A Sociological Critique of an Organizational Theory of Power

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Abstract

Some recent developments in Organization Theory have been concerned with the development of 'contingency' models of the organizational system. Among the criticisms made of this perspective, in particular by Child (1973), are that it has neglected power processes in organizations.

A recent Organization Theory has presented a 'Strategic Contingency' theory of power in organizations (Hickson et al., 1971). Does the reformulated concept of *strategic* contingency obviate the types of criticism that might be made of such a theory from a sociological stance? This paper argues against the concept of 'contingency' explanation in organization theory and instead proposes a sociological perspective on organizations, in which the 'Strategic Contingency' theory may be seen as, in an elaborated context, a theory of managerial influence, in an unexplicated and taken-for-granted context of power. The critique of the 'Strategic Contingency' theory is related to the sociological insufficiency of 'exchange' and 'pluralist' theories in general. Alternative directions for theorizing are suggested, using Karpik's (1972) idea of 'logics of action'.

Introduction

In a recent essay, titled 'Organizations: A Choice for Man', Child has characterized recent perspectives on organizations in terms of their stress

on 'contingencies'. In the perspective which he criticises, the organization has to cope with 'contingencies' which derive from 'the circumstances of environment, technology, scale, resources and other factors in the situation in which a unit is operating' (Child, 1973, p. 273). The contingency perspective emerged from empirical enquiry into organizations which yielded statistical data on the relationships between the 'dimensions' of organizational structures, and the situational characteristics of these organizations. Child (1973) argues that contingency theory results from interpreting this data in the simplest possible way, which is to suggest that the situational characteristics predict the dimensions of the organization.

One of the specific criticisms that Child (1973) develops of this type of organization theory, is that it has neglected questions of power in the organization. In an earlier article, Child (1972) has noted a variant on the contingency approach to organization in the 'strategic contingency' approach of Hickson et al. (1971). This variant has proposed a 'theoretical explanation of power as the dependent variable with the aim of developing empirically testable hypotheses that will explain differential power among sub-units in complex work organizations' (Hickson et al. 1971, p. 216). The concept of contingency used in this variant of the perspective is somewhat different to that in more general use in organization theory as Child (1973) has criticized it. In the 'strategic' variant the concept of contingency is explicitly used to predict the power of a 'sub-unit' in a theoretical schema, rather than being an extrapolation from a data analysis. A sub-unit, A, is seen as being more or less contingent on the other sub-units in the organizational system. The less contingent, or dependent, a sub-unit is on these other sub-units, then, given a 'ceteris paribus' clause, the theory predicts that it will be more powerful. The components of the 'ceteris paribus' clause in this instance are that the sub-unit should also be highly unsubstitutable by any other sub-unit, that it should also be central to the organizational system, for which it must manage a high degree of uncertainty; these, in conjunction with contingency, predict power.

The basic idea of environmental determinism, common to this tradition of organization theory, remains in the 'strategic' variant. The unit of analysis has shifted from the organization and its environment, to the sub-unit and its environment of inputs which may come from either the wider organization, or from outside of the organization system.

This poses the following as a topic for consideration: does the 'strategic contingency' theory disarm Child's indictment of the more general 'organization theory' represented in the 'contingency' approach?

This paper will address the way in which such an organization theory,

as it is represented by Hickson et al., attempts to handle the topic of power in organizations. It will do so from a sociological perspective.

A 'Strategic Contingencies' approach to Power in the Organization

Hickson et al. (1971) claim to be offering an explanation of what has not been previously explained:

> within organizations, power itself has not been explained, (Hickson et al. 1971, p. 216).

The authors of this statement make this claim from within Thompson's (1967, p. 13) 'newer tradition' which

> enables us to conceive of the organization as an open system, indeterminate and faced with uncertainty, but subject to criteria of rationality and hence needing certainty.

