

Ashkanasy, Neal M. / Wilderom, Celeste P. / Peterson, Mark F. (Eds.):

**Handbook of Organizational Culture & Climate**

Sage Publications, Thousand Oaks, USA, 629 pp., Hardcover: € 118.90/US \$ 130.00, August 2000, ISBN: 0761916024, Paperback: € 62.50/US \$ 67.95, January 2004, ISBN: 141290482X

The Handbook of "Organizational Culture & Climate" provides an extensive overview of and an insight into the relevant research. The 61 authors who are coming from different professions and various nations contribute 30 articles to five subject areas. The articles put diverse focal points and go into numerous aspects like values, change, behavior and methodology.

Part I introduces into the basic concepts of culture and climate and compares the diversity of perspectives. The climate for service is considered by *Schneider, Bowen, Ebrhart and Holcombe* not only from the perspective of customers, but also from the point of view of employees, because those – in the author's opinion – are largely responsible for quality of service. The authors examine how customer orientation is seen by the employees and on what it depends whether they behave in a customer orientated way. *Stackman, Pinder and Connor* ask how values cause the development of human's preferences and finally human's behavior. They discuss topics like the descriptiveness of values, the comparison between personal and occupational values, their stability and changeability, the levels of analysis in organizational value research as well as an ethical aspect: the effort of management for achieving a strong culture by developing value congruence among employees. *Helms Mills and Mills* use the concept of culture as a framework for considering the character of gender discrimination at the workplace. With the aid of the attained insights the authors present practical advices to prevent discrimination. In the fourth chapter *Rafaeli and Worline* consider symbols that are central for the interpretative culture theories. Symbols reflect organizational culture, mirror basic values, permit (wrong?) conclusions about organizations and they remind the member of an organization to keep his or her role. *Tyrrell* documents that culture is less a variable which results from structural circumstances but emerges from a continuous interactive process among individuals and structures. Likewise *Peterson and Smith* describe culture as a result of and a guidance for sense-making processes. In the last chapter of part one *Bluedorn* deals with the temporal aspects of culture – a neglected approach up to now. Thereby he addresses dimensions and forms of time like polychronicity and their relations to organizational culture.

Part II discusses the measurement of culture and climate. Incipently *Ashkanasy, Broadfoot and Falkus* dwell on the development regarding the measurement of organizational culture. They describe the design of a multidimensional measuring system, the "Organizational Culture Profile", and pose the (legitimate) question whether such an instrument can be adequate to an ingenious understanding of culture. With the "Organizational Culture Inventory" *Cooke and Szumal* present in chapter 9 a measure that already has been applied in numerous studies. On the basis of the results of these studies the authors introduce a theoretical model about the functioning of organizational culture. The relationship between climate and culture is picked up by *Payne* in chapter 10. He asks to what extent methods for analyzing organizational climate can support studies of organizational culture. The following two chapters give attention to the connection between performance on the one hand and culture and climate on the

other. *Wiley and Brooks* show how the measuring of climate can be used to get insights into high-performance organizations. *Wilderom, Glunk and Maslowski* conduct a critical review of the extensive literature regarding the interrelation between culture and performance. Furthermore they offer a framework for an examination of the link between culture and performance. In the last chapter of the second part *Kilduff and Corley* outline a social-network approach that describes culture as a social framework and they point out how to use it in studying organizational culture.

The third Part addresses the dynamic of organizational change. *Michela and Burke* analyze whether culture and climate concepts help for a better understanding of permanent improvement and innovation strategies. They assume that cultural change substantially depends on the experience of management. In contrast, *Hatch* emphasizes in her article the members of an organization as the central element of cultural change. Without them a (charismatic) leader is not able to initiate cultural change. Hatch presents a model to answer the question of how culture changes emerge. From the point of view of *Zammuto, Gifford and Goodman* organizations with a strong need for control don't have the ability to change culture. The authors show that management ideologies can affect the innovative change in a positive way as well as in a negative. *Sathe and Davidson* examine how competitive advantages can accrue from specific organizational cultures. They use the term of cultural evolution to characterize a purposeful cultural development. *Markus* follows the question whether the continuity of cultures can be traced back up to solid structures. The author asserts that the dynamic aspect of culture is at least as important for understanding stability as for understanding change. How can cultural congruence and diversity, a topic especially relevant in mergers and acquisitions, be measured? The relevant literature is based mainly on atheoretical observations of consultants and practitioners. In his article *Weber* looks for a better theoretical foundation of measuring cultural differences between two organizations and presents a method he developed in his own research.

