Reflections on a Half-Century of Organizational Sociology

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Abstract  For the past half-century, the study of organizations has been an active area within sociology. I provide an overview of the emergence of this specialty during the second half of the twentieth century, its relation to the larger field of organization studies, and the important theoretical advances associated with the adoption of an open system framework during the 1960s. Among the recent trends I describe are changes in our conceptions of organization boundaries, strategies, and controls, and the beginning of a shift from an entity-based to a process-based view of organization. Evidence of success—the number of sociologists now employed in professional schools—simultaneously raises concerns about the source of future organizational sociologists.

INTRODUCTION

I had the good fortune to grow up with the field of organizational sociology. When I was in graduate school during the 1950s, the field was just beginning to coalesce, and through the succeeding decades, I observed the broadening and deepening of theory and the widening flood of empirical studies. The overall history is, I believe, a positive one, beginning from a relatively barren landscape and developing into one of the most vigorous intellectual areas of the second half of the twentieth century. A challenge I confront throughout this essay is that the field of organizational sociology is hopelessly entangled with the larger area of organization studies. (For a recent history of this broader arena, see Augier et al. 2004). The influences go in both directions, and it is often not possible to distinguish developments in the more circumscribed area of organizational sociology from those in the wider field. Nevertheless, on this occasion and in this venue, I feel justified in emphasizing sociological contributions. In this chapter, I review some of the major developments and trends and then comment on current problems and future prospects.
CRAFTING A NEW FIELD OF STUDY

Field Foundations: Upon this Cleft Rock

Although it is possible to detect concepts and arguments relevant to the study of organizations throughout recorded history, the first systematic studies of organizational behavior occurred during the late decades of the nineteenth century. Spurred by changes in social structure associated with industrialization and bureaucratization, scholars from a number of disciplines began to pay closer attention to organizations and to their effects on social life. From the outset, however, the growing body of scholarship exhibited a polarity that has continued to the present.

The earliest approach, and one that is still active, featured an engineering orientation: How could work systems be designed to improve reliability and productivity? Engineers—most famously Taylor (1911)—proposed reforming work systems from the bottom up. They began with the standardization of nuts and bolts but gradually addressed the motions of workers, the sequencing of tasks, the packaging of tasks into jobs, and the arrangement of jobs into departments (Shenhav 1999). Industrial engineers and operations researchers continue to examine these issues. Managerial theorists, such as Fayol (1919/1949), proceeded from the top down, devising principles for subdividing and coordinating complex work systems. Much of this work was more prescriptive than empirical. Most early organization scholars passed over Weber’s (1924/1968) magisterial history of the transformation of administrative systems to concentrate on his ideal-type models of rational-legal administrative systems that, taken out of context, served to reinforce the prevailing design-driven, formalized, prescriptive approach to organizations.

In reaction to these technocratic versions, social scientists entered the workplace during the 1930s and 1940s, talked to and observed participants, and began to challenge the conception of organization as dominated by rational, instrumental behavior. The research of social psychologists uncovered more complex individual motives, and studies by anthropologists and sociologists revealed unofficial, informal patterns of cooperation, shared norms, and conflicts between and among managers and workers (Roethlisberger & Dickson 1939, Arensberg 1951, Roy 1952, Dalton 1959).

Absent from both of these early approaches was attention to organizations as of interest in their own right. The topics under examination were, variously, industrial design, management, employee psychology, or work groups. Organizations were viewed, at best, as settings within which work was carried out, not as themselves distinctive social systems, let alone collective actors. Barnard (1938) and Selznick (1948) were among the first scholars to focus primary attention on the organization as the unit of interest. Both viewed organizations not only as technical production systems but also as adaptive social systems attempting to survive in their environment.

Thus, Barnard and Selznick commenced the still-continuing task of synthesizing the conflicting views of organizations as production systems and adaptive social systems. Barnard devoted much attention to the interdependence of formal
and informal structures within organizations and viewed the primary function of
the executive not to design efficient systems—mere “managers” could do that—
but to devise and promulgate moral visions of the organization’s mission that
would command commitment from participants. Selznick emphasized the “para-
dox” presented by organizations as, on the one hand, “formal structures subject to
calculable manipulation” and, on the other, social structures “inescapably imbed-
ded in an institutional matrix” (Selznick 1948, pp. 25–26). In a seminal essay,
Gouldner (1959) codified these two linked but contrasting visions, identifying
(a) a “rational system” perspective that regards organizations as instruments that
can be consciously manipulated and molded to accomplish given ends; and
(b) a “natural system” perspective that views organizations as organic systems seek-
ing survival, as collectivities that evolve via spontaneous, indeterminate processes.
Somewhat paradoxically, the explicit recognition of the conflicting assumptions on
which previous work was based allowed scholars to see more coherence in the field
than had been apparent previously. The growing awareness among scholars that
there was a central debate with clearly defined positions and protagonists spurred
a kind of unity: a cleft rock, perhaps, but nevertheless a rock on which to build.

