

# What Counts in the Death or Transformation of an Organization?\*

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## *Abstract*

*This study of conditions making for the decline of an organization examines a college from the advent of charismatic leadership (emerging in a crisis) through its routinization to the period of decline. Critical factors in its decline are revealed as: sharp discontinuities in succession of personnel (faculty, student traits to be processed), absentee leadership and Trustees unable to give or respond to early warning signals, program innovations resisted by workers, or that workers were incompetent to execute, external programs that siphoned resources from the parent organization, and conditions in the social surround that contributed to disruption. The central orienting notion is that factors making for decline or death emerge at the intersection of an organization's legacy—its inherited purpose, procedures, and product—and influences that pour through its permeable boundary from its social and cultural environment.*

This composition has a minor and a major key. There is on the one hand the astounding decline in an organization's fortunes. On this score, like the ghost in Hamlet,

I could a tale unfold whose lightest word  
Would harrow up thy soul, freeze thy young blood . . . (I-v-15).

For as with any artistic or intellectual creation, it is sad and perplexing to see a social creation vandalized.

But that, except incidentally, is not the tale I would unfold. Mine is a happier tale in a major key, the story of the useful insights from the lore

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of sociology that help us penetrate the mysteries of this curious case. I start with some remarks on

## **I. The Question and Its Origin**

The anomalous event stimulates inquiry. The anomaly in this case was the unexpected death of an organization, a small, nationally distinguished College. I use the word, death, metaphorically: the organization persists in attenuated form. But it is such a stranger to its past that it might well be seen as a different organization, displacing its predecessor. It persists only tenuously, reduced in size, resources, and program, without a philosophy of education or a distinctive purpose that would confer identity.

### **THE CRISIS OF 1979**

The immediate stimulus for this study was the announcement by the Board of Trustees that the pay of all 862 University employees was to be suspended on May 17, 1979. (This University was the progeny of a national conglomerate, referred to as the Network; and this, in turn, was the creation of the midwest College which is the subject of my study.) With few exceptions, people were without income for five months. Faculty members, like other workers, could tap unemployment compensation. But this would provide only a fraction of a faculty person's salary; and was especially damaging for older workers who had assumed that their education and length of service protected them from an experience they felt demeaning.<sup>1</sup>

### **INCREASING TENSIONS OVER THE DECADE, 1964 THROUGH 1973**

The payroll crisis was not the first clue to the organization's ailments. Over a period of 10 years (1964-73) it was marked by exponentially mounting threats and tension. It suffered dissension among faculty members, between faculty and the President, between faculty and the Board of Trustees. There was conflict among black students—those admitted as regular students and others admitted under a special program for blacks from urban ghettos. There was conflict between black and white students; and between a small core of radical faculty members and others. The campus was riven with political protest and recurrent strikes. During this period, but especially in the 6 years, 1968-73, a number of satellite ventures caused deep dissension at all levels of the organization. Units in this Network aimed to serve deprived populations—blacks, Hispanics, Eskimos, Native Americans, Vietnam veterans, poor whites of Appalachia, et al. At the height of its development the Network (later the University) num-

bered between 20 and 30 units. (The number depended on the time of the tally; and whether one counted a spinoff center separately from the unit which sponsored it.) Finally about 14 years after the advent of this President and 10 years after instituting a strongly resisted, *laissez-faire* program for freshmen, the telling blow fell. There was a costly shutdown of the College in 1973 when, under threat of retrenchment in Federal aid, militant students sought a guarantee from the College of full funding for their education. From losses in damaged property, from the loss of students who transferred and from decimated admissions, from a thinned out faculty, and from financial losses linked with the expanding Network, the organization has never recovered. In the 10 years since the President was fired brave declarations of revival, a stream of trouble-shooting administrators, successive campaigns for financial support, heroic measures to increase enrollment, a new curriculum (with Institutes replacing major academic divisions)—all these have failed to revive a wounded organization.

