# Workplace Democracy and Social Change

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# 1

# The Collectivist Organization: An Alternative to Bureaucratic Models

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For many decades, the study of organizations has been, in effect, the study of bureaucracy and its many variations. This decade, however, has given rise to a wide array of organizations that self-consciously reject the norms of rational-bureaucracy and identify themselves as *alternative institutions* or *collectives*. The emergence of these counter-bureaucratic organizations calls for a new model of organization that can encompass their alternative practices and aspirations. What type of organization do these alternative institutions create in place of bureaucracy? This paper represents the first approach to a model of collectivist-democratic organization, a model that is premised on the logic of *substantive rationality* rather than *formal rationality*.

The tension between substantive and formal rationality was recognized long ago by Max Weber. For Weber, formal rationality — an emphasis on instrumental activity and procedural regularity — would have its main locus of expression in bureaucracy, and, as such, would come to dominate modern society. But it would come into inevitable conflict with the desire to realize substantive goals and values, what Weber called substantive or *value-rationality*. Modern bureaucracy would be built on the procedural regularity of formal law. But, in Weber's view, it could never eliminate all moral, subjective concerns (Bendix 1962, pp. 391-438). Nevertheless, in his classic statement on bureaucracy (1946, pp. 196-244), Weber sets forth the characteristics of bureaucracy as if it could eliminate all substantive, moral considerations, and contrasts this ideal-typical conception of bureaucracy with patrimonial administration. The polar opposite of

the *monocratic*, formal bureaucracy drawn by Weber would be a fully collectivized democracy which turned on principles of substantive rationality.

Just as the ideal of bureaucracy, in its monocratic pure type, is probably not attainable (Mouzelis 1968), so the ideal of democracy, in its pure and complete form, is probably never achieved. In practice, organizations are hybrids.

The purpose of this paper is to develop an ideal-typical model of collectivist-democratic organization. It is an attempt to delineate the form of authority and the corresponding mode of organization that follow from value-rational premises. It is grounded in extensive study of counter-bureaucratic organizations which aspire to being collectives or *participatory-democracies*. The ideal-typical approach allows us to understand these new forms of organization not only in terms of bureaucratic standards they do not share, but in terms of the alternative values they do hold (cf. Kanter and Zurcher 1973). Further, the use of an ideal-type permits us to locate actual organizations along a continuum.

Constraints and social costs that inhibit the realization of organizational democracy will be taken up in the latter half of this paper.

## RESEARCH SETTINGS AND METHODS

During the 1970s, the United States has witnessed an impressive proliferation of what have popularly come to be termed *alternative institutions*. Alternative institutions may be defined in terms of their members' resolve to build organizations which are parallel to, but outside of, established institutions and which fulfill social needs (for education, food, medical aid, etc.) without recourse to bureaucratic authority.

Parallel, oppositional organizations have been created in many service domains — e.g., free medical clinics, free schools, legal collectives, alternative media collectives, food cooperatives, research collectives, communes. Grassroots cooperative businesses are proliferating as well, especially in fields with relatively low capitalization needs such as restaurants, bookstores, clothing manufacture and retail, auto repair, housing construction, alternative-energy installation, newspapers, and so forth. They are burgeoning at a remarkable rate. For instance, in 1967, there were about 30 free schools in the United

States. By 1973, there were over 800 documented free schools (*New Schools Exchange Directory* 1967; 1973). A 1976 directory locates some 5,000 alternative organizations nationwide, and does not even claim to be exhaustive (Gardner 1976). These collectively owned and managed work enterprises represent one of the enduring legacies of the antiauthority movements of the 1960s.[1]

Little social-scientific research has been devoted to this social development. Some research studies describe one or another of these alternative work organizations, but few point to commonalities which link them. This paper identifies some of the structural commonalities and attempts to develop a general organizational framework of collectivist-democracy in which specific cases may be understood.

The organizational properties formulated in this paper are grounded in comparative data from different types of collectivist organizations. Glaser and Strauss (1967) have argued that theory generated from data, namely, grounded theory, will have more power to predict and explain the subject at hand than will theory arrived at through speculation or logical deduction.

Following the comparative research strategy of Glaser and Strauss (1967), I selected for study five collectivist work-organizations that were as varied as possible: a free medical clinic, a legal collective, a food cooperative, a free school, and an alternative newspaper.[2] All are located in a medium-sized city in California. Although they differ greatly as to the type of product or service they provide, organizational size, funding sources, technology utilized, and so forth, they are unified by the primacy each gives to developing a collectivist-democratic form of organization.

Participant observation was conducted in each of the research settings ranging in duration from six months to two years per organization. Observational material was amplified by structured interviews with selected members of each of the organizations, with a mean interview time of 2¼ hours. This was followed by questionnaire surveys to the membership of three of the organizations under study.

Each theoretical point in the paper is grounded in numerous instances from the empirical material. I have tried to select those few that seem most characteristic of the data. Of course, no number of illustrations can ever constitute a "proof." The theoretical formulations in this work should be assessed for their logical consistency, clarity, integration, and especially for the extent to which they are found to be generic properties of collectivist organizations.

## THE COLLECTIVIST-DEMOCRATIC ORGANIZATION:
## CHARACTERISTICS

Collectivist-democratic organizations can be distinguished from bureaucratic organizations along at least eight dimensions. Each of these characteristics will be taken up in turn, and are summarized in table 1-1.

### Authority

> When we're talking about collectives, we're talking about an embryonic creation of a new society. . . . Collectives are growing at a phenomenal rate all over this country. The new structures have outgrown the science of analyzing them. Sociology has to catch up with reality. . . . Collectivism is an attempt to supplant old structures of society with new and better structures. And what makes ours superior is that the basis of authority is radically different. (Staff member, Alternative Paper)

The words of this activist get right to the heart of the matter: authority. Perhaps more than anything else, it is the basis of authority that distinguishes the collectivist organization from any variant of bureaucracy. The collectivist-democratic organization rejects rational-bureaucratic justifications for authority. Here authority resides not in the individual, whether on the basis of incumbency in office *or* expertise, but in the collectivity as a whole.

This notion stems from the ancient anarchist ideal of "no authority." It is premised on the belief that social order can be achieved without recourse to authority relations (Guerin 1970). Thus it presupposes the capacity of individuals for self-disciplined, cooperative behavior. Indeed, collectivist organizations routinely emphasize these aspects of human beings. Like the anarchists, their aim is not the transference of power from one official to another, but the abolition of the pyramid in toto: organization without hierarchy.

An organization cannot be comprised of a collection of autonomous wills, each pursuing its own personal ends. Some decisions must be binding on the group.

