CHAPTER 6: GROUPS & SOCIAL ORGANIZATION

This group of students on St.Kitts island in the Caribbean Sea show a similar amount of apprehensive tension in all their faces as they are entering a music competition together against a rival high school. Sociologists would say this group has become its own separate organism rather than just a random collection of individuals because they share a common socialization process and an immediate common purpose that binds them into a singular mindset.

Almost everything that humanity accomplishes is done by people in groups. Even individuals, acting alone, are usually acting on behalf of groups, or because of expectations of groups they belong to. As we have seen, the concept of the totally independent individual is a myth. Therefore, sociologists tend to view an individual not as the basic unit of humanity, but as a piece of the group. In the sociological discipline, the group itself is the basic unit of humanity. For, as poet John Donne wisely wrote many centuries ago, “No man [or woman] is an island.”

And every group is organized in some way, formally or informally. That includes your family, even your particular collection of close friends on Saturday night. Whether we like it or not, the organization of the groups we belong to determines our self-esteem, our chances for success, our basic values and even our level of personal freedom.
FIG. 6.2: GROUPS ARE THE BASIC UNIT OF ANALYSIS FOR SOCIOLOGY

If we are to study humans, we must study the activity of humans. But... at what level is human activity most focused and evident? Consider Figure 6.1 below.

**Figure 6.1: At which level is human activity best analyzed?**

- Global
- National
- State
- City
- Community
- **Group**
- Individual
- The Human Brain
- Molecular
- Atomic
- Sub-atomic

An argument could be made that “human activity” is evident at *all* these levels. Yet it is hard to imagine coherent human consciousness or personality at molecular levels and below. And although the vast majority of U.S. citizens would select the *individual* as the basic unit of human activity, sociologists note that no human being thrives (or even survives) in isolation from other humans. We are intensely social animals, living our lives out in group interaction. Thus, sociologists focus at the group level and above to study and explain human thought and action.

**DEFINING LEADERSHIP, POWER AND AUTHORITY**

Leadership, power and authority are terms that interchange occasionally, and need to be defined here.

**Leadership - is the ability to influence people.** Sociology recognizes three types of leaders:

1. Instrumental – commands, directs, barks out orders.
2. Expressive – seeks group consensus, democracy.

**Power - is the ability to make other people do things, even if they do not want to.** Sociologists recognize three basic forms of power:

1. Coercion – the use of unethical or illegitimate force
2. Influence – legal persuasion
3. Authority – having the *right* to make decisions for all
Authority - is the right to command. There are also 3 major categories of authority, according to Max Weber:

1. Traditional – based on old customs (royal families)
2. Charismatic – based on popularity or charm
3. Legal – based on holding a legitimate office

Mahatma Gandhi was a perfect example of a charismatic leader. He held no public office, but his campaign to end the British occupation of India earned him the respect of the entire world, including the British themselves. His policy suggestions to India’s leaders carried enormous weight because he spoke for hundreds of millions of his charmed followers. I encountered this statue of Gandhi at a site where hundreds of runaway slaves had once been executed by the British. It is now called Paradise Park in Georgetown, Guyana.
DEFINING TYPES OF GROUPS

The "primary group" is a small number of people who interact over a relatively long time on an intimate basis. This is a close and personal group that knows each other well, and engages in considerable backstage behavior. Families, close friends, fraternities, sororities, longtime neighbors, longtime co-workers and youth gangs are good examples. Primary groups usually stay small, because the main purpose for their members is up close and personal emotional support. The majority of human history is the story of hunter-gatherer groups which were small primary groups.

Even after humans settled into tiny rural communities, the bonds between people were relatively tight compared to what is experienced in large cities today. A large group does not lend itself to such intimate interaction. If a primary group grows large, it is likely to break up into smaller primary groups at some point.

The "secondary group" is a larger group of individuals that interacts on a temporary and impersonal basis. The members of a secondary group do not know each other as whole persons, but only in particular roles. For example, your classes at the college are filled mostly with strangers that have one common task, to get an education. Most students know each other only as students acting out student roles, although students in face-to-face classes can eventually become close friends.

