



EDITED BY

PAUL S.  
ADLER



The Oxford Handbook *of*  
**SOCIOLOGY AND**  
**ORGANIZATION STUDIES**

CLASSICAL FOUNDATIONS

THE OXFORD HANDBOOK OF

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PAUL S. ADLER

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## PREFACE

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The genesis of this volume lies in conversations with numerous colleagues over several years about our shared frustration with the growing divorce between organization studies and one of its key source disciplines, sociology. I took a proposal for an edited volume aimed at bridging that gap to David Musson at Oxford University Press: David's strong encouragement and wise counsel helped give it its current form. Over the course of 2006–7, I reached out to potential contributors, and the response was overwhelmingly positive.

Draft chapters benefited from discussion at a conference held at Wharton in August 2007. Along with the chapter authors, the participating faculty were: Mie Augier (Stanford), Peter Bryant (Macquarie), Jordi Comas (Bucknell), Marlese Durr (Wright State), Isabel Fernandez-Mateo (London Business School), Michal Frenkel (Hebrew Univ.), Zeke Hasenfeld (UCLA), Roberta Iversen (Pennsylvania), Candace Jones (Boston College), Shamus Khan (Columbia), Brayden King (Brigham Young), Sheen Levine (Singapore Mgt. Univ.), Marshall Meyer (Pennsylvania), Ilya Okhmatovskiy (McGill), Sean Safford (Chicago), Samps Samila (Brock), Russell Schutt (Univ. Mass., Boston), Wesley Sine (Cornell), Klaus Weber (Northwestern), and Ray Zammuto (Melbourne). Graduate students too participated in this discussion: Ebony Bridwell-Mitchell (NYU), Ed Carberry (Cornell), Jay Chok (Univ. of Southern Calif.), Anne Fleischer (Michigan), Steve Hoffman (Northwestern), Maksim Kokushkin (Missouri), Andrew Parker (Stanford), Renee Rottner (UC Irvine), Laura Singleton (Boston College), Elizabeth Terrien (Chicago), Matt Vidal (UCLA ILRE), and Peggy Wallace (St Marys). We thank all these colleagues for their immensely helpful constructive criticism.

We also thank the National Science Foundation and in particular Jacqueline Meszaros for funding the conference under Grant No. 0706814. Generous financial support also came from my home department, the Management and Organization Department of the Marshall School at the University of Southern California. My department colleagues there, notably Tom Cummings, Mark Kennedy, and Peer Fiss, provided essential encouragement and guidance throughout. Jay Chok provided crucial research and administrative assistance. Our editor, Lynn Deanne Childress, was exceptionally helpful in structural revision and copyediting.

Paul S. Adler  
Los Angeles, August 2008

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PART I

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THE ROLES OF  
THE CLASSICS

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## CHAPTER 1

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# INTRODUCTION

## A SOCIAL SCIENCE WHICH FORGETS ITS FOUNDERS IS LOST

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PAUL S. ADLER

ORGANIZATIONS have deep and pervasive effects on our lives at work and beyond. The previous century witnessed a massive transformation of advanced capitalist societies: whereas families and neighborhoods once constituted the basis of society, now large organizations play a pivotal role in every sphere (Perrow 1991). And the most recent decades have witnessed further, equally profound and disconcerting changes in this landscape. The aim of the present volume is to help scholars in organization studies better understand these changes. In particular, we highlight the enduring value of some of the older work in this field.

The field of organization studies has become well established in both sociology departments and professional schools, most notably in business schools. However, in the course of this institutionalization, the field has progressively lost contact with its founding writers. To some, this represents a welcome sign of maturation: they might quote Alfred North Whitehead: 'A science which hesitates to forget its founders is lost' (Whitehead 1916 413). Whitehead, however, was writing about the natural sciences, and the premise of this volume is that the social sciences are in this specific respect quite different, because in our field founders continue to play a crucial role. We have thus reversed Whitehead's warning as the clarion call for this volume.



Without minimizing the potential contribution of more recent scholarship or the value of earlier scholarship that has been less celebrated, we believe that these classics present unusually rich resources for research today. Most notably, these writers all struggled to make sense of the momentous social changes of their times. In contrast, organization studies today focuses too little on the big issues of our own times and too much on the narrower concerns of academic peers. The classics, this volume argues, serve both as a source of specific insights and also as encouragement to lift and broaden our aspirations.

Alongside some thematic chapters, this volume includes contributions on each of several classic authors. Each chapter addresses the author's ideas and his or her context, the impact of these ideas on the field of organization studies so far, and the potential future research these ideas might inspire. The goal is not reverential exegesis, but rather to examine how these classics can enrich and enliven organizational research—how they can help us make better sense of the social changes currently under way, and perhaps equip us to act more intelligently in our efforts to participate in those changes.

This Introduction first explains why organization studies should reconnect with these classics, and then provides a thumbnail sketch of each of the contributions to this Handbook.

## WHY READ THE CLASSICS?

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Organization studies is an interdisciplinary field, bringing together sociology, psychology, economics, political science, as well as other disciplines. The present volume focuses on sociology. Sociology was foundational in shaping the field in its earliest years and has continued to be an important influence. The sociological lens affords unusual depth of insight into the technological, economic, cultural, and political forces that shape organizations both from within and without.

Notwithstanding its interdisciplinary constitution, organization studies suffers from increasing intellectual insularity. Research in organization studies refers increasingly to the field's own journals and less and less to journals in sociology or the other contributing disciplines (Augier, March, and Sullivan 2005). Organization studies is increasingly cut off not only from contemporary sociological research but also from sociology's classics. Statistical analysis of the works cited in articles published in the major journals of sociology and organization studies shows that, on the one hand, the absolute number of citations to the classics (specifically, those classic authors addressed in this volume, taken as a group) has continued at much the same level since the 1950s. At the same time, however, there has been an increase

in both the average number of articles published each year and the average number of citations per article. The net result is that the number of citations to classics as a proportion of all citations has fallen dramatically—to below 2 percent in the most recent period (Kennedy and Adler 2007). Moreover, many of these citations are merely ceremonial (Lounsbury and Carberry 2005).

This trend bodes badly for the intellectual development of organization studies. As Jeffrey Alexander (1987), Art Stinchcombe (1982), and others have argued, social sciences—as distinct from natural sciences—are considerably enriched by rereadings of their classics. There are, of course, many sociologists who argue that their discipline should take the form of a natural science and forget its founders. This aspiration goes back to some of these very same founders of the discipline: it can be traced from Comte through the work of Weber and Durkheim; it was given particularly sharp form in a famous essay by Merton (1967); and it has continued to inspire the ‘positivist’ wing of sociology, for whom the progress of sociological knowledge should rely on the accumulation of empirical, factual findings. According to this positivist view, theory should follow from facts, not precede them, and as a result, more recent theory should replace older theories, and there should be as little space for Marx, Weber, and Durkheim in contemporary sociology textbooks as there is for Ptolemy or Copernicus in contemporary astronomy textbooks.

However, this positivism has been increasingly challenged by a cluster of post-positivist ideas inspired by Kuhn’s (1970) history of science and a variety of movements in philosophy and social theory. Kuhn and subsequent historical and philosophical research showed that natural sciences too relied on prior non-empirical, theoretical commitments, even if it was only in periods of deep paradigm conflict that these commitments emerged as directly relevant to scientific debate. In the social sciences, unlike the natural sciences, such paradigm conflict is endemic: social sciences cannot escape the perennial value-laden debates over human nature, its role in behavior, and the nature of social order. The nature of their subject matter thus ensures that the social sciences lie somewhere between the natural sciences and the humanities as regards the relative value of the latest research versus the classics (as argued by Alexander 1987, 2001). Classics serve crucial functions for social sciences: as noted by Alexander, they function as signifiers, allowing us to refer parsimoniously to whole world-views articulated in the works of the major classic thinkers; and more substantively, they continue to inspire new theoretical and empirical research because they encapsulate what were and remain unusually deep and compelling insights into human nature and social order.

Some sociologists hesitate to abandon positivism, fearing that this would mean also abandoning any hope of accumulating real knowledge and obliging us to embrace instead some variant of social constructivist relativism. Kuhn too struggled with this challenge in his analysis of the natural sciences, a field where the reality of progress in our understanding is difficult to deny. However, it is not all that difficult to square this circle once we remind ourselves that all the competing paradigms in

sociology take as a key goal to make sense of empirical features of the social world. None of them can claim the kind of success in that effort that we sometimes see in the history of natural sciences, where the success of one paradigm relegates the others to the dustbin of defeated doctrines; but competition within and between paradigms revolves largely around claims to greater success in rendering intelligible the empirical world. The competitive fortunes of different paradigms wax and wane; but for the field as a whole, the result of this process is real progress in understanding.

## WHY NOW?

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The contributors to this volume share a concern that organization studies reconnect with broader social issues. Since ours is a society of organizations, many of these big issues are directly organizational, as evidenced by the headlines of the daily news: globalization, outsourcing, the pressure of financial markets on industrial firms, new technologies that make obsolete old organizations, the fate of the individual, the possibility of collective agency in the face of massive systemic forces of change, and so on.

The discrepancy between this list and the list of topics in recent organization studies research is both saddening and troubling. Saddening, because it represents a narrowing of scope, ambition, and concern compared to the founders of the field. Troubling, because this narrowing saps the vitality of the field. A field that turns away from relevance when its ostensible subject matter is undergoing such massive turbulence is a field that risks losing any credibility (Walsh, Meyer, and Schoonhoven 2006; Clegg 2006). Moreover, it risks losing its 'franchise', its legitimacy as a key discipline in the broader public's effort to make sense of these changes. Organization studies competes with other disciplines, most notably economics, when various publics and policy makers reach for frameworks that help them make sense of social and economic issues, and it does not bode well for either the cogency of these public debates nor the future of the field if organization studies abandons these policy terrains.

It is striking that the sociology classics so directly addressed so many of the urgent social issues of their day. This real-world relevance surely explains much of their enduring appeal. In contrast, organization studies has moved in recent decades towards 'incremental, footnote-on-footnote research as the norm for the field' (Daft and Lewin 1990). In part, of course, the contrast between the classics and the field's present condition is a function of the increasing 'professionalization' of research. The world of research today is so very different from that of Marx's,

Weber's, or even Parsons's time, with the quasi-universality of employment in universities, standardization and specialization of training, formalized standards for promotion and tenure, and the elevation of the craft of academic journal article writing into an esoteric art. The way forward for our field is not to retreat from professionalism to amateurism; but we do need a richer form of professionalism, one that does not turn its back on academic rigor, but brings this rigor to bear on the burning issues of our time.

What is at stake in the present volume is not the ongoing debate about our immediate audience. Recently, we have heard calls for the 'public sociology' advocated by Burawoy (2004) or the 'engaged scholarship' advocated by Van de Ven (2007). These are very legitimate in our view; but here we address a distinct, underlying concern: whether in our academic scholarship we are engaging the big social changes of our times, even if we do it in our own ways and forums. Our engagement in public debate adds little if it is not informed by rigorous research on appropriately focused research topics.

Daft and Lewin (1990) suggested several ways for organization studies to break out of the 'normal science straitjacket', in particular that we focus on organization design as a practical task, focus on more equivocal problems, and experiment with heretical research methods. To this list, we add another, arguably more fundamental strategy: reread our field's classics. These provide us not only with paradigms for rigorous engagement with big issues but also with powerful concepts for making sense of these kinds of issues.