The elements of this tradition derive from the functionalist approach in sociology and from the behavioural theory of the firm in economics, in particular Thompson's synthesis of these. To these ingredients are added elements of Blau's (1964) 'exchange theory'; Crozier's (1964) theoretical inter-relation of power with 'uncertainty', and Dahl's behavioural concept of power as elaborated by Kaplan (1964). It is from these ingredients, blended within a systems framework, that Hickson et al. produce their 'strategic contingencies' approach, as a synthesis of the two major recent traditions in the study of power; exchange and behavioural theory.

The division of labour in the organization is seen to provide the functional inter-relation of the interdepartmental system of sub-units. It is to imbalances in this inter-dependency that the theory ascribes power relations. In viewing the organization as composed of interdependent parts, then Hickson et al. (1971, p. 217) follow Thompson (1967, p. 6). Some parts are more, or less, interdependent than others. The major task element of this interdependency is 'coping with uncertainty'. The system is an 'open' one, which has as its major input, uncertainty, which is transformed into elements of more or less certainty by the specialized parts of the organization. The system has a major 'need'; this is for certainty; the organization is 'indeterminate and faced with uncertainty, but subject to criteria of rationality and hence needing certainty' (Thompson, 1967, p. 13, cited in Hickson et al., 1971, p. 217). The system's 'essential' behaviour is:

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Limitation of the autonomy of all its members or parts, since all are subject to power from the others; for sub-units, unlike individuals, are not free to make a decision to participate, as March and Simon (1958) put it, nor to decide whether or not to come together in political relationships. They must. They exist to do so... The groups use differential power to function within the system rather than to destroy is' (Hickson et al. 1971, p. 217).

A strategically contingent system is thus composed of plural and countervailing powers which constitute the organization, an organization whose 'essence' is limitation of the autonomy of these parts. In short, a traditional open systems model of the orgasization modified by a realization of the points that Gouldner (1967) raised when he pointed out how certain parts of a system may be relatively more autonomous than others, but in this particular case not to the extent that the part may ultimately determine the whole. The environment of the organization determines the behaviour of the sub-unit, because of the boundary exchange of resources, with the resource inputs to the sub-unit being hypostasized as 'uncertainties'.

The reduction of these uncertainties becomes the goal of the organization. This reduction work provides resources for the sub-units to transform (more into less uncertainty), and to generate as outputs (more certainty onto an uncertain environment, where this is the world outside the sub-unit), which in turn 'feed-back' onto this changed environment with which it must now deal.

Given this, then one would expect that changes in sub-unit power would be explained in these environmental terms, which is indeed how the 'strategic contingencies' theory does explain change:

Goal changes mean that the organization confronts fresh uncertainties; so that sub-units which can cope or purport to cope with these experience increased power. Thus if institutions shift in emphasis from custodial to treatment goals, the power of treatment oriented sub-units (e.g. social service workers) increases only if they can cope with the uncertainties of inmate treatment. If they are helpless to do anything even purportedly effective, then they remain weak (Pennings et al., 1969, p. 420).

Such a 'strategic contingencies' theory thus explains changes in power in terms of the adaptation of a system in the face of a changed environment:

Organizations deal with environmentally derived uncertainties in the sources and composition of inputs, with uncertainties in the processing of throughputs, and again with environmental uncertainties in the disposal of outputs. They must

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have means to deal with these uncertainties for adequate task performance. Such ability is here called 'coping' (Hickson et al. 1971, p. 219).

Changes in power are caused by a changing capacity to cope with uncertainty caused by systematic adaptation of sub-units to changing of changed environments.

Qualifications flow from considering the question of environmental determinism within a sociological perspective. Once we allow that some members of organizations may be in a position such as to choose what 'environment' they operate in, then the determinate facticity of the environment begins to recede. It might be that the home market is less variable than the export market, and it might be that members who manage exports are more 'strategically contingent', and hence by definition of the theory, more powerful, than these other members, but this would tell us little if the crucial and unconsidered question is *who* chose to export, and how and why they chose to. As Child has pointed out,

the directors of at least large organizations may command sufficient power to influence the conditions prevailing within environments where they are already operating. The debate surrounding Galbraith's thesis (1967) that the large business corporation in modern industrial societies is able very considerably to manipulate and even create the demand for its own products centers on this very point. Some degree of environmental selection is open to most organizations, and some degree of environmental manipulation is open to most organizations. These considerations form an important qualification to suggestions of environmental determinism. (Child, 1972, p. 4).

