

The Structure of Educational Organizations

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To begin our exploration of the educational system, John W. Meyer and Brian Rowan present a macrolevel interpretation of the school in modern society. Schools serve societal needs more so than individual or family needs, and in many societies they are controlled by centralized political authorities. Education serves to prepare and credential individuals for participation in society, especially corporate society. By meeting the expectations of these external organizations, schools gain legitimacy and resources to carry out their missions and to be innovative. Whereas educational systems and authority in most societies are centralized, the U.S. system is decentralized, with controls at the local and state levels. This means that educators are less secure in their positions because they are beholden to sometimes-conflicting local interests. The authors use the term decoupling to describe the discrepancy between what schools do and how they evaluate the outcomes. Decoupling also serves the purpose of protecting local schools from too much external scrutiny, resulting in more autonomy at the local level and little evidence of ineffectiveness, conflict, or inconsistency. Furthermore, decoupling occurs with the tacit agreement of all players, from the community to school personnel.

Questions to consider as you read this article:

1. What do the authors mean by "decoupled" education systems?
2. What are the results of "decoupled" systems (especially for American education systems)?
3. How do schools serve the needs of the political and corporate sectors of society?
4. What theoretical approach(es) relate most closely to the ideas in this article?
5. How does credentialing link schools to other institutions in society, such as family and the economy?

THE ORGANIZATION OF SCHOOLING: ANOTHER INTERPRETATION

The explanation developed here begins with the context in which educational organizations are

presently found. Modern education today takes place in large-scale, public bureaucracies. The rise of this kind of educational system is closely related to the worldwide trend of national development. The first step in our argument, therefore, is to relate national development to the organization of education.

The Growth of Corporate Schooling

. . . [W]e know that bureaucratic schooling has not arisen from a need to coordinate and standardize instruction, for this is precisely what modern American educational organizations do not do. Nor do these bureaucratic organizations merely fund and administer an exchange between educational professionals and families needing educational services. Educational bureaucracies present themselves not as units servicing education but as organizations that embody educational purposes in their collective structure. A theory of their emergence and dominance should explain why these bureaucracies assume jurisdiction over educational instruction.

The most plausible explanation is that modern schools produce education for society, not for individuals or families. In the nineteenth and twentieth centuries, national societies everywhere took over the function of defining and managing the socialization of their citizen personnel (Coombs, 1968; J. Meyer and Robinson, 1975; Ramirez, 1974). In national societies, education is both a right and duty of citizenship (Bendix, 1964). It also becomes an important way of gaining status and respect (for example, see Blau and Duncan, 1967). For reasons that do not require elaborate discussion here, education becomes the central agency defining personnel—both citizen and elite—for the modern state and economy.

Since World War II, the trend toward corporate control of education has intensified. As nation-states have consolidated their control over a growing number of elements of social life, they have established educational systems to incorporate citizens into the political, economic, and status order of society. This incorporation is managed by a large public bureaucracy that uniformly extends its standardization and authority through all localities. Thus, educational organizations have come to be increasingly structured by centers of political authority (J. Meyer and Robinson, 1975).

Bailyn (1960), Field (1972), M. Katz (1968), and Tyack (1974) describe the steps of this process in pretwentieth-century American history. First local, and later national, elites became concerned with the social control of peripheral citizen groups—who need control precisely because they *are* citizens. At first, the rural New Englanders who escaped from the control of clergy and town community (Bailyn, 1960), then the Irish immigrants (Field, 1972; M. Katz, 1968), and finally the great waves of nineteenth-century immigration (Tyack, 1974) created the pressures to control, standardize, and coordinate the educational system. As these steps progressed, the impetus to organize schooling on a large scale—to certify and classify pupils, to certify teachers, to accredit schools, and to control formal curriculum—gained force.

The growth of corporate control of education has major implications for educational organizations. As citizen personnel are increasingly sorted and allocated to positions in the social structure on the basis of classified or certified educational properties, the ritual classifications of education—type of student, topic, teacher, or school—come to have substantial value in what might be called the societal identity “market.” A workable identity market presupposes a standardized, trustworthy currency of social typifications that is free from local anomalies. Uniform categories of instruction are therefore developed, and there is a detailed elaboration of the standardized and certified properties comprising an educational identity.