As any community size rises to over 1000 inhabitants it becomes dominated by secondary groups, and a metropolis like Minneapolis or Chicago seems to an outsider to contain little else to someone passing through. But primary groups still exist there for emotional support. Almost every individual on the planet will spend at least a little time each day in the presence of close friends or family.

The "reference group" is a group to which people refer when making evaluations of themselves and their behavior. For example: “What was my class rank in the year 2020 graduating class of high school seniors?” In an attempt to know how a particular individual is doing in life, a rational comparison can be made with people in the same circumstance. In this case, the reference group was 2020 seniors at a particular high school. Here is another example: “How much did our family give to our church compared to the other families in our church?” The reference group is the membership of “our” particular church.

An "informal organization" is a group that has no official leadership or official positions. Examples would be a group of friends, a small hunter gatherer village in a remote area or members of a forum on internet. No one has official power over anyone else. The group exists for the pleasure of its members. The group’s responsibilities are shared, including decision-making since the people share power fairly, a basic democracy.
A "formal organization" is a large secondary group which is rationally designed and formally structured to reach specific goals. A formal organization is designed with a chain of command to control its members and parcel out organizational responsibilities and rewards or punishments for persons in every position in the organizational chain. Accountability from each member of the formal organization is guaranteed through written job descriptions that each member must submit to (and usually sign). These job descriptions formally set out the exact duties for each job.

There are a number of labels for formal organizations, and they are often used interchangeably. A formal organization may also be known as:

A Bureaucracy  A Rational Organization  A Hierarchy
A Chain of Command  A Department  An Agency

These are all examples of formal organizations:

Government agencies:
The Army, Navy, Marines, and Air Force
The Federal Bureau of Investigation
The Minnesota Department of Natural Resources
Central Lakes College

Public for-profit corporations:
Wal-Mart, Target, Kohl’s
GM, Ford, Chrysler, Phoenix University
Exxon-Mobil, Conoco-Phillips
McDonald’s, Burger-King, Pizza Hut

Non-governmental organizations (NGOs):
The National Rifle Association, Ducks Unlimited
The Sierra Club, Greenpeace, Audubon Society
Human Rights Watch, National Labor Committee
The American Cancer Society, The March of Dimes

In all of these formal organizations the structural design of personnel positions is similar to the fictional Acme Super-Birdhouse design I created in Figure 6.1, (below). Those vertical lines you see between the layers of structure are lines of authority. All these formal structures are controlled from the top all the way down to the lowest positions, through a chain of supervisory staff. Thus, the term, “chain of command.”

Note too that the structure is wider at the bottom than the top. And if we drew a line over the contour of the entire structure, it would resemble an “arch.” Thus, the term, “hierarchy.” Since this design is permanently established, it is “formal.” And because it was well thought-out and designed to fit exact organizational needs, it is considered “rational.”
Top shot: The men at this auction are all goat herders in Oman, a perfect example of a reference group.

Bottom: Within the larger group are families which social scientists would classify as a primary group.
Every large formal organization has this basic shape, narrow at the top, wide at the bottom. Again, it is all on paper, as are job descriptions for all the employees.

Now compare this to an informal organization structure, in Figure 6.2 below. When we analyze these smaller informal organizations – for example, small family businesses like bait shops or flower shops - there usually are no formal positions or job descriptions on paper. Their authority lines are vague and uncertain, but if we had to draw them out, they would probably be a string of lateral positions. In Figure 6.2 the boxed letters represent the people in this small, loosely organized group.

Figure 6.3: A Typical Informal Organization Structure

The lines of authority are drawn laterally because statuses are roughly equal here. No one is totally in control. So then, examples of informal organizations are: a peer group, a band of hunter-gatherers, a commune, a chat network, a collective, a small family business, a cooperative, friends at restaurant, or any group without a formalized hierarchy to set authority.
One could argue that a family business does indeed have a supervisor, a mom or dad, with a potential to be very strict. True enough. But on the other hand, a daughter’s or son’s suggestions are likely to be heard and considered, and thereby influence some decisions. And eventually, the daughter or son may be taking over at some point. They are never more than a generation removed from leadership.