## AN OVERVIEW

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The body of this Handbook aims to give the reader a sense of what might be learned when we take inspiration from these classics. The volume is organized into two main sections—focused respectively on European and American writers—followed by an Afterword. Within each section, chapters have been sequenced so that the classics discussed are in approximately chronological order. The chapters are stand-alone contributions, and readers should pick their own path among them. The following paragraphs summarize the main ideas in each of the chapters.

In Chapter 2, Patricia Thornton discusses the value of the classics in developing compelling arguments. Thornton returns to Stinchcombe's (1982) six functions of the classics: touchstones, developmental tasks, intellectual small coinage, fundamental ideas, routine science, and rituals. She illustrates these functions with three mini-cases that show the important roles played by the classics in the development of research streams in organization studies. In particular, the mini-cases

outline how the theoretical constructs of disruptive technologies, institutional logics, and status-based markets—three wellsprings for vibrant research and teaching communities—descend from the classics. The mini-cases suggest that students should use the classics to guide the development of compelling arguments in the study of contemporary research problems and the systematic accumulation of knowledge.

In Chapter 3, Richard Swedberg presents Tocqueville as one of the first—possibly the very first—social scientists of any stature to be fully aware of organizations. In Tocqueville's work, especially in *Democracy in America*, the reader finds an elaborate analysis of different types of organizations—economic, political, and voluntary. Tocqueville emphasized the implications of the fact that organizations were composed of people coming together for the purpose of realizing some common goal. This fit well with Tocqueville's personal philosophy of freedom, where organizations were a means towards this end.

In Chapter 4, I address the relevance of Marx to organization studies today. This chapter takes the reader back to the core ideas of Marx and discusses the way they have informed an important stream of work in organization studies. The chapter offers a tutorial on Marx's basic theory and highlights the tension between two readings of Marx, an older, almost forgotten reading that I dub 'paleo-Marxist' and a more recent, 'neo-Marxist' reading. While the latter focuses on class struggle as the motor of history, the former argues that the direction of history—and the forms and vectors of class struggle—are determined by a deeper structural contradiction between the trend towards 'socialization' of the forces of production and the persistence of capitalist relations of production that enshrine private ownership of productive resources. This debate offers fruitful resources for making sense of both the endemic conflictuality of capitalist society and the changes within organizations that might facilitate a transition beyond this form of society. The chapter traces the implications of the Marxist view, in both its variants and in contrast with other theories, for several broad domains of organizational research both within the individual organization and in broader organizational fields.

In Chapter 5, Richard Marens offers a second perspective on Marx's influence. First, Marens broadens his scope to include a wider range of scholars who have been inspired by Marx but are less orthodox—Marxians, rather than formally Marxists—and second, he broadens the focus to address several different time horizons in capitalism's development. Marens argues that Marxian political economy offers a powerful remedy to a blindness increasingly acknowledged by contemporary organization scholars: if the 'environment' is so crucial to the structure and function of organizations, organization studies needs (1) a rich characterization of the structure of that environment and its evolution over time, and (2) an account of how organizations can act to transform that environment. Marxian theory, he shows, can enrich several streams of organizational research by addressing these two gaps.

In Chapter 6, Stewart Clegg and Michael Lounsbury lament the limited use of Max Weber's ideas in organization studies. In contrast to the more suffocating conceptualization of culture proffered by leading neoinstitutional scholars promoting an 'iron cage' imagery via Weber, Clegg and Lounsbury argue that a deeper reading of Weber provides a more nuanced understanding of culture, one that appreciates that culture is often contested and impregnated with power and domination. Revisiting Weber's well-known arguments about bureaucracy, they show that he viewed bureaucracies as culturally diverse and as sites of conflict among different forms of rationalities. In this new perspective, the 'iron cage' appears as more porous, opening up opportunities for new lines of inquiry and multilevel analysis, enriching connections to a broader sociological imagination. Clegg and Lounsbury emphasize that this imagery of a 'sintered' iron cage can be especially helpful in understanding new emergent logics of organizing such as those related to post-bureaucratic forms and associated new technologies that increase surveillance and rationalization beyond traditional bureaucratic incarnations.

In Chapter 7, Paul du Gay offers a second perspective on Weber. He highlights a crucial ethical value criterion of Weber's sociology, one that has been largely neglected by scholars of organization: *Lebensführung*, the conduct of life. Du Gay argues that Weber's analysis is marked by concern for the survival of particular forms of 'character' or 'personality' whose life conduct unites practical rationality with ethical seriousness. Against the image of Weber as a grand theorist of the instrumental rationalization of modern life, du Gay cites a growing body of work emanating from the humanities and social sciences, which paints Weber as a historical anthropologist greatly concerned with the ethics of office. In particular, he argues that Weber's analysis remains a key resource for scholars trying to understand contemporary developments in the reformation of organizational life and identity in the public sector, and in the institutions of government. Du Gay underscores the importance of a particular bureaucratic persona to the production of responsible government and highlights the risk that shifts to more flexible, 'post-bureaucratic' organizational forms pose to the practices of responsible government.

In Chapter 8, Pamela Tolbert and Shon Hiatt bring together Robert Michels's classic analysis of power in political parties and Berle and Means's landmark study of the public corporation. Although they focus on very different types of organizations, these works are linked by a common concern with the general problem of organizational leaders' propensity to exploit decision-making power for their own private interests, and thus to govern in ways that are contrary to the stated goals of the organization. This essay explicates the link between Michels's analysis of conditions that give rise to the formation of oligarchies in organizations and the analysis by Berle and Means of problems created by the separation of ownership and control in modern business firms. Reviewing Michels's arguments and synthesizing findings from research based on parties, unions, producer cooperatives, and social movement organizations, Tolbert and Hiatt create a new lens for

making sense of some of the contemporary problems of governance in modern corporations.

In Chapter 9, Frank Dobbin discusses Émile Durkheim and focuses on his masterpiece, *The Elementary Forms of Religious Life*. Durkheim's thesis here was that humans are driven to understand the world through collective classification and meaning-making. This idea informed an important current of post-World War II sociologists of knowledge and organizational sociologists, most notably Erving Goffman, Peter Berger and Thomas Luckmann, Mary Douglas, and also influenced James March and Herbert Simon. Since then, Durkheim's influence on organizational sociology has been mainly via neoinstitutionalism and second-generation power theory. This current attacks the rationalist assumption that the modern scientific-rational world is fundamentally different from the spiritual and religious worlds that preceded it: both religious and scientific-rational social systems are collectively constructed. Durkheim is thus an enduring stimulus challenging organizational scholars to step back from the rationalized practices of the modern firm and to ask how we come to believe those practices to be rational. Durkheim noticed that within primitive societies, there were myriad different ways of making sense of the world: the totem could be just about anything. For much of the twentieth century, organizational theorists were expecting organizations, both within and across societies, to converge on a single model. The most advanced organizations seemed to show the way to the future for less advanced organizations, just as, we thought, the most advanced societies showed the way to the future for less advanced societies. But organizational sociologists have come, like Durkheim, to see that organizations can take different forms in different rationalized societies. Durkheim's work is relevant today for our understanding of how rationalized societies arrive at different rationalized forms of organization, which worship different modern totems, whether bureaucracy, the market, the network, the profession, or the business group.

In Chapter 10, Paul Hirsch, Peer Fiss, and Amanda Hoel-Green argue that Émile Durkheim's insights from *The Division of Labor in Society* can be extended to inform our understanding of the current shift from the nation to the globalized economy. While Durkheim emphasized the potential for material and social progress resulting from greater economic differentiation, he also cautioned against the threat of social instability and disorder ('anomie') that would occur in the absence of a meaningful integration in the economic system. This chapter argues that similar issues arise in the expansion of economic and cultural exchanges to a more global scale. After discussing the central concepts of mechanical/organic solidarity and moral/material density that underlie Durkheim's theory of modernization, the authors review Durkheim's influence on organization studies and argue that the fundamental question of social solidarity has disappeared from current research in organization studies. In response, the chapter offers a call for future empirical analyses and suggests five areas in which the role of solidarity might fruitfully be

explored, including topics such as the rise of outsourcing and the emergence of international institutions that regulate trade.

In Chapter 11, Barbara Czarniawska discusses the work of Gabriel Tarde—an intellectual rival of Émile Durkheim and, judging from many contemporaneous accounts, the more prominent of the pair. Translated into many languages and well known to earlier generations of scholars in social psychology and sociology of law, his work was forgotten by the early 1970s. However, there has recently been a resurgence of interest in Tarde's work: his ideas seem to fit our postmodern times. In Tarde's view, all human inventions arise in individual minds, and they are then imitated, binding individuals who imitate one another. Invention and imitation are thus the crucial movers of social life. Tarde used Leibniz's ideas to introduce a cosmology of monads equipped with desires and beliefs, which allowed him to explain individuality and sociality without invoking entities such as 'society'. He emphasized difference rather than identity and attributed a central role to the phenomenon of fashion and the processes of communication.

In Chapter 12, Alan Scott discusses the legacy of Georg Simmel. Despite the revival in Simmel's reputation in social theory, he does not enjoy the kind of influence on organization studies of his contemporary Max Weber. So far, Simmel's main presence has been via network sociology's analysis of brokerage and dyadic/triadic relations. Scott, however, argues that Simmel's central concern was freedom rather than advantage. He also argues that the anti-mechanistic and anti-rationalist principles underlying Simmel's social theory can be translated into a cultural approach to organization. The emphasis here is not on rational actions and plans, but upon how the basic principles that underlie a human community (e.g. an organization) unfold in ways that often subvert the actors' aims and, in the longer run, can undermine the community/organization. Scott shows how Simmel's analysis can help us understand why 'high commitment' organizations present a threat to the sociological conditions supporting a liberal society.

In Chapter 13, Rosabeth Moss Kanter and Rakesh Khurana extend the discussion of Simmel, arguing that Georg Simmel could provide more helpful guidance for understanding complex organizations in the new global information society of the future than better-known classic theorists who helped deconstruct the shift to an industrial era a century ago. The strength of Simmel's approach, the authors contend, is that it points to objective forms and structures that shape actions and outcomes independent of the particular personalities in a social situation, while also recognizing the subjective and emotional nature of social life. The size and complexity of social groupings make a meaningful difference in predictable and reliable ways. Kanter and Khurana examine the implications of size in creating differentiation inside organizations, and the implications for coordination, subordinate–superior relations, and solidarity. They argue, for example, that in large organizations, leadership can channel differentiation productively by



creating a broader context in which individual interests are directed in ways that lead to more scope for the development of individuality while accomplishing collectively meaningful goals. Finally, the authors highlight Simmel's prescient treatment of roles such as the 'stranger' and behaviors such as 'secrecy' and show how these concepts emerge as factors in the new twenty-first-century information society. At a time when sociology is grasping for concepts and constructs that help make sense of our post-industrial economy, Kanter and Khurana suggest that Simmel offers a fruitful starting point, in both method and concepts.

Chapter 14 by Markus Becker and Thorbjørn Knudsen discusses Schumpeter and in particular the relevance of his early work on entrepreneurship. Schumpeter offered three major ideas on this topic. First, he defined entrepreneurship as creating new combinations of productive factors. This idea not only captures product or process innovation but also the way inputs, products, processes, and market choices are combined to produce an overall system, often referred to as an industry architecture. Elaborating on the principles governing the (in)stability in industry architectures is a promising avenue for contemporary research. Second, he identified behavioral and cognitive characteristics that stimulate individuals to engage in entrepreneurship: these can be inborn or culturally transmitted. This suggests that an organization can adjust its overall capacity for entrepreneurship by its selection policies, its internal structural arrangements, its training and socialization efforts, and its incentives structure. Third, he considered how organizations can stimulate entrepreneurship by structuring the interaction of individuals who have different motivations and triggers for entrepreneurial behavior. Most notably, entrepreneurship can be stimulated by direct interaction among kindred people, as often happens in the R & D department, or by delegating decision rights to lower levels in the organization. In an era such as ours in which entrepreneurship figures so largely in the discourse on growth, Schumpeter's insights are precious indeed.