The result of this social expansion of education is a basic change in social structure. Education comes to consist, not of a series of private arrangements between teachers and students, but rather of a set of standardized public credentials used to incorporate citizen personnel into society. Society and its stratification system come to be composed of a series of typifications having educational meaning—ordinary citizens are presumed to have basic literacy. Strata above ordinary citizens are composed of high school and college graduates. The upper levels contain

credentialed professionals, such as doctors and lawyers.

Thus, as societies and nation-states use education to define their basic categories of personnel, a large-scale educational bureaucracy emerges to standardize and manage the production of these categories. The credentials that give individuals status and membership in the wider collectivity must come under collective control. Such collective control would not be necessary if instruction were conceived of as a merely private matter between individuals and teachers. But, as educational organizations emerge as the credentialing agency of modern society and as modern citizens see their educational and corporate identities linked—that is, as education becomes the theory of personnel in modern society—it is consequently standardized and controlled.

Society thus becomes “schooled” (Illich, 1971). Education comes to be understood by corporate actors according to the *schooling rule*: Education is a certified teacher teaching a standardized curricular topic to a registered student in an accredited school. The nature of schooling is thus socially defined by reference to a set of standardized categories the legitimacy of which is publicly shared. As the categories and credentials of schooling gain importance in allocation and membership processes, the public comes to expect that they will be controlled and standardized. The large-scale public bureaucracy created to achieve this standardization is now normatively constrained by the expectations of the schooling rule. To a large degree, then, education is coordinated by shared social understandings that define the roles, topics, and contents of educational organizations.

The Organizational Management of Standardized Classifications. The political consolidation of society and the importance of education for the allocation of people to positions in the economic and stratification system explain the rise of large-scale educational bureaucracies. These processes also explain why educational organizations focus so tightly on the ritual

classifications of education. Educational organizations are created to produce schooling for corporate society. They create standard types of graduates from standard categories of pupils using standard types of teachers and topics. As their purposes and structures are defined and institutionalized in the rules, norms, and ideologies of the wider society, the legitimacy of schools and their ability to mobilize resources depend on maintaining congruence between their structure and these socially shared categorical understandings of education (Dowling and Pfeffer, 1975; J. Meyer and Rowan, 1977; Parsons, 1956).

Consider this matter from the viewpoint of any rational college president or school superintendent. The whole school will dissolve in conflict and illegitimacy if the internal and external understanding of its accredited status is in doubt: If it has too few Ph.D.'s or properly credentialed teachers on its faculty, it may face reputational, accreditation, or even legal problems. If it has one too many “economics” courses and one too few “history” courses (leave aside their actual content), similar disasters may occur as the school falls short of externally imposed accrediting standards. No matter what they have learned, graduates may have difficulty finding jobs. No matter what the school teaches, it may not be capable of recruiting funds or teachers. Thus, the creation of institutionalized rules defining and standardizing education creates a system in which schools come to be somewhat at the mercy of the ritual classifications. Failure to incorporate certified personnel or to organize instruction around the topics outlined in accreditation rules can bring conflict and illegitimacy.

At the same time, the creation of institutionalized rules provides educational organizations with enormous resources. First, the credentials, classifications, and categories of schooling constitute a language that facilitates exchange between school and society. Social agencies often provide local schools with “categorical funding” to support the instruction of culturally disadvantaged or educationally handicapped students or to support programs in bilingual or vocational

education. Second, schools can exploit the system of credentials and classifications in order to gain prestige. They can carefully attend to the social evaluations of worth given to particular ritual classifications and can maximize their honorific worth by hiring prestigious faculty, by incorporating programs that are publicly defined as "innovative," or by upgrading their status from junior college to four-year college. Finally, the school relies on the ritual classifications to provide order. Social actors derive their identities from the socially defined categories of education and become committed to upholding these identities within the context of their school activities. To the degree that actors take on the obligation to be "alive to the system, to be properly oriented and aligned in it" (Goffman, 1967), the whole educational system retains its plausibility.

In modern society, then, educational organizations have good reason to tightly control properties defined by the wider social order. By incorporating externally defined types of instruction, teachers, and students into their formal structure, schools avoid illegitimacy and discreditation. At the same time, they gain important benefits. In schools using socially agreed-on classifications, participants become committed to the organization. This is especially true when these classifications have high prestige (McCall and Simmons, 1966). And, by labeling students or instructional programs so that they conform to institutionally supported programs, schools obtain financial resources. In short, the rewards for attending to external understandings are an increased ability to mobilize societal resources for organizational purposes.