Further qualifications flow from re-considering the question of environmental determinism within a sociological perspective in which meaning is assigned by the creative work of members, in the context of the available stock of knowledge and related human interests, which are embedded in social institutions and displayed in language.

Consider the substantive focus on 'sub-units' as the unit of analysis. These are those areas of an organization concerned with a specific area of activity such as sales or production. It is assumed that these will exist as relatively autonomous, contained, and identifiable areas. In attempting to argue that these sub-units behave, without at the same time suggesting how they might do so, for example through the actions of some powerful member(s) in formulating sales (or whatever) policy, one implicitly suggests that the entity reified as a 'sub-unit' somehow enacts one definition

of the environment to which it then 'reacts'; or that it somehow 'picks-up' the one message that the 'environment' sends it.

Unless one is willing to premise a unitary and harmonious collective, a sub-unit, which speaks and acts with one voice, or, in a more probable and less reified hypothesis, a collective which is spoken for by one voice; a speaking which over-rules the chatter of competing interests, attachments, strategies, and meanings, then one is on a theoretically sticky wicket in reciting either a unitary 'sub-unit' or 'environment'. If one proposes the former hypothesis then one's theory may be persuasively open to the charge that it uncritically embraces managemene ideology, as Fox (1968) has suggested of such 'unitary' theory. *In such a perspective, the environment would be what is important and problematic for managerial definition, insofar as these definitions constitute the environmental variability to which the organization theorist then attends.*

This is to beg the question of power in the first place, in as much as it presuposes a tacit and unexplicated reliance of the theorist on a mundane form of life in which this power is a taken for granted feature. It then employs this taken for granted aspect as a resource for circular theorizing in which one seeks to explain that which one assumes.

If one were to reject the reading initially proposed, an interpretation which suggested that the collective speaks with one voice, then the objections raised by one which suggests that the collective is 'spoken for' are no wit less problematic. Such a reading, without any specification or notification of the nature of the collectives stratified features, the differentia of hierarchical stratification, merely allows the theory to again assume what is to be explained. The division of labour upon which the whole argument rests may itself be the result of powerful members' definitions of what the organization and its environment are, a notion provided for in terms of Cyert and March's (1963) idea of a 'dominant coalition'.

Notwithstanding these difficulties, the obscurity displayed in the concept of uncertainty used would in itself be sufficient to render suspect a theory grounded in this key concept:

> 'Uncertainty may be defined as a lack of information about future events, so that alternatives and their outcomes are unpredictable' (Hickson et al., 1971, p. 219).

With this definition a subtle change in emphasis has occured which defines uncertainty as something members of organizations have, 'a lack of information' rather than something an 'environment' possesses. However,

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'Uncertainty might be indicated by the variability of those inputs to the organization which are taken by the sub-unit. For instance, a production sub-unit may face variability in raw materials and engineering may face variability in equipment performance' (Hickson et al., 1971, p. 220).

Uncertainty is now located not in members' knowledge, but in the variability of artefacts, this variability being located in the 'environment'.

In a sense which is not used in their work, one possible interpretation of the concept of 'uncertainty' would locate it in members' knowledge for predicting future states of affairs. So in this version, presumably, certainty would be a state of affairs in which all alternatives and all outcomes are equally and absolutely predictable. There would be no possibility of untowardness. Inexplicability, strangeness, and surprise would be non-sensible phenomena. Were such a situation imaginable it would conjure up a state of affairs in which a rule existed for each and everything that might ever occur. A complete inventory of contingency procedures would exist. So uncertainty might be seen as a situation in which rules for remedying surprise had yet to be enacted. So, in this world, how would control over uncertainty confer power? What would it look like?