In Chapter 15, Ad van Ijzerson assesses the importance of Norbert Elias's theory of the civilizing process. Elias identified a long-term trend in West European societies towards a refinement of social behavior. In his magnum opus, *The Civilizing Process*, he analyzes the formation of the French absolutist state with its concomitant changes in social relations, conduct, and *habitus*. The key vector of change identified by Elias is the psychological internalization of the constraints that accompanied increasing social interdependence: a shift 'from external constraints to self-constraints'. When brought into the context of contemporary work organizations, Elias's approach is rich in implications for the behavioral and emotional aspects of trends towards empowerment, teleworking, the 24-hour working day, despecialization, and multitasking.

The second group of chapters shifts from a European to a North American frame. In Chapter 16, Gary Hamilton and Misha Petrovic discuss Thorstein Veblen. While Veblen is generally recognized today as a founder of and the main influence in

the Institutionalist school in American economics, and while his ideas continue to influence the fields of industrial organization and development studies, the reception of Veblen's work in mainstream economics has ranged from hostility to indifference. Hamilton and Petrovic claim that Veblen's work contains important elements for building an institutionalist, historically oriented theory of the contemporary global economy. They argue that Veblen's insights are even more relevant today than in his time, in particular as concerns: (1) the importance of analyzing firms as both producers of goods and services (industrial arts and craftsmanship) and market makers (business strategies and salesmanship), and the continuing organizational tension between these two types of activity; (2) the significance of consumer goods markets for driving contemporary capitalism, of the firms that make and organize those markets, and of the concomitant changes in consumption patterns; and (3) the need to revise economic and sociological theories of capitalism and business enterprise towards Veblen's developmental conception of cumulative causation, and away from approaches that rely on equilibrium or productionist assumptions.

In Chapter 17, Stella Nkomo argues while race has always been present in organizations, it has never been adequately theorized in organization studies. She reviews the classical works of W. E. B. Du Bois on race, mostly ignored by his contemporaries, to provide insights into the sociology of race that will assist organizational scholars in theorizing and interrogating race in organizations at a deeper level within the complex contours of today's global racial context. While rooted in the momentous changes taking place within the post-Civil War Reconstruction period in the United States, Du Bois's work evolved over several decades to illuminate race's inextricable relationship to the economic and social processes of global capitalism. Racially based social structures of inequality and exclusion persist today not only in the United States but globally—despite the sentiment that we are now in a post-race era. Nkomo demonstrates how Du Bois's conceptualization of race debunked essentialist approaches, instead stressing the importance of attending to the structural, political, and historical forces shaping any observed differences in the so-called races. The idea that race cannot be studied outside of the specific historical, geographical, economic, and cultural processes that constitute its meaning is a key idea in Du Bois's work. Nkomo offers an in-depth discussion of Du Boisian concepts and explores their implications for the study of race in organizations.

In Chapter 18, Andrew Abbott discusses the research on organizations conducted by early Chicago sociologists. He argues that these studies make a powerful case against seeing the social world as a world of organizations, and for instead seeing organizations as an epiphenomenon of underlying social processes. Historically, organizations themselves appear as objects of sociological analysis only in a world that assumes the centrality of large, stable bureaucratic structures—a period that Abbott suggests starts about 1925 but ends around 1975. Since then, we have returned to an organizational world of rapid changes in organization boundaries,

and these boundaries become increasingly blurred and ambiguous. Our world is now, as it was in the early years of the twentieth century, a world of processes rather than structures. The Chicago School studies of that earlier period provide a starting point for grappling with the nature of this world.

In Chapter 19, Arne Carlsen discusses the legacy of William James, arguing that James's work represents a resource for a radically novel understanding of identity dynamics in organizations. Organizational identity theory has been predominantly focused on what James called the 'self-as-object', and Carlsen suggests that there is much to be gained from following James in a shift towards the agentic 'self-as-subject' conceived as a collective authoring process situated in ongoing experience. Following James's path has the advantage of connecting identity to the dynamics of practice. Locating practice as the site for authoring of identity helps us to see not only the habitual dimension of identity but also the role of jolts in experience and novelty as seeds of human growth. A turn towards agency allows us to see the forward-looking motives at play in identity construction, motives that form the basis for people's engagement in social change.

In Chapter 20, Michael Cohen discusses the contribution of John Dewey and the importance of his emphasis on the human faculties of habit and emotion. These concerns contrast with the emphasis in recent decades on cognitive processes. In contemporary organizational research there has been an increasing interest in recurring action patterns, such as routines and practices. The conceptual difficulties this work has encountered are usefully illuminated by Dewey's view of the primacy of habit and its interplay with emotion and cognition. It has been all too easy for our theoretical discussions to fall into one or more of four traps: assuming that routines are rigid in their execution, that they are necessarily mundane in content, that they are typically isolated from thought and feeling, and/or that their underlying action patterns are explicitly stored somewhere. Dewey seems to have worked out in the early 1900s a philosophical position grounded in the primacy of learning and habit that (1) makes each one of these presumptions appear quite unnatural, and (2) suggests why we so frequently fall into them. In our own time many organizations find themselves centrally engaged with changing or improving systems of routine. Efforts to increase the agility of manufacturing processes or reduce the accidental death rate of hospital patients confront organizations squarely with the properties of routinized activity and the dynamics of routines that facilitate and resist change. A better understanding of routine—one grounded in Dewey's analysis of habit, emotion, and decision-making—improves our ability to make these vital changes.

In Chapter 21, Christopher Ansell discusses the work of Mary Parker Follett. An early twentieth-century management theorist, social worker, and political scientist, Follett's ideas about power and authority have been widely influential in organization studies. Yet despite her reputation as a 'prophetic' management theorist, the wider significance of her work is often underappreciated. This chapter argues

that one way to gain a greater appreciation for Follett's work and its contemporary significance is to analyze its ontological commitments. Ansell points out that Follett was perhaps the most philosophical of our classical organization theorists and she translated this *Weltanschauung* into a systemic approach to organization. Although strongly influenced by German and British idealism, Follett's most significant works sought to reconcile this idealism with American pragmatism. In fact, her work on organization, education, and democracy is often mentioned in conjunction with the work of her contemporary, the pragmatist philosopher John Dewey. Acknowledging the centrality of power and conflict in organizations, Follett used her idealist pragmatism to explore possibilities for fruitful social cooperation. The central concept of her work was integration, which she famously contrasted with compromise. Whether analyzing the conflict between management and labor or the power of a supervisor over a worker, Follett believed that fruitful social cooperation required a creative integration of different perspectives and interests. In exploring the implications of integration for conflict, control, coordination, communication, and command, Follett's idealist pragmatism created a systematic theoretical framework for understanding non-hierarchical organization—an ideal increasingly salient in the contemporary world.

In Chapter 22, Tim Hallett, David Shulman, and Gary Alan Fine examine classical symbolic interactionist thinkers and their relevance for contemporary organizational studies. They assess founding figures, such as George Herbert Mead, the mid-century contributions of Herbert Blumer and Everett Hughes, and conclude with the later contributions of Erving Goffman, Anselm Strauss, and Howard Becker. The interactionist credo emphasizes that organizations are comprised of people, and that their interpretations of work activities matter because people act and pursue organizational goals based on those interpretations. Hallett, Shulman, and Fine argue that the 'peopled' approach of classic interactionism provides an important contrast to the 'metaphysical pathos' that has plagued some strands of organizational studies. Instead of emphasizing disembodied forces, the authors use classic interactionist work to stress that organizations and institutions are inhabited by people doing things together, and these doings suffuse organizations with meaning and significance.

In Chapter 23, Andrew Van de Ven and Arik Lifschitz review the seminal work of John R. Commons, a founder of institutional economics and industrial relations. They identify four main features of his work of relevance to contemporary organization studies. First, Commons introduced a novel and pragmatic theory of institutional design and change that anticipated much later theorizations of the relationships between action and structure at both individual and collective levels. Second, he viewed institutional change as a social movement. His history of labor unionization and monopoly busting showed how institutional rules are created to address disputes and injustices among conflicting parties with unequal power and diverse interests. Third, Commons replaced natural selection with artificial,

purposeful selection, providing us with a powerful reason why we should turn contemporary organizational ecology theory on its head. Finally, Commons introduced the collective standard of prudent reasonable behavior, which is a major alternative theory of valuation to those based on individual rational self-interests and random environmental events. Commons emphasized that solutions to conflicts among parties cannot be based on individual standards of rational self-interest, for that would produce unjust solutions favoring the more powerful parties.

In Chapter 24, Elisabeth Clemens discusses an interesting anomaly: the absence of a classic response to the emergence of the large corporation. The rise of the large corporation fundamentally challenged the foundations of liberalism, with its commitment to a world of rights-bearing individuals embedded in a market society of small enterprises. Yet, despite this opportunity to address a major social change, some of the most important works of political economy of this period—notably Karl Polanyi's *The Great Transformation* and Friedrich Hayek's *The Road to Serfdom*—did not see the corporation. Other legal theorists and commentators did recognize the novelty of the large firm, but then sought to reassure readers that these potentially threatening developments would be counterbalanced by the moral qualities of business leaders, the decentralization of power within the firm, and the application of due process to employment relationships. Thus, the tension between the modern corporation and a political theory premised on the rights of natural individuals was not fully explored. The problem of the large organization and liberalism was left as a classic waiting to happen.

In Chapter 25, Micheal Reed discusses post-World War II bureaucratic theory as developed by Selznick, Gouldner, Blau, and Crozier. Reed revisits these modern classics in order to rediscover the strategic sociological, political, and ethical issues that framed the socio-historical context in which they emerged. He identifies the cycle of 'imaginative reformulations' that these modern classics have undergone over recent decades. His main thesis is that these works still inspire new insights into recurring themes or dilemmas such as agency/structure, power/control, and statics/dynamics. He also identifies the theme of changing and contested forms of organizational governance and control as an issue that would come to dominate public, as well as academic, debate in late twentieth- and early twenty-first-century advanced capitalist societies.

In Chapter 26, Heather Haveman offers a second perspective on post-World War II bureaucratic theory, focusing on Robert Merton and his two students, Alvin Gouldner and Peter Blau. The work of Merton and his students was rooted in Weberian ideas about bureaucracy but moved in directions that Weber might not have expected. Rather than focusing on the technical rationality inherent in bureaucracy as celebrated by Weber, these researchers studied the unanticipated consequences of organizational design; in particular, the dysfunctions of bureaucracy that arise from goal displacement. They highlighted conflicts that ensued both within organizations and between organizations and their surroundings. They saw

organizations as the crucible of institutionalization: organizations became valued in and of themselves, far beyond the technical merits of the things they do. A close reading of three pieces in this tradition—Merton’s essay on bureaucratic dysfunctions, Gouldner’s *Patterns of Industrial Bureaucracy*, and Blau’s *Dynamics of Bureaucracy*—reveals many insights that can benefit organizational scholars today, notably the reminder that although organizations may be designed as tools, they inevitably take on lives of their own.