Field Construction: Institutionalizing Dualism

Organizations emerged as a recognized field of social scientific study during the
1950s. The field was interdisciplinary from the outset. The two academic cen-
ters most critical in shaping this nascent discipline were the Carnegie Institute
of Technology (now Carnegie-Mellon University) and Columbia University. The
Carnegie group included political scientists, economists, and psychologists. Si-
mon’s earlier work (1945) focused attention on decisions and decision makers,
but later collaborative work (March & Simon 1958) raised the level of analysis
to the organization. The Columbia scholars, under the leadership of Merton, were
all sociologists. Both sets of scholars embraced the paradox that had confounded
and divided their predecessors. Simon and colleagues at Carnegie worked from
a model—that of “bounded rationality”—that neatly linked arguments stressing
purpose and intentionality with the recognition of cognitive and social constraints
restricting such rational action (Simon 1945, March & Simon 1958, Cyert & March
1963). Merton (1949) at Columbia emphasized the “unintended consequences of
purposive action,” and his junior colleagues, who carried out early definitive stud-
ies of public and private organizations, each gave his own twist to the dual nature
of organization. We have already noted Selznick’s (1948, 1949) attention to “par-
dox.” Blau (1955) focused on the “dilemmas” of bureaucracy, as formal structures
designed to solve one problem give rise to others; and Gouldner (1954) wrote of
the “Janus-faced” nature of organizations as systems of coercion and consent. And,
in the United Kingdom, an eclectic collection of organizational scholars pursued
a “socio-technical” model, insisting that organizations represented a “coupling of
dissimilars” (Emery 1959).

As a student of Peter Blau during the mid-1950s at the University of Chicago, I
was a second-generation witness to and beneficiary of these foundational studies.
Our collaborative work—an early text-treatise—on organizations (Blau & Scott 1962/2003) reflected these conflicting currents as we gave equal attention to such topics as informal and formal structure, leadership and authority, and discretion and control.

The institutionalization of this duality is apparent up to the present. Although occasional scholars present purified models stressing either perfect rationality (posited by assumption) or unadulterated irrationality (viewing organizations as a modern curse), most contemporary scholars seem content to work somewhere within the space anchored by these two poles. Concepts as varied as “transaction costs” (Williamson 1975), “rational myths” (Meyer & Rowan 1977), the “social embeddedness of economic action” (Granovetter 1985), and the juxtaposition of logics of “instrumentality” and “appropriateness” (March & Olsen 1989) continue to reflect a fault line buried deeply within the field.

In this sense, the broader interdisciplinary field of organization studies and the more restricted arena of organizational sociology exhibit a common heritage and bear similar birthmarks. The field of organization studies has expanded rapidly. The range of disciplines involved includes all the social sciences—anthropology, communications, economics, political science, psychology, sociology—as well as selected branches of engineering, cognitive and decision sciences, and management studies such as organization behavior, strategy, and entrepreneurship. Sociologists have played a central role in shaping many aspects of this wide-ranging field, and I focus attention on these contributions.

During the formative period beginning in the 1950s and continuing into the 1980s, sociologists pursued a variety of topics, but their most distinctive and consistent focus was on the determinants of organization structure. How could one best describe the distinctive features of organizations, and what forces were at work in shaping these characteristics? For example, Blau’s comparative research program, conducted with a number of collaborators, relentlessly examined the formal structures of contrasting types of organizations as systems “exhibiting regularities of [their] own” (Blau & Schoenherr 1971, p. 356). During the later period, from the 1980s to the present, these interests have been pursued at higher levels of analysis, as sociologists have led the way in examining the structural characteristics of collections of similar organizations—organizational populations—and collections of diverse, interdependent organizations—the structure of organizational fields and networks.

Simultaneously, sociologists have focused not only on the determinants but also on the consequences of organization structure, examining effects on organizational performance and participants and, at a broader level, on power and social inequality. In the following sections, I discuss these developments in more detail.