The Avoidance of Evaluation and Inspection. We have explained why schools attend to ritual classifications, but we have not explained why they do not attend (as organizations) to instruction. There are two [primary] ways that instructional activities can be controlled in modern education bureaucracies. First, many of the properties of educational identities may be

certified in terms of examinations. Second, many of the ritual classifications involve a reorganization of educational activity, and some school systems organize an inspection system to make sure these implications are carried through. Thus, two basic kinds of instructional controls are available to educational organizations—the certification of status by testing, and/or the inspection of instructional activity to ensure conformity to rules.

Our explanation of the loose control of instruction in U.S. school systems must in part focus on specific features of U.S. society, since most other societies have educational bureaucracies that employ one or both forms of instructional control. In many other nations, for example, assignment to a classification such as student, graduate, or teacher is determined by various tests, most often controlled by national ministries of education. Also, national inspectors are often employed to attempt to make sure that teachers and schools conform to national standards of practice, regardless of the educational outcome. Thus, in most societies the state, through a ministry of education, controls systems of inspection or examination that manage the ritual categories of education by controlling either output or instructional procedure (Ramirez, 1974; Robinson, 1974).

In American society, tests are used in profusion. However, most of these tests are neither national nor organizational but, rather, are devices of the individual teacher. The results seldom leave the classroom and are rarely used to measure instructional output. In the United States, the most common national tests that attempt to standardize local output differences—the Scholastic Aptitude Test (SAT) and the Graduate Record Examination (GRE)—are creatures of private organization. Further, only the New York State Board of Regents examination approximates (and at that in a pale way) an attempt to standardize curriculum throughout a political unit by using an examination system.

The apparent explanation for this lack of central control of instruction in American education

is the decentralization of the system. Schools are in large part locally controlled and locally funded. While higher levels of authority in state and federal bureaucracies have made many attempts to impose evaluative standards on the educational system, the pressures of continued localism defeat them; category systems that delegate certification or evaluation rights to the schools themselves are retained. The reason for this is clear. A national evaluation system would define almost all the children in some communities as successes and almost all those in others as failures. This could work in a nationally controlled system, but it is much too dangerous in a system that depends on legitimating itself in and obtaining resources from local populations. Why, for instance, should the state of Mississippi join in a national credentialing system that might define a great proportion of its schools and graduates as failures? It is safer to adapt the substantive standards of what constitutes, say, a high school graduate to local circumstances and to specify in state laws only categories at some remove from substantive competence.

There is yet another way in which the institutional pattern of localism reduces organizational controls over instruction. In the United States, the legitimacy of local control in some measure deprofessionalizes school administrators at all levels (in contrast to European models). They do not carry with them the authority of the central, national, professional, and bureaucratic structures and the elaborate ideological backing such authority brings with it. American administrators must compromise and must further lose purely professional authority by acknowledging their compromised role. They do not have tenure, and their survival is dependent on laypersons in the community, not professionals. Their educational authority of office is, therefore, lower than that of their European counterparts, especially in areas dealing with central educational matters such as instruction and curriculum. This situation is precisely analogous to the "red" versus "expert" conflict found in many organizations in communist societies, where organiza-

tional managers must often act contrary to their expert opinion in order to follow the party line. The profusion of local pressures in American society turns school administrators into "reds" as it were.

THE ORGANIZATIONAL RESPONSE: DECOUPLING AND THE LOGIC OF CONFIDENCE

Decoupling

American educational organizations are in business to maintain a "schooling rule" institutionalized in society. This rule specifies a series of ritual categories—teachers, students, topics and schools—that define education. Elaborate organizational controls ensure that these categories have been incorporated into the organization. But the ritual categories themselves and the system of inspection and control are formulated to avoid inspecting the actual instructional activities and outcomes of schooling. That is, a school's formal structure (its ritual classifications) is "decoupled" from technical activities and outcomes.

External features of American education, especially the local and pluralistic basis of control, help to account for this pattern. But there are more elaborate internal processes involved as well. From the viewpoint of an administrator, maintaining the credibility of his or her school and the validity of its ritual classifications is crucial to the school's success. With the confidence of the state bureaucracy, the federal government, the community, the profession, the pupils and their families, and the teachers themselves, the legitimacy of the school as a social reality can be maintained. However, if these groups decide that a school's ritual classifications are a "fraud," everything comes apart.