In Chapter 27, Charles Heckscher argues that Talcott Parsons’s action paradigm remains the most successful analytic framework for understanding fundamental sociological concepts of trust and commitment within a voluntarist perspective. Parsons specifies the various orientations that are needed to sustain successful social systems, especially ones that are highly complex and differentiated and allow individual choice. The chapter tries to show the continuing utility of the model by applying it to the development of complex relations of influence in knowledge-based business firms, which have increasingly moved beyond bureaucratic orientations describe by Weber to more complex collaborative norms. A central example is the problem of articulation of teams based on collegial influence with the hierarchical structures of power. The Parsonian framework enables us to identify systematically a series of problems posed by this development and to understand some of the constraints that shape potential solutions.

In their Afterword, Gerald Davis and Mayer Zald—taking their cue from Stinchcombe’s piece on the functions of classics in sociology—comment on the functions of a book *about* the classics of sociology and what scholars can hope to take away from this volume. The canon of ‘classics’ is contested terrain in sociology and other disciplines, with certain authors (e.g. Marx, Parsons) being included or excluded according to the intellectual, social, and political environment and the approved forms of rhetoric holding sway at the time. For example, Tarde disappeared for many years then reappeared with shifts in interests and tastes; Simmel found a rebirth thanks to the prevalence of network analysis. Davis and Zald further argue that the classics considered in this volume offer particular relevance to contemporary scholars seeking guidance on how to theorize large-scale economic transformation. Many of the authors considered here grappled with the birth of a ‘society of organizations’ and thus can help our own efforts to understand new forms of globalized post-industrial capitalism.

## WHY THESE CLASSICS?

Our selection of classics has been guided above all by the contributors’ sense of whom our field might learn most from today. However, as Davis and Zald remind

us, any selection of a group of writers as 'classics' is a gesture fraught with symbolic and political weight. Readers of this volume may contest the inclusion of some writers whose contributions to the future of the field seem too slight and whose presence perhaps reflects idiosyncratic, personal, or passing enthusiasms. Conversely, there are no doubt writers of great value whom we have excluded. There are clearly writers—Smith, Spencer, Sorokin, and Schutz, just to focus on four alphabetically related names—who warrant attention but who are not discussed here for merely practical reasons. The small number of women and non-European/American writers reflects in part their exclusion from the field in the past but perhaps also reflects prejudices that still mask their potential contribution. Given these risks, we hesitated to use the term 'classics' in the title of the volume: our intention is not to create a canon, merely to prompt new readings.

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## CHAPTER 2

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# THE VALUE OF THE CLASSICS

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PATRICIA H. THORNTON

A recent review of organizations research submitted for publication reveals an apparent trend towards problem-driven, rather than theory-driven papers. In a sample of eighty-nine papers published in *Administrative Science Quarterly*, Davis and Marquis (2005) report that a mere 11 percent conformed to a theory-testing model in which the research question stemmed from a theory's logic. Davis and Marquis's findings raise the question of whether organizational researchers will continue to develop theory at the rapid rate they did, for example, in the late 1970s and early 1980s. Why should we care—after all, what is wrong with good problem-focused research? One view is that problem-focused research is unlikely to accumulate knowledge (Berger 1993). Without development and testing of theory, scientific progress is at risk of languishing (Kuhn 1962; Stinchcombe 1982).

Exemplary research begins by identifying an empirical observation and examining extant theories that might best explain the empirical observation. It is possible that there is no extant explanation or theory and so such empirical observations are seeds for the development of new theory. Davis and Marquis (2005) suggest that exemplary research should focus on mechanisms, that is the 'cogs and gears or the agency by which an effect is produced'. Their suggestion bears some similarity to Merton's ([1949] 1968) classic statements that eschewed grand or universal theorizing and instead suggested a focus on developing theories of the middle range to advance social science.

In this chapter, I suggest that whatever form new theorizing will take, a good way to conduct such research and for organization and management studies to remain

a vital segment of the social sciences is to examine and consider building on the foundations of the classics. To support this argument, I sketch three mini-cases to illustrate how the classics have been used to develop cumulative research programs (Berger 1993).

The cases represent a select sample of publications. The sample highlights both empirical and theoretical research articles, including Tushman and Anderson's (1986) transposition of Schumpeter to frame how technology innovation changes market structure, Podolny's (1993) integration of Merton (1968) and Simmel (1950) to understand how the status order of firms in a market affects their behavior, and Friedland and Alford's (1991) and Thornton and Ocasio's (1999) explication of Weber to outline how institutional logics shape behavior. These articles have been selected because they have won awards, are widely cited, and are published in highly rated scholarly journals. I develop a line of reasoning about how these exemplary articles and their descendants relied on the classics to develop compelling arguments. This reliance can be usefully understood using Stinchcombe's (1982) classification of the six functions of the classics: touchstones, developmental tasks, intellectual small coinage, fundamental ideas, routine science, and rituals.

## 2.1. STINCHCOMBE'S FUNCTIONS OF THE CLASSICS

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Stinchcombe (1982: 2) argues that the classics serve six distinct functions. First, the classics are 'touchstones', meaning that they serve as exemplars of good work. They are 'beautiful and possible' approaches to conducting one's scientific work and represent concrete examples of what good work should look like in order to make a contribution to the discipline.

A second function of the classics is to provide 'developmental tasks'. Stinchcombe associates the classics with knowledge making. He says that the classics prompt graduate students to elevate their thinking beyond a descriptive textbook understanding of their fields. This could lead students to ground-breaking, yet continuous pathways for original research. For example, Barley and Kunda's (1992) historical description and explanation of the eras of managerial discourse that cycle between normative and rational ideologies is based on the thinking of the classic scholars who, in describing the problem of industrialization, juxtaposed two contrasting paradigms of social order. These paradigms are given different names by different scholars: Weber wrote of *communal* and *associative*. Durkheim contrasted *mechanistic* and *organic* solidarity. Tonnies spoke of *Gemeinschaft* and *Gesellschaft*. In addition to these theoretical constructs for the contrasting waves of management

discourse, Barley and Kunda drew on economic long-wave theorists to explain the factors that cause one era to rise and another to decline in the historical cycle of cultural antinomies. To make sense of their data without these classics, Barley and Kunda would have only a historical description of managerial discourse. They needed an overarching set of concepts and an explanation for change. Otherwise, 'the odds of publishing a paper in a highly visible journal were low, and why bother if you aren't going to be read?' (Barley 2004: 74).

Third, in referring to citations to the classics as 'intellectual small coinage', Stinchcombe (1982) illustrates how the classics are shorthand communication of the theoretical lens and method of analysis that readers can anticipate. The classics, therefore, signal a collection of beliefs and agreements shared by social scientists on how problems are to be understood and empirical facts gathered and interpreted. They are a cognitive heuristic that helps to establish theoretical order and allows the reader to easily take away a memorable gestalt—they facilitate the organization of a large number of facts and empirical findings that otherwise would be lost. This also implies that the choice of a classic selected by researchers may influence what they are likely to see as salient and how they are likely to interpret empirical phenomena (Martin 1992). That is, the same data and questions can produce different answers if different classics provide the 'intellectual small coinage' for the analysis. In my own research, I have experimented with this idea by holding constant the same data set and variables of interest, but varying the clocks in event history models from organizational age to historical time and find different results. Why would this be the case? One explanation is that my experiments emphasize different theoretical lenses and methods and levels of analysis—population ecology and institutional theories.

Alexander (1989) makes a similar argument to Stinchcombe's idea of intellectual small coinage when referring to the classics as providing a common culture of discourse or point of reference for scholars—a function that is particularly important in social science because of the level of disagreement and problems of mutual misunderstanding. Alexander (1989: 27–8) notes that classics reduce complexity by allowing a very small number of works to symbolize or 'represent a stereotyping or standardizing process. . . . It is for this reason that if we wish to make a critical analysis of capitalism we will more than likely draw on Marx's work'.

Fourth, the classics are sources of 'fundamental ideas'—in Stinchcombe's vernacular classics are the trunks of the trees of knowledge, not the branches and twigs. His point is that if one spends his or her research hours modifying the trunk rather than pruning the twigs then one in all likelihood will make a significant contribution to knowledge accumulation. In this sense, the trunks, that is the classics, are rich in fundamental concepts that can lead to the creation of new ideas (Merton 1965). For example, Ocasio (1994) makes sense of the mechanical 'cogs and gears' of his empirical findings by using Pareto's (1968) and Michels's (1962) classic theories of the circulation of elites to frame and understand the dynamics of positional

power in US industrial corporations in his analysis of CEO succession. In this case, note that Ocasio has command of technology and hence methodology that did not exist in the time of Pareto and Michels. Moreover, Ocasio extends the fundamental ideas of these classics by transposing them into a different institutional context to challenge and legitimate an alternative to the prevailing dominant view of power entrenchment (Pfeffer and Salancik 1978). Not only does this make his findings memorable by association with familiar ideas, but it also creatively reconnects and extends the analysis of those ideas in light of current issues of interest to contemporary scholarly communities.

Fifth, the classics also serve a 'routine science' function, meaning that they provide puzzles with import for a number of different situations and applications, thus motivating continuous scientific work. Homans's 1964 address to the American Sociological Association—published as an essay in the *American Sociological Review*, 'Bringing Men Back In'—is exemplary of a classic that has multiplied routine social science. The address was originally written as a critique of the structural-functional school's reign in sociology because the school never produced a theory (explanation) due to its focus on the 'role' (structure) and not the acting individual (agency). Note how Homans identified his argument with the more general and abstract issue of agency and structure in sociological theory giving his address scope, extra import, and a life of its own (Selznick 1957).

Homans's essay continues to engender lively debate and has been artfully used by researchers to take stands and call attention to wayward directions in the growth of research in various subfields: 'Bringing the Firms Back In' in which Baron and Bielby (1980) argue that stratification and inequality research should include how organizations structure work as distinct from prior studies on the structural effects on individual attainment or covariation among industrial/occupational characteristics; 'Bringing the State Back In', in which Skocpol (1985) argues for analytic strategies that view the state as an actor or an institution in the study of a range of topics; 'Bringing Society Back In', in which Friedland and Alford (1991) argue for a way to bring the content of societal institutions into individuals' and organizations' behavior; 'Bringing Entrepreneurship Back In', in which Thornton (1999) argues for the return of the study of entrepreneurship into sociology and organization theory; and 'Bringing the Workers Back In', in which Barley and Kunda (1992) argue that organization theory's effort to make sense of post-bureaucratic organizing is hampered by a dearth of studies of work. Moreover, note Homans's alignment with the more general argument on agency and structure, which continues in contemporary literature such as Sewell's (1992) theory of structure and agency, Emirbayer and Mische's (1998) definitions of agency, Seo and Creed's (2002) analysis of embedded agency in institutional theory, and Thornton's (2004) partitioning of individual from structural effects.

Last, classics serve a 'ritual function' in the sense that they bind together groups of researchers, telling them that they have a common scholarly identity. For example,

have you heard a scholar referred to as an institutional theorist, a Marxist, or a conflict theorist? These labels automatically imply an alignment with classic roots, for example Weber, Marx, and Coser, respectively.

## 2.2. THREE EXAMPLES OF CLASSICS-INSPIRED RESEARCH STREAMS

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This section outlines three mini-cases of different lines of research that are inspired by the classic scholars Schumpeter, Weber, Merton, and Simmel. The work of these scholars is central in defining the metatheory<sup>1</sup> and community of the scholars working in these three streams. First, I will introduce a classic scholar's work. I will then show how this work inspired the researchers to use it as a basis to examine contemporary problems and to theoretically frame their empirical observations. Note that these examples include work that illustrates theory development and testing as well as qualitative and quantitative methodologies. Table 2.1 summarizes the comparative genealogy and succession of fundamental ideas that stemmed from these classic scholars and resulted in memorable ideas with traction in the literature.

