

BOOK REVIEW

A very short, fairly interesting and reasonably cheap book about studying organization, By Christopher Grey. 3rd ed. London: Sage, 2013, i–xviii + 166pp., £14.99, ISBN 978-1-4462-0736-9.

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Grey's book has become well known since its original publication in 2005, running to three editions and nine reprints to date; it has stimulated interest among academics and received several reviews both positive and negative. It functions well as a compendium of organization and management theories spanning bureaucracy, scientific management, human relations theory, people management, organizational culture, self-management, change management, and new capitalism. However, its real worth is that it enables the reader to perceive the arbitrary nature of such theory: 'the managerial interpretation of organizations has become constructed as if it were an objective reality, so that we typically forget its constructed nature. [...] The entire book has been concerned to offer an interpretation of organization theory which tries to unravel the partiality and assumptions of the orthodox approach' (p. 131). Grey highlights that organization theory removes organizations from the socio-political context in which they operate, and this fragmentation generates social and economic consequences that impact on the entire fabric of human society. Implicit throughout the book is the principle that we cannot isolate organizations, dismissing their impact on society (p. 130) and approach the study of organizations solely in terms of corporations' profitability. Rather, we must take into account how organizational structures and decisions affect all aspects of society: the choices that are made about how organizations operate are 'fundamentally about the kind of world we want to live in' (p. 17).

The book has been described by one reviewer as 'subversive' (Caulkin, 2005, p. 12), and indeed, from the corporate point of view, the book may well seem subversive in that Grey goes far beyond the purely economic concerns on which most organizational theory books are based. He argues that, as traditionally conceived, all management, especially post-bureaucracy, is about 'the subjugation of human potentiality' (p. 101). He illustrates that both managers and workers are victims of organization theory (p. 144), one group trying to get more and the other group trying to give less, each supposed to 'embrace as a "religion" the corporate imperatives of the organization that employs them both' (p. 145). In addition, perhaps, subversive is his contention that as managerial theory is usually premised on the principle of efficiency, the overarching question is 'efficient for who?' (p. 147). He argues that the principle of efficiency 'ignores all the consequences of organizations except for those that figure in a narrow calculus of a one-sided notion of efficiency' (p. 145). He provides an interesting illustration of this by introducing John Rawls' concept of the 'veil of ignorance' (p. 143); this poses the question as to what decisions people would make about social arrangements if they did not know to which group they would belong and how such decisions would impact on their own lives. The divergence of organizational good from the common good leads Grey to conclude that 'the world offered by conventional organization theory appeals only to those willing to distort themselves and others in line with stunted notions of people as controlled and controlling at the expense of the true range of their human potentials' (p. 147).

The third edition has an expanded section on new capitalism updated in the light of the recent global economic crisis. In this final chapter, 'The new capitalism and the strange fates of management,'

Grey documents how, within the culture of shared purpose and flattened hierarchies overtly intended to honor and embrace all individuals within an organization, there has been a dramatic increase in inequality. He illustrates how this not only affects organizational commitment and worker morale, but also impacts negatively on health, crime rates, civility, and social harmony (p. 116). The increase of corporate financialization, financial engineering, and restructuring have led to fluctuating global ownerships that have removed companies from their original communities, wreaking severe change on those communities and their economic viability which in turn contributes to the financial disintegration and social instability of the countries in which they were based. This has taken place to the point that 'entire countries and entire generations within countries are being destroyed as the consequences of the crisis of the new capitalism are playing out' (p. 117). In the past, organizations were embedded within their original communities and this permitted the consolidation of a genuine, long-term work ethic, stable career structures, and social solidarity. The increasing lack of security resulting from the dissolution of such geographical and ownership stability further demonstrates the dangers of imposing a division between issues of organization, economics, society, and politics (p. 115).

Grey discusses how much current organizational theory and practice are premised on the principle that we live in a time of exceptional change. He exemplifies, however, that change is always taking place and we can't say it is greater now than in other periods of history. He asserts that people's anxiety about rapid changes triggering unknown outcomes is used as a weapon to ensure acquiescence: 'The most powerful weapon is the theory of an era of unprecedented change since this can be used to generate compliance, often fearful compliance' (p. 102).

Grey questions the function of business schools, the seats of theory, in response to organizational and economic crises (pp. 141–143), maintaining that they are part of the business world and subscribe to the aspiration of control within organizations. Managerial theory attempts to describe and regulate workforce activity but organizations are 'human collectivities' and therefore deny complete description and control (p. 142). He illustrates this with examples of how supposed solutions to problems frequently generate a new set of unanticipated problems; corporate structures are then revised to handle these problems and these in turn lead to another set of unanticipated problems. Essentially, the root of the problem is that 'variables surrounding [people's] behavior are too many and varied to be designed out, and so predictions will not be reliable' (p. 137). The belief that this complexity can be codified and controlled is a central misassumption of management theory. He pursues an argument he has raised in another of his works (Grey, 2002), namely, that business schools 'are not about training students in skills but in training them in orientation' (p. 141). This orientation in control and short-term achievement generates myths surrounding the strategies adopted by supposedly great leaders. He cites the examples of Fred Sherwin and Dick Fuld, celebrated for their management qualities before falling to ignominy (p. 114), and warns that business schools continue to inculcate admiration for leadership traits that we have seen wreak disaster for corporations and communities.

Moreover, in relation to business school training is the criticism by one reviewer (Beverungen, 2006: 301) who questions 'Does a guide such as this book, especially such a short one, not alleviate the educator of all responsibility to educate, to incite thinking?' However, one's response is that Grey's book not only encourages thinking, but also inspires it across the breadth and depth of human existence against which organizations and management must be assessed, rather than from the sole criterion of how a particular organization can make more profit for its shareholders. Moreover, and very importantly, Grey encourages a shift in the reader's attention from the 'how' of organization and management to the far more important 'why' (pp. 140–141).

Although a gloomy vision emerges from the documentation of socio-economic disasters that have materialized through the application of various management theories, Grey introduces a hopeful proposition of economic recovery and stability based on a capitalism regulated on the principle of social well-being and economic stability: 'There are better ways to organize than one which requires more

and more work and more and more debt when neither the work nor the things make us happy, and the debt is profoundly destabilizing' (p. 127). He points to the cooperatives of the United Kingdom, the small- and medium-sized enterprises of Germany, and the fact that the European countries that most resisted the practices of new capitalism, such as Sweden, Norway, Denmark, and Germany, have been much less damaged economically and socially (p. 119) than countries such as Ireland and Greece that enthusiastically embraced them (pp. 111–117). He calls for academics 'to articulate alternative organizational forms to those we currently have' insisting that we must prioritize 'an urgent agenda to identify new organizational models' (p. 119). In contextualizing organizational theory within a broad socio-economic framework, Grey's book serves to transcend fragmented management theory and advance a tenable and valuable reorientation of the field that can counteract 'our increasing loss of relevance, as academics, in the corporatizing, privatizing, globalizing world' (Editorial, 2003: 404).

References

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