Neither of these scenarios is very likely to happen in large corporations. Here, the people at the bottom level of authority do not even get to meet the people at the very top, much less interact with them, or make serious suggestions to them. How many employees at Taco Bell or Walmart know the names of the Chief Executive Officers of their corporations? How many even know in which state the corporate headquarters are located? Obviously, there is a huge disconnect here.

Hunter-gatherers are also led by Headmen. But analyses of these groups indicate that most Headmen act like spokespersons for these informal groups, not dictators.

**MERTON’S “DYSFUNCTIONS” OF BUREAUCRACY**

In the last century, formal structures have overtaken most of human social organization (outside of family and friends), in modern industrial societies. This enormous change in the human social world has occurred with surprisingly little academic reflection on what it means for the quality of life for workers in formal organizations and for those who are served by formal organizations.

The historical shift from informal to formal organizations is widely viewed as inevitable. A country of 330 million people cannot operate federal programs or move its armies from continent to continent with the informal organizational structures common to family businesses and peer groups. And the tax-paying public demands rational policy and accountability, which are increased by formal structures.

But what might the consequences be of a society dominated by formal structures? Sociologist Robert K. Merton studied formal structures at the University of Chicago. Merton was a functionalist, a conservative member of the sociological community. But all sociologists are concerned with the spread of formal organization. Merton outlined six areas in which formal organizations fail. As might be expected of a functionalist, Merton referred to these negative effects as “dysfunctions.”

1. **Inefficiency in unusual cases.** Bureaucracies streamline their operations to handle the most typical cases and situations. That makes them very efficient as long as nothing unusual comes up. But when it does, the bureaucracy is often slow or unable to adapt to it.

2. **Trained incapacity.** Adherence to rules tends to rob formal organizations of creativity. If the mission of the organization changes - as our military missions did after World War II - the training and expertise within the organization is no
longer relevant to the task, and becomes ineffective.

3. **Goal displacement.** Organizations, once formed, do not wish to disappear, even if they reach their original goal. So organizations often add new goals to their mission, and the net effect is that organizations are nearly impossible to get rid of. Unconsciously or not, formal organizations adopt their own survival as their main goal, which could mean that they actually avoid reaching their goals, in order to maintain a valid reason for their continued existence.

4. **Bureaucratic enlargement.** For the same reason as stated above (survival), formal organizations tend to grow larger and larger. They almost never spend less than their budget, or hire fewer staff than they are allowed. They tend to absorb a greater amount of resources every year.

5. **Authoritarian structure.** All hierarchic structures are dictatorships by design. If a worker lives in a “free country,” but spends a lifetime working inside a formal organization, is that a lifetime of freedom or submission?

6. **Bureaucratic personality.** Merton noted negative effects on the personalities of people who work in formal organizations. The inflexible guidelines that they must follow can crush their individual creativity and imagination. The people who are served by bureaucrats may find that they are treated as just a number or ‘case.’ The chilly impersonal treatment of clients necessary to operate a fast and efficient formal organization on a large scale does not compare well to what one might find, for example, in interaction with a family business or peer group.

**OLIGARCHY**

No formal organization operates exactly as its formal design would suggest. People in the upper levels of an authority structure may have a lot of authority or almost none. Favoritism, political maneuvering, trickery, blackmail and even sexual favors within an organization may disrupt the formal chain of command structure. A tiny informal network of kingpins frequently emerges to control an organization behind the scenes. This hidden network usually includes the formal leader of the organization, but not always (watch reruns of the PBS British comedy, *Yes, Mr. Prime Minister* on public television for a very entertaining series of examples.)