Decisions become authoritative in collectivist organizations to the extent that they derive from a process in which all members have the right to full and equal participation. This democratic ideal, however, differs significantly from conceptions of "democratic bureaucracy" (Lipset et al. 1962), "representative bureaucracy"

(Gouldner 1954), or even representative democracy. In its directly democratic form, it does not subscribe to the established rules of order and protocol. It does not take formal motions and amendments, it does not usually take votes, majorities do not rule, and there is no two-party system. Instead, there is a *consensus process* in which all members participate in the *collective* formulation of problems and negotiation of decisions.[3] All major policy issues, such as hiring, firing, salaries, the division of labor, the distribution of surplus, and the shape of the final product or service, are decided by the collective as a whole. Only decisions which appear to carry the consensus of the group behind them, carry the weight of moral authority. Only these decisions, changing as they might with the ebb and flow of sentiments in the group, are taken as binding and legitimate. These organizations are collectively controlled by their members or workers; hence the name *collectivist* or *collectivist-democratic* organization.

In Weberian terms, we are concerned here with organizations which aspire and claim to be free of *Herrschaft*.[4] They are organizations without domination in that ultimate authority is based in the collectivity as a whole, not in the individual. Individuals, of course, may be delegated carefully circumscribed areas of authority, but authority is delegated and defined by the collectivity and subject to recall by the collectivity.

**Rules**

Collectivist organizations also challenge the bureaucratic conception that organizations should be bound by a formally established, written system of rules and regulations. Instead, they seek to minimize rule use. But, just as the most bureaucratic of organizations cannot anticipate, and therefore cannot circumscribe, *every* potential behavior in the organization, so the alternative organization cannot reach the theoretical limit of *zero* rules. Collectivist organizations, however, can drastically reduce the number of spheres of organizational activity that are subject to explicit rule governance.

In the most simple of the collectivist organizations in this study, the free high school, only one explicit organizational rule was formulated: no dope in school. This rule was agreed upon by a plenary meeting of the school's students and staff primarily because its violation was perceived to threaten the continued existence of the school. Other possible rules also were discussed at the free school, rules that might seem self-evident in ordinary schools, such as "each student should take X number of classes" or "students are required to attend

the courses for which they are registered." These did not receive the consensual backing of the school's members, however.

In place of the fixed and universalistic rule use which is the trademark of bureaucracy, operations and decisions in alternative organizations tend to be conducted in an ad hoc manner. Decisions generally are settled as the case arises and are suited to the peculiarities of the individual case. No written manual of rules and procedures exists in most collectives, though norms of participation clearly obtain. While there is little attempt to account for decisions in terms of literal rules, concerted efforts are made to account for decisions in terms of substantive ethics. This is like Weber's (1968, pp. 976-8) *Kadi* justice and far removed from the formal justice that informs rational-bureaucratic action.

One of the chief virtues of extensive rule use in bureaucracy is that it permits predictability and appeal of decisions. The lack of universalistic standards in prebureaucratic modes of organization invited arbitrary and capricious rule. In bureaucracy, decisions could be calculated and appealed on the basis of their correspondence to the written law. In collectivist organizations, however, decisions are not necessarily arbitrary. They are based on substantive values (e.g., equality) applied consistently, if not universally. This permits at least some calculability on the basis of knowing the substantive ethic that will be invoked in a particular situation.

### Social Control

This issue of social control is critical in any bureaucracy. From a Weberian point of view, organizations are tools. They are instruments of power for those who head them. But what means does the bureaucracy have of ensuring that lower-level personnel, people who are quite distant from the centers of power, will effectively understand and implement the aims of those at the top? Perrow (1976) examines three types of social-control mechanisms in bureaucracies: direct supervision, standardized rules, and selection for homogeneity. The first type of control, direct supervision, is the most obvious. The second is far less obtrusive but no less effective: standardized rules, procedures, and sanctions. Gouldner (1954) showed that rules can substitute for direct supervision. This allows the organization considerable decentralization of everyday decision-making and even the appearance of participation, for the *premises* of those decisions have been carefully controlled from the top. Decentralized decision-making, when decisional premises are set from the top via standardized rules, may be functionally equivalent to centralized

authority (cf. Blau 1970; Bates 1970; Perrow 1976).

Collectivist organizations generally refuse to legitimate the use of centralized authority *or* standardized rules to achieve social control. Instead, they rely upon personalistic and moralistic appeals to provide the primary means of control, as Swidler (1979) demonstrates in her examination of free schools. In Etzioni's (1961) terms, compliance here is chiefly normative. One person appeals to another: "Do X *for me*," "Do X in the interest of equality," and so forth.

*The more homogeneous the group, the more such appeals can hold sway.* Thus, where personal and moral appeals are the chief means of social control, it is important, perhaps necessary, that the group select members who share their basic values and world view. All five of the alternative organizations in this study tried to do that. At the Law Collective, for instance, I asked how they decide whether to take in a new member, and was told:

> They have to have a certain amount of past experience in political work...[,] something really good and significant that checks out ....Secondly, they have to share the same basic assumptions as far as politics goes and they have to be willing to accept the collective way of doing things...

Such recruitment criteria are not at all uncommon or hidden in alternative work organizations.

In Perrow's (1976) terms, alternative organizations eschew first- and second-level controls, but accept third-level controls. Third-level controls are the most subtle and indirect of all: selection of personnel for homogeneity. On this level, social control may be achieved by selecting for top managerial positions only people who "fit in" — people who read the right magazines, go to the right clubs, have the right style of life and world view. This is also true in collectivist organizations. Where people are expected to participate in major decisions (this means *everyone* in a collective and high-level managers in a bureaucracy), consensus is crucial, and people who are likely to challenge basic assumptions are avoided. A person who reads the *Wall Street Journal* would be as suspect in applying for a position at the Law Collective as a person who reads the *New Left Review* would be at ITT. Both kinds of organizations utilize selection for homogeneity as a mechanism for social control.

### Social Relations

Impersonal social relations are key features of the bureaucratic model. Personal emotions are to be prevented from distorting

rational judgments. Relationships between people are to be role-based, segmental, and instrumental. Collectivist organizations, on the other hand, strive toward the ideal of community. Relationships are to be holistic, affective, and of value in themselves. The search for community may even become an instance of goal displacement, as when, for example, a free school comes to value community so highly that it loses its identity as a school and becomes a commune (see, e.g., Kay 1972).

### Recruitment and Advancement

Bureaucratic criteria for recruitment and advancement are resisted in the collectivist organization. Here employment is not based on specialized training or certification, nor on any universal standard of competence. Instead, staff are generally recruited and selected by collectives on the basis of friendship and social-political values. Personality attributes that are seen as congruent with the collectivist mode of organization, such as self-direction and collaborative styles, also may be consciously sought in new staff (see, e.g., Torbert 1973).