There are several ways in which the decoupling of structures from activities and outcomes maintains the legitimacy of educational organizations. Consider some reasons why an American

administrator would avoid closely inspecting the internal processes of the school.

First, the avoidance of close inspection, especially when accompanied by elaborate displays of confidence and trust, can increase the commitments of internal participants. The agreement of teachers to participate actively in the organized social reality of the ritual classifications of education is crucial, and an administrator can trade off the matter of conformity to the details of instruction and achievement in order to obtain teachers' complicity and satisfaction. By agreeing that teachers have instructional competence and by visibly not inspecting instructional activities, an administrator shifts maximal social responsibility for upholding the rituals of instruction to the teachers. The myth of teacher professionalism and the autonomy associated with it, for example, function to increase the commitments of teachers.

A second reason for avoiding close inspection and evaluation arises from the fact that a good deal of the value of education has little to do with the efficiency of instructional activities. If education is viewed as a ceremonial enactment of the rituals of schooling, the quality of schooling can be seen to lie in its costs: spectacular buildings, expensive teachers in excessive number (a low student-teacher ratio), and elaborate and expensive topics (French for first-graders, or nuclear physics). To the state, the accrediting agencies, the community, and the participants themselves, costs of these kinds index the quality and meaning of a school. It therefore makes little sense to view a school as if it were producing instructional outcomes in an economic marketplace, since an economizing perspective would treat many of the critical features of a school as costly waste, as liabilities rather than assets. It is enormously damaging for a school to view the categories that validate it, as well as the cost of their upkeep and prestige, as liabilities. The ritual of schooling is evaluated according to a logic in which quality and costs are equivocal. Expenditures per student or the number of books in the library are among common indices of educational quality, even

though maximizing these indices may require a studied inattention to an economizing logic. The wise administrator will call attention to the elaborate and expensive structure of ritual classifications his school has, not to the amount of learning achieved per dollar.

Third, decoupling protects the ritual classification scheme from uncertainties arising in the technical core. In education, it is quite common that rules of practice institutionalized at state and federal levels create technical uncertainty at the local level. State-mandated curricula may be too advanced for the students at hand. And innovative state and federal programs often need to be adapted to the specific circumstances unique to the local school. Measuring what pupils actually learn in these programs or what teachers are actually teaching introduces unnecessary uncertainty, increases coordinative costs and creates doubts about the effectiveness of the status structure of the school and the categorical rules that define appropriate education.

Fourth, decoupling allows schools to adapt to inconsistent and conflicting institutionalized rules. Schools, of necessity, are plural organizations adapted to plural environments (Udy, 1971). This is especially true of American schools, with their welter of external pressure. One way to manage the uncertainty, conflict, and inconsistency created by this pluralistic situation is to buffer units from each other. Udy, in fact, sees this as a major explanation for the differentiation of modern organizations into specialized components. When differentiation is accompanied by isolation and autonomy of subunits rather than by interdependence and coordination, jurisdictional disputes among categories of professionals or incompatibilities among inconsistent programs are avoided. For example, in schools, the work of a large number of specialists—vocational educators, speech therapists, reading specialists—is organized separately and buffered from the usual classroom work.

Our point is this: By decoupling formal structures from activities, uncertainty about the effectiveness of the ritual categories is reduced.

When the behavior of teachers and students is uninspected or located in isolated classrooms, the state, the community, and administrators are presented with little evidence of ineffectiveness, conflict, or inconsistency. And the teacher and student are free to work out the practicalities of their own unique relationship little disturbed by the larger social interpretation of which activity is appropriate to a given category. Further, in a pluralistic setting the number of ritual classifications institutionalized in the environment is large, and there are frequent additions and subtractions. By decoupling ritual subunits from one another, the school is able to incorporate potentially inconsistent ritual elements and to recruit support from a larger and more diverse set of constituencies.

By minimizing the resources devoted to coordination and control, the school furthers its ability to increase the ceremonial worth of its ritual categories. This strategy also cuts down the costs involved in implementing new categories and maximizes their chance of success. New programs or specialists need not be integrated into the structure; they merely need to be segmentally added to the organization. Further, new categories need not even imply a substantial reorganization of activity, as the activities of particular ritual actors and programs remain uninspected. The decoupling of the internal structure of education is therefore a successful strategy for maintaining support in a pluralistic environment.