Part IV analyzes the relationships between culture and climate on the one hand and personnel-psychological aspects like commitment, attachment or socialization on the other hand. The first chapter of the fourth part examines how culture affects individual's attachment to social groups and how this bond in turn affects culture. *Beyer, Hannah and Milton* describe how difficult it is to disentangle this interrelationship because of the great confusion that exists regarding the terms culture and commitment in literature. *Virtanen* discusses the manifold dimensions and elements of different commitment concepts. Among other things he makes up the assertion that the strength of commitment expresses the strength of organizational culture. Socialization has a great relevance for the mediation of the organizational values, aims and practices which are elements of the organizational culture. In the socialization concept which is represented by *Major* she takes account of the diverse relationships among new and already for a longer time employed members of an organization. The subject of the last chapter in part four is the career. The organization's culture inevitably exerts a strong influence on the career patterns of an organization. Conversely – as *Günz* notes – the way in which people enter an organization and get ahead has great influence on the organization and its culture. The author exemplifies his considerations by the example of career planning of executives.

The last Part provides a global perspective on organizational culture, with chapters on culture and climate in Japan, China, Europe and North American settings and thereby goes into theoretical and methodological problems of analyzing international cultures. The stimulations derived from analyzing Japanese (organizational) culture for the American organizational culture theory are critically reviewed in the first chapter of the last part. *Brannen and Kleinberg* examine how the thinking about Japanese management has influenced comprehension of culture. The conceptual differences between national and organizational culture are examined by *Hofstede and Peterson*. The importance of this distinction becomes clear when companies implement management practices from other countries or want to apply their own methods abroad and disregard the impacts of the national culture. In the following chapter *Sagiv and Schwartz* assert that the organizational culture and the behavior of organization's members are influenced considerably by the surrounding culture. They develop a set of societal culture profiles and they present two studies to illustrate their thesis. A frequently asked question in organizational culture research is how to establish a strong identification of employees with the organization and its values. *Rose, Kable and Shoham* come up to this question from an interesting perspective: they highlight the causes of nonconformity. *Dickson, Aditya and Chhokar* raise the question whether the observable differences between organizations from different countries can be ascribed to the differences between these countries. For their considerations the authors use the database of the extensive „GLOBE“-project. The next chapter is concerned with the military, a very distinctive organization with a quite pronounced and uniform culture. *Soeters* exemplifies that values of uniformed people are often different from the values of their national culture. To characterize the culture of the military he introduces the concept of vocational culture, a concept that is quasi placed between the societal and the organizational concept of culture. The fifth chapter is completed by a consideration of a very interesting country: China. *Skeromme Granrose, Huang and Reigadas* investigate the issue, how far western organizational culture theories can contribute to the understanding of change processes in the Chinese organizational culture.

The reader will recognize that this handbook gives lower attention to organizational climate than to organizational culture. This may be due to the numerous intersections between these two constructs. It also seems as if the subject of organization climate has lost attractiveness. In some respect it is less profound and therefore less attractive from a scholarly point of view. Regarding the quality of the articles one has to notice remarkable differences, and regarding the contents one will find different aspirations too. In detail the contributions argue on a different high level. Some articles provide valuable overviews, others concentrate on their own approach. The reference among the different contributions is often very loose, a deficit which this handbook has in common with many others. On the one hand comprehensive handbooks deliver the essential insights by the wealth of the presented material, on the other hand substantial questions remain unanswered. This is particularly true for a field like organizational culture research which is characterized by countless blind alleys. Thus the reader of the handbook may be somewhat disappointed because the question which of the listed approaches can be considered as fruitful and why not included approaches should be less fruitful remains open. Finally, one can state that a holistic

view of organizations cannot be attained – not even by means of culture and climate concepts. The number of aspects in this field is too great.

Lüneburg, October 2004

Marcus Falke\*

Locke, Edwin A. (Ed.):

### **The Blackwell Handbook of Principles of Organizational Behavior**

Blackwell Publishers, Oxford, UK/Malden MA, USA (Blackwell Handbooks in Management), Hardback: September 2000, 464 pp., US \$ 83.95, ISBN: 0631215050, Paperback: July 2003, 488 pp., US \$ 39.95, ISBN: 0631215069

#### **A good harvest of OB-HRM research results**

As editor of this handbook, Edwin A. Locke presents central results in the field of Organizational Behavior (OB) which – after more than 30 years of research – would be ripe to be presented in a generalizing approach. Locke is right in criticizing lots of books about OB for only putting together long lists of disconnected theories – most of them about a single topic – without looking at the whole. And he wanted to edit a book which not only presents single results of OB and Human Resource Management (HRM) research (which overlap considerably and can hardly be separated from each other) but integrates them into a whole.

The book is published in the Blackwell Series Handbooks in Management, covering sub-disciplines of the functional areas of management. Handbooks in this series should provide a comprehensive and authoritative survey of the field. To achieve this purpose, each volume should be edited by some of the best known figures on the international academic scene.

Locke is Professor (Emeritus) of Leadership and Motivation at the University of Maryland. He is an expert on organizational behavior. He studied psychology at Harvard and received his Ph.D. in Industrial Psychology from Cornell University. Till now, Locke has published over 240 chapters, notes and articles on work motivation, job satisfaction, incentives and the philosophy of science. He is also author or editor of ten books, that all reached a wide dissemination. He is internationally known for his research on goal-setting. Locke's work has been supported by numerous research grants and awards in research and teaching. He is a Fellow of the American Psychological Association, of the American Psychological Society and of the Academy of Management. He also works as a consultant.

