

Guru

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Max Weber

Jan 9th 2009 | Online extra

Max Weber (1864-1920) was a German sociologist who taught both before and during the first world war at the universities of Freiburg, Heidelberg and Munich. He would probably be slightly bemused by the influence he has come to wield in the corporate world. For in his lifetime he was best known for his political ideas, in particular for his enormously influential definition of the state as a community “that successfully claims the monopoly of the legitimate use of physical force within a given territory”.

Weber's fame in the field of management rests essentially on the ideas put forward in two books: first, “The Protestant Ethic and the Spirit of Capitalism”, in which he linked the morality of puritanical Protestantism, especially Calvinism, with the drive behind entrepreneurship and capitalism; and second, “The Theory of Social and Economic Organisation”, which was not published until four years after his death.

The second book is the one that bears most on the theory of management. It was an attempt to examine why people obey orders, and in it Weber described three types of leadership: the



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charismatic, the hereditary and the bureaucratic. Each of these, he claimed, can generate obedience, but each is suitable for a different stage in an organisation's development.

The charismatic leader suits an organisation in its early days, when it relies on the vision of a single person to push it towards its goal. The hereditary leader, who comes with authority that has been vested elsewhere (either because his father was chairman before him, or because of success in another organisation), is suitable for an organisation whose rules and precedents are well established. In the third bureaucratic stage, everything runs with machine-like efficiency, and authority and control are exercised “on the basis of knowledge”. The military is one example of an organisation in this stage.

Weber was in no doubt that the third type of leadership was the most efficient. “Precision, speed, unambiguity, knowledge of files, continuity, discretion, unity, strict subordination, reduction of friction and of material and personal costs—these are raised to the optimum point in the strictly bureaucratic administration,” he wrote. However, he warned against the dehumanising effects of these bureaucracies. He came to believe that the only way to escape the mechanical existence they imposed was for a charismatic leader to come along and transform the organisation through a sort of rebirth.

Bureaucratic administration means fundamentally the exercise of control on the basis of knowledge.

In the meantime, Weber laid down certain features that he felt the most efficient bureaucratic organisations should possess. These included a career structure with a system of promotion dependent on the judgment of superiors within a formal hierarchy; a permanent fixed office for each career employee; selection on the basis of technical qualifications; and remuneration in the form of a fixed cash salary with a right to a pension. In return, the employee would be subject to discipline and control from his or her superiors.

Looked at today, this list seems almost banal. But this is only because of Weber's extraordinary influence on some of the most powerful corporate leaders of the inter-war period. They took his ideas, transformed them into the corporate arena and, through their subsequent success, persuaded almost every large corporation on the planet to follow them.

Max Weber was a member of the committee set up to draft the constitution of the Weimar Republic in 1918.

Notable publications

“The Protestant Ethic and the Spirit of Capitalism”, Allen & Unwin, 1930; Unwin Paperbacks, 1985

“The Theory of Social and Economic Organisation”, William Hodge & Co, 1947; reprint, Free Press of Glencoe, New York, and Collier Macmillan, London, 1964

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This profile is adapted from “The Economist Guide to Management Ideas and Gurus”, by Tim Hindle (Profile Books; 322 pages; £20). The guide has the low-down on more than 50 of the world's

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