Field Transformation: Entry of Open System Models

Working at the same time as these pioneer organizational scholars, but independently, a motley collection of interdisciplinary scholars were crafting open (or
general) system models, seeking to connect and renew parochial disciplines by focusing on commonalities in elements and processes across varied systems—ranging from biological cell to solar system (von Bertalanffy 1956). Although these ideas penetrated numerous fields of study, including sociology (Buckley 1967), nowhere did they have a larger impact than in organization studies. Before open system ideas, organizational scholars had concentrated on actors (workers, work groups, managers) and processes (motivation, cohesion, control) within organizations. Scant attention was accorded to the environment within which the organization operated. If noticed, the environment was too often depicted as the source of troubles. This myopic focus began to be replaced during the 1960s, spurred by the work of Katz & Kahn (1966), Lawrence & Lorsch (1967), Thompson (1967/2003), and Weick (1969). (Katz, Kahn, and Weick were social psychologists; Lawrence and Lorsch, students of management; Thompson, a sociologist.)

In important respects, much of the history of the development of organization studies during the last quarter of the twentieth century to the present reflects a growing recognition of the many and diverse ways in which the environment constitutes, influences, and penetrates organizations. A second theme has been a growing awareness of the ways in which organizations affect other vital societal processes and systems.

A FIELD MATURES

A Frenzy of Theorizing Concerning Determinants

With the introduction of open system models, a field mired in shop-worn distinctions and unproductive debates suddenly surged to life. One after another, innovative theoretical frameworks and arguments were introduced, each of which afforded new insights into the determinants of organizational structure.

First to arrive was contingency theory, an approach that recognized that, although all organizations are dependent on their environment for resources and technical information, these environments vary in complexity and uncertainty, and, consequently, organization structures are expected to differ (Woodward 1958, Lawrence & Lorsch 1967, Galbraith 1973). Organizations were observed to vary as a function of their technical environments. Moreover, those organizations whose structures were best adapted to their specific environments were expected to perform best. Although contingency theory was the earliest formulation to appear in what we can term the "modern" era of organization studies, it remains the most influential (Donaldson 2001). No doubt this popularity partly reflects its applied appeal to practitioners who seek to improve their organizations.

A related approach—transaction cost—builds on the economic insight that all transactions (exchanges of goods and services) are costly, but some are more costly than others. Williamson (1975, 1985) pursued Coase’s (1937) insight that organizations arise to deal with transaction costs that markets are ill-equipped to handle. Transactions that are relatively uncertain and complex call for more elaborate
mechanisms of governance to insure security for the parties involved. One such mechanism is the organization, which attempts to align interests and creates control systems to discourage opportunistic behavior. Note that this approach supplies a rational account for the existence of organizations. Also, because the types of transactions managed differ, organizational structures vary in the resources devoted to governance. Such arguments provide yet another explanation for organizational variety and another basis for designing organizations.

A third approach—resource dependence theory—also stresses the benefits of adaptation to the environment, but it conceives of environments as including political as well as economic systems. Building on Emerson’s (1962) formulation of power-dependence relations, as developed by Pfeffer & Salancik (1978/2003), this framework recognizes that organizations must exchange resources to survive, but that such exchanges, if imbalanced, give rise to power differences. Hence, economic exchanges may create power differences, and economic dependency may spawn political solutions. Resource dependence scholars stress that managers must take steps to manage not only their structures but also their environments, reducing dependencies and seeking adequate power advantages.

Network theory had long been used by psychologists and sociologists to examine interpersonal relations, but during the 1970s and 1980s it was applied to the study of relations among organizations. Building on the foundational work of White et al. (1976), scholars moved to develop measures and methods appropriate to examining networks of organizations. An organization’s location in a network of relations, as well as the structure of the network itself, were recognized to affect organizational behavior and outcomes. These network ties and structures have been pursued in studies of interlocking directorates (Mizruchi 1982), competitive exchange structures and profits (Burt 1983), interorganizational systems affecting policy setting at the national level (Laumann & Knoke 1987), and the formation and effects of strategic alliances (Powell et al. 1996). Because network theory emphasizes the relational aspects of environments, its development aided the study of resource dependence connections (Pfeffer 1987).

At about the same time, organizational ecology was developed as an alternative paradigm. Building on the work of Hawley (1950), Hannan & Freeman (1977) argued that previous theories exaggerated the extent to which it is possible for individual organizations to undergo fundamental change. They therefore argued that those interested in change should shift their attention from a focus on single organizations to “populations” of organizations—organizations of the same type—because fundamental change typically involves the replacement of one type of organization with another. Subsequent work has focused on population dynamics—on the ways in which new types of organizations arise, grow, compete, and decline over long periods of time (Hannan & Freeman 1989).