Employment does not constitute the beginning of a career in collectivist organizations in the usual sense, for the collective does not provide a lifelong ladder to ever higher positions. Work may be volunteer or paid, and it may be part-time or full-time or even sixty hours per week, but it is not conceptualized as a career. Bureaucratic career advancement (based on seniority and/or achievement) is not a meaningful concept in collective work-organizations, for there is no hierarchy of offices. Therefore, there can be no individual *advancement* in positional rank (though there may be much change in positions).

Collectivist work organizations generally recruit competent and skilled personnel even though *their* selection criteria explicitly emphasize friendship networks, political values, and personality traits. To illustrate, during the year in which the free clinic was observed, four full-time staff positions were filled, and between nine and sixty-five applications were received for each position. Yet each of the four positions went to a friend of present staff members. The relevant attributes cited most frequently by the staff making these decisions were: articulation skills, ability to organize and mobilize people, political values, self-direction, ability to work under pressure, friendship, commitment to the organization's goals, cooperative style, and relevant experience. These selection criteria are typical of alternative organizations. In spite of their studied neglect of *formal* criteria of competence (e.g., certification), alternative organizations

often attract highly qualified people.[5] In many ways, their selection criteria are well suited to their needs for multitalented and committed personnel who can serve a variety of administrative and task-oriented functions and who are capable of comanaging the organization in cooperation with others.

## Incentive Structures

Organizations use different incentive structures to motivate participation. Most bureaucratic workplaces emphasize remunerative incentives, and few employees could be expected to donate their services if their paychecks were to stop. Collectivist organizations, on the other hand, rely primarily on purposive incentives (value fulfillment), secondarily on solidary incentives such as friendship, and only tertiarily on material incentives (Clark and Wilson 1961). According to Etzioni (1961), this kind of normative compliance system tends to generate a high level of moral commitment to organization. Specific structural mechanisms which produce and sustain organizational commitment are identified by Kanter (1972a). Because collectivist work organizations require a high level of commitment, they tend to utilize some of these mechanisms as well as value-purposive incentives to generate it. Indeed, work in collectives is construed as a labor of love, and members may pay themselves very low salaries and may expect each other to continue to work during months when the organization is too poor to afford their salaries.

Alternative organizations often appeal to symbolic values to motivate people to join and to participate actively. The range of these values is considerable. At the free clinic, for instance, a member describes motivation:

> Our volunteers are do-gooders.... They get satisfaction from giving direct and immediate help to people in need. This is why they work here.

At the alternative newspaper, the following is more illustrative:

> Our motives were almost entirely political. We were moving away from a weathermen type position, toward the realization that the revolution will be a very gradual thing.... We wanted to create a base for a mass left. To activate liberals and open them up to left positions. To tell you the truth, the paper was conceived as a political organ.

At the food coop, it is the value of community that is most stressed, and the coop actively helps to create other community-owned and -controlled institutions in its locale.

However, we should guard against an overly idealistic interpretation of participation in alternative organizations. In these organizations, as much as any, there exists an important *coalescence of material and ideal interests.* Even volunteers in these organizations, whose motives on the face of it would appear to be wholly idealistic, also have material incentives for their participation.

For example, staff members at the free clinic suspect that some volunteers donate their time to the clinic "only to look good on their applications to medical school." Likewise, some of the college students who volunteered to teach at the free school believed that, in a tight market, this would improve their chances of getting a paid teaching job. And, for all the talk of community at the food coop, many members undoubtedly joined simply because the food was cheaper. Because material gain is not part of the acceptable vocabulary of motives in these organizations, public discussion of such motives is suppressed.

Nonetheless, for staff members as well as for volunteers, material incentives coalesce with moral incentives. At the law collective, for instance, legal workers often used their experience there to pursue the bar, since California law allows eligibility for the bar through the alternative means of apprenticing under an attorney for three years. At the alternative newspaper, a few staff members confided that they had entered the paper to gain journalistic experience.

Yet members of alternative institutions often deny the existence of material considerations and accept only the idealistic motivations. In the opinion of one longtime staffer at the alternative paper:

> I don't think anyone came for purely journalistic purposes, unless they're masochists. I mean it doesn't pay, the hours are lousy, and the people are weird. If you want professional journalistic experience you go to a straight paper.

In many ways, she is right. Alternative institutions generally provide woefully inadequate levels of remuneration by the standards of our society. But it does not impugn the motives of participants to recognize that these organizations must provide some material base for their members if they are to be alternative places of employment at all.

At the free clinic, full-time staff were all paid $500 per month during 1974–1975; at the law collective, they were paid a base of $250 per month plus a substantial supplement for dependents; and, at the alternative paper, they received between $150 and $300 per month, in

accordance with individual "needs." These pay levels were negotiated in open discussion of the collectives as a whole, as were decisions regarding the entire labor process. If these wage levels appear exploitative, it is a case of self-exploitation. It is the subsistence wage levels which permit the young organization to accumulate capital and to reinvest this surplus in the organization rather than paying it out in wages. This facilitates the growth of the organization and hastens the day when it may be able to pay higher salaries.[6]

Many collectives have found ways to help compensate for the meager salaries they pay their members. The law collective stocked food so that members could eat at least a meal or two per day at the office for free. The collective also maintained a number of cars that its members could share, thereby eliminating the need for private automobile ownership. Free-clinic staff decided to allow themselves certain fringe benefits to compensate for what they regarded as underpaid work: two weeks of paid vacation time each year, plus two additional weeks of unpaid vacation (if desired); one day off every other week; and the revised expectation that staff would regularly work a twenty-eight to thirty- rather than forty-hour week. But these are compensations or supplements for a generally poor income, and, like income, they do not motivate people to work in alternative organizations. They only make work there possible.

First and foremost, people come to work in an alternative organization because it offers them substantial control over their work. Collective control means that members can structure both the product of their work and the work process in congruence with their ideals. Hence, the work is purposeful to them. It is not infrequently contrasted with alienating jobs that they have had, or imagine, in bureaucracies:

> A straight paper would have spent a third of a million dollars getting to where we are now and still wouldn't be breaking even. We've gotten where we are on the sweat of our workers. They've taken next to no money when they could have had $8,000 to $15,000 in straight papers doing this sort of job.... They do it so they can be their own boss. So they can own and control the organization they work in. So they can make the paper what *they* want it to be.... (interview, member of alternative newspaper)

## Social Stratification
In the ideal-type bureaucracy, the dimensions of social stratification are consistent with one another. Specifically, social prestige and

material privilege are to be commensurate with one's rank, and the latter is the basis of authority in the organization. Thus, a hierarchical arrangement of offices implies an isomorphic distribution of privilege and prestige. In this way, hierarchy institutionalizes (and justifies) inequality.

