

## **Wolf, Joachim: *Organisation, Management, Unternehmensführung. Theorien und Kritik***

Gabler, Wiesbaden 2003, XX+494 pp., € 39,90

Organisation theory remains highly important not only as a theoretical basis for organisation studies, but also as an influence on business processes such as human resource management, marketing or strategic management. The proliferation of such theories and/or their modifications has made it difficult to keep track of all of them. This is what induced Wolf to write a textbook targeted at students, as well as experienced researchers of economics, with a view to facilitate a thorough understanding of such theories (cf. p. VII). However, creating a solid text to facilitate the orientation of students is a feat the author cannot solely claim for himself, as there exists a large number of more or less classical publications on this topic. These classical publications do not differ much in terms of the theories they cover but rather in terms of these titles. It is against this background of competitive publishing that the contribution of Wolf's book has to be evaluated

The very title of the book leaves room for doubt. It is questionable whether organisation theories and theories of business management can be differentiated. On pp. 37-41 the author himself briefly refers to various overlaps, stating that the differences exist only in the "range" of the respective theories. As organisation theories tend to deal less with the form of the management function as "organisation" than with the form of the institution "organisation", the borderline between a functional and/or institutional aspect of management becomes blurred. The fact that various theories have received wide ranging attention, cannot only be explained by their focus on organisation or management (e.g. New Institutional Economics), but also by the broader application of theories.

The book is divided into 5 parts. Part 1 contains fundamental considerations of theories (e.g. terms of theory, conditions and methods of theory-formulation), intended to facilitate further understanding. Here the text is lucid and easy to follow. In some cases one misses a larger number of bibliographical links with a view to conduct a more profound study of the subject. Part 2 deals in fundamental form with the terms, concepts, contents and importance of organisation theories and theories of management. Reasons for the current multiplicity of theories are shown (pp. 42-44). Wolf's conclusion is that this multiplicity should not be regarded as alarming, but rather by chance seems plausible. Parts 1 and 2, taken as a whole, are too concise in view of their importance. Obviously the book focuses more on a description and critique of theories, which are presented in Parts 3 and 4. The presentation of the 14 theories comprises 350 pages.

The structure of the individual chapters does not follow a standardized pattern; it is adapted to the respective theories. While this procedure seems to respect the specific character of a particular theory, the procedure makes it difficult for the reader to develop a comparative approach. Cross-connections between theories are presented which results in some interesting and creative cognitions (e.g. the connection between Taylorism, bureaucracy and the administration theory to the system theory, cf. pp.

282-283). All chapters are closed with a critical appraisal or synopsis, enabling the reader to consider the theoretical statements in perspective.

Part 3 contains “fundamentals of a theory of organisation and management”, among them the classical approaches of Weber, Taylor and Fayol, the prescriptive decision-making theory, the system theory and the behaviour theory. By now these theories are part of any subject-related textbook. What is more innovative is the presentation and assessment of the theoretical approach of power and the resource-dependence theory. However, classing them as fundamentals within the aforesaid context cannot be seen as self-evident. This seems to be the price of categorizing diverse theories which entails debatable demarcations and other problems of classification.

The theories dealt with in Part 4 should be regarded as more or less standard repertoire of the relevant textbooks (e.g. new institutional economics, theory of evolution, institutional theory). On the other hand, there are some perspectives on theories which are not normally found elsewhere in similar form, e.g. theory of self-organisation or resource-based-view. Even so, it is questionable whether some of these approaches, important as they are, can be termed “theories” in the strict sense of the word. By granting the self-organisational approach the status of “theory”, requires a connection to the systems theory. Other theories – currently popular in business administration – e.g. Giddens’s structuration theory are not to be found in this text. Taken as a whole, the different approaches are competently described, providing the reader with well-readable, lucid and concise insights into the matter. The extensive bibliography takes into account the origins of various theories, as well as their topical significance.

The 5th part of the book endeavours to create a synoptical order within the confusing multiplicity of theories. The disadvantage of the rather sketchy systematisations in literature tends not to do full justice to all theories presented. Thus the author endeavours to compare these theories using a more comprehensive spectrum of criteria (cf. p. 441), such as the assumed rationality of agents, the range of contextual approaches, the degree of conformity to rules and the normative claim of the theories. Theories are ranked from “1” (= very low) to “5” (= very high). These rankings are not always clear, e.g. why are agents within the framework of the new institutional economics credited with a comparatively low conformance performance (ranking “2”) and a high rationality (“4”)? This does not do justice to research which explicitly refers to Simon’s “bounded rationality” (e.g. the so-called personnel economics). One misses sufficient explanations to substantiate the various categories. The resulting vagueness seems to be the price of trying to draw clear lines of distinction. By forming three categories of theories utilising a cluster-analysis, may be seen as an attempt by the author to establish some sort of order. In any event, there seems to be a demand for further research in this respect, even though the (first) results are hardly surprising. Thus, the first group contains Taylorism, bureaucracy and administration theory.

