

***Natural Corporate Management: From the Big Bang to Wall Street*, by William C. Frederick. Sheffield, UK: Greenleaf Publishing Limited, 2012. 272 pp. ISBN: 978-1-9060-9380-8**

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The aims of *Natural Corporate Management: From the Big Bang to Wall Street*, the author tells us in the book's introduction, are, first, to persuade us that "business and nature are intertwined" and second, that "business managers need to understand this linkage of business and nature if they are to do their job well" (p. 1).

While it is easy enough to understand the aims of Frederick's fascinating book, to provide a full assessment of it would require a reviewer that is competent in many more fields than most of us (myself included) could ever hope to master, because his book touches on subjects from fields as diverse as cosmology, physics, biology, anthropology, psychology, sociology, neurology, semiotics, ethnology, management, economics, and other fields, I am sure, that I failed to recognize. In fact, the ten chapters of Frederick's book cover a breathtakingly broad range of subjects. It begins with a chapter that discusses the origins of the universe and its release of energy in the Big Bang. Chapters 2, 3, and 4 successively discuss the "evolutionary cascade" of how life appeared on earth, how it evolved through Darwinian mechanisms, and how genes played a central role in that evolution. Chapter 5 describes how *homo sapiens* eventually evolved, while Chapter 6 looks at how human brain functions developed, and Chapter 7 examines how those brain functions made possible the use of tools, as well as our symbolic and social behavior. Chapter 8 discusses how human sociality and tool use evolved organizations structured by hierarchy, technology, and the dynamics of complex systems, while Chapter 9 considers the operations of market systems, which Frederick characterizes as "natural ecosystems" that display the same Darwinian mechanisms that operate in biological ecosystems: "competition, cooperation, differential propagation of more competitive agents [for example, Microsoft vs. Apple; Amazon's Kindle e-reader vs. Barnes & Noble's Nook; Verizon wireless transmission vs. AT&T], production, consumption, and trade" (p. 215; bracketed material in the original). The tenth and final chapter looks at the modern corporation and how it manifests the various natural forces that emerged during the cosmic and evolutionary history described in the previous chapters and whose effective management, therefore, requires that the manager recognize the continuing presence of those natural forces. Throughout his book, in fact, Frederick repeatedly reminds us that the processes described in earlier chapters continue to manifest themselves in the later processes that subsequent chapters explore. He tells us, for example, that the flow of energy released in the big bang drives the whole "evolutionary cascade" and remains today the driving force of human behaviors, organizations, markets, and the corporation, while the characteristics that Darwinian evolution

imprinted on human nature (and Darwinian evolution itself) likewise continue to affect how humans and organizations behave today.

But Frederick's aim in this book, as his introduction tells us, is not merely to describe this broad sweep of cosmic, organic, and human history—interesting though it is—but to show why it is important for managers to understand and appreciate that history if they are to manage effectively. In order to demonstrate the relevance of this natural history to the manager, each chapter of the book ends with a section that explains how the history and processes recounted in the chapter have had enduring effects that create the challenges and opportunities that the manager must deal with today. The chapter on the evolutionary processes that produced *homo sapiens*, for example, ends with a discussion of how natural selection “yields a set of behavioral constants and implanted motives that are essentially unchangeable during the life span of an organic (human) carrier, thereby placing severe limits on the short-run alterations or modifications sometimes proposed by management theorists” (p. 62). Among these evolved “behavioral constants” are the “innate urges” to “seek sustenance, sexual reproduction, and security” and “to be competitive, to seek personal advantage, and to be openly combative or slyly resistant” (p. 61). If a manager accepts the naive advice of management theorists who ignore the durability of such natural “constants,” and if the manager foolishly “hopes to override [these] intractable innate behaviors” because they are “deemed not favorable to corporate performance,” then that manager is doomed to frustration and failure (p. 62). Instead of denying or ignoring such “embedded Darwinian impulses,” Frederick tells us, managers should accept their presence and use them “to the corporation's advantage” thereby employing what he refers to as “Natural Corporate Management” (p. 64).