The Logic of Confidence

The classifications of education, however, are not rules to be cynically manipulated. They are the sacred rituals that give meaning to the whole enterprise, both internally and externally. These categories are understood everywhere to index education. They are not understood to be education, but they are also not understood simply to be alienating bureaucratic constraints. So the decoupling that is characteristic of school systems must be carried out by all participants in the utmost good faith.

Interaction in school systems, therefore, is characterized both by the assumption of good faith and the actualities of decoupling. This is the *logic of confidence*: Parties bring to each other the taken-for-granted, good-faith assumption that the other is, in fact, carrying out his or her defined activity. The community and the board have confidence in the superintendent, who has confidence in the principal, who has confidence in the teachers. None of these people can say what the other does or produces . . . , but the plausibility of their activity requires that they have confidence in each other.

The logic of confidence is what Goffman (1967) calls "face work"—the process of maintaining the other's face or identity and thus of maintaining the plausibility and legitimacy of the organization itself. Face work avoids embarrassing incidents and preserves the organization from the disruption of an implausible performance by any actor. Goffman (1967, pp. 12–18) discusses three dimensions of this face-saving procedure: *avoidance, discretion, and overlooking*. Decoupling promotes each of these dimensions. Avoidance is maximized when the various clusters of identities are buffered from each other, when the organization is segmentalized, and when interaction across units is minimized (as by the self-contained classroom). Discretion is maximized when inspection and control are minimized or when participants are cloaked with "professional" authority. Finally, participants often resort to overlooking embarrassing incidents or to labeling them as deviant, as characteristic of particular individuals, and therefore as nonthreatening to the integrity of the ritual classification scheme.

It must be stressed that face work and the logic of confidence are not merely personal orientations but are also institutional in character. For instance, a state creates a rule that something called "history" must be taught in high schools. This demand is not inspected or examined by organizational procedures but is controlled through confidence in teachers. Each teacher of history has been credentialed. There is an incredible sequence of confidences here, with faces being

maintained up and down the line: The state has confidence in the district, the district in the school, and the school in the teacher. The teacher is deserving of confidence because an accrediting agency accredited the teacher's college. The accrediting agency did not, of course, inspect the instruction at the college but relied on the certification of its teachers, having confidence in the universities which the teachers attended. The accrediting agency also has confidence in the organization of the college—its administrators and departments. These people, in turn, had confidence in their teachers, which enabled them to label certain courses as *history* without inspecting them. The chain goes on and on. Nowhere (except in the concealed relation between teacher and pupil) is there any inspection. Each link is a matter of multiple exchanges of confidence.

The most visible aspect of the logic of confidence in the educational system is the myth of teacher professionalism. Even in higher education—where teachers typically have no professional training for teaching—the myth is maintained. It serves to legitimate the confidence the system places in its teachers and to provide an explanation of why this confidence is justified. This explains one of the most puzzling features of educational professionalism—why the professional status of teachers rises dramatically with the creation of an educational bureaucracy. It is conventional to assume that professionalism and bureaucracy are at odds, although the evidence rarely supports this view (Corwin, 1970). In fact, even though the ideology supporting the creation of large American educational bureaucracies argued for close control, evaluation, and inspection of teachers, it seems clear that these bureaucracies greatly lowered the amount of such control (Tyack, 1974). Prebureaucratic teachers were often under direct inspection and control of the community that hired them. The bureaucracy, justified on the grounds that it would assume responsibility for inspection and control of instruction, however, almost immediately began to

inspect and control only the superficial and categorical aspects of teachers. To account for this lack of specific inspection and control of instruction, the myth of professionalism arose very early, despite the original intentions of the founders. Our argument—that professionalism serves the requirements of confidence and good faith—explains this growth: The myth of teacher professionalism helps to justify the confidence placed in teachers and to legitimate the buffering of uncertainty in the performance of pupils and teachers in educational organizations.

Overview of the Argument

With the growth of corporate society, especially the growth of nation-states, education comes into exchange with society. Schooling—the bureaucratic standardization of ritual classifications—emerges and becomes the dominant form of educational organization. Schools become organized in relation to these ritual categories in order to gain support and legitimacy. In America, the local and pluralistic control of schools causes these classifications to have little impact on the actual instructional activities of local schools. Thus the official classifications of education, although enforced in public respects, are decoupled from actual activity and can contain a good deal of internal inconsistency without harm. As a result, American schools in practice contain multiple realities, each organized with respect to different internal or exogenous pressures. These multiple realities conflict so little because they are buffered from each other by the logic of confidence that runs through the system.

