectations are seen as obligatory and are supplemented by strong sanctions against aberrations. For example, the biological fact of reproduction has been institutionalised into marriage and family as institutions. Human reproduction outside of the sanctioned institutions of marriage and family would receive general discouragement and in some cases, a strong backlash. Therefore, institutions seek to assign and define the social roles that members of a particular society must fulfil and adhered to. Institutions may therefore be understood as an ensemble of such roles. For instance, the institution of family expects a heterosexual man to adopt certain roles and responsibilities and the heterosexual woman to adopt other roles and responsibilities. The children in a family also have socially defined roles and responsibilities. However, such delineation of roles and responsibilities is not final and absolute. The institution of family has been attacked for its assumptions about the roles of ‘man’ and ‘woman’, of sexuality and division of labour.

Institutions function well in so far as they maintain stable patterns of expectation, thought and action. The consistency and synchronisation among these elements

determine the stability of the institution. It is often argued that institutions have equilibrium like qualities, in that, when disturbed, institutions reinstate their stability by reinforcing order as purpose or preference. Repeated and consistent behaviour that has rule-like qualities assumes normative weight and act in ways that stabilise the equilibrium status of the institution.

Sociologists consider institutions not singularly as stable static phenomena but as process. Institutions have been understood in terms of the processes of institutionalisation, de-institutionalisation, and re-institutionalisation. They are generally considered as the “more enduring features of social life” (Giddens, 1984: 24).

Origin of the Term

The term became popular through its usage in economics where it signified constraints on human endeavour of utility maximisation due to parallel efforts towards utility maximisation by other members. The two economists who are associated with its usage are Oliver Williamson and D.C. North(Give the references). As you may notice its usage in economics is quite different from its usage in sociology. While, the usage of the term in economics is of little significance to sociology, the sociological conception of institutions, institutional change and institutionalisation have been significant to the discipline of economics. To economics, institution in the sociological sense can help predict and explain individual behaviours. Unlike its original usage in economics one can start at the understanding of institution and comprehend individual behaviour, which is what the sociological concept of institution suggests.

After its initial usage in economics, the term then spread into sociology. The first sociologist credited with the usage of the term is Herbert Spencer. Spencer suggested that society is an organism and the institutions are all organs of the society.

9.2.1 Purpose of Institutions

German Sociologist Arnold Gehlen (1980) suggested that humans seek to supplement their instinctual world with a cultural world. He suggests that this feeling of incompleteness and the attempt to supplement explains the emergence of institutions. In his book ‘*The Social Construction of Reality*’ (1967) Thomas Luckman elaborates this idea and suggests that human beings compensate for their biological underdevelopment through surrounding themselves with a social canopy or religion. Institutions therefore make human life meaningful through connecting human beings to their natural environment with the help of intermediate social relationships and symbolic constructs.

9.2.2 Types of Institutions

Sociologists generally classify institutions into five clusters of major institutions. They are:

- Economic Institutions: These are the institutions that correspond to production, consumption and distribution of goods and services.
- Institutions of Social Stratification: These are the institutions that regulate and control differential access to social status and prestige.

- Kinship, Marriage and Family: These institutions control and regulate reproduction.
- Political Institutions: They are concerned with regulation and distribution of power.

Cultural Institutions: They regulate religious, symbolic and cultural practices.

9.3 PERSPECTIVES ON SOCIAL INSTITUTIONS

Social institutions are systematic beliefs and norms that are centred on fulfilment of basic social needs. These social needs pertain to replacement of members of the society (reproduction and family) and preserving order. Social institutions provide insights into the structure of the society. For instance, the norms and beliefs surrounding kinship and incest help understand the structure of a society. The structure of the society becomes apparent through the constraints that these norms mandate as well as their adaptive feature to serve the interest of the members of the society.

Social institutions have been studied by sociologists in varied ways. While some perceive social institutions to be critical parts that must function well for the overall society to function well, others may look at social institutions as establishing a status quo that under optimum conditions causes friction. Below we look at some of these perspectives. All of these perspectives highlights some aspect of social institutions that may deepen our understanding of social institutions.