With this handbook Locke wants to serve undergraduates, MBAs, and managers as well as academics. Them all he wants to give an idea about the field of organizational behavior, especially about the connections in the field and possible applications of research results. In order to achieve this, Locke asked all contributors to work out OB principles that give generalized orientations for successful behavior in organiza-

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tions and point out research results more than case study work could – which is very popular in MBA courses.

In order to give a good overview over OB Locke distinguishes eight central topics of the field in which 29 relevant aspects of behavior in organizations are discussed. The articles of the handbook follow this structure – some more and some less:

- identification of the principle and needed sub-principles,
- justification of the principle(s),
- specification of implementation and/or contingency factors,
- illustrations of the principles through the use of some positive and negative case examples.

The authors are all experts on their field. They were confronted with the challenge of identifying principles and were asked to do that in a not too academic style. Chapters of the handbook are for example on Selection (Part I) „Select on Intelligence“ (Frank L. Schmidt and John E. Hunter), on Training and Performance Appraisal (Part II) “Design Performance Appraisal Systems to Improve Performance” (Angelo S. DeNisi and Jorge A. Gonzales), on Turnover and Satisfaction (Part III) “Promote Job Satisfaction through Mental Challenge” (Timothy A. Judge), on Motivation (Part IV) “Cultivate Self-efficacy for Personal and Organizational Effectiveness” (Albert Bandura), on Team Dynamics (Part V) “Compose Teams to Assure Successful Boundary Activity” (Deborah Ancona and David Caldwell), on Leadership (Part VI) “Use Power Effectively” (Gary Yukl), on Organizational Processes (Part VII) “Lead Organizational Change by Creating Dissatisfaction and Realigning the Organization with New Competitive Realities” (Michael Beer), and on Work, Family, Technology, and Culture (Part VIII) “Make Management Practice Fit the National Culture” (Miriam Erez).

The structure of the chapters shall be illustrated by two examples that are different in the way of coping with the particular aspect of OB and in the way of working out and discussing the principles.

On Selection (Part I) *Murray R. Barrick and Michael K. Mount* identify the principle “Select on Conscientiousness and Emotional Stability”. In addition to this general principle, the authors recommend the sub-principle, that – depending on the specific requirements of the job – one should also consider the other three big personality dimensions. Referring to the chapter of Schmidt/Hunter, who recommend selecting on intelligence, Barrick/Mount argue, that intelligence would contribute to gain the required competence to do a job well and that it would promote job success. Furthermore, people who are more conscientious and emotionally stable would work harder and would better cope with stress. They would also be more committed to work and more responsible and helpful to others. Barrick/Mount verify their suggestions by citing numerous empirical studies concerning the effects on work-related attitudes and on job performance. The argumentation is plausible and is based on the characteristics of the personality dimensions. Not discussed are effects of extremes and effects between the five factors and attitudes and performance. All in all, Barrick/Mount suggest to select people on conscientiousness and emotional stability as well as on intelligence. Concerning implementation, the authors recommend to consider the requirements of the job and the right of privacy. Furthermore, they mention some personal-

ity tests und point out possible effects of impression management and socially desirable responding detracting the validity of tests. To illustrate the positive effects of their principle, the authors highlight the results of a study on the effects of conscientiousness and emotional stability on career success and they describe the Selection and Classification Project, conducted by the US Army during the 1980s.

On Motivation (Part IV) *Gary P. Latham* postulates the principle “Motivate Employee Performance through Goal-Setting”. Latham points out, that – under consideration of moderators and sub-principles – goal-setting would increase performance and satisfaction. The setting of difficult specific goals would lead to significantly higher performance than easy or abstract goals, or no goals. Given that there is goal commitment and holding ability constant, higher goals would lead to higher performance. Variables like praise, feedback, or the involvement in decision-making processes would influence behavior not directly but by helping to specify concrete goals and by increasing goal commitment. Latham completes his suggestions with four sub-principles: “Set challenging specific goals”, “provide feedback in relation to goals”, “gain goal commitment”, and “provide resources needed to attain the goal”. In contrast to Barrick/Mount Latham’s argumentation is less empirically but theoretically orientated. Latham argues with the expectancy and the self-efficacy theory. Goal-related feedback would allow people to discern the effects of effort on goal-attainment and would help them to estimate more reliably to what extend their effort will lead to reach the given goal. With expectancy theory, being able to reach a goal is for both choice of the goal and striving for the goal as important as the attractiveness of the proposed reward. As well, self-efficacy would promote goal-commitment, because difficulties in attaining the goal would not be realized as barriers but as challenges. Exceptions of these principles would be the following: First, difficult specific goals would ask too much of people with less experience. In early stages of learning, people should be supported through the setting of abstract and easier goals. Second, environmental uncertainty makes it nearly impossible to set long-term goals. Concerning implementation, Latham points out the positive effects of self-management trainings and of letting people participate in setting their goals. Latham abstains from further case illustrations at the end of the chapter. Instead, there are several examples throughout the chapter.