In this fashion, educational organizations have enjoyed enormous success and have managed to satisfy an extraordinary range of external and internal constituents. The standardized categories of American society and its stratification system are maintained, while the practical desires of local community constituents and the wishes of teachers, who are highly satisfied with their jobs, are also catered to. As new constituents rise up and

make new demands, these pressures can be accommodated within certain parts of the system with minimal impact on other parts. A great deal of adaptation and change can occur without disrupting actual activity. And, conversely, the activities of teachers and pupils can change a good deal, even though the abstract categories have remained constant.

IMPLICATIONS FOR RESEARCH AND THEORY

The arguments we have discussed have many implications for research on educational organizations. We see schools (and other organizations) as vitally—and in complex ways—affected by their institutional environments. Much more research is needed, carefully examining such institutional variations—among societies or among institutions within societies—and their organizational impact.

Propositions Comparing Societies

First, the formal structure of educational organizations tends to come into correspondence with environmental categories. These ritual categories, further, tend to be linked to the nation-state, implying that formal education structure ought to vary more between societies than within them. Second, educational content and instruction is organizationally most loosely coupled in societies with pluralistic systems of control, such as the United States, and is more tightly controlled in countries with centralized systems. Further, ambiguities and vacuities in the educational languages specifying the meaning and implications of the ritual elements of educational organization should be found to be greatest in pluralistic systems. Third, the more education is a national institution of central importance, the more loosely coupled its internal structure and the more control rests on the logics of confidence and of professionalization.

Propositions Comparing Education with Other Institutions

First, instructional work in institutionalized educational systems is less closely inspected or coordinated than similar work in other institutions such as businesses or armies. Second, educational structures are more responsive to even inconsistent environmental pressures than organizations in other institutional settings. In part, this is because they are buffered from their own internal technical work activity. This situation permits more internal and external constituent groups to perceive that they have power in education organizations than in other organizations.

Propositions Comparing Educational Organizations

First, the formal structure of educational organizations responds to environmental (or societal) categories. It varies less in response to variations in the actual characteristics of clienteles or of problems of instruction. Similarly, changes in environmental rules defining education produce more rapid formal structural changes than do changes in the content or methods of instruction. Second, educational organizations are internally coordinated and legitimated by their environmental categories, not primarily by their own technical activity or instructional output. Variations in their success at maintaining correspondence with environmental rules predict the success, survival, and stability of educational organizations more than do variations in their instructional effectiveness. Third, loosely coupled educational organizations structurally respond more effectively to environmental pressures and changes than do tightly coupled organizations. Instruction adapts more quickly, in such organizations, to the informal pressures of teachers and parents, while structures respond more quickly to environmental institutional categories.

Propositions Comparing Internal Components of Organization

First, in educational organizations, feedback concerning the work and output of teachers and schools tends to be eliminated, even if it happens to exist. Participants employ logic of confidence, and overlook observations of actual work and outcomes. Feedback on the categorical status of teachers, schools, students, and programs tends to be retained.

Second, educational organizations respond to external institutional pressures with programmatic or categorical change, minimizing the impact on instruction. They respond to variations in teacher or parent preference with activity change, but not necessarily with categorical change. Each part or level of the system responds relatively independently to its environment. Thus, the greatest part of organizationally planned innovation in instruction is never implemented, and the greatest part of instructional innovation is not organizationally planned.

Third, the loose coupling of instructional activity in educational organizations permits more internal and external constituent groups to perceive that they have power in this area than over other policy decisions.

Implications for Organization Theory

The arguments above have many implications for theory and research on organizations other than schools. Our arguments seem quite plausible in terms of the literature on school organization, but some of them are sharply at odds with the theory of organizations (for a more detailed suggestion, see J. Meyer and Rowan, 1977). Perhaps organization theory is imperfect. It seems unlikely that educational organizations are so extremely unusual. Indeed, a most fundamental observation in research on all sorts of organizations is that rules and behavior—the formal and the informal—are often dissociated or inconsistent. This is the same observation we have been

making about schooling organizations, and it may be time to stop being surprised at it. The surprise arises, not because the observations are novel, but because researchers take too limited a view of formal organizations. They see formal structure as created to actually coordinate production in the case of market organizations and conformity in the case of political bureaucracy (see Thompson, 1967; Scott, 1975). And they are consequently surprised when formal structure and activity are loosely linked.