9.3.1 Functionalist Perspective

Functionalist perspective highlights the role and service that institutions play with regards to the larger society. The functionalist perspective looks at institution as part of a whole that is society. The value of an institution is understood solely in relation to the service it pays for the overall wellbeing of the society. Functionalist perspective suggests that social institutions fulfil the needs of the society through five ways. The functional needs of a society that institutions fulfil are: 1) replacement of personnel that the society loses as a result of death caused by ageing, disease, war or migration. This is done through adding new members by the means of immigration, annexation or sexual reproduction. 2) Socialization and education of new members. 3) Production, circulation and distribution of goods and services among members of the society. 4) Providing an order to day to day interactions and governance while simultaneously preserving this order through defending against outside attacks threatening the order of the society with disruption. 5) Promoting a sense of belongingness and purpose by allowing people to form and reassert allegiance to associations such as religion, culture, language, et cetera.

9.3.2 Conflict Perspective

The conflict perspective agrees with the functionalist perspective in so far as to admit that institutions fulfil basic needs of a society. However, conflict perspective argues that institutions work to establish hierarchies and perpetuate inequalities. For instance, conflict perspective has stressed how a major institution such as education has worked to privilege the powerful groups within a society. Conflict perspective further stresses that institutions work towards maintenance of

privilege. Relatedly, conflict perspective highlights that institutions are both exclusionary and oppressive to those that the institutions disadvantages. For instance, conflict perspective stresses that women within the institution of family face labour exploitation. It has also shed light on the racist, gendered and overall conservative character of social institutions. Conflict perspective attacks the assumptions inherent to norms and expectations embodied by institutions. It brings forth the unfair power distribution within the seemingly placid norms of institutions.

9.3.3 Interactionist Perspective

Interactionist perspective, unlike the former two (viz., Functionalist Perspective and Conflict Perspective) is interested in the microcosmic view of how institutions play out in actual interactions. It seeks to capture patterns of how institutions frame and feature in interactions and everyday behaviours. Interactionist perspective argues that institutions frame our daily interactions and behaviours. Our day-to-day interactions and behaviours are conditioned by the roles and statuses that we are accorded (and accept), the groups we are assigned (and promise allegiance) to within the institutions that we function in. For instance, the role of a teacher within the institution of education frames the interactions in specific ways. It can only make sense in relation to the roles of students, parents and other stakeholders defined by the institution of education. The institution of education derives its significance from the various roles and statuses that people agree to play and carry out in a consistent manner in their day-to-day interactions.

9.4 ORGANISATION

Institutions are not necessarily stated but they are rather normative expectations that structure interactions between members of a society. Organisations, on the other hand, are formal bodies with concrete structures. It is a physical entity with clearly defined boundaries distinguishing members from non-members. So, while institutions are formally unstated, organisations are formally stated bodies. Institutions are socially embedded consistent and systematic set of rules. Organisations are special case of institutions that has specific features. Institutions are therefore, like the rules of football. They frame the way in which the game has to be played. A good example of organisation in the context of football would be Fédération Internationale de Football Association (FIFA) also called International Federation of Association Football.

We can also consider other examples of organisations such as Indian postal services, Indian coffee house, Kendriya Vidyalaya, Delhi Police, Khadi Gram Udyog. What can be identified as some of the common features of all these organisations?

Organisations, despite differences in type, size, spread, efficiency and specificity of goals, all the above mentioned organisations work to facilitate large scale operations. They have clearly stated and defined goals that they pursue an established hierarchy of authority and chain of command. Organisations can also be seen in terms of social action in so far as the organisation has the ability of making decisions and acting upon at least, some of them (Coleman, 1982; Hindess, 1989).

Modern industrial societies are peculiar for their dependence on sophisticated large-scale organisations for ensuring order. The organisations of modern industrial and post-industrial societies are much larger in scale, size and scope. It is argued that with increase in specialised division of labour, organisations also become more sophisticated.

9.5 PERSPECTIVES ON ORGANISATIONS

There are various perspectives on the nature and working of an organisation. These perspectives would help us develop a better understanding of what organisations are and how they work.

9.5.1 Amitai Etzioni

Amitai Etzioni et al (1980) defines organisations as “social units that are predominantly oriented to the attainment of specific goals”. Etzioni suggests the following as the characteristics of organisations:

- 1) Divisions of labour/ power/ responsibilities, such divisions being deliberately planned to achieve certain goals.
- 2) The presence of power-centres which control the productivity, monitor its efficiency and re-pattern its structure upon review, and
- 3) Substitution of personnel, maintaining healthy employee/participant pool and others who are transferred and/or promoted (Etzioni, 1964).