The 29 chapters of this handbook widely cover the field of OB, without abstaining from in-depth discussions. Moreover, the volume has its own character. This could have been achieved because of the prescribed structure, to emphasize the argumentation through the means of identifying principles, to justify the principles, to deal with exceptions, to think about implementation, and to illustrate the principles through the use of case examples. On the other hand, it could have been achieved just because some authors nearly ignored the given structure and wrote the chapters in the typical and convincing way they usually do. Few did not formulate any principle, others no exceptions, and third ones made little use of case examples. Because of concise formulations and of experiences, brought in on alternative ways, these chapters gain a very special and, of course, an authentic tone.

Successful is the mixture of the contributions. In some chapters the argumentation is empirical, in others theoretical or based on practical experiences. All of the chapters have been written by experts on the discussed topics. Despite the width of



the volume Locke wanted to edit a book which not only presents single results of OB research but integrates them into a whole. This ambitious demand was managed quite well, but surely better regarding the single chapters than the complete volume. The sharp, polarizing formulation of principles actually invites to discuss other contributions' statements. But the links between the chapters remain very loose.

Coming back to the beginning, Locke is right: the results of OB research are ripe to be presented in a comprehensive volume and the harvest is good. The principles, particularly those, that are provokingly formulated and the illustrating cases stimulate further discussion.

Lüneburg, October 2004

Christian Gade\*

### **Vibert, Conor: Theories of Macro Organizational Behavior. A Handbook of Ideas and Explanations**

M.E. Sharpe, Armonk, 226 pp., Hardcover: \$64.95, ISBN: 0765612941, Paperback: \$ 24.95, ISBN: 076561295X

This book is not about "theories" as its title promises but about "perspectives" as is rightly stated in its table of contents. Conor Vibert (in some articles in collaboration with colleagues) gives a "broad overview" (p. 5) about the field of theoretical reasoning on organizations. The book presents 32 articles which cover such diverse views as, for example, Neoclassic Economics Perspective, Chicago School Perspective, Network Perspective, Knowledge Perspective, Institutional Perspective, Marxist Perspective, and Postmodern Perspective. Vibert arranges the articles under four headings in the style of Murrell/Morgan's well known classification. So, for example, the "Behavioral Perspective" is subsumed under the heading of "Functional Organizations Theories of the Firm", the "Cultural Perspective" under the heading of "Interpretive and Social Constructionist Perspectives", the "Chaos Perspective" under "Functional Organization Theories" and the "Configuration Perspective" under "Radical Humanist and Structuralist Perspectives". This manner of assignment is only partly convincing. Similarly the assignments within the articles give cause for argument. One asks, for example, whether it makes sense to apply the same approach, (the "Configuration Perspective") to such diverse authors as Giddens and Miles/Snow.

As regards content it seems fair to notice that it is a real challenge to give a true and balanced picture of the many approaches in the limited space available to each author, (on average an article is five pages in length). So it is almost inevitable that not all of the texts are satisfactory. The above-mentioned article on the Behavioral Perspective is, for example, very superficial. The concept of bounded rationality is not really discussed and its relation to the "satisficing" principle (p. 54) remains unclear. Furthermore the assertion that the garbage can model would imply "that scholarly institutions with professorial tenure often leads to continued course offerings of little interest to anyone but academics" is simply nonsense (p 57). Sometimes the propositions

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are confusing, (if not contradictory), as in – to cite an example – the article about the Natural Environment Perspective. On the one side the author states: “Corporate policy in many firms has changed from reactive (cleaning up after the fact) to proactive (preventing pollution at all stages of the process).” (p. 80). One page later you find the following comment: “Many industries seem more interested in antiregulatory political lobbying than pro-environmental changes.” (p. 81). The common theoretical rationale behind these statements remains unclear. The article about the “Bureaucracy Perspective” is misguided. The position of Max Weber is grossly misunderstood as a normative position in favor of the bureaucratic form. The reason for this apparently lies in a confusion of the term “ideal type” with the expression “ideal organization”, (p. 86). For some of the headwords it seems doubtful as to whether it is worth dealing with them in a separate article. For example, the theoretical underpinnings of the “Organizational Rule Perspective”, the “Natural Environment Perspective” and the “Metaphorical Perspective” remain fairly vague. Concerning the last one Vibert (referring to Alvesson) rightly states: “Metaphors are ... appealing to use. Unfortunately, risks associated with this popularity include their adoption for seductive as apposed to analytically helpful reasons; the potential development of a supermarket attitude by researcher is their adoption and tendency to oversimplify complex actions and interactions ...” (p. 133). Actually the critical remarks which are placed at the end of every article are the best part of the book. But they have their shortcomings, too, because the authors do not use a transparent *raison d'être* which could give the evaluation of the perspectives some structure. Thus very different and often non comparable arguments, (methodological, empirical, logical, ideological, or moral), are used. It may be that a consistent evaluation standard cannot be applied because of the very diverse nature of the perspectives. But actually there is another weakness to the book in that it delivers no discussion about the logical nature of the different “perspectives”. The “Primer on Organizations Theory” (Chapter 2) is too short and doesn't provide the necessary fundamentals.