Control over uncertainty might be considered to be achieved when ruling on what causes the uncertainty, the surprise, has been done, and a course of treatment formulated, to bring the occurrence back into line as a routine. Thus one could analyse Crozier's (1964) maintenance men as having events referred to them by production, e.g. machine-breakdowns, for which they then had to formulate a reason, and a course of treatment: that is, to do a ruling, constituting an unexpected, unpredicted event into the past tense by rendering it routine. Crozier (1964) suggests that this uncertainty conferred 'power' on the maintenance men, power that they would not otherwise have. In the example of uncertainty conferring power, then we could claim that in a structural sense, analagous to the meaning of sovereignty which stresses it as being 'the effective source of or influence upon the exercise of political or legal power' (Marshall, 1964) the source of such power in the organization is a result of structural determinance by strategic contingencies. The inter-relationships of the organization, its structural lay-out, thus determines the sources of sub-unit power.

Now it may seem odd that structural layout should determine the effective source of power: one might have wanted to argue the converse. The oddity evaporates if one recalls that in this particular formulation power is seen as the obverse of dependency, so that 'the crucial unanswered question in organizations is: what factors function to vary dependency, and so to vary power' (Hickson et al., 1971, p. 217). But logically depen-

dency, in a system is no more nor less than the degree of functional autonomy and reciprocity that a unit enjoys; that is, its degree of centrality, substitutability etc. But, if at the same time, power is seen as the obverse of dependency then power similarly is a function of functional autonomy and reciprocity.

Power in rules in organizations

Power in the organization begins to look rather like an ongoing game of chess in which the pieces gain their power through their current position, rather than gaining their current position through their power to make the moves they make according to the rules of the game. What we have, in short, is a conception of a pieces power, totally in terms of its relations, which entirely neglects the progress of the game according to its history and rules.

Now if power is not something that comes together in a relationship, and evaporates on its termination, what is it? Sticking with the example of chess, one might say it is a function of the relationship of pieces (units) to rules, in that rules invest a certain power in a piece, independently of its position on the board.

Now imagine a game of chess more analagous to social reality in which the rules about moves are constantly changing, are opaque, and problematic. Whichever piece were able to exploit this uncertainty and do ruling on its own behalf would in this sense, have power. This is the essence of Crozier's (1964) formulation. To the extent that all pieces were able to negotiate their positions, more or less, then in a game with a fixed number of pieces, that piece which ended up doing ruling on the greatest number of pieces such as to serve its interests over their's would be the most powerful. But obviously in an ongoing game of chess, or social life, a piece like the Queen would start in a more privileged position than a pawn, simply because the existant rules, which are now open to interpretation, enable her to begin the sequence with more potential moves.

Consider the context of Michel Crozier's (1964) original formulation of the 'control of uncertainty confers power' hypothesis. He does not claim that maintenance men, through their undoubted success in controlling discretionary areas of their tasks in an almost monopolistic manner, are the most powerful members of the industrial bureaucracy. What he suggests is that within an existing context of organization rules, and an existing power structure, then areas of uncertainty which groups or individuals

are capable of controlling, and can, and do, control, become key re-
sources in procuring less dependece for themselves within the ongoing
(stable) structure of social relations (Crozier, 1961, pp. 150-165, especially).

The optic that transforms 'less dependence' into power (albeit, as Cro-
zier (1964) himself recognizes, of a local and contextually bound type —
with Hickson et al., (1971) fail to acknowledge), is derived from Dahl's
(1957) operational definition of power: the power of a person A over B
is the ability of A to obtain that B do something he would not have done
otherwise, Crozier (1964, pp. 175-208.) places this in a context of 'the
theory of bureaucracy — that theory in terms of which sociologists since
Max Weber have been considering the processes of organization' (Crozier,
1964, p. 175).

The conceptual apparatus in which Crozier (1964) locates Dahl's (1957)
definition of power is one, into which it sits uneasily, when one considers
their two contexts of theorizing. On the one hand, Crozier (1961) is con-
cerned to develop his insights about the different ways in which organiza-
tion members define their situation, and the limits on their 'rationality'
in doing so. His indebtedness to Simon (1957) and March and Simon
(1958) provides Crozier (1964) with concept of 'bounded rationality':

> 'Such an approach allows us to deal with the problems of power in a more
> realistic fashion. It enables us to consider, at the same time, the rationality of
> each agent or group of agents, and the influence of the human relations factors
> that limit their rationality' (Crozier, 1964, p. 150).