In contrast, egalitarianism is a central feature of the collectivist-democratic organization. Large differences in social prestige or privilege, even where they are commensurate with level of skill or authority in bureaucracy, would violate this sense of equity. At the free clinic, for instance, all full-time staff members were paid equally, no matter what skills or experience they brought to the clinic. At the law collective and alternative newspaper pay levels were set "to each according to his need." Here, salaries took account of dependents and other special circumstances contributing to need, but explicitly excluded considerations of the worth of the individual to the organization. In no case I observed was the ratio between the highest pay and the lowest pay greater then two to one.

In larger, more complex, democratic organizations, wages are still set, and wage differentials strictly limited, by the collectivity. For example, in the sixty-five production cooperatives that constitute the Mondragón system in Spain pay differentials are limited to a ratio of 3 to 1 in each firm (Johnson and Whyte 1977). In the worker-owned and managed refuse collection firms in San Francisco, the differential is only 2 to 1 or less (chap. 4; Perry 1978). Schumacher (1973, p. 276) reports a 7 to 1 ratio between the highest and the lowest paid at Scott Bader, a collectively-owned firm in England. The cooperatively-owned plywood mills in the Pacific Northwest pay their members an equal wage (Bernstein 1976, pp. 20-21). By comparison, the wage differential tolerated today in Chinese work organizations is 4 to 1; in the United States it is about 100 to 1.

Prestige, of course, is not as easily equalized as is pay. Nonetheless, collectivist organizations try in a variety of ways to indicate that they are a fraternity of peers. Through dress, informal relations, task sharing, job rotation, the physical structure of the workplace, equal pay, and the collective decision-making process itself, collectives convey an equality of status. As Mansbridge (1977) observes of collectives, reducing the sources of status inequality does not necessarily lead to the magnification of trivial differences. Likewise, decreasing the material differentials between individuals in a collectivist organization does not ordinarily produce a greater emphasis on status distinctions.

## Differentiation

A complex network of differentiated, segmental roles marks any bureaucracy. Where the rules of scientific management hold sway, the division of labor is maximized: jobs are subdivided as far as possible. Specialized jobs require technical expertise. Thus, bureaucracy ushers in the ideal of the specialist-expert and defeats the cultivated, renaissance man of an earlier era (Weber 1946, pp. 240-44).

In contrast, differentiation is minimized in the collectivist organization. Work roles are purposefully kept as general and holistic as possible. They aim to eliminate the division of labor that separates intellectual workers from manual workers, administrative tasks from performance tasks. Three means are commonly utilized toward this end: role rotation, teamwork or task sharing, and the diffusion or demystification of specialized knowledge through internal education.

Ideally, universal competence (of the collective's members) would be achieved in the tasks of the organization. It is the *amateur-factotum,* then, who is ideally suited for the collectivist organization. In the completely democratized organization, everyone works. This may be the most fundamental way in which the collectivist mode of organization alters the social relations of production.[7]

This alteration in the division of labor is perhaps best illustrated by the free school, an organization in which administrative functions were quite simple and undifferentiated. The free school had no separate set of managers to administer the school. Whenever administrative tasks were recognized, "coordination meetings" were called to attend to them; these were open to all interested teachers and students. Coordinators were those who were willing to take responsibility for a particular administrative task (e. g., planning curriculum, writing a press release, organizing a fund-raiser). A coordinator for one activity was not necessarily a coordinator for another project. Further, the taking on of administrative tasks was assumed to be a part-time commitment which could be done alongside of one's other responsibilities. Coordinators, then, were *self-selected, rotated,* and *part-time.* No one was allowed to do administration exclusively. By simplifying administration and opening it up to the membership-at-large, the basis and pretense of special expertise was eliminated.

The school even attempted to break down the basic differentiation between students and staff, regarding students not as clients but as members with decision-making rights and responsibilities. The free clinic also tried to integrate its clients into the organization. For

instance, it created spaces on its board of directors for consumers of medical care and recruited many of its volunteers from the ranks of its patients.

Most alternative organizations are more complex than the free school. They cannot assume that everyone in the organization knows how (or would want to know how) to do everything. Thus, they must develop explicit procedures to achieve universal competence. Such procedures, in effect, attack the conventional wisdom of specialized division of labor and seek to create more integrated, multifaceted work roles.

The alternative newspaper, for example, utilizes task-sharing (or teamwork), apprenticeships, and job rotations toward this end. Instead of assigning one full-time person to a task requiring one person, they would be more likely to assign a couple of people to the task part-time. Individuals' allocations of work often combine diverse tasks, such as fifteen hours writing, fifteen hours photography, and ten hours production. In this way, the distribution of labor combines satisfying tasks with more tedious tasks and manual work with intellectual work. People do not enter the paper knowing how to do all of these jobs, but the emphasis on task-sharing allows the less experienced to learn from the more experienced. Likewise, if a task has few people who know how to perform it well, a person may be allocated to apprentice with the incumbent. Internal education is further facilitated by occasional job rotations. Thus, while the alternative paper must perform the same tasks as any newspaper, it attempts to do so without permitting the usual division of labor into specialities or its concomitant monopolization of expertise.

Minimizing differentiation is difficult and time-consuming. The alternative paper, for instance, spent a total of fifteen hours and forty minutes of formal meeting time and many hours of informal discussion in planning one systematic job rotation. Attendance at the planning meetings was 100 percent. The time and priority typically devoted to internal education in collectivist organizations makes sense only if it is understood as part of a struggle against the division of labor. The creation of an equitable distribution of labor and holistic work roles is an essential feature of the collectivist organization.

Table 1.1 summarizes the ideal-type differences between the collectivist mode of organization and the bureaucratic.[8] Democratic control is the foremost characteristic of collectivist organization, just as hierarchal control is the defining characteristic of the smoothly-