Overall the book contains many interesting ideas, (as organization theory is indeed a reservoir of interesting ideas). Regrettably the presentation of the ideas is often arbitrary, and often remains somewhat unclear. The reason for this may lie in the fact that greater understanding and more precision can only emerge by applying the ideas to clearly stated problems and by comparing them with competing ideas – an undertaking for which the short articles provide no room. So the main benefit the reader may sense in reading the book is feeling that he or she is provided with a guide to help keep track of the vast literature on (macro-) organizational behavior. But as with the so called “one page management”, “five page organization theory” does not really work. Thus, hopefully, no reader will believe what is promised on page 8, namely that knowledge of the ideas which are presented in this book “... can lead to a career-related competitive advantage over one's peers ...”

Lüneburg, October 2004

Albert Martin \*

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Beckert, Jens:

## **Beyond the Market: The Social Foundations of Economic Efficiency**

Campus, Frankfurt am Main, New York, 1997

From the perspective of the behavioral sciences the prevailing neoclassical paradigm in economics is criticized for its unrealistic assumptions on rationality. For two reasons this argumentation is superficial:

(1) If individual behavior is to be explained, traditional (neoclassical) economics can easily admit, that its classical model of man “homo oeconomicus” lacks realism, as economics is usually not concerned with the explanation of individual behavior. On the other hand – if developments in the neighboring disciplines are taken note of at all – economics can point to social psychology and to some of its major disciplines which draw on a rational model of man as well. Suggestions in favor of more realistic models – from “bounded rationality” to “framing” and stochastic decision models to “Bayesian rationality” – are not only welcome but are developed further on in economics; if necessary, the psychological colleagues are allowed a Nobel Prize.

(2) However, many economists and scholars from business administration see economics as a normative rather than a positive discipline. Objections against the normative content of rational man are therefore more serious. Empirically observable behavior deviating from the rational model is thus not primarily a counterargument against the realism of the economic model, but a case for economic consulting. Actors who practically act irrational but who regret their decision in the light of better alternatives offered during economic consulting – which Robert Frank calls “irrationality with regret” – make an argument for the rational norm of economics. The case of irrational behavior without regret – i.e. behavior deviating from the pure egoism of homo oeconomicus who strictly calculates costs and utility, as, for example, “true” (non-Becker) altruism, damages to others regardless of one’s own costs, or self-damages as in the case of drug addiction – would count against the economic model. On the slippery path of criticism the critics of economics walk right into “Pareto’s trap”: They are left with the irrational, apart from economics which claims rationality. For criticism, however, it should be less decisive how much of human behavior might be called irrational. Criticism should rather stress that irrational behavior will hardly ever be reliable. It is not only the assumed frequency of „irrationality with regret“ which is in defence of purposeful rationality (“Zweckrationalität”) as the privileged ideal type of social action within a social science of understanding (“Verstehen”) and explanation. It is even more the difficulty to build a solid social theory on grounds of an “irrational” residual category. In other words: criticism is to overcome the schism of (sociological) irrationality vs. (economic) rationality to escape the trap of this disciplinary anchored argumentation.

Jens Beckert – a scholar of business administration and sociology – is aware of these difficulties. His work is meant to give advice, to economic sociology and social theory in general, how to criticize economics between the Scylla of “misplaced concreteness” in rational action theory and the Charybdis of irrationality in sociology. Altogether, he is interested in the classical relationship between economics and sociology, which after a long time of mutual ignorance has come into motion again recently.

In economics neoclassical theory has lost its dominant position since market failures have been discovered and new institutional economics has been developed to respond to anomalies of „pure“ economics. To date, however, this development has not weakened economics in general: even to the contrary, economics has begun to theorize on formerly neglected subjects, which had been left to sociology. Economic sociology, on the other hand side, points to theoretical deficiencies of economics and offers its co-operation under the label of “embeddedness”. However, Mark Granovetter’s formula must be put in more concrete words. It is this way that Beckert goes by focusing on and reinterpreting classical and modern positions of economic sociology.

In preparation of this it is necessary to determine the problems that economics faces as a social science. If economic sociology is meant to bring about more than better model assumptions and insights into irrational decisions without regrets, it must be shown systematically, that a rational model of man on its own does not make a social theory. At least this is the leading assumption Beckert takes and which leads his further analysis regarding the deficits of economic theorizing. Beckert illustrates the deficiencies of the economic paradigm by referring to cooperation, uncertainty, and innovation – classic phenomena only parts of which are dealt with in economics, or better, in specialized fields of economics like game theory or information economics. Astonishingly, the precise presentation of the problem lacks the deficient treatment of power and control in the economic paradigm. Sometimes, in fact, these topics are mentioned throughout the following sections, but they are not explicitly identified as a gap in economic theory. Unfortunately – with respect to the European debates – the different treatment of the mentioned problems in economics and business administration is missing, too. Of course, cooperation, power and control are topics usually neglected in business administration as well. However, business administration could become an important recipient of economic sociology, as it legitimates its disciplinary independence with the failure of its sister discipline: If the general Arrow-Debreu equilibrium model held true, no special discipline of business administration would be needed. This alone would justify a differentiation between economic approaches and approaches in business administration with regard to topics like uncertainty and innovation. Moreover, for economic sociology it would be easy to make friends in business administration. However, Beckert sticks with the classical confrontation and the according disciplinary bases.