Also, during the same period, yet another approach—institutional theory—emerged that stresses the importance of the cultural features of environments. Building on the work of Berger & Luckmann (1967), institutional theorists
argued that organizations must consider not only their technical environment but also their “institutional” environment: regulative, normative, and cultural-cognitive features that define “social fitness” (Meyer & Rowan 1977, DiMaggio & Powell 1983, Meyer & Scott 1983). Earlier theorists, such as Selznick (1949) and Parsons (1960), stressed the regulative and normative aspects of institutional systems. Later “neoinstitutionalists” recognized these as significant factors, but they also called attention to the role of symbolic elements—schemas, typifications, and scripts that perform an important, independent role in shaping organization structure and behavior (Scott 2001a).

Indeed, by insisting that cultural factors play an equal and independent role alongside structural and material factors, institutional theorists propose to push the origins of organizations back (from the conventionally accepted time of the latter stages of the industrial revolution) to the Enlightenment period of the seventeenth century. Meyer et al. (1987) and Pedersen & Dobbins (1997) argue that it was at this early time that philosophers and scientists began to codify first physical and then social phenomena into general types and subcategories, launching the project of societal rationalization. Gradually the idea was accepted that there are generic types of social structures—organizations—to be administered under a common body of knowledge—management—and containing recognized subcategories (firms, schools, agencies). The emergence of organization studies, which provide a scientific account of these phenomena, has served to underscore and advance this professional project.

These diverse theoretical developments followed one another in rapid succession during the 1960s and 1970s, as investigators began to recognize the richness of the environment and examine its importance for organizational structures and processes. Technical, economic, political, relational, ecological, and cultural factors were, one by one, theorized and examined. Of the six approaches, three of them—the ecological, relational, and institutional—were based on the work of sociologists, and a fourth—the political (resource dependence) perspective—drew heavily on sociologist Richard Emerson’s formulation, applying it at the interorganization rather than the interpersonal level. It is noteworthy that the approaches using sociological arguments all reside on the natural side of the rational-natural continuum. Economists (espousing transaction costs) and selected management theorists (advocating contingency theory) anchor the rational end. (The important exception, sociologist Thompson, insisted that his contingency arguments applied only “under norms of rationality.”)

Throughout this creative period, I was working at Stanford University, where I would remain throughout my career. By the mid-1970s, the collection of organizational scholars assembled at this place was unrivaled in the world. Three of the six major theories—resource dependence, organizational ecology, and institutional theory—were launched by members of the Stanford faculty. In my opinion, it was not simply the array of talent—the “density of competence,” to quote my friend and colleague, Jim March—present at Stanford at this time but the type of collegial community we built together that helped to fuel this creative moment. In any
event, the primary font of scholarly fecundity had migrated west from Columbia and Carnegie to Stanford.

Higher Levels

These theoretical developments not only enlarged our conception of the environment, as more and different facets were taken into account, but also raised the level at which organizations were analyzed. The earliest closed system approaches restricted attention to phenomena within the boundaries of a given organization. To the extent they were considered, organizational structures were the contexts within which individual and group behavior of interest occurred. Only with the advent of open system models did organizations themselves become the subject of investigation, viewed variously as responsive systems shaped by environments, as collective actors themselves shaping their context, or as component players in larger, more encompassing systems.

Beginning during the 1960s, scholars designed research in which organizations, their structures and processes, were the subject of study. Empirical studies gathered systematic information on samples of organizations—either of the same type (e.g., Blau & Schoenherr 1971) or of diverse types within the same area (e.g., Pugh et al. 1969). This mode of investigation continued through subsequent decades, but it was not until the mid-1990s that a study was conducted based on a representative sample of organizations in one society, the United States (Kalleberg et al. 1996). These studies, particularly those involving multiple types of organizations and societal contexts, reaffirmed the dualist nature of organizations—shaped in part by material-resource forces (technology, size, competition), and in part by social and cultural systems (norms and cultural beliefs) (e.g., Lincoln & Kalleberg 1990, Orrù et al. 1997).

Moving above the level of the individual organization, analysts focused on the organization-set: a focal organization and its significant exchange partners (Blau & Scott 1962/2003, Evan 1966). This approach allowed researchers to define more precisely the salient context at work for a given organization. Rather than assessing abstracted environmental dimensions such as “complexity” and “uncertainty,” examination of a set fostered attention to particular resource and information flows, specific networks ties, and their consequences. This level of analysis was well suited to exploring resource dependence relations and questions of organization strategy.

Organizational ecologists have elected to work primarily at the level of the organization population, although this theoretical framework is applicable at multiple levels. A population is defined as consisting of all those organizations that compete for resources in the same environmental niche. Operationally, researchers typically examine organizations sharing the same form or archetype, exhibiting a similar structure, and pursuing similar goals. A given organizational form arises at a particular time, combining in a distinctive way existing technologies and types of social actors, and once created, it tends to persist with little change through time (Stinchcombe 1965). Studies of numerous, diverse populations reveal a similar
empirical pattern of S-shaped growth and decline if the entire history of a form is examined (Hannan & Freeman 1989, Baum 1996). Hannan & Freeman argue that population density processes reflect the familiar dualistic tension between forces of legitimation that govern the early stages of growth but are eventually overcome by forces of competition.

