

lonial relations that manage and control Aboriginal life. The stakeholder approach is derived from Western notions (of economic rationality) and fails to address needs of groups such as indigenous stakeholders. Although Aborigines are recognized as legitimate stakeholders, when a corporation wants to mine their property, the Aborigines' notions of development and land use are not legitimate alternatives to Western notions of progress and development (p. 271). Thus, the author contends, corporate responsibilities for social outcome are framed largely in terms of principles of legitimacy, in which social outcomes are determined by a system of rules and exclusions that do not address Aboriginal concerns.

Chapters 8, 10, and 11 range in focus from discourse by the West that affects views of the Other to resistance to control, but they emphasize institutionalized practices of domination, which provide targets and strategies for resistance.

The postcolonial criticism in this book sometimes slips into unguarded essentialism and representationalism, arousing a degree of caution. But to ignore these criticisms would be a loss. One reason to take postcolonial theory and criticisms seriously is the need for organization and management theory to reorient itself to the changing global context since the mid-twentieth century, when the fundamental theories and methods of management were pioneered. Despite periodic attempts to understand control, power, and resistance in organizations, the dominant assumptions remain relatively unexamined. Further, in the aftermath of 9/11, the need to understand "the street," a purported "clash of civilizations," and the rise of Asian economies call for some introspection about how we do management theory and organizational studies. One source of rethinking must be a reflexive understanding of the implications of the positioning of the managerial enterprise within the West. It is important to consider whether the ways of knowing, classifying, dealing with, and discussing the Other have left some deposits, vulnerabilities, and oversights—which have left some "invisible hand" guiding our practices of intellectual production.

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Redesigning Society, by Russell L. Ackoff and Sheldon Rovin. Stanford, CA: Stanford Business Books, 2003.

Reviewed by Stephen Jaros, Southern University, Baton Rouge, Louisiana.

The premise of *Redesigning Society* is that society can and must be consciously redesigned so as to provide more equitable distribution of wealth, quality of life, and opportunities for development for everyone. Societal transformation is needed because incremental, reformist approaches to major social problems, such as health care, crime, and education, have proven to be inadequate. Authors Russell Ackoff and Sheldon Rovin intend to provoke elite opinion shapers in business, government, and academia into recognizing this need, leading the public to recognize it, and ultimately creating "irresistible" pressure for transformative social change. I doubt *Redesigning Society* will fulfill this intent, because the authors do not persuasively explain the need for transformative change and because of conceptual problems in their plan for achieving it, but it is nonetheless an interesting read. The authors invite readers to provide feedback on their proposals as a means of keeping the process of design moving forward. This review is offered in that spirit.

The book is structured as a preface, eight chapters, an epilogue, and an appendix. In the preface the authors make the case for radical societal transformation. Chapter 1 outlines a systems-based approach to societal redesign, while the remaining chapters apply it to specific social problems. In the epilogue Ackoff and Rovin explain how an individual can contribute to planned change, and in the appendix they provide a method for resolving disputes via consensus building.

In Chapter 1 Ackoff and Rovin introduce the concept of *idealized design*—their method for redesigning society. It is essentially an extension to the social level of the design ideas Ackoff put forth in *Re-Creating the Corporation* (1999), and even much earlier in *Redesigning the Future* (1974), and its logic will be recognizable to anyone familiar with his prior work. The core concepts are (1) that we should think systemically, not analytically, and (2) that the ultimate purpose of any social subsystem is to help its

internal subsystems and the larger system of which it is a subsystem *develop*, defined as increasing the individual person's ability to meet his or her legitimate wants and desires.

Idealized design involves mentally destroying the social system under evaluation and conceptualizing a "best possible" replacement, subject to constraints of technical feasibility, operational viability, and environmental adaptability. Initially, design ideas are formulated by a "core group" of elites and then circulated among other system members. An iterative process of design modifications via core mass consensus building, reminiscent of the Delphi Technique or activity theory (Engeström, 1999), results in the finished design. Ackoff and Rovin see themselves, via *Redesigning Society*, as playing this initial leadership role in the process of planned social change.

In Chapter 2 the authors apply idealized design principles to the problem of governance. They argue that U.S. democracy is not participative, in that ordinary citizens lack direct access to political decision making, and decisions at all levels tend to reflect the concerns of special interest groups. Consequences include the alienation of a majority of citizens from the political process and a failure to deal effectively with critical social issues. Thus, governmental units should be organized as "lowerarchies," with power flowing from the bottom up, meaning that political leaders would be recallable at any time. Also, all elections should be publicly financed, with no private funding allowed. The authors also propose open emigration between nations, because significant exodus from one to another would provide the leaders of both with valuable feedback on how well their governments were meeting people's legitimate wants and needs.