In the following, Beckert studies four classic and contemporary sociologists – Durkheim, Parsons, Luhmann, and Giddens – and their treatments of three topics: cooperation, uncertainty, and innovation, each of these in contrast to the economic paradigm. Each of the four Beckert essays is a masterpiece of its own. Even readers who are familiar with the original texts will find something new in the essays about them and will probably be encouraged – like the author himself – to dig into the one or the other passage of the Durkheim, Parsons, or Luhmann texts again. Durkheim’s outline of “moral economics” under the primacy of sociology as well as Parsons’ draft of a general social theory (which is characterized by the struggle for the recognition of economics as an independent discipline which should simultaneously be restricted in its scope to an action theory of a functional system) are worked out in an understandable and detailed fashion. Especially with regard to the changing (or growing) posi-

tions Parsons takes, this is not an easy task. While Beckert – in the workout of the positions of Durkheim and Parsons – lays emphasis on cooperation, Luhmann's outline of a system theory serves as a starting point for the radicalized discussion of uncertainty. It is one of the merits of Beckert's work, to link Luhmann's ideas on uncertainty to the economic discussion once again. This central problem in Luhmann's works, whose ideas have strongly influenced the German speaking discussion within business administration, is usually neglected in the common reception. Possibly, this is because Luhmann's close ties to organization theory are willingly overlooked. Finally, Giddens' works are referred to in the context of innovation. This is – from the author's point of view – the weakest essay in Beckert's work. However, this might be due to Giddens' sociology itself. Giddens, like nobody else, knows how to offer catchy phrases for well known problems of social theory, but tends to hold back theoretical explanations for the heuristic formulations he gives. Beckert, however, wrestles with Giddens and, in the end, tries to justify his reflections with respect to third party authors.

Finally, Beckert concludes his analysis and gives hints for an action theory-oriented economic sociology; in short: he announces a follow-up book that remains to be seen with bated breath. At the moment one may be recommended to study Beckert's "Beyond Markets" and the classical positions discussed in this work. One should add, that a new economic sociology should take into consideration the workings of Weber, Merton, Coleman, and say, Bourdieu, as well. A "new" economic sociology – from the author's point of view – could be inspired by these authors and gain some further momentum.

Flensburg, October 11, 2004

Wenzel Matiaske\*

### Blossfeld, Hans-Peter / Rohwer, Götz: **Techniques of Event History Modeling. New Approaches to Causal Analysis, 2nd Edition**

Lawrence Erlbaum Associates, Mahwah/NJ and London 2002, Paperback, 310 pp, \$ 36.00, Hardcover: \$ 79.95

Event history analysis has sometimes been called a new causal approach for the social sciences. It differs from traditional approaches in several ways which are roughly encapsulated by the terms event and history. Firstly, event history data are far more informative than cross-sectional data or even panel data. Whereas panel data capture states of a process at pre-determined survey points, event history data inform about the course of events between the survey points as well, i.e. they inform about the history of the process under study. Secondly, event history models analyze events. An event marks the transition from one discrete state to another. Considering turnover as

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an example, one might think of quitting as an event. Quitting marks the transition from organizational membership to a state of no organizational membership. Statistically speaking event history analysis allows for the explicit modeling of time. In event history models “time [...] normally serves as a proxy variable for a latent causal factor that is difficult to measure directly” (p. 228). For example, human capital theory assumes that firm specific human capital is accumulated with length of tenure. In this respect time (length of tenure) serves as a proxy variable for human capital specificity. Drawing again on the turnover example, length of tenure should be negatively related to employee turnover. Event history models then calculate the “instantaneous probability” of an event (quit) at a certain point of time (tenure), given that the event has not occurred before that point of time. This is reflected by the transition or hazard rate, which serves as the “dependent variable” in event history models.

Event history models have been successfully applied to various research topics of Organizational Behavior (OB). Besides turnover, researchers have studied absence periods using event history models, the life cycle of organizations, mobility between unemployment and employment, full-time and part-time work or different types of employment, as for example employment and self-employment. Blossfeld and Rohwer provide lots of further examples and references in the introduction to *Techniques of Event History Modeling. New Approaches to Causal Analysis*. However, this is not a book on OB. It is rather a comprehensive reader on longitudinal data analysis which offers certain points of reference for researchers from different disciplines who are interested in the dynamics of social processes. The book serves three goals: First, the authors “demonstrate that event history models are an extremely useful approach to uncover causal relationships or to map out a system of causal relations” (p. vii). Second, they introduce the computer program Transition Data Analysis (TDA) by Rohwer and Pötter (2002) which is widely recognized as the most flexible and complete program for analyzing event histories. Third, the book serves as a supplement and update to the first edition (Blossfeld and Rohwer 1995) and to the textbook by Blossfeld et al. (1989). This review provides a brief overview of the book focusing on the first two goals with regard to research on OB.