This hidden informal network is so common that German sociologist Robert Michels made the claim that, “whoever says [formal] organization, says oligarchy.” Oligarchy means “rule by the few.” Michels explained that leaders in organizations eventually seek to reduce the number of decision-makers to keep decision-making quick and simple. Of course, there are significant benefits to the members of this clique. As it improves its ability to control, it becomes a fearful presence, and thus serious complaints from other members of the formal structure tend to disappear.

The presence of oligarchy in formal organizations is not totally negative. The organization may function more smoothly by skipping decisions over a few layers of
bureaucracy and bending a few rules to allow some useful flexibility in handling of unusual cases or mission changes. But for anyone who seeks to really understand an organization, a knowledge of its hidden oligarchy is essential.

The National Labor Committee (NLC) photographed these exhausted Chinese youth taking naps during their 12-hour day/7 days a week shifts. This Foxconn facility attached nets to the outside walls of their factories to reduce suicides by workers as young as 13 years of age. Foxconn manufactures electronic devices for Microsoft, Apple, Hewlett Packard, Samsung, Best Buy, Acer and other US companies. NLC claims it violates every labor law in existence in China. But the laws are rarely enforced.

RETHINKING FORMAL ORGANIZATION

Although people of almost every political persuasion have something negative to say about bureaucracies, these structures are probably indispensable in large modern societies. In fact, the very survival of democracy may depend on bureaucracy wherever societies are populated by millions of citizens. Voter registration, the creation of electoral procedures and enforcement of all of this requires the presence of large formal organizations. Similar examples could be given for every major undertaking in a modern society.

Bureaucracy is probably here to stay, as long as modern societies exist.

But bureaucracies could be improved for the sake of humanity. Some new organizational models have emerged that deserve our attention either because they work so well, or because they work so poorly.
A vast expanse of paved-over planet signals another Wal-mart “superstore.” Opponents of Wal-mart’s noteworthy mistreatment of employees have tended to demonize the leaders of this corporation. But sociologists suggest the fault lies mainly within the design of the authority structure. Its gigantic size increases the interactive distance between top executives and lower level workers. Interactive distance refers to the extent to which members of an organization are isolated from face-to-face interaction with the organization’s decision makers. People who interact frequently are more likely to care about and protect each other’s interests. In large organizations like Exxon-Mobil, the U.S. Army or Wal-mart the lower level workers rarely ever meet - or even know the name of – their organizational leaders.

Japanese Corporations

One of the bright lights of organizational design is found in some progressive Japanese corporations, which in many ways are polar opposites of corporations in the USA. The Japanese committed themselves to worker enhancement policies in the 1950s that put a very positive spin on life in the workplace, and which turned out to benefit productivity and quality control as well. This strategy is based on trust in the good nature of human beings.

Ironically, the Japanese model of worker enhancement is rooted in the ideas of Edward Deming (1900-1993), an Iowa statistician who promoted a 14-point management program that included several sociological principles. He is known in Japan as the Father of the Japanese Industrial Revival.[1]

After the Allied bombing campaign in World War II, Japan was devastated. The entire economy needed to be rebuilt. Deming was invited to Japan to suggest a management model. His model was “collectivist” in that it was designed to serve the
interests of the workers as well as the management. By doing so, it encouraged loyal, creative and highly educated workers that were capable of contributing far more than under typical management programs that viewed workers as a necessary evil. And since they appreciated their good treatment, they were quite willing to pay back the favor through higher worker productivity. A few of Edward Deming suggestions:

- Adopt leadership aimed at helping people do a better job.
- Encourage effective two-way communication to drive out fear throughout the organization so that everybody may work effectively and more productively.
- Break down barriers between departments and staff. People must work in teams to tackle problems, and not be isolated in assembly lines.
- Institute a vigorous program of education, encouraging self-improvement for everyone. An organization needs workers that are growing educationally.