#### WHAT MADE THIS AN INTERESTING ANOMALY?

It comes as no revelation to the sociologist that organizations flourish and decay, are born and die. Trow speaks of the "high fertility and high mortality rates among institutions of higher learning. . . . Between 1969 and 1975, some 800 new colleges . . . were created, while roughly 300 were closed or consolidated . . ." (272). But the question is: Which ones die? Which survive? And why did *this* one decline or, in transmigrating, become a different creature? Why, especially when its course from 1920 to 1960 was a monotonic rise in distinction and renown?

For it was a school with a distinctive product owing to the dialectic between theory and practice (in a work-study program); one which welcomed, without invidious discrimination, all able students; a school that set in motion the self-fulfilling prophecy by assuming a degree of maturity which was indeed required by independent living on the job and in foreign parts; one which encouraged responsible participation in the government of the academic community; and one in which commitment to intellectual growth was assumed. Indeed, along with Reed, Oberlin, and Swarthmore, disproportionate numbers of students went on to earn doctorates in the sciences (Knapp and Goodrich); and as far back as the 1930s, Clark writes, this was one of the distinctive schools having "reputations as institutions of quality" (6).

One would expect, then, that these attractive features would promise a flourishing future for this organization. The special attraction of the case lies in the strength of the anomaly, the failure of a reasonable forecast of continued vitality.

## THE FORMULATION OF THE QUESTION AND THE STRATEGY OF ATTACK

Two sorts of questions come to mind, one a problem in social psychology and the second, one in the structure and change of organizations. The first asks: How does unemployment affect the person? The second, the question I pose, asks: What changes in social variables account for variations in organization output? Behind my attack on this question are three assumptions that bear on the notions of system, environment, and the case study.

The first assumption was that the most useful way of analyzing change in this organization would be to treat it as a system, one in which the production of desired outcomes was a function of procedures deemed appropriate in transforming raw materials selected for the purpose. Thus entertaining the possibility of isomorphisms, the question becomes less parochial, its implications more telling.

A second assumption was that the principal source of change lies in an organization's environment. To use a physical parallel, an organization will continue to move in the direction it is going until it is stayed by some external, countervailing force. Or, if at rest, that is, in equilibrium, it remains so until some external force impels it to move. Thus for the common conditions of incessant change in an organization, we are first directed to identify and weigh those external forces which have an impact on the organization.

A third assumption is that a case study is a good first step for tiny feet—that is, for persons as innocent of the field as I was. A case study reveals astonishing complexity, disabusing the investigator of easy, instant truths. It was for me a useful way of identifying pertinent variables and of checking the conceptual apparatus we use in the study of organizations. At least temporarily I'm persuaded that certain variables are critical in explaining an organization's death by expiration or transformation. These include disjunctures in succession of personnel categories, distance from product, anemic investments in R & D to monitor the connection between procedures and product, the balance of centrifugal and centripetal forces, boundary permeability measured by volume, rate and type of boundary transgressions, and the extent to which social mechanisms are homologous with professed purpose.

In a negative sense, a case study can be determinate in revealing the exception that tests the rule. Beyond this it is a sensible first step toward analytic induction (Robinson; Znaniecki); and toward the quantitative analysis of a set of organizations with a wide range of values on the independent variables. The case study is the obvious means of laying the groundwork.

## SOURCES OF DATA

There were three sources of data: 110 interviews, taped, transcribed, and analyzed; documents, including official records of admissions, testing of-fice, and the like; and books, journals, and national media.

Two limitations of the data need remarking. One is the attrition in sources owing to death, firings, resignation, and the normal turnover—especially of students. The second is that the public documents turn on events that threatened the work of the organization. So inevitably the more routine operations, those that contributed to the daily rounds and promoted organization goals, are underplayed. There is then a bias in favor of attending to the negative and the extreme.