Etzioni (1961) divides the organisations on the basis of the power relationship between the people administering the organisation and lower level participants. The relationship may be based on either: 1) compliance, that is the lower level participants agree to meet the demands placed on them by their superior authorities because of fear of sanctions or because they are coerced. 2) Utilitarian consideration, that is, they are getting returns that are of value to them. 3) Shared ideas and values, that is, both the administrative group as well as the lower level participants share similar assumptions, norms, values and ideas.

Etzioni’s classification draws upon the element of ‘compliance’, which Etzioni highlights that this element of compliance is contingent on two elements. The kind of power wielded by those who take the decisions and the kind of involvement of the lower level participants in the organisation. Etzioni suggests that power is of three types coercive (employing fear and force), remunerative (giving returns) and normative (mutual agreement upon norms and values). He further adds that the kind of involvement of lower level participants is also of three kinds: 1) alienative, 2) calculative, and 3) moral. Etzioni views that certain kind of power coincides with certain forms of involvement. Coercive power can only be reciprocated with alienative participation. For instance between prison inmates and prison staff, the relationship can only be expected to be coercion-alienative, that is prison staff is coercive and prison inmates have alienative participation in the working of prison. Etzioni distinguishes the organisations based on this combination as organisations that have ‘order’ goals.

There are organisations that have ‘economic’ goals that have remunerative power and calculative participation. For instance workers at Indian Coffee House are

all tied to the goal of expanding sales to improve income which they see as tied to their individual financial goals.

The third kind of organisation combines the normative power with moral participation. These organisations are ones that have 'culture' goals. For example churches do not remunerate their participants nor are they coerced to attend. The participants attend the church because they believe in the values, norms and ideas that church preaches.

9.5.2 Max Weber

Etzioni's classification and definition of organisation draws upon the works of Max Weber. Weber's model of bureaucracy emerges in the broader context of his elaborate theorisation on the nature of authority in society. He highlighted the organisations in the industrial societies were capable of attaining highest degree of efficiency if they were administered in a 'bureaucratic' manner. Bureaucratic administration, Weber (1964, p. 337) argued, was "superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability. It thus makes possible a particularly high degree of calculability of results ... and is formally capable of application to all kinds of administrative tasks". The way in which Weber sketches his ideas about bureaucratic administration it stretches to cover all major large-scale organisations of modern industrial societies like business, charitable organisations, religious organisations and even political parties.

Weber argues that bureaucratic administration is the most efficient way of organising human resources to attain desired ends. Weber does not understand bureaucracy as carrying inherent risks of too much control or inefficiency. He suggests a number of conditions that bureaucratic administrations espouse that make them most efficient form of administration. These are: 1) a series in which officials are arranged, guided by a written statement of their power and influence. 2) The offices are all arranged in a hierarchy, with each successive step embracing all those under it with the authority based on office. 3) Commands are issued in the capacity of the offices and obeyed because the rules state that they are within the competence of the office issuing them. 4) A clear statement of rules and procedures within which every possible contingency is theoretically provided for. 5) All information is compulsively recorded/written down with a 'bureau' for the safe keeping of all written records and files. 6) A contractual method of appointment in terms of technical qualifications for office. 7) A clear distinction is made between personal and business/official affairs, written down in terms of employment/contract (Pugh et al., 1964).

In Weber's conceptualisation of bureaucratic organisation individuals perform specialised segmental roles over which they have no control. Instead, he suggests that individuals are controlled by the roles they occupy within a bureaucratic administration, which does not allow much scope for rational judgement on the part of the individual. Weber argues that these conditions make bureaucratic organisation most efficient. Weber suggests that within a bureaucracy

9.5.3 Erving Goffman

Goffman highlighted a class of organisations that are different from each other in some respects yet share a common distinct feature. Consider hospitals,

monasteries, prisons and boarding schools, these are different from each other in many respects yet share a common feature that is, the participants all live within the organisation. These institutions may be different in many regards such as schools, where entry is voluntary unlike prisons where entry is forced and involuntary. Similarly, there may be differences between those total institutions that exist to perform a work task such as army camps and those that 'treat' people often without their explicit consent. These institutions were termed as total institutions by Goffman (1961). Goffman (1961) argued that all these institutions have a similar structure despite differences in personal characteristics of its participants, which is strikingly different from the basic arrangement of 'normal society'. He suggests that a 'normal society' is characterised by distinctly defined spheres of work, leisure and home. People organise their lives in these different areas of life and under different control. 'Total Institutions' are organisations whereby all three functions are localised in the contained space and under one control. Inmates, patients, prisoners or monks spend their lives in an enclosed formally structured setup and undergo more or less similar experiences.