### 2.2.1. Schumpeter and Destructive Technologies

Schumpeter in his classic 1942 book, *Capitalism, Socialism, and Democracy*, theorized capitalism as an agent and a form of economic change by introducing two central ideas. The first concept distinguished inventions from entrepreneurs' innovations. The entrepreneur drives economic change by innovating, not just by developing inventions. More importantly, the entrepreneur creates new consumers, new goods, new methods of production or transportation, new markets, and new forms of industrial organization. The second insight is that the entrepreneur's innovations lead to gales of 'creative destruction' that cause old inventories, ideas, technologies, skills, and equipment to become obsolete. These insights in a sense were a defense of capitalism because it sparked entrepreneurship—they departed from conventional thinking that the prime movers of the economy were changes in the social and natural environment such as general competition, industrial change, even wars and revolutions.

<sup>1</sup> Metatheory is a set of interlocking rules, principles, or narratives that describe and prescribe what is acceptable and unacceptable as theory; it is the means of conceptual exploration in a scientific discipline (Overton 1998).

Table 2.1. Examples of research streams

Classic theorist	Merton and Simmel	Weber	Schumpeter
Contemporary theorist	Podolny 1993	Friedland and Alford 1991 Haveman and Rao 1997 Thornton and Ocasio 1999	Tushman and Anderson 1986
Theoretical construct/ mechanism	Status-based markets	Institutional logics	Competence-enhancing and competence-destroying technology Disruptive technology
Sub-field/paradigm	Network theory	Institutional/organization theories	Entrepreneurship/strategy
Researchers	Stuart, Hoang, and Hybels 1999	For summary, see Thornton and Ocasio 2008	Christensen 1997
Application	Effects of status on market processes in investment banking, venture capital investment, and IPO underwriting	Effects of institutional logics on selection and organizational behavior	Effects of technology on firm strategy and market structure

At the same time, Schumpeter's ideas were not simply about start-ups. He appreciated that large firms might have a competitive advantage in developing new types of organization, such as a large-scale unit of control. In citing the Aluminum Company of America, he defended the power of large firms to innovate in order to create and retain monopoly in light of the ever-present discipline that the threat of innovation provides in the market, making his ideas relevant to the study of both entrepreneurship and intrapreneurship.

The competition that was important was not the mainstream notion of perfect price competition and static supply and demand models—Schumpeter argued these were not an accurate depiction of the real world of business—but instead the competition that the new technology, the new type of organization, or the new supply line created in the old system. Schumpeter thought that competition aimed at the outputs and profits of existing firms had little relevance; instead what is important is the competition that rocks their very foundations and livelihoods. For Schumpeter, capitalism is not a governance system for administering economic and social structures. Instead, capitalism creates a process of industrial mutation in which it destroys old and creates new structures, resulting in continuous progress and improved standards of living for everyone. Schumpeter's powerful theoretical construct of creative destruction explained the dynamics of industrial change—the evolution from a competitive to a monopolistic market and back again.

The power of Schumpeter's construct, creative destruction, has been significant in guiding subsequent research on entrepreneurship, organizational behavior, and market structure in a number of theoretical and applied subfields. Many scholars who have picked up on Schumpeter's ideas are from Harvard University, where, no doubt, Schumpeter left his imprint. I will only outline several benchmarks that are noteworthy in the development of these research streams. In 1986 Mike Tushman and Phil Anderson, building on Abernathy and Clark (1985) and Schumpeter's insights on creative destruction, published a still-influential article comparing the effects of competence-enhancing and competence-destroying innovations in three industries: cement, airlines, and minicomputer manufacturing. Through their historical longitudinal studies, they showed the effects of new technologies on a firm's performance and on a firm's market environment.

Their data suggest that the gradual pace of technological evolution is interrupted by innovations. These innovations cause a discontinuity that increases uncertainty and munificence. The discontinuity can be competence-destroying or competence-enhancing, meaning that the product class is either opened up or consolidated, respectively.

A key insight in this article lies in identifying two distinct types of innovation, those that enhance firm competence and those that destroy firm competence. The former gives the advantage to incumbent firms, and the latter is akin to Schumpeter's notion of creative destruction in which incumbent firms lose position in a market because of the innovation of entrepreneurs and entrepreneurial firms

that are typically outsiders. These two types of innovations also have consequences for changing market structure. Competence-enhancing innovation increases entry barriers and decreases market or industry munificence, whereas competence-destroying innovation lowers entry barriers and increases munificence.

In 1992, the idea of creative destruction motivated Philippe Aghion and Peter Howitt to translate Schumpeter's construct into formal mathematical terms in an article, 'A Model of Growth through Creative Destruction'. In 1995, Richard Nolan and David C. Croson published a book entitled *Creative Destruction: A Six Stage Process for Transforming the Organization*. Borrowing Schumpeter's arguments on creative destruction and the role of large firms in innovation, they argued that corporations should downsize to free up slack resources for innovation to create competitive advantage.

Starting from a teaching case (Bower and Christensen 1995), in 1997, Clayton Christensen produced a best-selling book, *The Innovator's Dilemma*, that built on Schumpeter by coining the term 'disruptive technology', which circulated so fast that one year after publication of the book, practitioners had adopted the term in their common language—sadly, to the point of not knowing its origins. In his sequel in 2003, *The Innovator's Solution*, he replaced the term 'disruptive technology' with the term 'disruptive innovation'. A disruptive technology or innovation is a technological innovation, product, or service that eventually overturns the existing dominant technology in the market. With the replacement, he apparently realized that few technologies are intrinsically disruptive or sustaining in character. Instead, it is the business model or strategy enabled by the technology that creates the disruptive result. This interpretation is consistent with Schumpeter's distinction between invention and innovation and included as the important innovation—the art and science of the business model, i.e. the new method of organization. While advancing Schumpeter's ideas by linking them to firm strategy, such as stratifying the market into lower and upper ends, product improvements may exceed the rate at which customers can adopt new performance. Therefore, staying too close to the customer can prevent the firm from seeing disruptive technologies on the horizon and positioning the firm in the value chain where performance is not yet good enough will capture the profit because disruption steals markets and commoditization steals profits. Christensen further develops the two central ideas apparently first expressed, though not explicitly cited from Tushman and Anderson (1986). That is, Christensen's disruptive and sustaining technologies seem to pair with competence-destroying and competence-enhancing technologies.

Searches on the web and of the popular press literature appear to indicate that the term 'disruptive innovations' has migrated into the common vernacular. Some would argue that this is a sign of success of this research stream, as it indicates no disciplinary boundaries and barriers in its 'small coinage'. However, while anyone with a cursory knowledge of Schumpeter's ideas would recognize they are indeed the wellspring of the fundamental ideas in this contemporary stream of research



and teaching materials, the origins of Christensen's central idea is arguably not as explicitly linked back to Schumpeter as might have been most intellectually fruitful.

This raises the question of whether this seeming break in the idea chain may point to a routine science problem (Stinchcombe 1982). As lively debate among participants in our conference indicated, some in the field of organizations studies view this line of work as more descriptive of 'retrospective sense making', than of contributing to theory building with predictive power for organization and market behavior. Perhaps one way to think about this is to return to Stinchcombe's (1982) imagery of the value of focusing on the trunk of the tree of knowledge rather than on the branches and the twigs. Is there a lesson here? That is, linking back to Schumpeter's theory of 'creative destruction' is more likely to direct the researcher to expect to find an underlying universal pattern of how entrepreneurs and entrepreneurial firms use innovations to punctuate, create, or maintain their positions with the twist that powerful incumbents cannot necessarily sustain their positions in the market or market equilibriums. By pattern I mean a general theoretical model, an underlying functional form that can be expressed in mathematical terms like a statistical distribution. Stinchcombe's analysis of the classics would lead us to argue that greater focus on the fundamental idea or the trunk of the tree would make this literature considerably richer to academics and practitioners alike, allowing the ability of firms to recognize and exploit future states of technology change—competence-enhancing and competence-destroying influences in markets and hierarchies. Interestingly, it is this fundamental idea of cycles or 'gales' that has won the attention of policy makers with consequences for corporate governance and other resource environments relevant for new ventures.

Overall, my point in this discussion is to illustrate the growth of organization and management theory that stems from Schumpeter—his fundamental ideas generated many theoretical constructs resulting in a cumulative stream of research that addresses real-world problems.

### **2.2.2. Weber, the Carnegie School, and Institutional Logics**

Weber's ([1904] 2002) classic treatise on the *Protestant Ethic and the Spirit of Capitalism* explained how culture legitimated individualism and capitalistic behavior. By examining the links between the transformation of Protestantism and the origin of Western capitalism, Weber used religion to operationalize cultural differences and to compare, for example, how different institutional-cultural contexts determine who is likely to become an entrepreneur and which nation-state economies are more or less likely to progress. This is a general argument; clearly in particular and historical contexts there are other ways to operationalize culture in today's societies. Subsequently, in the late 1950s and early 1960s, Weber's metatheory inspired formal testing of his ideas, most notably by psychologists at Harvard (McClelland 1961).

In these classic studies, at the macro level, McClelland (1961) found significant differences in economic development between Catholic and Protestant countries; at the micro level, colleagues (Winterbottom 1958) found significant differences in parenting practices between Catholic and Protestant families and associated these differences with higher levels of achievement and independence in Protestant compared to Catholic children. Since then, other scholars—for example, Collins (1997)—have applied a neo-Weberian model in understanding the Asian route to capitalism. These ideas are far from dead; they are now being picked up by economists to enrich human capital theory (Becker and Woessmann 2007). Moreover, Weber's (1904) ideas continue to be vigorously explored after the one-hundredth anniversary of his classic thesis.

Just as Weber ([1922] 1978) used bureaucracy, political communities, and family systems as institutional contexts for his insights in the seminal volumes *Economy and Society*, Friedland and Alford (1991) in their critique of transaction cost, rational choice, and network theories argued that it is impossible for these theories to predict the behavior of individuals and organizations without knowing the particular institutional context in which the behavior is situated.

Thornton and Ocasio (1999) were inspired by Weber's ([1922] 1978) insights on legitimacy and his historically comparative methods and institutionally situated ideal types—control by individual charisma, by tradition, and by legal bureaucracy. They were also inspired by how Weber had comparatively defined cultural context within one institutional sector, religion, with his comparison of Protestantism and Catholicism. However, in searching for a more complex way to contextualize and analyze institutional comparisons, they were intrigued by Friedland and Alford's (1991) notion of situated behavior in an inter-institutional system, for example, religion, family, state, and the market. Thornton and Ocasio also sought the 'cogs and gears' that would explain agency in these different institutional contexts by drawing on ideas about decision making from the Carnegie School (March and Simon 1958) that identified the mechanisms of bounded rationality. With this synthesis from the classics, Thornton and Ocasio (1999: 804–5) extended the institutional contextual arguments of Weber (1904) and Friedland and Alford (1991) with a longitudinal quantitative study showing that institutional change alters the determinants and consequences of power and control in organizations. They compared the influences of family, professions, and market institutional logics, which they labeled the editorial and market logics, on executive succession in the higher education publishing industry. This approach took Weber's views on culture and legitimacy and linked them to a new way to define cultural content by explicating and operationalizing Friedland and Alford's inter-institutional system of societal sectors.

