

Reweaving the fabric of corporate bureaucracy

The development of organisational control in
Sweden 1970-2000

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AKADEMISK AVHANDLING

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ABSTRACT

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This thesis in economic history investigates and analyses how Swedish industrial enterprises changed and developed their corporate bureaucracy and organisational control to become less hierarchical and more flexible and market-orientated from 1970 to 2000. The thesis examines how administrative work in Sweden evolved throughout this time and how management knowledge materialised in management tools at a time when the country's consulting industry was growing. The examination starts with the evolution of administrative work in Sweden. The results show that even though the share of administrative work did not increase at large in Sweden from 1970 to 2000, the composition of occupations within administrative work changed. The share of clerical support work decreased while the share of managerial work increased.

These results are followed by case studies of how the management consultancy firm SIAR (The Swedish Institute of Administrative Research) carried out assignments at two successful industrial firms, Alfa-Laval and Ericsson. SIAR advocated that industrial firms were to become less organisationally hierarchical and less focused on long-term planning. Instead, industrial firms should decentralise their operations, become more adaptable to the market, and become more like the service industry. These ideas were concretised at Alfa-Laval and Ericsson. SIAR helped both firms adapt new organisational forms and configure their organisational control and corporate bureaucracy. At both firms, there were successful efforts to become less hierarchical and transfer more operational and strategic control to so-called business areas. The results do, however, show that managerial control did not decrease. Standardisation and administrative coordination increased when attempts were made to make specific business areas and units more market orientated. Since centrally located administrative structures were also required, decentralised managerial control resulted in a doubling of managerial control.

The thesis demonstrates how corporate bureaucracy grew even in attempts by businesses to become less hierarchical. New forms of corporate bureaucracy were necessary to support new tasks for central management. Corporate bureaucracy grew, but more through formalisation than through a strengthening of hierarchical structure.

Keywords: Administrative work, Corporate bureaucracy, Management consultancy, Managerial capitalism, Management knowledge, Management tools, SIAR, Alfa-Laval, Ericsson, Sweden

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