TABLE 1.1 COMPARISONS OF TWO IDEAL TYPES OF ORGANIZATION

| DIMENSIONS | BUREAUCRATIC ORGANIZATION | COLLECTIVIST-DEMOCRATIC ORGANIZATION |
|---|---|---|
| 1. Authority | 1. Authority resident in individuals by virtue of incumbency in office and/or expertise; hierarchal organization of offices. Compliance is to universal fixed rules as these are implemented by office incumbents. | 1. Authority resident in the collectivity as a whole; delegated, if at all, only temporarily and subject to recall. Compliance is to the consensus of the collective which is always fluid and open to negotiation. |
| 2. Rules | 2. Formalization of fixed and universalistic rules; calculability and appeal of decisions on the basis of correspondence to the formal, written law. | 2. Minimal stipulated rules; primacy of ad hoc, individuated decisions; some calculability possible on the basis of knowing the substantive ethics involved in the situation. |
| 3. Social control | 3. Organizational behavior subject to social control, primarily through direct supervision or standardized rules and sanctions, tertiarily through the selection of homogeneous personnel especially at top levels. | 3. Social controls primarily based on personalistic or moralistic appeals and the selection of homogeneous personnel. |
| 4. Social relations | 4. Ideal of impersonality; relations are to be role-based, segmental, and instrumental. | 4. Ideal of community; relations are to be holistic, personal, of value in themselves. |
| 5. Recruitment and advancement | 5.a. Employment based on specialized training and formal certification. | 5.a. Employment based on friends, social-political values, personality attributes, and informally assessed knowledge and skills. |
| | 5.b. Employment constitutes a career; advancement based on seniority or achievement. | 5.b. Concept of career advancement not meaningful; no hierarchy of positions. |
| 6. Incentive structure | 6. Remunerative incentives primary. | 6. Normative and solidarity incentives primary; material incentives, secondary. |
| 7. Social stratification | 7. Isomorphic distribution of prestige, privilege, and power; i.e., differential rewards by office; hierarchy justifies inequality. | 7. Egalitarian; reward differentials, if any, strictly limited by the collectivity. |
| 8. Differentiation | 8.a. Maximal division of labor: dichotomy between intellectual work and manual work and between administrative tasks and performance tasks. | 8.a. Minimal division of labor: administration combined with performance tasks; division between intellectual and manual work reduced. |
| | 8.b. Maximal specialization of jobs and functions; segmental roles. Technical expertise exclusively held: ideal of the specialist-expert. | 8.b. Generalization of jobs and functions; holistic roles. Demystification of expertise: ideal of the amateur-factotum. |

running bureaucracy. Thus, collectivist-democratic organization would transform the social relations to production. Bureaucracy maximizes formal rationality precisely by centralizing the locus of control at the top of the organization; collectives decentralize control so that it may be organized around the alternative logic of substantive rationality.

## IMPERFECT DEMOCRACY: CONSTRAINTS AND SOCIAL COSTS

Various constraints limit the actual attainment of democracy, and, even to the extent that the collectivist-democratic ideal is achieved, it may produce social costs that were unanticipated. This section outlines some of the more important of these constraints and social costs.

Judgments about the relative importance of the listed social costs are intricately tied to cultural values. Alternative organizations may be mistakenly assessed when seen through the prism of the norms and values of the surrounding bureaucratic society.

### Time

Democracy takes time. This is one of its major social costs. Two-way communication structures may produce higher morale, the consideration of more innovative ideas, and more adaptive solutions to complex problems, but they are undeniably slow (Leavitt 1964, pp. 141-50). Quite simply, a boss can hand down a bureaucratic order in a fraction of the time it would take a group to decide the issue democratically.

The time absorbed by meetings can be extreme in democratic groups. During the early stages of the alternative newspaper, for instance, three days out of a week were taken up with meetings. Between business meetings, political meetings, and "people" meetings, very little time remained to do the tasks of the organization. Members quickly learn that this is unworkable. Meetings are streamlined. Tasks are given a higher priority. Even so, constructing an arrangement that both saves time and ensures effective collective control may prove difficult: Exactly which meetings are dispensable? What sorts of decisions can be safely delegated? How can individuals still be held accountable to the collectivity as a whole? These sorts of questions come with the realization that there are only twenty-four hours in a day.

There is a limit, however, to how streamlined collectivist meetings can get. In the end, commitment to decisions and their implementation can only be assured in collectives through the use of the democratic method. Unilateral decisions, albeit quicker, would not be seen as binding or legitimate. With practice, planning and self-discipline, groups can learn to accomplish more during their meeting time. But once experience is gained in how to conduct meetings, time given to meetings appears to be directly correlated with level of democratic control. The free clinic, for instance, could keep its weekly staff meetings down to an average of one hour and fifteen meetings only by permitting individual decision-making outside the meeting to a degree that would have been unacceptable to members of the alternative paper, where a mean of four hours was given over to the weekly staff meeting.

## Homogeneity

Consensus, an essential component of collectivist decision-making, may require from the outset substantial homogeneity. To people who would prefer diversity, this is a considerable social cost.

Bureaucracy may not require much homogeneity, partly because it does not need the moral commitment of its employees. Since it depends chiefly on remunerative incentives to motivate work, and since, in the end, it can command obedience to authority, it is able to unite the energies of diverse people toward organizational goals. But in collectives, where the primary incentives for participation are value-purposive and the subordinate-superordinate relation has been delegitimated, moral commitment becomes necessary. Unified action is possible only if individuals substantially agree with the goals and processes of the collective. This implies a level of homogeneity (in terms of values) unaccustomed and unnecessary in bureaucracy.[9]

Consequently, collectivist organizations also tend to attract a homogeneous population in terms of social origins. At the alternative paper, full-time staff members came from families where the mean parental income was about $29,000. A random sampling of the general membership of the food coop (consisting of 1,100 people) reveals an average parental income of $19,500, while the most active members of the coop, the staff and board, show a mean parental income of $46,000. In addition to being of financially privileged origins, people in alternative organizations tend to come from well-educated families. In both of the above organizations, over half of the mothers had at least some college education; fathers, on the average,

had acquired some graduate or professional training beyond the B.A. Thus, the need for substantial agreement on the values, goals, and processes of the collective, in effect, has limited their social base. This is an important constraint to members who would like to broaden the base of their social movement.

This is also an important constraint in organizations with heterogeneous populations of employees. For example, International Group Plans, a Washington, D.C. insurance company, is in the process of trying to democratize its ownership and governance structure (chap. 10). To many of its employees who do not share collectivist values, democratization may only mean added time and responsibility, and they may wish to retain the traditional separation of managers and workers.

To guard against this problem and to ensure that all members profess collectivist values, alternative organizations tend to recruit very selectively. The law collective, for instance, instituted a probationary period of six months on top of its careful selection procedures.

In sum, cultural homogeneity makes reaching and abiding by a consensus easier, but it may constrain the social base of collectivist organization.

### Emotional Intensity

The familial, face-to-face relationships in collectivist organizations may be more satisfying than the impersonal relations of bureaucracy, but they are also more emotionally threatening. The latter may be experienced as a social cost of participatory organization.

Interpersonal tension is probably endemic in the directly democratic situation, and members certainly perceive their workplaces to be emotionally intense. At the law collective, a member warns that "plants die here from the heavy vibes." At the alternative newspaper, I observed headaches and other signs of tension before meetings in which devisive issues would be raised. A study of the New England town meeting found citizens reporting headaches, trembling, and even fear of heart attacks as a result of the meetings. Altogether, a quarter of the people in a random sample of the town spontaneously suggested that the conflictual character of the meetings disturbed them (Mansbridge, 1973; chap. 5).