The introductory chapter of *Techniques of Event History Modeling* gives an overview of typical observation plans. The authors discuss cross-sectional data, panel data and event history data and the (dis-)advantages of these different designs. In the next section they develop a view on causality, which leads over to the basic statistical concepts of event history analysis. As event history analysis follows a causal and probabilistic approach, it offers a very natural way to understand and interpret the indeterminacy of human behavior. This is elaborated by the transition rate concept.

The second chapter deals with the structure of event history data. It further gives first insights into use and operation of TDA with single and multi episode data structures. In the third chapter Blossfeld and Rohwer present descriptive methods for the analysis of event history data, namely the life table method and the product limit (Kaplan-Meier) method. They show how to compare survivor functions for different groups of a sample by either calculating and plotting confidence intervals or by calculating certain test statistics (Wilcoxon and Log-Rank tests). All applications in this

chapter and throughout the remainder of the book are illustrated by TDA command files and real data examples.

Chapter four features the basic exponential model, which is the most simple transition rate model. The authors briefly introduce the logic of the maximum likelihood estimation of event history model parameters. Further, they give some examples for exponential models without covariates and for models with time-constant covariates. Although the basic exponential model is inappropriate for most real world applications, it has a crucial role in event history modeling as a nullmodel for the comparison of model fit. In this respect Blossfeld and Rohwer explain the likelihood-ratio test statistic (LR) which may be calculated to compare nested models for model fit. The basic exponential model is then extended for the study of multiple destination states and multiple episode data.

Chapters five and six further develop the basic exponential model. “In most applications of transition rate models, the assumption that the forces of change are constant over time is not theoretically justified. It is therefore important for an appropriate modeling of social processes to be able to include time-dependent covariates in transition rate models” (p. 120). In chapter five the piecewise constant exponential model is presented to serve this goal. “The basic idea is to split the time axis into time periods and to assume that transition rates are constant in each of these intervals but can change between them” (p. 120). Chapter six focuses on the idea of episode splitting to take into account time-dependent covariates. Episode splitting is applicable with exponential, parametric and semi-parametric rate models and is therefore of basic interest in event history modeling. It can easily be accomplished with TDA which is demonstrated by some further application examples.

Chapter seven introduces some of the most common parametric transition rate models of time-dependence. In more detail, the presentation includes Gompertz-Makeham models, Weibull models, log-logistic and log-normal models and sickle models. Chapter eight extends the discussion of parametric models by several methods to check parametric assumptions. This becomes necessary because “available theory in the social sciences normally provides little or no guidance for choosing one parametric model over another. For example, [...] whether job-specific labor force experience changes linearly (Gompertz model) or log-linearly (Weibull model) over time can hardly be decided on a theoretical basis. Thus, it is important to empirically check the adequacy of models upon which inferences are based” (p. 213). Blossfeld and Rohwer discuss two heuristic approaches in order to check whether parametric models are appropriate, simple graphical methods and checks based on the calculation of pseudoresiduals or generalized residuals.

Chapter nine leads over to semi-parametric transition rate models, the most popular of which is the so-called Cox model. The Cox model is a proportional hazards model, which means, that the influence of covariates cannot shape the unspecified baseline hazard rate but “can only induce proportional shifts in the transition rate” (p. 228). Semi-parametric models may be extremely helpful in clarifying estimation results. As Blossfeld and Rohwer point out, “estimation results will depend on the type of model [...] [T]he best strategy is always to estimate a broad variety of different models in order to find robust estimation results.” And further on: “The problem in substantive applications is that theories in the social sciences, at least

lem in substantive applications is that theories in the social sciences, at least at their current level of development, rarely offer strong arguments for a specific parametric model. We therefore suggested [...] to use these models with extreme caution. Estimating a variety of model specifications and comparing the outcomes seems to be an appropriate strategy. However, this leads to another problem: the adequacy of alternative parametric models of time-dependence can only be evaluated with heuristic tools [...] Therefore, an interesting alternative strategy is to specify only a functional form for the influence of covariates, but leave the shape of the transition rate as unspecified as possible" (p. 228). In such cases the Cox model is "particularly attractive when the researcher [...] is only interested in the magnitude and direction of the effects of observed covariates, controlling for time dependence" (p. 229).

Chapter ten discusses problems of model specification, namely unobserved heterogeneity. Blossfeld and Rohwer present various models with a gamma mixture as popular suggestions to the problem. However, they keep a critical tone suggesting mixture models should primarily be applied to complement the range of possible transition rate models to find models which produce robust parameter estimates. The book concludes with a short discussion.