Chapter 3 tackles city design problems. The goal is to design cities so as to provide "complete equality of opportunity to everyone within" (p. 42). The authors explicitly reject the notion that this means income equality. Rather, all residents would have equal access to urban facilities and services, and the authors provide sample sketches of what these neighborhoods could look like. They also propose that acceptable housing should be a basic human right. To this end, property should be taxed based on its depreciation, not appreciation, to provide an in-

centive for owners to maintain their property, and thereby prevent the emergence of slums.

Chapters 4 and 5 address health care and education. Ackoff and Rovin's approach to each relies heavily on price-system logic and the notion that it is characteristic of our current approaches to these problems that they provide the wrong incentives, in what I'd call a Kerr (1975) "rewarding A while hoping for B" sense. Implicit in their discussion of education is a critique of curriculum uniformity standards encouraged by accrediting agencies, such as the AACSB, and the movement toward standardized testing exemplified by "no child left behind" laws, because they tend to encourage rote memorization, not innovation and learning. Similarly, the authors critique existing health care plans for rewarding doctors and hospitals for curing diseases, not preventing them. The authors advocate voucher plans for both health care and education, since they provide choices for consumers and force providers to compete, thereby improving service and efficiency. They also propose basing teacher and doctor pay on client satisfaction and ending tenure, which, they say, encourages "intellectual retirement."

In Chapters 6 and 7 the authors argue that crime and welfare are not fundamental problems but, for the most part, symptoms of societal malfunctioning. If we implement the vision of social change outlined in the first five chapters, these problems will largely disappear. Perhaps the most radical proposition in this section involves the elimination of corporate crime, which the authors blame on top management's being under too much pressure to grow shareholder value. Their solution is to reconstitute corporations as "communities," with no owners—just "members." Employees, who are perceived to have the greatest stake in the effectiveness of a corporation, are prioritized over investors, who will now be loaners of capital, entitled to a "fair return" on the loans they make.

Ackoff and Rovin conclude (Chapter 8) by arguing for the key role of transformational leadership in bringing about their "social crusade." Since the primary barriers to social development are cultural and political, not technological or economic, the social problem is captured by the question: How do we change minds? (p. 152). How do we inspire people to want to change and be willing to actively work for it? It

will take leadership—the ability to formulate a vision and motivate people to commit to it.

Redesigning Society is designed to provoke debate and discussion—not to be a finished blueprint for action. Thus, it isn't fair to critique it for failing to address implementation issues. However, even if we grant the technical and financial feasibility of their proposals, some serious design issues remain:

1. *Power and interests.* The authors assert that most political disputes reflect *values* differences that can be translated into questions of *fact* via consensus-building processes (appendix). But existing social configurations reflect the result of past and ongoing power struggles between social actors with differing interests, and there's little historical evidence to support the notion that disputes rooted in differing interests can be resolved via logic or suasion alone.
2. *Income inequality.* The authors assert that equality of opportunity should be an "inalienable right," defined as "no correlation between the economic profile of parents and their children" (p. 122). Yet they also argue that income equality should not be a part of the master plan. Given that the economic status of parents is a strong predictor of the economic status of their children and that this, to a large degree, reflects advantages in opportunity that wealth and income confer on those who have it (Bowles & Gintis, 2001), it's unclear how a social development program that doesn't promise to significantly reduce income inequality will have much of an impact on equality of opportunity.
3. *Innovation and global institutionalization.* The logic of the governance plan (Chapter 2) leads to a global government. But a global government is a threat to policy diversity—the innovation and experimentation the authors argue are needed for ongoing development. It also means that unhappy citizens have no place to emigrate to if global policy is not meeting their legitimate needs, thus depriving government of an important feedback mechanism.