Institutional influences operate at all levels, but researchers have accorded much attention to the organization field level—defined as a collection of both similar and dissimilar interdependent organizations operating in a functionally specific arena together with their exchange partners, funding sources, and regulators (DiMaggio & Powell 1983). Because the field, by definition, coincides with an institutionally defined area of social activity, this level has been favored as a site for the examination of structuration processes—both convergent and divergent change in the types of organizational actors and relations among them. Scholars have examined long-term changes in the rules and belief systems governing organization fields in contexts as diverse as international commercial arbitration (Dezalay & Garth 1996), Norwegian fisheries (Holm 1995), the largest U.S. industrial corporations (Fliedstein 1990), petroleum and chemical industries as they adjusted to changes in environmental regimes (Hoffman 1997), and health care delivery systems (Scott et al. 2000). Each of these accounts underscores the complex interplay between material resource, competitive environments, and institutional environments.

**Considering Consequences**

The structure and functioning of organizations have consequences, both for the organizations themselves as well as for their wider host societies. Whereas economists and management theorists have focused on identifying organizational factors that affect performance and productivity, sociologists have raised questions about who benefits and who does not (or suffers) from these activities (Scott 1977, Perrow 1986). Sociologists have also raised troubling questions about tightly coupled, complex organizations touted for their fail-safe reliability, such as nuclear reactors and airline safety systems. Their complexity and interdependence of parts is such that accidents must be expected and, indeed, are “normal” (Perrow 1984; Vaughan 1996).

A concern for organizations as systems of power was eloquently reframed by Coleman (1974), who pointed out that organizations as collective actors develop interests and pursue goals distinct from those of their members, and that individuals regularly lose power, not just in relation to other individuals but in relation to organizations. Rather than organizations serving as agents under our control to assist us in pursuing our goals, we more often spend our time and energy serving as the agents of organizations as they pursue their specialized and limited ends. Organizations also increasingly affect social mobility and dispense life chances. Students of social stratification, long enamored of social classes, began to focus on the role of organizations as central mediators of mobility in modern societies. The “new structuralists” focus on the structure of work—now routinely embedded
in firms and industries—and to the organizational processes—hiring, training, promotion, and dismissal—that govern status attainment (Baron & Bielby 1980). And a growing number of investigations demonstrate that these processes are not race or gender neutral (Reskin et al. 1999).

In sum, the history of organization studies generally and organizational sociology in particular has been dominated in recent decades by the logic of open systems, as theorists and investigators have expanded their purview to incorporate more and different facets of environments affecting organizations and elevated their designs to allow the study of larger, more encompassing systems in which organizations are central players (Scott 2003). And central topics of interest to sociologists—including the distribution of power and status—have been convincingly linked to organizational processes and structures.

RECENT TRENDS

Although the most recent decades have not witnessed the same level of creative intensity, the field has continued to evolve in new directions. I consider, briefly, three ways in which organizations are undergoing change and a fourth way in which our ideas about organizations are being revised.

Changing Boundaries

Organizational boundaries have figured centrally in organizational analysis since the work of Weber (1924/1968). Weber defined organizations as social relations that are “closed,” with access limited to specific individuals and the limits enforced by a chief or director assisted by an administrative staff. With the advent of open system conceptions, theorists recognized the dependence of organizations on managing resource flows and other exchanges with the environment, but continued to emphasize the need for organizations to “buffer” themselves from external influences, often by “sealing off” their technical core from environmental perturbations (Thompson 1967/2003). Scholars have proffered multiple conceptions and examined various indicators in their study of boundaries, including actors (distinctive roles, membership criteria, identity), relations (interaction frequency, communication patterns, networks), activities (tasks, routines, talk), and normative and legal criteria (ownership, contracts, legitimate authority).

There is no doubt, however, that in recent decades the boundaries of organizations have become more open and flexible. Although it seems premature to declare the advent of the “boundaryless” organization, as have some overenthusiastic observers, there are many indicators that boundaries have become more permeable and less fixed. Permanent workers are joined or replaced by temporary, part-time, and contract employees; teams and project groups often include members from multiple independent firms; and organizations downsize, add and sell off components, and enter into alliances with exchange partners and competitors that
Changing operational frontiers (Kanter et al. 1992). Today’s production and service systems are increasingly likely to extend across networks of independent or semi-independent companies and agencies, as earlier craft production systems are joined by small-firm industrial districts, core-ring systems centered around big firms, and strategic alliances (Harrison 1994, DiMaggio 2001). However, such developments suggest not the disappearance of boundaries, but changes in their scope, composition, duration, and enforcement mechanisms. Symbolic signals increasingly replace materialist modes of boundary demarcation.