Techniques of Event History Modeling can be recommended for several reasons. Firstly, it gives a general overview of longitudinal data analysis and the opportunities and problems associated with empirical research in the social sciences. Secondly – and most important – event history analysis is simply the appropriate technique for various applications in the field of OB. This is most obvious in the case of turnover research. Despite certain calls for the dynamic modeling of the turnover process (e.g., Morita et al. 1989, 1993; Singer and Willett 1991) empirical research on the topic has been and still is guided by traditional causal approaches, mainly rooted in psychology. But it is not only a counter intuitive position to study social processes or dynamic theories with static methods. Rather, as Andreß (1988, p. 93) put it, explicitly dynamic models may bring about results which are less spurious than those produced by traditional techniques and which traditional techniques cannot bring forth at all. For example, Weller (2004) applied generalized log-logistic models to German Socio-economic Panel data (GSOEP), showing that the turnover risk follows a bell-shaped (inverse U-shaped) distribution with enduring tenure. The parametric modeling in accordance with the GSOEP data and additional exogenous data sources allowed for both, the calculation of the maximum risk and the timing of the maximum risk as well as for the inclusion of various time-dependent covariates, providing a more detailed view on the unfolding process of employee mobility than traditional static models could do. In addition, parametric modeling provided even more detailed insights than the few OB studies applying semi-parametric (Cox) models to turnover data.

Another aspect deserves attention. As already mentioned, event history analysis follows a causal and probabilistic approach. As Blossfeld and Rohwer show (pp. 21-37), this offers a very natural link to the indeterminacy of human behavior: "It seems agreed that social phenomena are always directly or indirectly based on actions of individuals. This clearly separates the social from the natural sciences. Sociology [or the social sciences in general; I.W.] therefore does not deal with associations among variables per se, but with variables that are associated via acting people. [...] [I]f it is people



who are doing the acting, then causal inference must also take into account the free will of individuals [...] This introduces an essential element of indeterminacy into causal inferences. This means that in sociology we can only reasonably account for and model the generality but not the determinacy of behavior” (pp. 28-29). Therefore, in event history analysis the classic deterministic approach, a change in X causes a change in Y (low job satisfaction causes quits), is given up in favor of a probabilistic approach: a change in X causes a change in the Probability that Y will change. This is conceptualized by the transition rate. The transition rate is not a simple probability because it can take values greater than unity. Rather, it has to be understood as the conditional propensity of an event at a certain point of time  $t$ . Technically speaking, the transition rate is the conditional density function  $f(t)$  of the waiting time  $T$ . It is conditional because it is defined in relation to a risk set, i.e. the individuals who have not had the event before  $t$ , which is conceptualized by the survivor function  $S(t)$ . Therefore, the transition rate  $r(t)$  is defined as  $r(t)=f(t)/S(t)$ . With respect to turnover research the transition rate may be interpreted as the individual propensity to quit at a particular point of tenure. Obviously, research in OB has typically followed a similar idea but at the same time has pursued a different theoretical and methodological approach. Based on theories of attitude formation (e.g. Ajzen 1985; Fishbein and Ajzen 1975) the determinants of human behavior (e.g., macro-level variables like unemployment rates, individual-endogenous forces like attitudes etc.) and the behavior itself are linked via behavioral intentions or behavioral cognitions: low job satisfaction causes an intention or a propensity to quit which leads to the behavior itself, to turnover. This approach serves a similar goal, namely to allow for the modeling of the indeterminacy of human behavior, or slightly different: for modeling the free will of individuals. In contrast to event history analysis it is not only victim to measurement problems broadly documented in the literature (see, e.g., Bozeman and Perrewé 2001), but also shifts in attention to mere empirical or technical problems, thereby casting shade on the theoretical position guiding the approach.

Finally, Blossfeld and Rohwer introduce the program Transition Data Analysis (TDA). Especially SPSS, the statistical package most researchers might be familiar with, offers very limited support for the analysis of event histories. Therefore, specialized programs are surely needed. TDA is widely recognized as the most flexible and complete program for the analysis of event history data. It is well documented (Blossfeld and Rohwer 2002) but may be somewhat hard to handle for newcomers. Besides some newly established online tutorials (e.g. the TDA-guide by Wolfgang Ludwig-Mayerhofer, see <http://www.lrz-muenchen.de/%7Ewlm/tdaframe.htm>) Techniques of Event History Modeling offers a very convenient and well structured introduction to the program. As the data and the corresponding example files can be downloaded from the TDA-homepage at the Ruhr-University Bochum (<http://www.stat.ruhr-uni-bochum.de/tda.html>) the application examples can be run through on one's own computer. In addition, the command files can easily be modified and adapted to one's own research questions. Altogether, “the reader is offered the unique opportunity to easily run and modify all the application examples of the book on the computer. In fact, we advise the event history analysis beginner to go through the application examples of the book on his or her own computer step by step. Based on our teaching

experience from many workshops and introductory classes, this seems to be the most efficient and straightforward way to get familiar with these complex analysis technique.” (pp. vii–viii).

Techniques of Event History Modeling fully attains both goals, showing the usefulness of event history modeling as a new approach to causal modeling and being an introduction to the program TDA. The book deserves the attention of researchers from the field of OB, although – or better: because – it offers a somewhat different perspective on social processes.

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