His analysis focuses on the manipulation by actors of their situations in
such a way as to maintain or enlarge their areas of discretion within the
conditions of membership, which are set by a 'controlling group' (Simon,
1957) or 'organizational coalition' (Cyert and March, 1968; 1964). They
achieve this manipulation through the use of strategies to protect their
interests as they perceive them. Their perceptions are located in the pre-
vailing values of members of the French bureaucracy, which in turn
'reflects' the context of French society. Action is seen as situational,
resulting from meaningful and bounded rationality, which includes a vary-
ing commitment to the ongoing system of interactions, structured as it is
by the rules in which they operate.

His discussion of rules is almost entirely within the context of the usual
reading given to Weber (1968) on rules; that is, the formal codifications of
bureaucracy. Had he read Weber on this as it is possible to do so, in
terms of 'enacted' rules, then his discussion of power as a concept at both

the discretionary level, and at the level of the structure of the organization, could have been made in the same terms, and terms which remain faithful to the meaningful context in which his agents operate. Instead, by falling back on Dahl's (1957) concept of power, Crozier fails to extend the theory of power beyond a technology of manipulation exercized by man as decisionmaker, with respect to the effectiveness of such decisions. Taking this concept of power, and neglecting the structural and cultural forms of power to which Crozier (1961) makes reference, then Hickson et al. (1971) obscure the concept at the structural level by failing to discuss 'rules' in either Crozier's, or Weber's terms, and entirely miss the cultural aspects of the question. Such a theoretical basis assumes that which it purports to explain.

Why do Hickson et al. ignore prior questions of 'rules of the game' which effectively structure the types of issues (and outcomes) which form the battle-field of power? Because they dwell in the discursive space and tradition of exchange theory, which they premise on an acceptance of the socio-economic and cultural structure of society which defines the constraints within which the theory operates. These include assumptions of social harmony — 'groups use differential power to function within the system rather than to destroy it' (Hickson et al., 1971, p. 217) — which take for granted the very thing they seek to explain; the existence of a social order, its particular rationality and rule.

Hickson et al. (1971) merely make Dahl's (1957) implicit notion of an exchange explicit. They do so by locating Dahl's (1957) concept of a 'social relationship' as something determined by the 'division of labour' which creates the interdependent relationships, which in turn determines 'power relations' (Hickson et al., 1971, p. 217). The exercise of power is then explicitly related to the author of exchange theory, Blau (1964) in terms of which 'sub-units can be seen to be exchanging control of strategic contingencies one for the other' in order to aquire power through the exchange (Hickson et al., p. 222).

Rules and Exchange

The basic assumptions of an exchange theory such as Blau's (1964) is that each party to a potential exchange has something which others value and want, (e.g. maintenance for production workers; a production line service for maintenance men). The typical exchange situation is that in which each participant prefers the other to make the greatest contribution, but

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is himself willing to do so rather than to discontinue the exchange. The ingredients of an exchange situation are then, that although both actors have shared interests, they diverge on certain points. Although both want the exchange to persist, neither wishes to make the greatest contribution. If both 'partners' profit from the exchange then they have a common interest in maintaining it, although self-interest leads them to wish to benefit most from any exchange.

Blau's view of direct exchange stresses the tendency for participants to try to control the behaviour of others in their own interest. Sometimes only very partial control can be exercised, where both have valuable resources to contribute. But, in some cases one party may have nothing immediate to offer. Blau suggests that the person in need has several strategies open to him in principle; he can force the other to help him; he can get help from someone else, or he has to do without the valued resource. If he is unable to adopt any of these solutions he has no alternative but to subordinate himself - this is an act of submission to power.

Power is distinguished from sheer coercion, in that, in the latter, the powerless party cannot opt for punishment, or withdrawal of facilities in return for non-compliance. A man thrown into prison would be physically coerced, unless he voluntarily resigned his freedom in order to save his life; this would be an act of submission to power, involving, in however tautologous a sense, an 'exchange', whereas the former, involving coercion, does not. Where there is no robbery there must be fair exchange.