For his efforts, Deming was awarded the Second Order of the Sacred Treasure by the former Emperor Hirohito. Japanese scientists and engineers also named the famed Deming Prize after him. Unfortunately, Deming's ideas have not yet been taken seriously in his native country, the USA. The difference probably lies in the fact that Japanese culture was collectivist (group oriented) to begin with, whereas Western culture – especially in the USA – is highly individualistic by long tradition.

The good news is that the potential is there for our nation to treat all workers with respect and dignity. My own (unpublished) survey of worker enhancement programs in the USA confirmed that almost anything that is done on behalf of the welfare of workers results in quality and productivity paybacks to employers. Treating workers well is good business, and makes a workplace a comfortable and warm place to be.

**Apple Corporation**

When Apple Computer was born, it was organized like a group of friends. This is because it was a group of friends. These young entrepreneurs were described as a collection of intelligent hippies at Universities in California. They feared the limiting influence on the imagination that formality forced on employees, and so kept Apple creative and growing through the use of lateral lines of authority. The fact that Apple became the largest computer company in the USA without any prior financial backing or dealer network is a testament to the value of informal decision making and equal status structures. Apple’s early success story amounts to a landmark contradiction to the idea that informal structures cannot compete with formal structures.

Informal organizations managed with lateral lines of authority seem to have an issue with size. Above 100 staff members, interactive distance increases and the intimacy and personal trust is gradually lost. Apple certainly experienced this effect as it grew
into a global giant and it also lost a bit of its soul by adopting slave labor practices in China. It appears that a relatively moderate number of staff might then be seen a useful size limitation for corporations, since many large corporations have become “too big to fail” or to control. By that standard, a corporation should only grow to a size that encourages peak creativity and worker satisfaction. That seems a happy set of outcomes, and it is likely to lead to high profitability as well.

SECRET ORGANIZATIONS

Although we grow up hearing wonderful things about “democracy,” most of us cannot define the term very well. “Demo-cracy” is a Greek term meaning “people-rule.”

The term democracy is not about freedom per se, but about participating in decision making. Freedom – hopefully - should flow from universal participation, but universal participation has to be established first to insure that whatever freedom emerges is for everyone. We are proud of our democracy, where almost anyone of voting age may vote, or join campaigns, or run for office. The idea is that people get to control their own government, and decisions are made right out in the open for all to see.

However, after World War II, a number of secretive government organizations were created or expanded to deal with the perceived threat of the Soviet Union, which had, like us, developed atomic weaponry. But after the Soviet Union faded out as a threat, the secret organizations did not disappear. Like organizations everywhere, they found new goals. Note that “goal displacement” is one of the dysfunctions of bureaucracy mentioned by Robert K. Merton.

Today there are numerous government organizations that make decisions and take significant actions on our behalf without our knowledge. The Central Intelligence Agency (CIA), the National Security Administration (NSA), and separate secret agencies for each branch of the military service are examples. These agencies have even kept information secret from each other. For that matter, their budgets are secret as well, so citizens cannot know what their own money is being spent on, or how much is being spent. There is very little public oversight undertaken to determine whether these organizations are working in the best interests of our nation, or if they have begun to work in their own interests. Taken together, the image that emerges is that of a secret government, rather than an open democratic one.[2]

Secret government organizations have been justified on the basis that:

1. Behind-the-scenes operations work for the security of the country, and;
2. Secret information gathering is vital to elected decision makers.

Nevertheless, a question is posed by the existence of these secret organizations: If important decisions and policies are being made and implemented by secret organizations, do we still live in a real democracy?
Furthermore, it is not clear that the behind-the-scenes operations have benefited the nation as a whole. In secret, Saddam Hussein was provided poison gas and other weapons of mass destruction by the USA to attack Iran. The Iranians never forgave us for that, it became a worldwide embarrassment for the USA, and Hussein ended up using some of the poison gas on his own people as well. In secret, Osama bin Laden was among those given arms and funding by the USA to fight the Russians in Afghanistan. Later, he turned those weapons on the moderate Afghani citizens, and then on us. There are dozens of equally disturbing examples of poorly planned secret operations.[3]