Without the metatheory and comparable methods of analysis stemming from Weber, which led to the explication of ideal-type institutional logics—the family, corporation, professions, market, state, and religions—the Thornton and Ocasio

(1999) article would have been just a description of change in power in corporations. They would not, for example, have known to explore with statistical modeling, sensitivity analyses, and qualitative methods how institutional change affected the meaning of a change in power. Moreover, they needed a theoretical mechanism—in Davis and Marquis's parlance, the 'cogs and gears'—to explain how the influences of culture at the industry level affected individual and organizational behavior. Taking earlier work by Ocasio (1997) on attention that built on the foundations of the Carnegie School (March and Simon 1958) gave them the theoretical mechanism to link these micro and macro influences. In subsequent analyses to the original paper, Thornton (2004) further developed the mechanisms linking the industry and societal sector levels of analysis in a variety of decisions contexts, finding in particular that the individual-level effects were more resistant to historical and institutional change than the organization-level effects. While to some researchers, the Weberian roots are clear, they are not directly stated in Friedland and Alford's (1991) ideas. In my view this would have lent strength and emphasis to their arguments on an inter-institutional system as a metatheory of how societal culture legitimates individual and organization behavior. To carry this point further, one could argue that had the link to Weber been explicit in Friedland and Alford's discussion of the inter-institutional system a solution to the puzzle of embedded agency would have been clearer in the 1991 article. However, it evidently was not clear as is evidenced by the number of articles since that time, which have attempted to resolve this puzzle (Thornton and Ocasio 2008). The citations to Weber's foundational ideas are explicit in subsequent work (see e.g. Thornton 2004: table 3.1, which is derived from Weber's *Economy and Society*).

### 2.2.3. Merton and Status-Based Markets

Merton (1968), in interviewing Nobel laureates, argued that the world rewards the already esteemed, observing that famous scientists receive disproportionately greater credit for their contributions to science and relatively unknown scientists receive disproportionately little credit for equal contributions. Merton identifies this misallocation of credit for scientific work by coining the term 'the Matthew effect'—taking his inspiration from a passage from the Gospel of St Matthew. 'For unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath.' Merton (1968) derives from this passage an understanding of how the reward system works for individuals' careers as well as for the implications for the communication system in science: for example, he generates the hypothesis that a scientific contribution will have greater visibility in the community of scientists when it is introduced by a scientist of higher status rather than by one of lower rank.

Taking Merton's fundamental ideas on the Matthew effect and status enhancement and suppression effects in the behavior and communication patterns of

scientists and Simmel's (1950) insight that rewards are largely a function of position, Podolny (1993) extends the scope of these fundamental ideas by applying a variant of the distinction between actor and position to market producers. He examines how a producer's position in the market affects the relative opportunities open to the producer in comparison to those available to its competitors. Applying these insights to the contemporary puzzle of pricing dynamics in the primary securities markets, he shows that on average, the higher status banks underbid lower status banks for a given deal in the investment-grade markets. However, for the larger offerings, the latter must underbid the former, and they must do so from a relatively disadvantageous cost structure. As Podolny (1993: 865) notes, 'the result is significant because it illustrates the fact that for the larger, more difficult issues, status is relevant not only to the investor and potential syndicate members but to the issuer's decision as well', teasing out when positive rents derive from status versus cost advantages. In building on these classics, Podolny (1993) explains the mechanisms through which the market is shaped by non-economic factors, shedding light on several economic puzzles: for example, why higher status firms do not dominate the market and why higher status firms pay less for the goods, services, and human and financial capital, and achieve higher profits. These puzzles stemming from Podolny's development of fundamental ideas from the classics created follow-on research in a variety of different contexts—what Stinchcombe (1982) referred to as creating routine science.

Let me give two more examples to illustrate this routine science function—new theoretical variants and substantive applications stemming from Podolny's ideas of how status processes lead to nuanced understandings of market competition. Stuart, Hoang, and Hybels (1999), in investigating how start-up companies' inter-organizational networks affect their ability to acquire the resources necessary for survival and growth, found that, in the venture-capital market, biotechnology firms with higher status equity investors and underwriters had a higher rate of initial public offering (IPO) and a higher market capitalization at IPO than did firms with lower status interorganizational relationships. They found that higher status venture-capital firms maintained close relationships with leading investment banks. Thus, start-ups funded by leading venture-capital firms tended to secure prestigious investment banks to syndicate their IPOs. There is a status spillover effect; higher status interorganizational relationships attract other prestigious relations. The status of interorganizational relationships provides investors with attributions of quality when, in the start-up and risk capital venue, quality is quite uncertain.

Rather than focusing on firm performance at exit from venture-capital portfolios, in another example, Shane and Cable (2002) extend the theory of status-based markets to again uncertain and imperfect market conditions in examining the chances of entrepreneurs receiving seed financing. Their findings suggested that the reason network relationships are important in entrepreneurs' garnering resources is that they are primarily mechanisms for information transfer. Most funded business proposals come by referral because the referral provides information in an

imperfect market. However, once information is publicly available about the quality and reputation of entrepreneurs, high reputation or status of the entrepreneur is the primary driver through which seed financing is received.

## 2.3. DISCUSSION AND CONCLUSION

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In this chapter, I have argued there is great value in reflecting on how to use the classics in the development of organization studies and more generally social science research. Applying the functions of the classics specified by Stinchcombe (1982), I have illustrated in three mini-cases how the theoretical constructs of disruptive technologies, institutional logics, and status-based markets—theoretical constructs that are the wellspring for vibrant research and teaching communities—are descendants of the fundamental ideas of the classics. Moreover, while these examples are only outlines of streams of research, they suggest that by connecting to the classics to study contemporary research problems researchers can more systematically accumulate knowledge (Berger 1993).

In returning to the question presented in the introduction about problem-driven research, the mini-cases lead me to suggest that a solution to problem-driven research without the use and development of some form of theory will not be as effective in advancing the discipline of sociology and one of its larger sub-disciplines, organization studies. I have presented examples of researchers who have developed compelling arguments in studying real problems with an understanding of their empirical observations through the guidance of the classics and theory.

The classic scholars were different from contemporary scholars. Because classic scholars were not held to the incentives attached to quantitative research so admired in the American university system, they had greater opportunity to be clairvoyant and visionary in their thinking compared to today's scholars. The work of the classic scholars resulted in fundamental ideas and predictions of a future world that often did not exist in their time. Consider, for example, how Schumpeter's work is now most relevant to our entrepreneurial start-up economy of today when in 1942 the institutional infrastructure for such to happen was a good fifty years away. This point has implications for questions of the relevancy of organization theory or any school of thought.

The sea change that occurred in organization theory in the late 1970s and early 1980s to lift it from the grasp of contingency theory, the dominant paradigm, was based on at least two phenomena. First, the world had changed and the problems facing organizations and more generally management and society at large could not

be explained by contingency theory. Second, contingency theory had become such an unruly collection of empirical and problem-driven findings that it challenged one's capacity to make overall sense out of it. It became unclear how the findings were in an integrative sense related to theoretical mechanisms and therefore explanations. In the end, contingency theory lacked an essential feature of stickiness: many of the findings could not be explained by a theory. There may be some parallel now with the current state of organization theory and organization studies in that there is a socio-economic sea change in many institutional sectors around the world. Perhaps this signals a good time for organizational scholars to weed the garden and plant new seeds; I have given examples to illustrate that looking to the classics can help grow this endeavor.

I have argued that we need to invest in theory-building research and the classics can point to pathways in this endeavor. In returning to the question of whether theory development has slowed or become irrelevant since the late 1970s and early 1980s—note that the three mini-cases presented the spinning of new theory from the classics in the late 1980s to present.

When Schumpeter wrote in 1942 as a lone voice about the gales of creative destruction in a world of large American corporations, it fell on deaf ears. It is only now, with our vibrant start-up community spreading worldwide, that his metatheory is the current buzz in Washington, DC; the classic theoretical construct, creative destruction, now echoes throughout the hallways from Federal Reserve chief to the antitrust attorneys in the Department of Justice (Rose 2002). Without the classics, one could argue we would not have the theoretical constructs—destructive technologies, institutional logics, and status-based markets. These constructs are the basis of cumulative research programs currently being translated into vibrant theory, practitioner knowledge, and public policy. In general, I am loath to study what we study. However, in writing this essay, it now seems prudent to turn attention to the classics to inspire investigative action that focuses on both theory and empirical observation and progresses to testing those relationships predicted by theory. Otherwise our research communities may risk impoverishment with problem-focused research.

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PART II

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EUROPEAN  
PERSPECTIVES

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## CHAPTER 3

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# TOCQUEVILLE AS A PIONEER IN ORGANIZATION THEORY

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RICHARD SWEDBERG

If you consult the standard histories of organization theory, there is no discussion or even a mention of the work of Tocqueville (e.g. Pfeffer 1981; Perrow 1986; Scott 1992; Aldrich 1999; Aldrich and Ruef 2006). A quick look through the major journals confirms the impression that Tocqueville is not seen as having any particular relevance for the field of organization.<sup>1</sup> This is somewhat intriguing, since the rest of the social sciences, including sociology (with close links to organization theory), for a long time have acknowledged the stature of Tocqueville and granted him the status of a classic. They have done so, to a large extent, precisely on the basis of what he has written about organizations and administrative matters.

That this is the case in political science can be illustrated with *Making Democracy Work*, in which Robert Putnam states, a propos his thesis that voluntary

<sup>1</sup> A search of the major organization journals, with the help of JSTOR, shows this. A search on 'Tocqueville' in 'title', 'abstract', and 'full-text' gives zero, zero, and eleven hits for *ASQ* (1956–2003), the *Academy of Management Journal* (1963–2001), and the *Academy of Management Review* (1976–2001). For the ups and downs of references to the work of Max Weber in organization studies, see Lounsbury and Carberry (2005). For early references to Tocqueville in organization theory, see the work of Michel Crozier (Mélonio 1998: 201); for more recent references, see e.g. Courpasson and Clegg 2006; Vasi and Strang 2007.

organizations are important for democracy, that ‘the most relevant social theorist here remains Alexis de Tocqueville’ (Putnam 1993: 89). In sociology it was Raymond Aron, more than anyone else, who launched Tocqueville as a classic. This was done in a famous lecture series at the Sorbonne in the 1960s that later became an often-cited book, *Main Currents in Sociological Thought* (Aron 1968).

Putnam focused on Tocqueville’s analysis of voluntary organizations and Aron on his comparative study of government and administration. Both of these are topics that fit straight into organization theory, even if Putnam and Aron looked to Tocqueville for different things. In Putnam’s case, it was democracy, the civil sphere, and social capital, while for Aron it was the government–citizen relationship more generally. When contemporary sociologists have referred to Tocqueville, it may be added, it has often been in similar contexts (e.g. Skocpol 1997; Alexander 2006).

The task to establish Tocqueville’s contribution to organization theory still remains, in other words. It is not a particularly difficult task, since *Democracy in America* contains a number of pages on organizations, whose originality and importance have been understood for quite some time. The same can be said of the analysis of administration in *The Old Regime and the Revolution* (even if this work is less known in the United States than *Democracy in America*).

That Tocqueville wrote so much about topics that are central to organization theory is perhaps not so peculiar, since he considered ‘the science of associations’ to be absolutely central to modern society. It is, as he put it, ‘the fundamental science [and] progress in all the other sciences depends on progress in this one’ (Tocqueville 2004: 599).

But even if one can easily show that Tocqueville for some reason has been passed over in organization theory, it is more difficult to decide what constitutes the best way to show the merits of his case and why he should be regarded as a classic. One possibility is to simply go through Tocqueville’s work, extract everything he has to say about organizations, and discuss this. While this is a reasonable (and economic) way of proceeding, it also builds on some silent assumptions, which need to be discussed.