Changing Strategies

Closely related to changing conceptions of organizational boundaries are changes in views regarding how organizations relate to their environments. For most of the twentieth century, organizations pursued a grand strategy of internalization. As organizations confronted key challenges to their functioning, the likely responses were to absorb or to map them into their structure. “Absorption” entails bringing formerly external elements within one’s boundaries. Organizations began by absorbing workers, technologies, and technical expertise, and, as the firm grew, shifted to a strategy of vertical integration, incorporating sources of inputs, marketing, and distribution systems (Chandler 1977). In cases in which internalization was unfeasible, organizations worked to “map” crucial aspects of the environment into their own structures, for example hiring persons with union experience to staff labor relations departments or lawyers to cope with the legal environment. It appeared, as Perrow (1991) alleged, that large-scale organizations would eventually absorb all aspects of society.

However, beginning during the latter decades of the twentieth century, a surprising and unpredicted turnaround occurred as organizations began to slough off various components and functions. The master strategy now pursued by an increasing number of organizations is one of externalization: disposing of internal units and contracting out functions formerly performed in-house. As already noted, organizations are applying these strategies to employees, divisions, and functions. As an indicator of how widespread this tendency is, Carroll & Hannan (2000) report that the average size of U.S. corporations has declined from about 60 employees in 1960 to around 34 employees in 1990. (This trend reflects not only the dismantling of larger firms but also the growing importance of new, small firms in the economy.) The current mantra guiding managers is to “cultivate your core competence.” These developments necessarily affect employees, who have discovered that the “implicit contract” guaranteeing job security in exchange for loyalty has been renegotiated, if not repealed. Sociologists have led the way in examining the implications—both positive and negative—of externalization for individual participants (Pfeffer & Baron 1988, Smith 2002).

Although a number of market-based, neoliberal explanations exist for the turn toward externalization, I believe an important unnoticed factor relates to changes
occurring in wider societal systems. As more and more aspects of society become rationalized—organized as instrumental systems linking systematic means to ends—it becomes less necessary to buffer one’s own system and more possible to consider connecting to “external” systems (governed by the same logics) to pursue objectives. In this sense, rather than organizations absorbing societies, as Perrow argues, it may rather be the case that societies are absorbing organizations (Meyer 1983; Scott & Meyer 1994, p. 4).

Changing Power Processes

The uses and modes of power and control are changing in organizations. The archetypical unitary hierarchy, which for so long has been the defining characteristic of organizations, is giving way to more decentralized and horizontal systems, particularly among organizations in the newer industries. When most of the important information needed to compete effectvily is found at the boundaries of organizations rather than at the core, then centralized command/control structures become dysfunctional and obsolete. As the operational boundaries of firms and agencies extend outward to include temporary workers and contractors, managers are obliged to learn to manage horizontally (without authority) as well as vertically.

Externalization strategies represent a growing reliance on market mechanisms in contrast to internal organizational controls. They also reflect a growing realization among both private and public organizations that ownership does not guarantee control: It is often the case that contracting provides leverage that is absent in ownership.

The emergence of new capital markets, dominated by institutional rather than individual investors, threatens the internal power structure of organizations, which during the past half-century had witnessed the ascendancy of the professional manager. It may well be that the age of “managerial capitalism” has come to an end, although the declining power of the corporate elite may be offset by the rise in power of managers of pension funds and other institutional investors (Davis 1994, Useem 1996).

Corporations have long enjoyed substantial power in relation to the state. As sociologists from Mills (1956) to Mizruchi (1992) to Perrow (2002) have documented, economic wealth and power can readily translate into political influence. In the United States, corporations enjoy the advantage of being treated legally as persons with the right of free speech, expressed primarily through the medium of lobbies and financial campaign contributions. Corporate power and political influence have never been stronger.

Changing Conceptions

It would be surprising, indeed, if these quite fundamental changes in organizational structure and behavior were not reflected in the conceptions scholars employ to guide their work. I believe that important changes under way in our field are
illuminated by trends described by Emirbayer (1997) in an essay on conceptions of social structure more generally. He points to a shift from reliance on substantialist to relational models of structure. A substantialist approach defines structures as things or entities. Emirbayer distinguishes between two subtypes of substantialist conceptions:

- **Substantialist self-action** definitions: As applied to organizations, such conceptions emphasize the independence of organizations and stress those features that distinguish organizations from other types of social structures. Such conceptions dominated organization studies in its formative period, including Weber, March and Simon, and Blau and Scott.