Nor is the information provided by secret agencies always useful for decision making. In 1998 President Clinton was advised - in error - that a building in Sudan was a chemical weapons manufacturing facility. He ordered it destroyed by cruise missiles, but it turned out to be the primary source of medicine for Sudan’s people. A substantial death toll was projected from this loss of critical drugs.[4]

In 2003, our CIA mistakenly suggested - in great detail - that Saddam Hussein was manufacturing and storing weapons of mass destruction. President Bush made the decision to attack Iraq on the basis of that information. This attack on Iraq appears now to have been unnecessary since no weapons existed, leading to another global embarrassment for our nation related to secret government operations. A world survey by the non-partisan PEW Research Center found the image of the United States had moved into last place among developed nations after the attack on Iraq.[5]

Another CIA agent to become his nation’s leader was Manuel Noreiga who seized power in Panama in 1982 with U.S. support. He was also a famous drug lord. His brazen disregard for the law and human rights publicly embarrassed the CIA when these secret activities became public (above left). In one of his many hideouts $8 million in cash was discovered (photo above right).
How well are U.S. citizens served by secrecy? The attack and occupation of Iraq had already cost the USA more than $2 trillion during its first decade of warfare[6]. Counting interest on that debt load, it will require about $40,000 payback per family of four; it must be paid back either by higher taxes or reduced government services. The Iraq War had also created roughly 32,000 U.S. casualties and 4,400 deaths as of June of 2010. More than a quarter of the hundreds of thousands of U.S. soldiers sent to Iraq report suffering psychologically from their service. Exact Iraqi civilian casualties are very poorly recorded, but the estimates are many times higher than our own. Millions of Iraqis have fled their homeland and the tension between Iraqi religious groups has never been higher. When polled, U.S. citizens rate the Iraq War as a blunder. But all this human misery began as a popular military effort, based on misinformation gathered in secret by the CIA.

POLITICAL LEADERSHIP CONNECTIONS TO SECRET ORGANIZATIONS

There are powerful benefits to the leaders of secret government. Those who rise to the top of secret intelligence organizations seem destined to win the highest public offices later. Former President Putin of Russia was previously head of the KGB, the central secret intelligence agency of the former Soviet Union. Likewise, the first President George H. Bush had previously headed the Republic National Committee, and was then appointed CIA Director in the aftermath of the Watergate scandal. The same high-level staff that served him has since served his son’s recent Presidency. Included in this group were Colin Powell (Secretary of State), Dick Cheney (Vice President), and Donald Rumsfeld (Secretary of Defense) who was eventually forced to resign for mishandling his duties.

Secret organizations and secret operations have spread beyond government. The larger corporations have been known to maintain substantial secret operations staff for business advantages. They hack their own customers to obtain valuable personal information, spy on their own employees to prevent unions from forming, and spy on other corporations for economic advantage. Other secretive corporate go-betweens pay off foreign or domestic governments to secure mining or timber opportunities in sensitive environmental areas.

Multinational corporations have also been accused by human rights groups of secretly hiring paramilitary assassins in poor nations to dispose of journalists, environmentalists and labor leaders whose activities might reduce their profits. Nicaragua’s Coca-Cola Chief Adolfo Calero became the leader of the infamous mercenaries known as the “Contras” that murdered thousands of Central American citizens over several years of the Reagan Administration.[7] More recently, the Smithsonian survey reported that over 700 environmental activists were killed or “disappeared” between the years 2001-2014 around the world as they fought to save our Earth’s natural resources.[8] The assassins usually get away without detection, but it’s no secret which corporations benefit from these killings.
Trust in a civil society depends upon keeping the public educated and aware of the facts. In a world dominated by secret organizations it becomes difficult for citizens to understand how a system operates because much of the machinery is invisible. Rumor and superstition flourish in such an environment. How then, can citizens make informed decisions, or be real participants in democracy?

A true democracy must limit secret organization to that which is absolutely necessary.

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