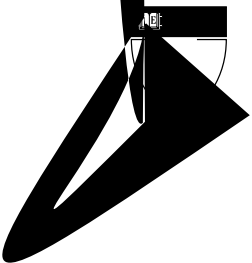


Management Theory – or Theology?

A conversation with Thomas Frank



conversation

Management Theory – or Theology?

These days, management books aren't about managing better, says a critic of the genre. They're quasi-religious tracts meant to win converts to modern corporate life.

When he's not editing The Baffler, a journal of cultural criticism published in Chicago, historian Thomas Frank tends several on-going projects, including a study of the history of management literature. Frank is a keen student because, in some sense, his review of the field represents an effort to know and understand the enemy: He is the author of One Market Under God (Doubleday, 2000), a blistering if entertaining critique of American business. Keeping up with the thousands of management titles published every year isn't easy. Few libraries have the resources or interest to stock them all, so Frank finds himself haunting some unlikely venues – the Brown Elephant, for example, a thrift store on the North Side of Chicago, which he says has a fantastic selection. Perhaps in part because he reads management's discard pile, his opinion of most contemporary business literature is low. Frank recently explained the trouble with current management theory to HBR's Harris Collingwood.

You would expect a left-wing critic of American business culture to complain that books of management theory are too dry and technical. But your complaint seems to be that they're not dry and technical enough.

That's right. Management theory fascinates me because I'm always thinking about who reads it and why. Business is supposed to be the most hardheaded corner of American life, with no room for puffery. But what corporate managers read is terribly fanciful and unconnected to reality. Just look at a book like [Peter Senge's] *The Fifth Discipline*, which is a series of anecdotes, moral proclamations, and mystical noodlings about leaders who listen and the democ-

racy of the corporation. Very few management books these days fall into the category I call Taylorism, which is my shorthand for books about making business and business processes more rational and efficient. The closest we came to that in the last decade was [Michael Hammer and James Champy's] *Reengineering the Corporation*, and even in that case the authors made a powerful effort to distance themselves from the Taylorist tradition. Since then, this strand of thinking has pretty much dropped out of the literature, and now all you see is this navel-gazing stuff about the nature of change and people pondering whether the corporation has a soul or not.

What do you make of this shift away from the practical and factual? I think it has to do with corporations' continuing struggle for legitimacy.

What do you mean, legitimacy?

Up through the 1960s, the power of the private sector was always a major political issue. It's hard to believe now, but corporations once faced a great deal of opposition from labor, journalists, and government. They had to struggle to make the case that they had as much legitimacy as any other social organization in American life, like churches or newspapers or the PTA. And when business owners made that case for themselves, they often made it in the most

ruthless, bloody-minded terms. My favorite example is the mine operator during a strike around the turn of the last century who said the workers had to submit to the people in charge because the people in charge had been entrusted by God with property and the sacred duty to manage it.

So they were capitalists by divine right?
Exactly. Anyway, by World War I, businesspeople had figured out that this approach wasn't working, and they needed public relations to make their case. That's when you start to see companies referring to themselves as a "family" – as a force for good in the community, as something other than an entity that exists to make a profit. And what amazes me is that you find the same themes, sometimes even the same words, in the management theory of the 1990s. You have management theorists and CEOs – I'm thinking, for example, of Walter Wriston and his book *The Twilight of*


Sovereignty – saying that corporations are profoundly democratic because they're responsible to the market. And the closer to the market you are, the more legitimacy you have.

That sounds a lot like the market populism you write about in One Market Under God, which I take to mean the use of populist rhetoric to advance the agenda of an economic elite.

That's right. It's using the language of democracy to talk about something very different from democracy.

But why do companies still need to worry about their legitimacy? In your book you argue that corporations have triumphed over what John Kenneth Galbraith called the "countervailing forces" to business – government and unions, basically. Isn't the battle already won?

In some ways the triumph of the corporation over every other social actor has made the problem more acute than

ever. You read every day that Americans are working harder, working longer hours, and what with cell phones and e-mail and faxes and whatnot, they're never really away from the office. It follows them wherever they go. If you're going to be giving your life to this corporation, it had better be something special. That's why the corporation has to be described as bigger than any individual, as something with feelings, as something that lives on after you're gone, that has values, that has transcendent brands, that has a soul. That's why you have these hardheaded, non-sense managers reading this incredibly woolly minded stuff. People who read [Allan Cox's] *Redefining Corporate Soul* or [Arie De Geus's] *The Living Company* aren't looking for practical advice; they're looking to have their faith affirmed. 

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