



Power In and Around Organizations.

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ware" of Japanese organizations (e.g., manufacturing technology and computerization). He then breaks each of these categories into their micro and macro components, thus forming the kind of two-by-two contingency table certainly familiar to most ASQ readers. With this framework in place, McMillan simply fills in the conceptual boxes he has created, chapter by chapter, with discussions of business and government relations, industrial planning, technology development, management education and recruiting, strategy and organization, human resource management, production and operations management, marketing, international management, and banking in Japan.

Each of these chapters, taken separately, is quite informative. McMillan begins each by reviewing some of the common misperceptions about how the Japanese economy works and then gives more accurate descriptions of what actually occurs. Almost none of these descriptions are unique to McMillan, and in a few instances, he seems not to know quite what to say about the phenomena he is describing. In his discussion of Japanese banking, for example, McMillan acknowledges that the banking system in Japan is important, but he is unable to describe exactly what it is about that system that makes it important, except to suggest that whatever it is seems likely to change in the near future. Despite these rare lapses, the chapters in McMillan's book are excellent summaries of the most up-to-date research on the Japanese industrial system and include numerous tables and figures that Japanese specialists are likely to find very helpful.

What makes McMillan's book less interesting than it could be is that, despite his call for an integrated analysis of the Japanese industrial system, he does not provide one for us. The framework he develops, though it adequately generates a list of important phenomena that should be studied, does not suggest how these phenomena are linked. And thus, the reader is left with a "laundry list" description of the Japanese industrial system — albeit a complete, accurate, and up-to-date "laundry list" — rather than an integrated picture of the complex interconnections among the different segments of the Japanese economy.

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Power In and Around Organizations.

Henry Mintzberg. Englewood Cliffs, NJ: Prentice-Hall, 1983. 663 pp. \$24.95.

I have to admit, I am impressed with *Power In and Around Organizations*. One can envision Mintzberg wiping his sleeve across his brow as he confesses, "The book is long and in places it is difficult. . . . The ground to be covered was vast, and the phenomenon to be discussed complex. . . . Yet I believe the book is successful . . . because I feel [a great deal can be learned about power by] the patient reader" (pp. xiv–xv). I agree on all counts.

Book Reviews

The focus is on power and control over the corporation. The basic theme is that there are coalitions outside the organization and coalitions inside the organization. Sometimes the external coalitions determine the course of events; sometimes the internal coalitions do. Mintzberg eloquently outlines a descriptive theory of the conditions under which specific configurations of coalitions will dominate the organization.

Part 1 proposes three external coalition types, the dominated external coalition (i.e., dominated by one individual or unified group), the divided external coalition (i.e., dominated by two or a few individuals or groups), and the passive external coalition (i.e., dominated by no one because there are so many diverse interests present). One chapter in this section describes the various roles that the board of directors takes in representing (or failing to represent) the external coalition.

Part 2 develops a more complicated taxonomy of internal coalitions. Mintzberg derives these from influence mechanisms or "systems" that dominate the organization. The themes are familiar here: authority, ideology, expertise, and politics. From these systems, a typology of five coalitions is deduced. In the first, the personalized internal coalition (IC), power emanates from the CEO, who makes all the key decisions. The second, the bureaucratic IC, also rests in the authority structure but, this time, in formal rules rather than in one person. The ideological IC is characterized by members' internalization of organizational goals. In the professional IC, expertise determines the power source. The final form is called the politicized IC, where dynamic political maneuvering and game playing determine how decisions are made.

Once the "players" have been established, Mintzberg discusses in part 3 the familiar problem of determining organizational goals. Confronting Cyert and March and Simon head on, he argues that organizations do have goals, that they can be specified (inferred from behavior), and that they are important to know if one hopes to understand the power dynamics in an organization. Goal "systems" are categorized and predicted to match certain coalition types.

Part 4 weaves the concepts and types introduced earlier in the book into a formal set of propositions (summarized on pp. 306–307). There are 15 possible combinations of coalitions (three external types times five internal types). Of these, Mintzberg argues, only six are natural fits. The remaining nine configurations, he hypothesizes, will be less common and less stable. This section ends with a 50-page chapter that ambitiously predicts the conditions under which one configuration is likely to evolve into another. His conclusion is that all organizations, should they survive long enough to pass through their natural life cycle, will eventually come to rest (but not die) as a political arena. The inevitability of this stems from the fact that the organization becomes so large and powerful over time that "it attracts outsiders intent on influencing it, and also raises the expectations of its insiders, who come into increasing conflict with each other" (p. 515).