However rough this categorising may be, it is up to the reader – having read other subject-related publications – to decide which of the theories presented can be used for helping to explain the special problems of organisation and management and for the design of interventions. It would have been helpful, if the question of

(in-)commensurability of diverse theories had been given attention, thus making the important connection of problem-focused theories possible.

The wide range of bibliographical material (current and classical publications in English and German) makes the book useful for information and reference purposes. The treatment of the theories is very lucid, highly readable and up-to-date and it is accompanied by general reflections on formation, significance and classification of theories. Unlike many competing publications, the book offers (comprehensive) assignment at the end of each chapter, thus making it useful for self-learning. Unfortunately, there are no solutions for assignments and no case studies facilitating an understanding of the (practical) relevance of diverse theories for students irrespective of how important these theories are. These and other minor deficits can be corrected in a second edition of this extensive, high quality publication, which will be welcomed. It is expected that this book will stimulate high levels of interest for students and researchers alike.

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### Swedberg, Richard: **Principles of Economic Sociology**

Princeton University Press: Princeton and Oxford 2003, 366 pp., £ 26,95

In the last two decades or so, sociologists have developed a fresh interest in the analysis of economic phenomena resulting in an ever-growing number of innovative empirical-theoretical studies. While the subjects of these studies are diverse – they range from the working of stock markets to the formation of industrial politics – they have in common that they contest the claim that the phenomena of interest can be appropriately understood by abstract economic models. Rather, these studies demonstrate that the actors' embeddedness in social relations and social institutions is essential to the explanation. These applications of sociological theory to economic phenomena have been one of the most exciting and expanding areas of sociological research. While this 'economic sociology' has been institutionalized and gained a recognizable identity within sociology, outside the discipline it has largely failed to establish itself, unlike for example sociological branches such as new institutional organization theory and social network theory, as an identifiable field. Obviously, economic sociology is in urgent need of a succinct and coherent statement of the objectives, theoretical tools and major findings of the field. The eminent scholar and protagonist of economic sociology Richard Swedberg, currently Professor of Sociology at Cornell University, appears to be uniquely suited to provide such an inventory.

In his "Principles of Economic Sociology", Richard Swedberg sets himself the ambitious objective not only to write a general introduction into economic sociology, but also to provide a substantial contribution to the formation and further develop-

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ment of the field of economic sociology. On the one hand, he argues for a broad scope of economic sociology that encompasses not only all economic, but also all economically relevant and economically conditioned phenomena. His major concern, however, is to establish a sociological concept of interest as a basic category and indispensable analytical tool of sociology: “economic sociology should not be concerned exclusively with the impact of social relations on economic actions (which is currently its main concern), but also take interests into account” (p. xi).

The book opens with a review of classical and contemporary contributions to economic sociology. In the first chapter, Swedberg emphasizes the importance of a concept of interest for the thinking of classical scholars of economic sociology. However, this does not imply that Marx has a privileged place among the ‘founding fathers’ of economic sociology. In contrast, Swedberg places Toqueville over and above Marx and, throughout the book, it is obvious that Max Weber is considered to be the primary classical reference of the project of an economic sociology. In the second chapter, Swedberg familiarizes the reader with the idea of a ‘new economic sociology’. Valuable contributions to the current discourse of economic sociology are identified as being provided by structural sociology (with the network concept as the primary analytical tool) and organization sociology, in particular resource dependency theory, population ecology and new institutionalism. Swedberg also sees an important role for cultural and historical-comparative sociology. Finally, Coleman’s interest based sociology is included in the canon of relevant approaches.

The second part is devoted to the core institutions of economic systems, firms and markets. This part starts with a chapter about the organization of economic systems as a whole. The fruitfulness of the concept of economic organization is illustrated by distinguishing various forms of capitalism as well as various levels of economic systems such as industrial districts and the global economy. In the following chapter, it is argued that the particular contribution of economic sociology beyond organizational economics consists in the recognition of social relations within firms on the one hand and in examining the connections between firms on the other. The latter leads to the constitution of industries as ‘populations’ and of business groups. As Swedberg emphasizes, sociological analyses of markets are less developed. White’s (2001) model of production markets as networks of firms is the most elaborated sociological model of markets and forms the core of the discussion of chapter 5. This essay on theoretical analyses of the working of markets is followed by a chapter that focuses on the historical development of various forms of markets such a national markets and financial markets.