This tradition, although it provides us with a way of seeing exchanges occurring, says nothing about the rules governing exchange processes, or how these are historically and institutionally lodged and elaborated.

Exchange based theories may provide some leverage on some aspects of power, but how significant are these in themselves? The leverage they can obtain is on the surface levels of appearances, on power as manifested in the outcomes of particular exchanges, irrespective of the 'deep structure' of these as it exists in the particular issues over which power is displayed; a deep structure such as research premised on Bacharach and Baratz's (1971) critique of 'pluralist' models might uncover. This critique argues that any such model:

> takes no account of the fact that power may be, and often is, exercised by confining the scope of decisionmaking to relatively 'safe' issues .... the model makes no objective criteria for distinguishing between 'important' and 'unimportant' issues arising in the political arena ... can a sound concept of power be predicated on the assumption that power is totally embodied and fully reflected

What such a critique recommends in research premised on a theoretically elaborated model of the relationships between particular issues — which arise for power to be exercised over — and the institutional areas in which they occur. In short, it demands an account of the 'rationality' of power in whatever arena is under study, a rationality under whose domination issues become transparantly a 'ruled' phenomenon. Such a perspective would not propose that the power displayed in any one exchange was a chance outcome of that exchange alone — in which resources might be utilized which have no power in another setting — but would instead attend to their prior differential institutionally defined value.

Strategic contingencies theory as formulated by Hickson et al. (1971) fails to provide such a perspective. What it does provide is an uncritical marriage of a particular version of pluralism, the 'managerial thesis', with an uninformed version of exchange theory.

The theorists of the 'managerial revolution' (e.g. Burnham, 1941) have argued that, given the 'decomposition of capital' attendent upon the separation of ownership and control, then power no longer resides in ownership but in management.

'Strategic contingencies theory' merely takes the managerial thesis one stagg further by accepting Galbraith's (1967) thesis that the pure type of general manager has disappeared, only to be replaced by different departments (sub-units) of specialists, each of which pursues one or other key managerial function. In both Galbraith and Hickson et al., these sub-units are the source of power; Galbraith sees even top management as dependent on these as gatekeepers of information, which information would for Hickson et al. become a key strategic resource. Power comes to be in the portals of power.

Blackburn (1972, p. 178) has been critical of these assumptions:

If decomposition of the managerial function is scrutinized then it soon becomes apparent that it is the very specialization of the expert that constitutes the real limit on his power. The sphere of competence of the specialist is very strictly defined by his own particular skill. Rewards and sanctions descend downwards in a hierarchical manner inhibiting the development of group solidarity among those on the same level...top management is constrained by the context of capitalist competition to maximize profits and to accumulate capital. The performance of each department can be evaluated in terms of its contribution to these overall goals. Increasingly sophisticated procedures in cost accounting enable top management to develop criteria for subordinating every aspect of company

operations to financial control. The head office of a large corporation will employ an armoury of checking devices to ensure that its constituent divisions and departments contribute fully to the profit potential of the resources the corporation commands. Often competition between different divisions of the same corporation or the possibility of contracting out functions performed inside the corporation serve as a lever exercised by the head office over its outlying parts. Only in a company with most incompetent management will really important decisions about investment policy, product range, output, price, size of labour force, etc. escape proper central audit. The financial department will, of course, tend to have a decisive say in nearly all questions. However the power residing with the financial expert is one which he derives from the context of the capitalist market itself and must exercise on behalf of the ultimate owners of the corporation.

The managers task is to interpret 'more or less successfully, the dictates of the market, and to exploit, more or less successfully, the labour power purchased' as Blackburn (1972, p. 168) put it. The manager does so in order to produce profit. Within the domination of this form of organization, then different modes of being profitable, different modes of capitalist 'rationality' may be historically and structurally located; these would be what Karpic (1972) has termed 'Logics of Action'.