This conclusion gives rise to the final section of the book, part 5, "Who Should Control the Corporation?" Mintzberg outlines eight ideological perspectives, ranging the political spectrum from direct government ownership to a Friedman-type laissez-

faire system. Importantly, he describes the implication each ideological solution would have on the power configuration of the corporation. That is, out of a set of normative ideologies, he predicts another set of descriptive relationships. He answers his own question in the final chapter, in which he outlines his own prescription for social policy. As one might expect, he argues for a combination of strategies to be used with some caution and flexibility.

Before discussing any book, it is important to know who the intended audience is. Presumably, a textbook for future practicing managers would elicit different evaluation criteria than a scholarly tome devoted to the same subject. When I first glanced at *Power In and Around Organizations*, I was struck with its size (663 pages of text, 34 chapters) and particularly its catchy headings (e.g., verbs, not nouns, are used to title chapters in part 5; for instance, "Nationalize It," and "Ignore It"). And, of course, Mintzberg includes his now famous logos and other (somewhat gimmicky) figures and metaphors. The writing is clear, very well organized, and sprinkled with a good bit of wit, all part of a formula to keep up an MBA's interest. I was convinced this was a textbook.

After a careful reading, I have decided that to label *Power In and Around Organizations* a textbook would be a disservice. It is more than that. It is a serious attempt to review a complex literature in an innovative way and to derive an original theory based on the review.

One sign of a book's contribution to the literature is the degree to which it generates research. There is no shortage of testable propositions in Mintzberg's book; some are explicit and some must be inferred. Any empiricist looking for work would have a field day reading it. If it has a failing in this regard, it is that the boundaries implied by the taxonomic delineations that undergird the theory are ambiguous. I found myself wondering, for example, what specific criteria I would use to determine whether the internal coalition of a small CPA firm was personalized or professional. In fact, I wondered further, might not these labels be more aptly described as dimensional attributes of coalitions rather than mutually exclusive categories? Although Mintzberg does not favor that possibility, he does not provide a clear enough mechanism for testing this contention.

But perhaps the biggest drawback the book will have in an academic audience is that it lacks the parsimony that characterizes other influential theoretical treatments of power. There is no central concept comparable to resource dependence, which motivated Pfeffer and Salancik's (1978) *External Control of Organizations*. The complexity of the model mirrors the complexity of the subject, and this may be unavoidable. Readers looking for a parsimonious statement on power will be disappointed, however.

Even the most skeptical reader would appreciate the book as a reference. The exhaustive review of the research on boards of directors (chap. 6) is one of the best presentations of the major issues in that literature I have seen anywhere. His bibliography has 394 entries (although not all are referenced in the text). His 18-page index is thorough.

Book Reviews

The self-proclaimed "epilogue" (p. xviii) of the book (part 5: "Who Should Control the Corporation?") is interesting but anticlimactic. It is the weakest section, in my view, not because it presents an unbalanced picture — on the contrary, Mintzberg carefully outlines positive and negative arguments on each normative theme. It simply lacks theoretical and logical cohesion and integration into the rest of the book. It adds little to my understanding of power dynamics surrounding organizations. On the other hand, as part of a course text, it should stimulate lively discussion about these important social issues.

One could also find faults with the book, especially if one is picky. Any effort of this size is likely to have problems (e.g., Figure 7-3, referred to on p. 103, is nowhere to be found). But to focus on these would be unfair. Overall, the book would make an excellent text for a course on power. It will stay on my active bookshelf as a reference. And someday when I have the time, it may well motivate me to research power from a different perspective. While the book is complex, the "patient reader" will find the complexity well justified.

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REFERENCE

Pfeffer, Jeffrey, and Gerald R.
Salancik

1978 The External Control of Organizations: A Resource Dependence Perspective. New York: Harper & Row.

The Impact of Publicity on Corporate Offenders.

Brent Fisse and John Braithwaite. Albany, NY: State University of New York Press, 1983. 393 pp. \$44.50, cloth; \$14.95, paper.

The Impact of Publicity on Corporate Offenders is a book midway between an academic treatise and a platform for public policy reform. The authors' values and biases are apparent throughout the book, but their effort to discern patterns in the effects of adverse publicity on its organizational targets is nonetheless a sufficient advance over muckraking journalism to command the attention of a scholarly audience. In this review, both the book itself and the challenge of reporting research on value-laden topics are discussed.

Previous empirical studies of corporate misfeasance or malfeasance fall in three categories. The first is investigative journalism, and while it is informative and often colorful, its intent is to arouse public opinion rather than stimulate scientific investigation. Illustrative titles include: *Unsafe at Any Speed: The Designed-in Dangers of the American Automobile* (Nader, 1969); *Laying Waste: The Poisoning of America by Toxic Chemicals* (Brown, 1979); and *Suffer the Children: The Story of Thalidomide* (Knightly et al., 1979).