One of these assumptions is that Tocqueville meant the same thing as we do today when he spoke of ‘organizations’, ‘the science of organization’, and so on. Another is that the context of Tocqueville was the same as it is today, including the major issues of the day—what Weber called ‘the great cultural problems of the time’ (Weber 1949: 112). A third assumption is that social science and its division of intellectual labor were roughly the same today as they were in the early to mid-1800s.

Unless these assumptions are openly discussed, Tocqueville’s ideas and analyses run the risk of being ‘translated’ in a much too harsh manner into the way in which we see things today. I will therefore make an attempt both to provide the reader with a straightforward account of which parts of Tocqueville’s work are relevant for a discussion of ‘Tocqueville as a pioneer in organization theory’ and to show what

Tocqueville meant with the terms he used and the problems he addressed. The same goes for paying attention to the general context of his work and the state of social science in Tocqueville's days.

Tocqueville, as I see it, becomes much more interesting—to people in organization theory as well as to people in other areas—if one goes back and forth between a study of Tocqueville's work on organizations from today's perspective, and the way that his work was understood in his own time, especially by himself. The reason for this is that the meanings that words and arguments had in the past are not exactly the same as the meanings they have today. Proceeding in this way, in short, makes us look at old things in a new light; it also reminds us that today's organization theory is a social fact itself, with its own coercive and authoritarian power (as Durkheim would have put it).

This means that what we primarily are after, in Tocqueville's work, as well as in that of the other classics, is the tension between what some author says and what is today taken to be self-evident and well-established scientific findings. Once it is realized that all of the classics need to be approached in this way, one also understands why they need to be read and studied very carefully, and not just referred to in some symbolic fashion (cf. Lounsbury and Carberry 2005). The classics in organization theory are furthermore classics because they have important things to say on core issues, such as: What is an organization? What should organizations be used for? What is their role in society as a whole? Tocqueville addresses these issues, and he also answers them in an original way.

### 3.1. *DEMOCRACY IN AMERICA: THE FIRST STUDY OF ORGANIZATIONS?*

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Alexis de Tocqueville (1805–59) is typically seen as the author of two books: *Democracy in America* (1835, 1840) and *The Old Regime and the Revolution* (1856). This is a simplification; not only are Tocqueville's wonderful political memoirs, *Recollections*, not included, but neither are the twenty or so volumes in his *Collected Works* (Tocqueville 1951– ). To this may be added a vast secondary literature, mainly in French and English. There exists today a sophisticated body of literature on Tocqueville's work, which especially draws on the contributions by a small number of outstanding scholars (see e.g. Pierson 1938; Drescher 1964; Schleifer 1980; Jardin 1988; Mélonio 1998; Gannett 2003b).

Much of this literature is of relevance when Tocqueville as a pioneer in organization theory is discussed. Tocqueville, of course, made no contribution to 'organization theory', since this type of analysis did not come into being till the 1900s. This

means that one has to recast Tocqueville's concerns in a new language, if one is to get a handle on his contribution to this field.

As part of the attempt to criticize a simplistic approach to Tocqueville as a pioneer in organization theory, it should also be noted that Tocqueville's first encounter with organizations did not take place in the United States during his visit in 1831–2. Instead it took place in his native France, under the tutelage of the brilliant historian and later politician François Guizot, whose lectures during 1828–30 Tocqueville listened to or read (Gannett 2003a). Guizot drew Tocqueville's attention to the role of the communes during the Middle Ages and argued that they had been important incubators for local liberties. Tocqueville was deeply impressed by Guizot's argument, and it prepared him for one of his most important discoveries in the United States: *the role of organizations in modern society*.

When we turn to Tocqueville's famous picture of the United States, it should also be emphasized that we today do not only have access to *Democracy in America* in the early 1800s but also to Tocqueville's notes from his trip and his correspondence (for Tocqueville's notes from the American trip, see Tocqueville 1959; his correspondence from the nine months' trip and the nine years that it took for him to write the work is scattered throughout a number of volumes in his *Collected Works*). It would take too much space to present and discuss everything that is of relevance to organization theory in all of this material—something which is also a reminder that the current neglect of Tocqueville in organization theory is not going to be remedied over night.

Tocqueville was a very ambitious person and what he wanted more than anything else was to be a successful politician and lead his country to glory and prosperity. Many members of his family had served the king, as was common among the nobility. For a number of reasons Tocqueville was thwarted in his efforts to get into politics as a young man, and *Democracy in America* became a replacement of sorts for this. His work was written, among other reasons, to convince the French political elite during the July Monarchy that its author was a person with a brilliant talent for political and literary writings—someone, in short, who would be a good politician.

The general structure of *Democracy in America* is similarly anchored in a problematic that was special to France in the early 1800s. This was the need to realize, according to Tocqueville, that the France that had existed before 1789 could not be brought back, as many members of the nobility wanted. The clock could not be turned back, he insisted; France was in the process of becoming a new type of society in which the aristocracy was to play a minor role, if any at all.

Translated into the key categories of *Democracy in America*, this meant that society was going from what Tocqueville called 'aristocracy' to 'democracy'. By the former, he meant that all resources in society were in the hands of a small elite (economic, political, and ideological resources); and with the term 'democracy', he meant that these resources were increasingly being shared. Today, when

'democracy' has come to mean that the political power is in the hand of the people (through a representative system, based on universal voting rights), Tocqueville's use of the term seems odd. In the early 1800s in France, however, and especially in the circles of intellectuals and politicians that Tocqueville moved in, '*démocratie*' meant a type of society, centered around equality—the meaning, in brief, that it has in *Democracy in America*, and to which Tocqueville also would add a twist of his own (see esp. Rosanvallon 1995).

*Democracy in America* is about nine hundred pages long and appeared in two installments, one in 1835 and another in 1840. The argument is cast in a terminology that is partly understandable to today's reader and partly not. The United States, Tocqueville suggests, has moved the furthest of all countries in the direction of democracy or equality in terms of basic resources. Its 'social state', as Tocqueville also calls it, is 'democracy' in a relatively pure form.

Organizations play an important role in both volumes of *Democracy in America*. Volume 1 is devoted to 'the physiognomy of politics' or the influence of 'the democratic social state' on 'laws' and 'political mores'. It contains a famous chapter called 'On Political Associations in the United States' (Tocqueville 2004: 215–23). Volume 2 deals in contrast with 'civil society' or the impact of the democratic social state on 'sentiments', 'social relations', and 'opinions'. Also this volume contains well-known chapters on organizations, especially 'On the Use that Americans Make of Associations in Civil Life' (ibid. 595–9; see also 600–609). The focus in volume 2 is on non-political organizations, especially economic organizations and voluntary organizations.

The chapter on political organizations opens with a statement that Americans in their everyday lives have to deal with a number of problems and cannot rely on the authorities to do things for them. As a result, they join forces and create organizations in all areas of life. Tocqueville divides these as follows. Some are 'permanent associations, established by law and known as towns, cities, and counties' (ibid. 215). The others have been created through 'the initiative of individuals' and consist of 'political associations' and 'civil associations'. The latter include 'commercial and industrial associations' as well as a large number of voluntary associations (ibid. 595).

In the chapter on political associations, Tocqueville comes the closest to providing a definition of an organization that he will ever do in *Democracy in America*. 'An association', he says, 'consists solely in the decision of a certain number of individuals to adhere publicly to certain doctrines, and to commit themselves to seek the triumph of those doctrines in a special way' (ibid. 210). A few sentences later, he adds that 'the association links the efforts of divergent minds and vigorously propels them toward a single goal, which it unambiguously designates'.

From what has been said so far, it should be clear that Tocqueville does not use the term 'organization', but '*association*' (the French terms are the same: '*organisation*' and '*association*'). The term 'association' had a slightly different meaning in the early 1800s from what 'organization' has today even if they are roughly synonymous;



Tocqueville also used it in his own way. While ‘association’ and ‘organization’ overlap to a large extent, there is a stronger emphasis in ‘association’ (in French as well as in English) on a number of people combining their efforts towards a common goal.<sup>2</sup> This means, among other things, that there is a closer link between Tocqueville’s ‘association’ and what we today call social movements, than there is between ‘organization’ and social movements.

The term ‘association’ suited Tocqueville well with his theory of democracy/equality; and his organizations are typically the independent products of independent people more than the result of powerful individuals or authorities creating organizations for their own goals. Tocqueville also uses ‘association’ sometimes in the same meaning as when we today refer to a group or a society. All of humanity, we read at one point in *Democracy in America*, is an ‘association’ and so is the nation (ibid. 725; on Tocqueville’s use of the term ‘association’, see also Wudel 1993).

Political associations, Tocqueville explains in volume 1 of *Democracy in America*, presupposes three types of freedom: the freedom of speech, the freedom of association, and the freedom to elect people to represent them. In the United States, all of these freedoms exist, he says, and to exemplify what this may entail, he describes the Philadelphia Free Trade Convention in 1831. At this point in time delegates from all over the United States came together in Philadelphia to discuss whether there should be tariffs and if Congress had the power to impose tariffs. Tocqueville also notes that organizations are very much used in the United States to counter the tendency of the majority to decide everything (‘the tyranny of the majority’).

Sometimes, however, the freedom of association is restricted in a country; and while this is never good, Tocqueville says, it can sometimes be necessary. To illustrate the point, he contrasts the situation in Europe to that in the United States; and the result can be called an early example of a comparative organizational analysis. In the United States, Tocqueville explains, political organizations are used for peaceful and legal purposes, while in Europe they are often used ‘to make war at the government’ (ibid. 221). They are used ‘to act, not talk’ and ‘to fight, not persuade’ (ibid. 223). This tends to make them centralized and non-egalitarian. Since European governments do not allow their citizens to vote, Tocqueville continues, the members in this type of political organization also live in the illusion that they represent the will of the people. In the United States, where there are elections that decide who constitutes the majority, these types of illusions do not exist.

<sup>2</sup> For the English use of the terms ‘association’ and ‘organization’, see *The Oxford English Dictionary*; and for the French use of ‘association’ and ‘organisation’, see *Le Trésor de la langue française informatisé* (available on-line). According to one writer, ‘when Tocqueville’s generation uses the word *s’associer*, the word has a specific meaning—to join together in overcoming the isolation and powerlessness resulting from the atomization of bourgeois society’ (Boesche 1983: 291). By Tocqueville’s generation is meant the work of people such as Michelet, Fourier, and Saint-Simon. As Zaleski (2000) has argued, one may also want to establish how Tocqueville’s use of the term ‘association’ is related to the legal meaning this term had in nineteenth-century France. When George W. Bush has referred to Tocqueville in his speeches, the emphasis has been on Tocqueville’s advocacy that people join together to achieve a higher purpose (Bumiller 2005).

At this point of the analysis, Tocqueville comes close to the kind of analysis that can be found in Phillip Selznick's study of the Bolshevik Party, *The Organizational Weapon* (Selznick 1952). The members in secret and authoritarian organizations, according to Tocqueville (and Selznick), consist of people who want to sacrifice themselves for the cause. They are authoritarian (like 'passive soldiers') and not of the material you need to create a society of free and independent people (ibid. 222).

Of the political organizations that Tocqueville came across in the United States, the one that interested him the most by far was the township in New England (e.g. Gannett 2003a; Pierson 1938: 397–416; for Tocqueville on political parties, see ibid. 198–204). The reason for this fascination from Tocqueville's side was that the township came very close to his own political ideal: a local association of persons who decide together how to run their community.