To allay these fears of conflict, townspeople utilize a variety of protective devices: criticism is concealed or at least softened with praise, differences of opinion are minimized in the formulation of a

consensus, private jokes and intimate communications are used to give personal support during the meetings. Such avoidance patterns have the unintended consequence of excluding the member not fully-integrated, withholding information from the group, and violating the norms of open participation. Further, these same fears of conflict and avoidance patterns are in evidence even in groups which are highly sensitive to these issues and in which many members have been trained in group process (chap. 5).

The constancy of such feelings in all of the groups I observed suggests that they are rooted in the structure of collectivist decision-making. Although participants generally attribute conflict and avoidance to the stubborn, wrongheaded, or otherwise faulty character of others, it may be an inherent cost of participatory democracy.

Structural tensions inherent in collectivist organization render conflict difficult to absorb. First, the norm of consensual decision-making in collectives makes the possibility of conflict all the more threatening because unanimity is required (where a majoritarian system can institutionalize and absorb conflicting opinions). Second, the intimacy of face-to-face decision-making personalizes the ideas that people espouse and thereby makes the rejection of those ideas harder to bear. A more formal bureaucratic system, to the extent that it disassociates an idea from its proponent, makes the criticism of ideas less interpersonally risky.

## Nondemocratic Individuals

Due to prior experiences, many people are not very well-suited for participatory democracy. This is an important constraint on its development.

The major institutions of our society, such as educational institutions, combine to reinforce ways of thinking, feeling, and acting that are congruent with capitalist-bureaucratic life and incompatible with collectivist orientations. For example, Jules Henry (1965) has shown how the norms of capitalist culture become the hidden curriculum of the school system. Even at the preschool level, the qualities of the bureaucratic personality are unconsciously, but nevertheless consistently, conveyed to children (Kanter 1972b). In fact, Bowles and Gintis (1976) argue that the chief function of the entire educational apparatus is to reproduce the division of labor and hierarchal authority of capitalism.

In the face of these behavior-shaping institutions, it is very difficult to sustain collectivist personalities. It is asking, in effect, that

people in collectivist organizations constantly shift gears, that they learn to act one way inside their collectives and another way outside. In this sense, the difficulty of creating and sustaining collectivist attributes and behavior patterns results from a cultural disjuncture. It derives from the fact that alternative work organizations are as yet isolated examples of collectivism in an otherwise capitalist-bureaucratic context. Where they are not isolated, that is, where they are part of an interlocking network of cooperative organizations, such as the Mondragón system in Spain (Johnson and Whyte 1977; chap. 8) this problem is mitigated.

In their present context, the experience of the alternative institutions has shown that selecting people with collectivist attitudes does not guarantee that these attitudes will be effectively translated into cooperative behavior (e.g., Swidler 1976; Taylor 1976; Torbert 1973).

Nevertheless, a number of recent case studies of democratic workplaces, one of the worker-owned refuse collection companies (chap. 4; Perry 1978) and one of a women's health collective (chap. 6), reveal that the experience of democratic participation can alter people's values, the quality of their work, and, ultimately, their identities. In a comparative examination of many cases of workers' participation, Bernstein (1976, pp. 91-107) finds democratic consciousness to be a necessary element for effective workers' control to take place.

Fortunately, the solution to this problem of creating democratic consciousness (and behavior) may be found in the democratic method itself. In this vein, Pateman has amassed a considerable body of evidence from research on political socialization in support of the classical arguments of Rousseau, Mill, and Cole. She concludes:

> We do learn to participate by participating and . . . feelings of political efficacy are more likely to be developed in a participatory environment. . . . The experience of a participatory authority structure might also be effective in diminishing tendencies toward non-democratic attitudes in the individual. (1970, p. 105).

Elden (1976) provides further empirical support for Pateman's position that participation enhances feelings of political efficacy. If bureaucratic organizations thwart the sense of efficacy that would be needed for active participation in democracy (Blumberg 1973, pp. 70-138), then collectivist-democratic organizations must serve an important educative function, if they are to expand beyond their currently limited social base.[10]

### Environmental Constraints

Alternative organizations, like all organizations, are subject to environmental constraints. Because they often occupy an adversary position vis-à-vis mainstream institutions, such external pressures may be more intense. Extra-organizational constraints on the development of collectivist organizations may come from legal, economic, political, and cultural realms.

It is generally agreed among free schoolers, for instance, that building and fire codes are most strictly enforced for them (Kozol 1972; Graubard 1972). This is usually only a minor irritant, but, in extreme cases, it may involve a major disruption of the organization, requiring them to move or close down. One small, collectively-run, solar-power firm was forced to move its headquarters several times because of this sort of legal harrassment. At one site, the local authorities charged over a hundred building "violations" (Etzkowitz 1978). An even more far-reaching legal obstacle is the lack of a suitable statute for incorporating employee-owned and controlled firms. The alternative newspaper, for example, had to ask an attorney to put together corporate law in novel ways in order to ensure collective control over the paper.[11]

The law can be changed, but the more ubiquitous forces against collectivism are social, cultural, and economic. In fact, alternative organizations often find that bureaucratic practices are thrust on them by established institutions. The free school, for example, began with an emphatic policy of absolutely no evaluative records of students. In time, however, it found that, in order to help its students transfer back into the public schools or gain entrance into college, it had to begin keeping or inventing records. The preoccupation of other organizations with records and documents may thus force record-keeping on a reluctant free school. In another free school, the presence of a steady stream of government communications and inspectors (health, building, etc.) pushed the organization into creating a special job to handle correspondence and personal visits of officials (chap. 12).

Alternative organizations often strive to be economically self-sustaining, but, without a federated network of other cooperative organizations to support them, they cannot. Often they must rely on established organizations for financial support. This acts as a constraint on the achievement of their collectivist principles. For instance, in order to provide free services, the free clinic needed and received financial backing from private foundations as well as from

county revenue-sharing funds. This forced them to keep detailed records on expenditures and patient visits and to justify their activities in terms of outsiders' criteria of cost-effectiveness.