Even more fundamental, *Redesigning Society* could fail in its transformational leadership role because it doesn't convince the reader that radical change is really necessary—a prerequisite for inspiring action. According to Bass, Avolio, Jung, and Berson, "Transformational leadership . . . develops followers to believe in themselves and the mission" (2003: 209). This is largely absent from *Redesigning Society*. The authors dedicate only the short preface to this task, and they

rely on the belief that health, crime, welfare, and education problems are self-evidently intolerable to society. Yet, concerning the health care issue, a recent poll reported that despite widespread dissatisfaction with many aspects of our health care system, 85 percent of all Americans expressed satisfaction with the quality of their personal health care. This was true even of 69 percent of those who are uninsured (*ABC News/Washington Post*, 2003). If systemic problems are not reflected in personal dissatisfaction, then the authors will have to put more effort than they have in *Redesigning Society* toward convincing elites and the public of the "urgent need" for radical change.

That said, *Redesigning Society* is stimulating, and the key to this is the authors' ideological agnosticism. Some ideas, such as educational and health care voucher proposals, could have come from Friedman's *Capitalism and Freedom* (1962), while others, such as government ownership of corporations and employee election/recall of managers, would fit comfortably within the text of Lenin's *The State and Revolution* (1918). The price-system logic of many of their proposals adheres to conservative philosophy, yet they are fitted within an overall framework of planned social change, which is contra the ascendant Hayekian dogma that societies develop best when they develop "spontaneously." I commend Ackoff and Rovin for offering an approach to addressing long-standing social problems that is both radical and yet not conventionally ideological. I admire the authors' intellectual audacity.

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***Who Really Matters: The Core Group Theory of Power, Privilege, and Success*, by Art Kleiner. New York: Currency/Doubleday, 2003.**

Reviewed by R. Michael Bokeno, Murray State University, Murray, Kentucky.

I would desperately like to love this book. After my engrossment with Art Kleiner's *Age of Heretics* (1996), I eagerly anticipated the revolutionary sentiment there to continue reverberating through *Who Really Matters*. Indeed, with a subtitle of *The Core Group Theory of Power, Privilege, and Success*, I had visions of exploding critique, a public scourge of undeserving, greedy, and powerful corporate leadership—

and I dreamed I saw the bomber death planes
flying shotgun in my
sky,
turning into butterflies

I expected more Woodstock; I think what I got was Woodstock Reunion II or III or . . . maybe just disco.

The comparisons of *Who Really Matters* with Kleiner's *Age of Heretics* are important, since they set the former in a particular interpretive context. *Age of Heretics* hearkens back to a time when there was "music in the cafés at night, revolution in the air." *Who Really Matters* is this afternoon's barely impolite commiseration about postmodern worklife—over a latte. *Age of Heretics* is the delightfully partisan account of heroic radicals, rebels, and renegades trying to change society by changing the way we work—required reading in a graduate class I teach. *Who Really Matters* is a lucid but comparatively tepid account of everyday deference at work—

tertiary reading on reserve at the library—"ah, ah, ah, stayin' alive, stayin' alive. . . ."

Kleiner seeks to articulate *Who Really Matters* as a theory that "helps us see organizations clearly, as they are" (p. 6), in a way that "transcends both cynicism and naiveté, charting the boundaries and influence of the Core Group and discovering the most effective ways to manage it, live with it, and influence organizations for the better" (p. 10). A core group is, of course, who really matters in an organization. And what comes first in any organization, according to Kleiner, is "keeping the Core Group satisfied" (p. 4).

The major arguments of the book are as follows:

1. The *decision* is the foundation of all organizational action—that is, "not the job, the team, the project, the process, the share, or even the dollar. . . . Organizations are essentially the sum of all the decisions made in them over time" (p. 14).
2. Decisions are accomplished by collections of people known as either the core group or core groups—organizational members who, for any of a variety of reasons, are influential in their department, team, function, or the organization as a whole. Core group members have such influence because of formal hierarchical position, gate-keeping functions, the ability to reward and punish, referent power or interpersonal effectiveness, or specialized skill or knowledge.
3. That core groups accomplish decisions does not necessarily mean they actually make these decisions. Rather, decisions are made by organizational members on behalf of what they perceive are core group needs, wants, desires, or preferences.
4. While core groupness is a real thing and enacted by real people, what is perhaps more important is the *perception* of core group influence that non-core group members carry around in their heads. "The organization goes wherever its people perceive that the Core Group needs and wants to go. The organization becomes whatever its people perceive that the Core Group needs and wants it to become" (p. 8).

What Kleiner has written is a book not about leadership, or even specifically about membership, but about leader-member dynamics. In this way *Who Really Matters* resembles both leader-member exchange theory (Graen, 1976)—with its ingroup and outgroup patterns of interaction and influence—and Thompson's concept of the

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