By the time that Tocqueville realized the importance of the township in New England, he did not have time during his trip to examine them personally. While he regretted this, it did not stop him from researching them in other ways. He turned, for example, to historian Jared Sparks and asked him to write a historical account of the township. The reason for choosing Sparks was that it was he who had told Tocqueville about the importance of the township. According to Sparks, New England was the cradle of American democracy. After some nudging Sparks complied with Tocqueville's request; and the famous account of townships in *Democracy in America* rests primarily on Sparks's report (Sparks 1898).

This concludes Tocqueville's analysis of political organizations in volume 1 of *Democracy in America*, and I will now move on to the analysis of non-political organizations in volume 2, which deals with civil society. Some of the civil organizations that Tocqueville came across in the United States initially struck him as odd and even a bit ridiculous. It is also clear that he arrived totally unprepared for what he was going to experience in this respect.

One example of an association that he initially thought was 'more amusing than serious' was when one hundred thousand Americans came together to pledge never to drink alcohol (ibid. 599). Tocqueville also noted that 'if these hundred thousand men had lived in France, each of them would have petitioned the government individually to keep an eye on taverns throughout the realm' (ibid.).

The example of the public pledge against using alcohol as well as the example of the 1831 Free Trade Convention point to the close link that exists between Tocqueville's notion of association and what we today refer to as social movements. The link, in brief, has to do with Tocqueville's emphasis on many people coming together for a common purpose (as opposed to an organization, which is often the result of a single individual).<sup>3</sup>

<sup>3</sup> Would it therefore be more correct to translate Tocqueville's 'association' as 'social movement' than as 'organization' and also to cast Tocqueville as a pioneer in the study of social movements rather than in organization theory? In my opinion the answer is 'no'; and the reason for this is that when Tocqueville speaks of 'association', he is in most cases referring to what we today would term 'organizations' and not 'social movements'—such as corporations, political parties, and the like.

After some time in the United States, Tocqueville's attitude to voluntary organizations changed from skepticism and ridicule to genuine admiration. This is mirrored in the following iconic passage in *Democracy in America*:

Americans of all ages, all conditions, and all minds are constantly joining together in groups. In addition to commercial and industrial associations in which everyone takes part, there are associations of a thousand other kinds: some religious, some moral, some grave, some trivial, some quite general and others quite particular, some huge and others tiny. Americans associate to give fêtes, to found seminaries, to build inns, to erect churches, to distribute books, and to send missionaries to the antipodes. This is how they create hospitals, prisons and schools. (ibid. 595)

It is also here that we find Tocqueville's often cited statement about 'the science of association'. This science, to repeat, is 'the fundamental science' and the one on which 'progress in all the other sciences depend' (ibid. 595). A few pages after having made this statement, Tocqueville adds that 'the art of association then becomes, as I said earlier, the fundamental science; everybody studies it and applies it' (ibid. 606).

By 'science' Tocqueville does not mean exactly what we mean today; the term lacks, for example, the positivistic overtones that Comte and others have infused it with. Tocqueville, for example, speaks of a number of sciences in *Democracy in America*, including 'industrial science', 'political science', and 'etiquette [as] a science' (ibid. 7–8, 649–50, 663). Science, then, means something like serious and sustained knowledge to Tocqueville. He also saw it as being close to practice, as the example with his reference to 'the art of association' indicates. 'Art' and 'science' were very close to Tocqueville; and a 'science' that did not result in practical action was of little interest to him.

There is also a need to explain why Tocqueville regarded the science of association as so important that it constitutes 'the fundamental science' in modern society. As things become increasingly equal, and as aristocratic society disappears, Tocqueville argues, the individuals become increasingly free. But being free in this context also means being free from other people; and the individuals in a democratic society constitute a mass of powerless and isolated individuals.

This situation of isolation and powerlessness is dangerous for the individuals, and it is dangerous for society. If individuals in a democratic society do not join together politically, they will lose their freedom. A new type of tyranny will emerge that only exists in democratic society: a soft type of tyranny—'democratic despotism'. Even worse, if the individuals do not join together in other types of activities than politics, civilization itself will come to an end.

This need to organize or vanish did not exist in earlier forms of society, that is, in aristocratic society. Aristocrats could rely on already existing organizations, in the form of secondary or intermediary bodies ('natural associations', ibid. 219). The individual aristocrat was also a powerful individual who could join other aristocrats or command people to do what he wished ('compulsory associations', ibid. 596).

But nothing of this exists in democratic society, and the void after the intermediary associations and the strong individuals must be filled with democratic associations. Organizations have a nearly mystical power to Tocqueville; they make people come together and thereby make society possible. To cite another famous line about the impact of associations from *Democracy in America*, which could have been written by Durkheim: 'feelings and ideas are renewed, the heart expands, and the human spirit develops only through the reciprocal action of human beings on one another' (ibid. 598).

If people do not create any organizations on their own, Tocqueville argues, one consequence may be that the state will intervene and provide people with what they want. To Tocqueville this represents a dangerous development. Not only does it open the road for a political take-over, since people will be passive ('democratic despotism'); it also makes people incompetent and passive in all areas of social life. By letting the state help people out, they lose the capacity to be free and independent.

Another danger, from Tocqueville's perspective, is something he calls 'individualism' (*individualisme*). By this term he does not mean a belief in the individual, as is common today, but the tendency to make money and material concerns into the first priority in life.<sup>4</sup> The result of doing this, he says, is typically that people begin to ignore politics and withdraw into the circle of family and friends. This decision to leave 'the big world' for 'the small world' means that local political associations will eventually die out; it now also becomes easy for ruthless politicians to seize power (Tocqueville 2004: 585).<sup>5</sup>

While Tocqueville describes greed as an instinct and an emotion that has always existed, individualism is in contrast 'reflexive and tranquil', and typical for democratic society (ibid.). To counter individualism, one may use political associations; religion represents another solution. In Tocqueville's opinion, the United States was very materialistic and individualistic, but it also had a strong associational life and people were religious.

Besides the chapter on the use that the Americans make of organizations in all areas of life, volume 2 also contains two other important chapters on related themes. The first of these is called 'On the Relation between Associations and Newspapers'

<sup>4</sup> Tocqueville does not discuss 'individualism' in the chapter called 'On Political Associations in the United States' but elsewhere in *Democracy in America* (see Tocqueville 2004: 585–94, 610–13). The French term '*individualisme*' seems to have made its first appearance in the 1820s and in English about a decade later. Henry Reeve's use of 'individualism' for the translation of Tocqueville's book represents one of its earliest usages in English. According to Alan Kahan (the translator of *The Old Regime*), 'the word individualism appeared in the 1820s, at first among the counterrevolutionaries, then among the socialists to stigmatize the atomization of postrevolutionary society. It entered the dictionary of the Académie Française in 1835' (Tocqueville 1998: 366).

<sup>5</sup> I have translated Tocqueville's terms '*une petite société*' and '*la grande société*' as 'the small world' and 'the big world' instead of following Arthur Goldhammar's translation of *Democracy in America* ('a little society', 'the larger society'). In doing so, I follow the terminology of Swedish sociologist Hans Zetterberg.

and the other, 'Relations between Civil Associations and Political Associations' (ibid. 500–503, 604–9). The former is a reminder that newspapers played a different role in Tocqueville's days in the United States than they do today, and also that Tocqueville does not mean precisely the same with 'associations' as we do with 'organizations'.

According to Tocqueville, a newspaper helps people come together and act on some special issue; and it does this by tying together people who are scattered over a large geographical area and who otherwise would not have been able to communicate. He sums up his argument as follows: 'Newspapers make associations, and associations make newspapers' (ibid. 601).

In contrast to the chapter on the press, the chapter on civil and political organizations is important in that it addresses an issue that is central to modern organization theory. This is how organizations diffuse and, related to this, the issue of social capital. Tocqueville argues that the skill of creating organizations in one area of society tends to spread also to the other. If people, for example, learn to join together in economic enterprises, this gives them the skill to join together in political matters.

Tocqueville especially emphasizes the spill from political organizations to other types of organizations and states in a famous formulation that 'political associations therefore can be looked upon as vast free schools to which all citizens come to learn the general theory of association' (ibid. 606; cf. Whittington 2001). Tocqueville uses economic organizations to illustrate this. People may be unwilling to join an economic organization, he says, because they are afraid they will lose money. Once they have some experience from political organizations, however, this fear may disappear.

More generally, Tocqueville sees the experience that people get from joining together in associations as essential to living in a democratic society. The individual learns to work with other people and to subordinate his or her will to them. These are skills that are necessary to have if society is to work properly.

A few items need to be added to round off the picture of what Tocqueville has to say that is relevant to organization theory in *Democracy in America*. There is, for example, his analysis of the organization of the state. It is often pointed out that according to Tocqueville there was no state in the United States. This, however, is only true for the beginning of his trip. What one finds in *Democracy in America* is instead the argument that the United States has a state, but that its range of activities is limited. It deals in principle only with issues that the individuals at the local level cannot handle on their own ('governmental administration'). And it stays away from those activities that individuals can take care of through their own efforts ('administrative centralization'; ibid. 97–8).

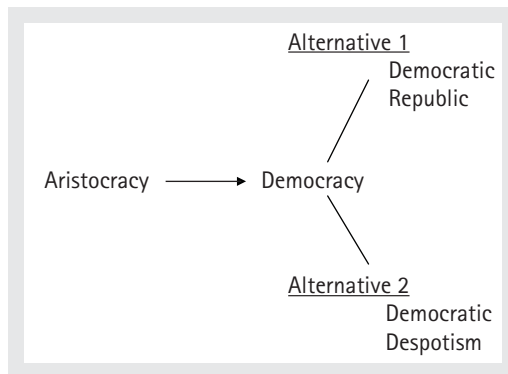
The argument about administrative and governmental centralization is mainly aimed at the US federal state, and Tocqueville had a somewhat different attitude to the local states. This comes out, for example, in a chapter that Tocqueville wrote

for *Democracy in America* but in the end decided not to include (e.g. Schleifer 1980: 82). Its title is ‘On the Manner in which American Government Acts towards Associations’ (Tocqueville 1990: 106–7).

The main argument in this text is that the Americans ‘let the state give certain associations a helping hand and even let the state take their part’ (ibid. 106). The type of associations that Tocqueville was referring to in this quote had to do with the transportation system, which was in a dynamic stage during his visit. Canals, roads, and railroads were all part of the transport revolution that was going on in Jacksonian America. Tocqueville, in brief, was positive to the fact that the local state took on certain tasks to help the citizens—but only so long, he was careful to add, as it was not forgotten that ‘the main goal of a good government is always to increasingly make the citizens be in a situation where they can manage without its help’ (ibid. 107).

Tocqueville not only addresses the topic of the general role of the state in *Democracy in America* but also analyzes its administrative machinery. Just as Tocqueville refers positively to ‘the science of association’, he speaks highly of ‘the science of administration’ (Tocqueville 2004: 237–8). The picture of US administration that Tocqueville presents in his work is sociological through and through. According to an expert on the topic, ‘he [that is, Tocqueville] was perhaps the first investigator to appraise administrative practise in the United States in terms of such concepts as hierarchy, discipline, integration, responsibility, coordination, personnel practice, degree of professionalism, and the like’ (Smith 1942: 229).

In *Democracy in America*, to sum up, Tocqueville presents what may well be the first social science analysis of organizations. He views these very much within the context of his general analysis of society; what once was an aristocratic society is



**Fig. 3.1. Choices in democratic society, according to *Democracy in America***

*Comment:* According to *Democracy in America*, society moves from aristocracy to democracy. A democracy can either take the form of a democratic republic or the form of democratic despotism. One important factor in determining the outcome is the existence or absence of political organizations at the local level.