In less fortunate cases, fledgling democratic enterprises may not even get off the ground for failure to raise sufficient capital. Two recent attempts by employee groups to purchase and collectively manage their firms reveal the reluctance of banks to loan money to collectivist enterprises, even where these loans would be guaranteed by the government. From the point of view of private investors, collective ownership and management may appear, at best, an unproven method of organizing production and, at worst, a dangerous method.[12]

For a consistent source of capital, collectivist enterprises may need to develop cooperative credit unions as the Mondragón system has done (Johnson and Whyte 1977; chap. 8) or an alternative investment fund. In many collectives, the unpaid (or poorly paid) labor of the founders forms the initial capital of the organization, enabling some measure of financial autonomy. In any case, the larger issue of organization-environment relations remains problematic, particularly when we are considering collectivist-democratized organizations in a capitalist-bureaucratic context.[13]

### Individual Differences

All organizations, democratic ones notwithstanding, contain persons with very different talents, skills, knowledge, and personality attributes. Bureaucracies try to capitalize on these individual differences, so that ideally, people with a particular expertise or personality type will be given a job, rewards, and authority commensurate with it. In collectives such individual differences may constrain the organization's ability to realize its egalitarian ideals.

Inequalities in influence persist in the most egalitarian of organizations. In bureaucracies, the existence of inequality is taken for granted, and, in fact, the exercise of power is built into the opportunity structure of positions themselves (Kanter 1977). However, in collectivist organizations, this may be less true. Here, precisely because authority resides in the collectivity as a unit, the exercise of influence depends less on positional opportunities and more on the personal attributes of the individual. Not surprisingly, members who are more articulate, responsible, energetic, glamorous, fair, or committed carry more weight in the group.[14] John Rice, a teacher and leader of Black Mountain (a group that "seceded" from the educa-

tional system and anticipated the free-school movement), argued that Black Mountain came as close to democracy as possible: the economic status of the individual had nothing to do with community standing. But, beyond that, "the differences show up. . .[;] the test is made all day and every day as to who is the person to listen to" (Duberman 1972, p. 37).

Some individual differences are accepted in the collectivist organization, but not all, particularly not differences in knowledge. In bureaucracy, differences of skill and knowledge are honored. Specialized jobs accompany expertise. People are expected to protect their expertise. Indeed, this is a sign of professionalism, and it is well known that the monopolization of knowledge is an effective instrument of power in organizations (Weber 1968; Crozier 1964). For this very reason, collectivist organizations make every attempt to eliminate differentials in knowledge. Expertise is considered not the sacred property of the individual, but an organizational resource. In collectives, individually held skills and knowledge are demystified and redistributed through internal education, job rotation, task sharing, apprenticeships, or any plan they can devise toward this end.[15]

The diffusion or demystification of knowledge, while essential to help equalize patterns of influence, involves certain trade-offs. Allowing a new person to learn to do task X by rotating her/him to that job may be good for the development of that person, but it may displace an experienced person who had received a sense of satisfaction and accomplishment in job X. Further, encouraging novices to learn by doing may be an effective form of pedagogy, but it may detract from the quality of goods or services that the organization provides, at least (theoretically) until universal competence in the tasks of the organization is reached.

Even in the collectivist organization that might achieve universal competence, other sources of unequal influence would persist (e.g., commitment level, verbal fluency, social skills).[16] The most a democratic organization can do is to remove the bureaucratic bases of authority: positional rank and expertise. The task of any collectivist-democratic workplace, and it is no easy task, is to eliminate all bases of individual power and authority save those that individuals carry in their person.

## CONCLUSION

The organizations in this study are admittedly rare and extreme

cases. To the extent that they reject received forms of organization, they present an anomaly. For precisely this reason, they are of great theoretical significance. By approaching the polar opposites of bureaucracy, they allow us to establish the limits of organizational reality. The parameters appear to be far wider than students of organizations have generally imagined. Once the parameters of the organizational field have been defined, concrete cases can be put into broader perspective. Professional organizations, for example, while considerably more horizontal than the strictly hierarchical bureaucracy (Litwak 1961), are still far more hierarchal than the collectivist-democratic organization. Thus, we may conceive of the range of organizational possibilities illustrated in figure 1.1.



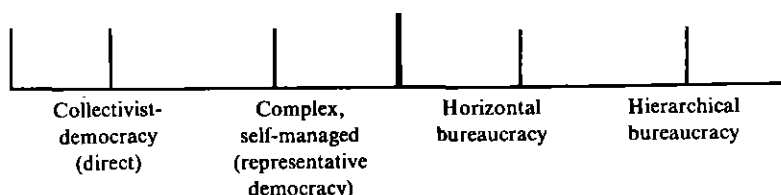| Collectivist-democracy (direct) | Complex, self-managed (representative democracy) | Horizontal bureaucracy | Hierarchical bureaucracy |

FIG. 1.1 RANGE OF ORGANIZATION FORMS

By contrasting collectivist democracy and rational bureaucracy along eight continuous dimensions, this paper has emphasized the quantitative differences between the two. In many ways, this understates the difference. At some point, differences of degree produce differences of kind. Fundamentally, bureaucracy and collectivism are oriented to qualitatively different principles. Where bureaucracy is organized around the calculus of formal rationality, collectivist-democracy turns on the logic of substantive rationality.

If, in the Weberian tradition, we take the basis of authority as the central feature of any mode of organization, then organizations on the right half of figure 1.1 empower the *individual* with authority (on the basis of office or expertise), while organizations on the left side grant ultimate authority only to the *collectivity* as a whole unit. Moreover, if, following Marx's lead, we take the division of labor as the key to the social relations of production, organizations on the right side of the diagram in figure 1.1 maintain a sharp division between managers and workers, while organizations on the left side

are integrative: those who work also manage. Departures of this magnitude from established modes of organization may be considered a "social invention" (Coleman 1970).

Organization theory has for the most part considered only the right half of this spectrum, and, indeed, the vast majority of organizations in our society do fall on the right side of the continuum. Still, we gain perspective on these organizations by putting them into a broader frame of reference. With the proliferation of collectivist organizations both in this society and in others (e.g., China, Spain, Yugoslavia), we will need an alternative model of organization, one which they themselves aspire toward, by which to assess their impact and success. To wit, collectivist organizations should be assessed not as failures to achieve bureaucratic standards they do not share, but as efforts to realize wholly different values. It is in the conceptualization of alternative forms of organization that organizational theory has been weakest, and it is here that the experimentation of collectives will broaden our understanding.

## NOTES

1. Gardner (1976) estimates that about 1,000 new alternative institutions are being created annually in the United States. This is his best estimate, but the kind of evidence that would be needed to compute actual rates of creation and of dissolution is not yet available. However, the historical record is instructive. The nineteenth century and the first third of the twentieth century saw at least 700 cases of producers' cooperatives (Aldrich and Stern 1978). These were in many ways the forerunners of the contemporary wave of collectives and cooperatives discussed in this paper. Historically, cooperatives have come in distinct waves — the 1840s, the 1860s, the 1880s and the 1920s-1930s. Their longevity has varied widely between industries (Aldrich and Stern 1978). Those of the nineteenth century had a median duration of less than ten years, while more than half of the worker cooperatives of the 1920s and 1930s (particularly in the plywood industry and in the refuse collection industry) are still in operation today (Jones 1979). Since the current wave of collectives is largely a post-1970 phenomenon and is still on the rise, it is too early to say how long it will last.