- **Substantialist interaction** definitions: Such conceptions emerged as organizational scholars embraced an open system perspective. Although organizations continue to be viewed as discrete units, they are thought to possess attributes that vary in response to changing circumstances, whether technical, political, transactional, or institutional.

Although still a minority position, a growing number of scholars have begun to embrace a relational or process conception of organizations. These views recognize that organizations are “inseparable from the transactional contexts in which they are embedded” (Emirbayer 1997, p. 287). In a relational conception, the meaning and identity of actors (including collective actors) arise from the roles they play in ongoing relations and encounters, a view elaborated by White (1992). Giddens’ (1979) conception of structuration is the most influential general formulation of this perspective.

To my knowledge, the earliest organizational scholar to employ a relational view of organizations was Weick (1969), who advocated shifting from an entity conception—organizations—to a process conception—organizing. During recent decades, a wide variety of theorists have proposed relational formulations. However, once again, the old antinomy surfaces between those stressing more rational aspects—e.g., organization as a “nexus of contracts” (Jensen & Meckling 1976) or as a “portfolio of financial assets” (Flistein 1990)—and those emphasizing more natural features—e.g., organization as a shifting collection of populations of participants (Bidwell & Kasarda 1985) or as constituted by stories or “narratives” (Czarniawska 1997). In general, however, relational approaches applied to organizations celebrate process over structure, becoming over being. What is being processed varies greatly. In some versions it is symbols and words, in others, relationships or contracts, in still others, assets. But in relational approaches, if structures exist it is because they are continually being created and recreated, and if the world has meaning, it is because actors are constructing and reconstructing intensions and accounts, and thereby, their own and others’ identities (Scott 2001b, p. 10913).
COMMENTS AND CONCERNS

Perhaps it is apparent that I am enthusiastic about the progress made in constructing a vital field of organizational studies and about the contributions made by sociologists to this enterprise throughout the past half-century. In comparison to other areas of scientific study of which I am aware, none has been more vibrant or has made more progress in theorizing and documenting central developments in the phenomena of interest. Scholars in organizational sociology, like their counterparts in the broader field of organization studies, have not embraced a single, unifying paradigm. Rather, as Augier et al. (2004, p. 21) conclude:

[Our] progress is measured not by increasing convergence but by increasing diversity and complexity and by a shared sense of what is part of the history. The cannon changes by expansion and inclusion, by elaborating and adding perspectives.... There is change, but there is also continuity.

In looking forward, I note briefly some developments I view as promising, and another that I view with concern.

Steps Toward Integration and Intellectual Inclusiveness

During the past two decades, as theorists devised one after another competing perspective, it seemed as though the field of organization studies might be condemned to fragmentation or Armageddon. In a commentary on conditions toward the end of the millennium, Aldrich (1992) pointed to the specter of a prolonged period of destructive “paradigm wars.” However, this dire prospect has not come to pass. To a surprising extent, scholars have, for the most part, embraced moderation and taken steps toward developing more integrative frameworks.

Evidence exists of an accommodation between the more actor-centric models that characterize contingency and strategic management theory and the more structural view of ecological and institutional perspectives. Adaptation and selection models are increasingly included within the same theoretical framework (Baum & Singh 1994, Aldrich 1999). In a similar manner, ecological theorists have embraced, and their models have been informed by, institutional arguments. And, thanks to the work of Oliver (1991), institutional and resource dependence arguments have begun to address one another in productive ways. Network arguments and methods are being incorporated not only into resource dependence perspectives, as noted, but also by ecologists and institutionalists (Haveman 2000). There is also evidence of integration across levels of analysis. Rather than viewing organizations, sets, populations, and fields as alternative lenses, some of us have suggested and attempted to demonstrate the value of treating them as complementary—each being necessary to a more adequate understanding of the complex organizational realm (Scott et al. 2000).

Organizational sociologists have long insisted that organizations come in many sizes and shapes and operate in many sectors. Rather than restricting attention
to for-profit firms, as is the case for many management scholars, sociologists have continued to probe the nature of nonprofit, nongovernmental, and public organizations (Galaskiewicz & Biefeild 1998, Powell 1987, Boli & Thomas 1999, Campbell et al. 1991). And, urged on by organizational ecologists, sociologists have refused to focus exclusively on the Fortune 500 or similar listings biased by size and influence, but rather to attend to the full range of organizations of a given type (Aldrich 1999, Carroll & Hannan 2000).