Power in the context of domination in organizations

The domination of capitalist organization will consist in specific means for archieving the most successful interpretation of the market and exploitation of labour. It would be a gross characterization to propose that all enterprises sought the greatest profit in the shortest run — but it would be perfectly correct to argue that some ideal of profit-making, or of a mode of being profitable, will provide the general rules of any particular rationality, within which the construction of issues for power will be explicable.
  The ideal of profitability co-exists with a particular mode of being profitable, the different material means for achieving it. Not all feasible ideals could co-exist peacefully with all possible means; this is an empirical question as to which are able to do so. Karpik (1972) has characterized these different material means as different types of 'logics of action'. These are of two overarching types: collective and distributive logics of action. The collective logic of action consists in means of achieving profitability; e.g. through innovation as a major source of economic discontinuities; maximal profitability in the short run; adaptation to variously changing perceived circumstances in the wider environment of the or-

ganization, on a purely pragmatic basis, and so on (see Karpik, 1972).

The form of administration and management, of hierarchical relationships and over-lain relationships, will be given in particular for the decisive patterns of influence by the collective logic of action. This perspective sees the form of managerial and administrative relations within the organization as a result of the interactions between members and the external requirements of a wider economic framework. Determination of the organizations particular rationality, or logic of action, (for example, whether to asset-strip or diversify), is a governmental decision, taken at the governing level of the organization — the board of directors, or its equivalent, who themselves are the bearers of an 'objective principle' — the ideal of capitalist domination, frozen as 'a concrete object (which) governs the domination' (Simmel, 1971, p. 116).

Karpik's (1972) concept of a 'logic of action' helps to put into perspective the approach exemplified by Hickson et al.'s (1971) theory.

The collective logic of action provides a specific allocation of resources constituting particular types of departments — e.g. an innovative logic of action might constitute an R & D department — the question of how many and which departments is open to empirical enquiry. Departments have managers, who may manage by any kind of combination of specific policy and pragmatic reaction, with a more or less reversible commitment of resources, depending on what kinds of resources are committed to what kind of projects. This we may term management for objectives.

Hickson et al. (1971) start from this management for objectives by defining the organization in terms of sub-units structured according to their functional objectives, as in Hinings et al.'s empirical study which uses the theory. 'Sub-units' are more or less powerful depending on their 'strategic contingency'.

Although influence may be strategically contingent, and strategic contingency within an organization may be such as to *influence* the outcome of decisions, ('who wins' in particular exchanges), it does not 'cause' the structure of power in which the quadrille of influence is played out. The managers of sub-units may (or may not) enjoy a decisive influence by being in a position to implement policy decided at a higher hierarchical level, e.g. the Board, by virtue of their limited specialist knowledge.

Power, in a limited sense, may be seen as the outcome of issues — the surface of outcomes to specific exchanges, but in a stronger, more structural sense it consists in domination and control: the domination of a mode of organization, and the control of those who *have* power through this pre-definition of the arena in which power gets done. In business

organizations this arena is opened up by the domination of capital, and the rule of its everyday rationality, a rule which extends to those designated to do power, the managers. What is 'strategically contingent' then, is which of these managers is granted influence through the policy this domination follows.

Conclusions

'Strategic Contingencies' theory remains firmly within a managerial framework in which the problem of power is not explained but abstracted out of the picture. In part this derives from accepting Dahl's (1957) premise that 'power' can be used as a synonym for all similar, related terms such as influence, control, or authority. The power of managers as the embodiments of a 'technostructure' (Galbraith, 1967), ought not to be conflated to the power of 'sub-units', which where they exist are no more than accounting schemes that represents the specifically limited domain of a specialist manager. Within this domain the manager may exercise the power granted by authority, not as something to be explained by 'variables', but as something given in terms of the 'form of life' of the specific organization and society; e.g. the social reality of a mode of capitalism as opposed to, say, organization under a communal form of life. Beyond the limited domain given by his specific competence, then the manager may then have a 'strategically' given but restricted *influence* in assisting in his specialist capacity in the formulation of policy. Strategic contingencies, premised on the 'managerialist thesis', does no more than explicate the pecking order of the middle levels of management, and as such, cannot be said to constitute a theory of power. The search for this must continue elsewhere.

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