In these 'total institutions', inmates have prescribed 'careers' (work) and a setup with privileged position that reinforces their conformity to careers/expected behaviour/work and for causing least inconvenience to those who run these organisations. The interaction between the inmates and the administrative staff is individualistic and yet what brings the inmates together is a similarity of experiences and a collective antagonism for the staff which forms a controlling and powerful group. He argues that the inmates in such institutions are yearning to be released but miss these places upon their release.

Goffman suggests that when people are living in batches the institutional arrangements made to structure their lives and administer them are more or less the same.

9.6 CLASSIFICATION OF ORGANISATIONS

As we have seen above organisations have been divided into work organisations and treatment organisations by Goffman and by Etzioni on the basis of power relationships between participants and administrators. Blau and Scott (1963) suggest yet another way to classify organisations into four categories based on 'prime beneficiary' that they serve. They suggest the four categories to be 1) Mutual Benefit, that is all those who constitute the body of the organisation. 2) Business where prime beneficiary is owners or managers. 3) Service where prime beneficiary are clients or public in contact and 4) Commonweal, that is, where the prime beneficiary are the larger population.

9.7 ORGANISATIONAL BEHAVIOUR

People often choose the organisation they want to part of based on a perceived 'suitability' of the organisation to the individual. When people get associated with an organisation it is only expected that their affiliation with the organisation (the kind of organisation, the roles they fulfil and the nature of work they do) has an impact on their personalities. Also, it is expected that people who are affiliated to the organisation also impact the organisation's character. It is important, therefore, to look at the interplay between individuals and organisations.

9.7.1 Attitudes of Members Towards the Organisation

Attitudes of participants and administrators towards the organisation are a crucial element of this interplay. For instance, administrators of a sanatorium are obligated by their role to control and restrict participants, often against their will. They have to ensure that the functioning of the sanatorium is not affected by the opposition from the inmates. The administrators are responsible for ensuring that the inmates do not run away from the facility. A monastery, on the other hand, despite a similar setup differs from the sanatorium because of the attitudes of participants and inmates. Sanatoriums have arrangements built in to acknowledge the desire of inmates to escape (high walls, surveillance et cetera), while in monasteries there is no such surveillance. This brings us to another crucial element which is about the roles individuals acquire upon entry into these organisations.

9.7.2 Roles that Members are Assigned

Individuals acquire roles upon their entry into an organisation. These roles come with their own role-expectations and these expectations are synchronised in such a manner that it ensures smooth functioning of the organisation. Each role has specific tasks assigned to them and a set of rules that must be followed. Interpersonal relationship between individuals within the organisation is impacted by the roles that they acquire upon entry. For instance, the possibility of an inmate and guard at prison becoming friends rare and unlikely given the antagonism of their roles they acquire upon entry. These elements impact the working of the organisations.

The social experiences of individuals within the roles they acquire inside an organisation impact their lives outside. Their social behaviour outside gets influenced by their experiences inside the organisations. In his 1936 movie titled 'Modern Times' Charlie Chaplin captures this element of the impact of experiences within the organisation impacting social behaviour. He plays the part of a factory worker who spends his day tightening bolts on screws. The movement of the wrist is repeated so often that he begins to move his wrist in the same motion involuntarily.

9.8 LET US SUM UP

Institutions are expectations of attitude, behaviour and a code of conduct that individuals feel obligated to fulfil. The working of institutions is contingent on people understanding conventions and rules associated with an institution and feeling obligated to live their lives by these. Organisations in contrast have explicitly stated rules that an individual is bound to fulfil owing to his or her affiliation with the organisation. Institutions are embedded in shared habits, values and norms that an individual is socialised into while organisations have explicit affiliations that mark members from non-members. There are different types of institutions that act as social units to promote solidarity and cohesion within the society. Organisations work to facilitate better and more efficient control over resources. They are explicit units of society that function to facilitate social processes.

9.9 CHECK YOUR PROGRESS

- 1) What are institutions? What are the different types of institutions? Explain giving examples.
- 2) What is the difference between the functionalist and conflict perspective on institutions?
- 3) Discuss Church as an example of an organisation.
- 4) What does Weber mean by bureaucracy? What makes bureaucracy efficient system of administration?
- 5) What are the different types of organisations that Etzioni illustrates in his work.
- 6) Compare perspectives of Etzioni and Goffman using the example of prison.

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