Readers familiar with Frederick's earlier work will by now recognize that in these discussions of our natural history and its implications for managers, Frederick is continuing his ongoing project of the last few years to develop what he calls “Natural Corporate Management.” “Natural Corporate Management” is a term that designates a form of management that recognizes, understands, accepts, and exploits the “natural” elements that are part of our nature as a result of the cosmic natural history that he recounts in this book. The purpose of this book is to provide an explanation of those natural elements by tracing their origins, and to demonstrate how they affect the job of the manager, thereby providing part of the basic theoretical foundations of Natural Corporate Management.

Frederick also wants to indicate how Natural Corporate Management is related to ethics and corporate social responsibility. Although he only devotes a few paragraphs to explicitly discussing the topics of business ethics and corporate social responsibility, the relevance of his views to both of these topics is clear enough. Whatever limits “nature” imposes on the practice of management, and whatever opportunities it makes possible, will also constitute limits and opportunities for the management of a company's ethics and its social responsibilities. Business ethics and corporate social responsibility cannot demand more of the corporation and its managers than what the limits of our evolutionary history allow.

Frederick's book is intriguing, and although there are many things in it with which one could quibble, by and large the broader claims it makes about how management must take the processes of nature into consideration is persuasive. Nevertheless, the book leaves one wondering whether there might be an inherent contradiction (or conflict, at least) between, on the one hand, the deterministic picture it paints of a human nature that is constituted of "intractable" and "unchangeable" urges and self-interested motivations, and, on the other hand, the more optimistic picture it assumes when it asserts that managers can, and should, "reshape" the behavioral patterns of employees in order to get them to pursue organizational, societal, and even "cosmic" ends (p. 233). It is clear that Frederick wants to leave theoretical space for pro-social—perhaps even altruistic—individual and firm behavior. In fact, he sees the corporation and its managers as having a "cosmic corporate responsibility" (p. 217) that they should strive to fulfill. But what meaning can such moral purposes have in a world governed by the natural forces he so eloquently describes?

There is another puzzling problem that his book raises. Frederick wants to persuade us that everything human—along with everything in the universe—is "natural." He wants to persuade us that all those human characteristics and inventions that we might have thought were distinct from nature and operated with their own distinct processes and regularities—culture, symbolic behavior, organizational behavior, technology, and human institutions such as markets, corporations, governments, and, more generally, civilization itself—are in fact just so many particular instances of the same unfolding physical/chemical processes that originated with the "big bang," or of the biological processes that originated through Darwinian evolution (itself but a manifestation of the unfolding big bang processes). As he puts it at one point with respect to markets:

Market economies are a form of nature itself. We are not talking metaphor here—not at all. The reality...is that nature rules in every aspect of market behavior.... All of these everyday manifestations of economic behavior are derivatives of one natural process or another, whether physical, chemical, biological or some combination of these. (p. 214)

The problem that this view of Frederick's raises is that once everything is categorized as "natural," it is no longer clear that the word has any definite meaning. What is gained by describing something as "natural" if saying a thing is "natural" no longer distinguishes it from anything else? The term "natural" is generally used to distinguish a thing from what is "artificial," that is, what human art has constructed, created, or shaped. The way Frederick develops his concept of what is natural tends to leave no room for what is artificial, that is, it leaves no room for what humans—not nature—created or shaped. Frederick needs to distinguish more clearly the sense in which human behaviors (e.g., organizational behaviors) and constructions (e.g., institutions) are natural, and the sense in which they are not. It would seem, for example, that he must say, at least, that human behaviors and constructions are natural insofar as they originated from or were built upon a natural substrate that

humans did not invent. But the claim that an artifact originated from or was built from something natural does not entail that the artifact itself is natural (to think otherwise is to commit the so-called “genetic fallacy,” a fallacy of which this book may sometimes be guilty). So Frederick could agree that although human artifacts—corporations and other institutions, for example—are natural in their origins, they are not natural insofar as they have characteristics that go beyond their natural origins precisely because, and to the extent that, they are human constructions. If he acknowledges that, however, then he might also have to acknowledge that such artifacts may be amenable to human manipulation, reform, and “reshaping,” and may not be so “intractable” and “unchangeable” as he suggests.