Organizational scholars have readily engaged with other subfields of sociology. Connections between organization studies and areas such as the sociology of work, social stratification, and ethnicity and gender have long been strong and productive. There are recent, promising signs that organizational scholars are learning from and contributing to the work of social movement scholars—both political scientists and political sociologists (Davis et al. 2004)—research on law and society (Edelman & Suchman 1997), economic sociology (Smelser & Swedberg 1994), and the sociology of culture (Zukin 1991, DiMaggio 1994).

Yet another encouraging development is the increasing internationalization of the field. My brief survey has focused primarily on work in the United States, but in the past two decades, productive research by American and foreign scholars has examined developments around the world, particularly in Europe and Asia. The disruption of old governance structures, as has occurred in the former Soviet Union and Eastern Europe, and the rise of new forms of governance, as exemplified by the European Union, have challenged old and stimulated new organizational forms (Fligstein 2001, Stark & Bruszt 1998, Whitley & Kristensen 1997). On the other side of the globe, the surprising performance of organizations that differ from Western models, represented by Japan and the Asian Tigers, and the dismantling of state-owned enterprise in China have evoked much interest and productive research (Ortu et al. 1997, Lin 2002, Tsui & Lau 2002). The rapid rise of globalization affects every form of organizing—from economic firms and government systems to terrorist cells—and sociologists are attending to these developments (Albrow 1997, DiMaggio 2001).

Shifting Locus of Scholarship

As my brief history relates, sociologists were latecomers to the study of organizations. Preceded by engineers, industrial psychologists, and management theorists, sociologists were initially drawn to the study of work groups but soon recognized the distinctive features of organizations as worthy of study. From the early 1960s onward, organizations became a recognized specialization within sociology, and the numbers of scholars rapidly increased. Founded in 1968, the Section on Organizations and Occupations (later renamed the Section on Organizations, Occupations, and Work), quickly became and still remains one of the two or three largest sections within the American Sociological Association (ASA).

Relatively soon after gaining traction within departments of sociology, however, graduates of these programs began to be recruited by professional
Although sociologists first were incorporated into programs of educational or public administration or organizational behavior. In business schools, sociologists quickly expanded their agenda to include “organization theory” (emphasizing the study of organizations rather than individual behavior within organizations) and now are active in programs as varied as management, organization strategy, human resources, and entrepreneurship. As many (if not more) organizational sociologists now attend the annual meeting of the Academy of Management as the ASA. (The division on Organization Theory and Management of the Academy is three times the size of the Organizations, Occupation, and Work section within the ASA.) The greater resources—salaries, research support, and access to organizations—available to sociologists in professional schools have attracted many of our colleagues.

A number of forums have considered the effects on scholarship of this shift in location of organizational sociologists from academic departments to professional schools (e.g., Blau 1996, Scott 1996, Stern & Barley 1996, Hinings & Greenwood 2002). Concerns are that the work may become more applied—more problem than theory-driven—and that sociologists will adjust their queries and methods because they labor under the long shadow of economists who currently dominate these programs. Another concern is that sociologists will forsake some of the broader themes of inequality and power that have long motivated our inquiries. Although the evidence regarding these effects is mixed, two things are certain. First, faculty in professional schools more clearly confront the task of training present and future practitioners than do the faculty of academic departments. This clientele is, understandably, focused on applications of organization knowledge and oriented to the for-profit firm. As open system theorists, we cannot dismiss the effects of organizational context on behavior—including our own, as scholars. Second, the numbers of organization faculty in our academic departments have dwindled during past decades, raising the question: Who will train succeeding generations of organizational sociologists?

I do not know the answer to this question. Although it seems improbable, perhaps we can persuade business schools to subsidize the training of organizational sociologists as a long-term investment in their intellectual capital. A more feasible approach may be to foster joint appointments wherever possible, although given the salary differentials, this too may require some transfer of funds from professional schools to sociology departments. Another approach is to cultivate stronger intellectual ties among organizational scholars on the same campus, as did the program at Stanford described above, as well as across campuses, fostering informal but vital networks. [A number of us worked to create such a network during the 1990s: The Consortium of Centers for Organizations Research (CCOR) at one time spanned eight universities.] Organizational scholars generally, and organizational sociologists specifically, need to regularly rub elbows and ideas if we are to retain our distinctive competence.

Whether these or other alternatives provide help with this issue, they should not diminish our pride in the accomplishments of the past half-century. Sociologists for
many decades have been leading contributors to our understanding of organizations in modern society, and organizations remain one of the most influential actors of our time. The parts they play and the challenges they pose to every facet of social life have never been greater. It is inconceivable to me that our profession will not find a way to continue to play a leading role in understanding and guiding these developments.

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