The remainder of the book consists in a series of essays that aim to expand and consolidate the substantial scope of economic sociology beyond the core institutions. Swedberg argues that economic sociologists should show more interest in the relationship between politics and the economy and sees a re-invention of a ‘fiscal sociology’ and studies of political forces, i.e. states and interest groups, aiming to shape economic institutions and processes as main issues (chapter 7). Hitherto, the legal dimension of economic processes has been hardly touched by economic sociologists and Swedberg urges the examination of the economic impact of institutions such as property rights and corporations from a sociological point of view (chapter 8). The role of

culture in economic development and the relationship between culture, trust and consumption patterns are the subject of the following two chapters. Here, the main thrust of the argument is that the cultural dimension in the sense of values and sense-making is essential for the understanding of economic phenomena, but that the concept of culture has to be reconciled with the notion of interest. Swedberg also reckons that gender issues deserve more attention than they have received by economic sociologists. Changing household structures, women's participation in labor markets and the role of emotions in economic processes are the issues at hand (chapter 11). In the concluding chapter, Swedberg raises a number of salient questions for economic sociologists that expand the book's focus on the role of the concept of interest in economic sociology and on the substantive scope of economic sociology.

Being exhaustive and of admirable scholarly breadth, yet still compact, Swedberg's 'Principles' is doubtless an important and much needed book. It provides a general overview of the major ideas, approaches and important empirical studies of economic sociologists for everybody interested in economic subjects and the impact of the economy on social structures. Moreover, it contains valuable guidance and much material for (in part, surely controversial) discussions for those affiliated with the field of economic sociology. From a European perspective, it should be appreciated that Swedberg attempts not only to familiarize the American audience with the European classics but also with contemporary economic sociology in Europe (where he regards work of Bourdieu as particularly important). However, the book has also limitations. In parts, it appears to be hastily written and it is not always clear what the particular contribution is of the work being reviewed or referred to. The book has its strongest moments where Swedberg illustrates the fruitfulness of economic sociology by concrete examples of empirical-theoretical studies. Sometimes, Swedberg remains too abstract where detailed accounts of the work of economic sociologists would be required to convince readers of other denominations of the importance of the sociological approach for the understanding of economic phenomena. Moreover, I fear that the two major concerns of the book, to broaden the scope of economic sociology and the emphasis on the concept of interest, will be only fully appreciated by readers familiar with the development of economic sociology. With regard to the former, his pleading for a broad conception of the objects of economic sociology including economically relevant and economically conditioned phenomena appears to be primarily a reaction to programmatic statements that suggest differentiating the 'new economic sociology', as one concerned with alternative explanations of economic phenomena, from the 'old economic sociology' which focused on the institutional embeddedness of economies and other 'leftovers' of economic theory (see, e.g., Granovetter, 1990). Swedberg's relentless efforts to point to areas that have hitherto either been neglected or have not received sufficient attention by economic sociologists may also be more enlightening for economic sociologists in search of future areas of work than it would be for 'outsiders' who may be more interested in the achievements of economic sociology rather than in what remains to be done. With regard to the latter, Swedberg states clearly and, in my opinion very convincingly, that economic sociologists are poorly advised if they ignore that economic action is driven by interests or if they fail to realize that economic institutions are "distinct configurations of interests and social relations". In their attempts to differentiate

relations". In their attempts to differentiate economic sociology from economic theory, economic sociologists have the tendency to throw the baby out with the bathwater by rejecting the concept of interest as belonging to an atomistic, pre-social conception of actors and by denouncing the concept of interest as empty and tautological. While Swedberg's emphasis on the usefulness of the concept of interest appears to be well-placed and his tinged and sophisticated discussion of the concept of interest may be suited to convince sociologists of its legitimacy, it may have the unintended side-effect of confusing readers unfamiliar with the sociological tradition rather than providing them with a clear theoretical basis. In this regard, his intention to provide a "balanced and fair account" of work in economic sociology and his tendency to embrace scholars of the field that do not share his appreciation of the concept of interest may not help. Taken together, the 'principles' is a great book from a leading scholar of economic sociology for economic sociologists. The strong involvement in the discourse of economic sociologists may however limit the usefulness of the book for example as a textbook for undergraduates and perhaps also as a reference book for students of other specialities.

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