It is true that production requires some coordination, as political structure demands some conformity. But it is also true that the myth or social account of production and conformity is critical. Much of the value of what we purchase lies in intangibles. Much of the value of social control and order inheres in the faith that is generated. Put differently, organizations must have the *confidence* of their environments, not simply be in rational exchange with them. And those that have this confidence and legitimacy receive all sorts of social resources that provide for success and stability. That is, organizations must be legitimate, and they must contain legitimate accounts or explanations for their internal order and external products. *The formal structure of an organization is in good part a social myth and functions as a myth whatever its actual implementation.* In small part, it is a mythical account the organization attempts to institutionalize in society. In much greater part, the formal structure is taken over from the accounts already built into the environment. Incorporating the environmental myth of the organization's activities legitimates the organization both externally and internally (Dowling and Pfeffer, 1975) and stabilizes it over and above the stability generated by its network of internal relations and production. Organizations integrate themselves by incorporating the wider institutional structures as their own.

Thus, if systematic safety problems are “discovered” by the environment, safety officers are invented: Their existence explains how the organization has “taken into account” safety problems. (Who actually deals with safety is another

matter.) So also with pollution control, labor relations, public relations, advertising, affirmative action, or research and development. Some of these activities may, in a day-to-day sense, actually get done: Our point here is that incorporating them in the formal structure of the organization has the function of legitimating myths and that such myths may be created quite independently of the activities they index. All these units represent the formal incorporation by the organization of environmental definitions of activities that then become part of the firm's account. Incorporating them deflects criticism from internal coalitions. It also legitimates the organization externally: Banks lend money to modern firms. Role handles are provided: Other organizations have someone inside the firm "with whom they can deal." The legal system may require such forms of accountability. Firms often incorporate external values in a very explicit way by attaching units and products "shadow prices" derived not from any production function but from market prices external to the firm.

The formal structure of an organization incorporates (and in some respects *is*) an environmental ideology or theory of the organization's activity. As the environmental ideology changes, so does the formal structure. No wonder the formal structure may be poorly adapted to the actual ongoing activity, which has to coordinate internal exigencies of its own.

A critical aspect of modern structure arises from the rationality of modern society and of organizations as myths. Formal organizational structures represent more than mere theories of activity: They must represent *rational, functional* theories. The structural account they present to society must give every appearance of rationality. Much of the irrationality of life in modern organizations arises because the organization itself must maintain a rational corporate persona: We must find planners and economists who will waste their time legitimating plans we have already made, accounts to justify our prices, and human relations professionals to deflect blame

from our conflicts. Life in modern organizations is a constant interplay between the activities that we need to carry on and the organizational accounts we need to give.

This discussion generates several implications for organization theory. First, formal organizational structure reflects and incorporates prevailing environmental theories and categories, often without altering activity. These environmental rules constitute taken-for-granted understandings in the organization. Organizational actors are constantly in the business of managing categories abstracted directly from environmental theories.

Second, organizational structure has two faces: It conforms to environmental categories and categorical logics, and it classifies and controls activity. Organizational actors must take into account both what they are doing and the appearances of what they are doing.

Third, to accommodate both appearance and reality, organizational structure must always be partly decoupled from actual activity. Special managers may arise to adjudicate relationships between the categories of the formal structure and actual activities. Personnel officers classify persons and jobs into categories, registrars and admitting physicians institutionalize official diagnoses, accountants organize activity into budgets and budget categories, and so on. Linking the organization as a formal structure with the organization as a network of activities is a major task, and it tends to introduce inconsistencies and anomalies into both domains.

This view of organizations as constituted and coordinated at every point by taken-for-granted environmental understandings is considerably different from most prevailing views. Both "closed-systems" and "open-systems" views of organizations tend to see them as encountering the environment at their *boundaries*. We see the structure of an organization as derived from and legitimated by the environment. In this view, organizations begin to lose their status as internally interdependent systems and come to be seen as dramatic reflections of—dependent subunits within—the wider institutional environment.

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