2. All persons and organizations have been given fictitious names in this paper. For a more detailed account of the research sites and methods, see Rothschild-Whitt (1976; 1978).

3. As organizations grow beyond a certain size, they are likely to find purely consensual processes of decision-making inadequate, and may turn to direct voting systems. Other complex, but nevertheless democratic, work-organizations may sustain direct democracy at the shop-floor level, while relying upon elected representative systems at higher levels of the organization (cf. Edelstein and Warner 1976).

4. Actually, Weber did recognize the possibility of directly democratic organization, but he dealt with this only incidentally as a marginal-type case (Weber 1968;

pp. 948-52, 289-92). Although Weber's three types of legitimate domination were meant to be comprehensive both in time and in substance as Mommsen (1974; pp. 72-94) points out, it is difficult to find an appropriate place for modern plebiscitarian leader-democracy in Weber's scheme. Weber did come to advocate the "plebiscitarian leader-democracy," but this was a special version of charismatic domination (Mommsen 1974; p. 113). He did not support "democracies without leadership" *(fuererlose Demokratien)* which try to minimize the domination of the few over the many, because organization without *Herrschaft* appeared utopian to him (Mommsen 1974; p. 87). Thus, it is difficult to identify the acephalous organizations of this study with any of Weber's three types of authority.

5. A dissertation conducted in the San Francisco area found that free-school teachers there have higher degrees from more prestigious universities than their public-school counterparts (McCauley 1971; p. 148).

6. The self-exploitation common in collectivist organizations and the justifications for it (e.g., autonomy, control over the workplace, self-expression in work) are similar to that of the small entrepreneur. It may be that as economic concentration and oligopolistic control over markets renders traditional enterpreneurial activity obsolete, collectively-owned enterprises may grow. For, in many ways, collectivist efforts evoke the old entrepreneurial spirit, but today it may require the intense work and self-sacrifice of many people rather than just one to make a fledgling enterprise viable.

7. Industrial organizations in China have implemented similar changes in the division of labor. These were considered an essential part of transforming the social relations of production. Their means for reducing the separation of intellectual work from manual work and administration from performance tasks were similar to those used by the alternative work organizations reported in this paper: team work, internal education, and role rotation. For specific points of comparison, see Bettelheim (1974) and Whyte (1973).

8. The eight dimensions discussed here are clearly interrelated, a point not explored herein. However, there is evidence from bureaucracies that they are also somewhat independent (Hall 1963). That is, an organization may be highly collectivist on one dimension but not so on another. The interrelationships between these variables may be elusive. For instance, of seven propositions offered by Hage (1965) in an axiomatic theory of organizations, six could be supported by the organizations in this study. One, however, that higher complexity produces lower centralization, was contradicted by the evidence of this study, although it has received empirical support in studies of social service bureaucracies (Hage 1965; Hage and Aiken 1970). Hage suggests that relationships in organizational theory may be curvilinear: when organizations approach extreme scores, the extent of relationships may no longer hold or may actually be reversed. This is an important limitation to bear in mind, especially as we begin to consider organizations, such as the ones in this study, that are by design extreme *on all eight continua* proposed in this model.

9. Organizations which are homogeneous in this sense probably register substantial agreement over organizational goals (or what Thompson and Tuden [1959] call "preferences about outcomes"), but register considerable disagreement about how to get there ("beliefs about causation"). In such cases, Thompson and Tuden predict that organizations will reach decisions by majority judgment. A collegium type of organization, they maintain, is best suited for solving judgmental problems. This would require that all members participate in each decision, route per-

tinent information about causation to each member, have equal influence over the final choice, give fidelity to the group's preference structure, and designate as ultimate choice the judgment of the majority. On all but the last point, Thompson and Tuden correctly describe collectivist work organizations. Further, as they point out, the social science literature does not contain models of this type of organization as it does for bureaucracy (Thompson and Tuden 1959; p. 200).

10. To Pateman (1970), the theory of participatory democracy rises or falls on this educative function. But other social scientists (see especially Argyris 1974) remain unconvinced that participation in collectivist-democratic processes of organization can produce the desired changes in people's behavior. For Argyris, unilateral, defensive, closed, mutually protective, nonrisk-taking behavior, what he calls *model I behavior,* is nearly universal: it permeates not only western bureaucracies but also counterbureaucracies such as alternative schools, as well as collectivist organizations in contemporary China and Yugoslavia. Change in organizational behavior cannot be expected to follow from fundamental change in the mode of production; for model I behavior is rooted in the pyramidal values of industrial culture and in the finiteness of the human mind as an information-processing machine in the face of environmental complexity.

Contrarily, I am arguing that, where people do not have participatory habits, it is because they generally have not been allowed any substantive control over important decisions. Nondemocratic (pyramidal) habits are indeed a problem for democratic groups, but they are not a problem that a redistribution of power could not resolve. Admittedly, the evidence is not yet conclusive on this issue, but much of it does indicate that the practice of democracy itself develops the capacity for democratic behavior among its participants (see especially Blumberg 1973; Pateman 1970).

11. The result of this effort was a two-tiered structure: the paper was incorporated as a general corporation and a trust, which owns all the stock in the paper. Each six months of full-time work is worth one voting share in the trust. This grants ultimate control of the paper to the staff, past and present. Immediate control is exercised by the board of directors of the corporation, which consists of the currently working staff. As a member of the paper said, "the structure is neither graceful nor simple, but it . . . guarantees that the working staff will maintain editorial control, and makes it nearly impossible ever to sell the paper."

12. See the abortive attempts to raise capital for employee-ownership at Kasanof's Bakery, "How the Workers Almost Pulled It Off," *The Boston Phoenix,* 26 April 1977, and at the Colonial Press in Clinton, Massachusetts.

13. Organization-environment relations are always reciprocal. In part, the low wages, hard work, and intense personal involvement that make collectivist organizations seem so costly may be due to costs imposed by the environment. Conversely, collectivist organizations rely upon goods and services produced by the surrounding bureaucratic organizations, e.g., light bulbs, fast food chains.

14. Swidler (1976) vividly describes the extent to which members of a free school will literally ransack their private lives to locate sources of glamour that will enhance their sense of worth and influence in the group.

15. A case study of the demystification of skills in a collectivist work organization is provided by Bart (1979; chap. 6).

16. Mansbridge (1977) observes that even the most genuinely democratic organization will accept some measure of inequality of influence in order to retain individual liberties.