The means of exploiting the data were quite straightforward. One observes some change along a given dimension. The next step is to hazard an explanation. In a third step, the data entailed by the explanation are gathered and analyzed. A fourth step is the subject of this address, retrospective rumination on those variables that count in understanding the death or transformation of organizations. My musings are arranged under *temporal* factors (the organization's legacy), *spatial* factors (relationships of organization to social and cultural surround), and some summary conclusions.

Every organization is the legatee of past purposes and procedures. Every organization also operates in a social surround which offers both needed resources and serious threats. In effect, the time dimension embodies a conservative influence, a valued inheritance from the past. The space dimension points to enviroing circumstances which exert pressures for change. To employ the language of human ecology, the past, distilled in current operations, reveals *commensal* relationships. (Common commitments and common needs mean that people eat from the same table.) But connections with the social surround entail *symbiotic* relationships. If we think in terms of members' roles, there is the contrast between Merton's locals and cosmopolitans, a conceptualization Gouldner applied in his study of this same organization. Space and time are not independent dimensions of organization change; today's impact from the social surround will be part of tomorrow's legacy. But they are useful dimensions along which we discern the differences that help or hinder achievement of organization goals. They will serve as a handy means of organizing a few thoughts. I start with the time dimension, remarking on changes in sources of authority, changes in succession, and changes in number of organization units.

## II. Dimensions of Analysis: Temporal

### CHANGING SOURCES OF AUTHORITY: CHARISMATIC TO ABSENTEE LEADERSHIP

Over time, the data show three clearly discernible periods: that of charismatic leadership for a period of 15 years, marking the rebirth of the College under the leadership of patriarch and prophet; then a period of consolidation lasting about 25 years (1935–60); and finally a period of increasingly anomic conditions and attenuated leadership from 1961 to 1975—and beyond.

#### *The Social Seedbed of Charismatic Leadership*

Charismatic leadership is to an organization what a flashing insight is to the person: it is the social analogue of the process of creative thought. Both arise from disturbed conditions, social and psychic, respectively. And both are sudden solutions whose meanings are slowly unravelled in confronting mundane problems. I suspect that the same holds true in matters of values and cognition. "Value arises in the interval which obstacles, renunciations and sacrifices interpose between desire and its satisfaction" (Simmel, b, 57). And Dewey makes the parallel point that thought is generated when—and only when—the smooth, ongoing tenor of our lives is interrupted. So troubled times, discontinuities, sharpen and redefine values, stimulate new moral and intellectual solutions which may be articulated by such a charismatic leader as the one who revived the College. All evidence points to the great power of this leader; and the great transformation wrought in the foundering school in a very few years.<sup>2</sup>

#### *Routinizing the Charismatic Vision*

The next 25 years, 1935–60, were a time of consolidation. In this phase, as in its initial stages, the College perfectly exemplifies this type of authority and its routinization. "Charismatic authority," says Weber, "may be said to exist only in the process of originating. It cannot remain stable, but becomes either traditionalized or rationalized, or a combination of both" (363–64). This was a slow and arduous process since rationalization and routinization were the work of amateurs as they tried to contrive the social mechanisms for achieving desired ends. (It is worth noting that, since charismatic visions are by definition extraordinary, conventional means are necessarily inadequate.)

#### *The Following Period of Leaderlessness*

In debunking the power of the hero in history, we may have gone too far in crediting social change only to the deep, underlying tides of depersonalized drift. At any rate, even though leaders, like Gulliver, may be

trussed by a thousand social strands, the *absence* of the leader seems to have made a real difference in this organization.

It was striking to see how, in the decade 1966–75, the organization became progressively leaderless. This emptiness at the center was created in various ways: by the centrifugal influence of disciplinary specialization, by polarizing the faculty on the institution of a new, *laissez-faire* program with credit automatically awarded; by creating the Network, a program of satellite campuses and centers across the country; by moving the President's office from campus to another site, so symbolizing his first concern with the larger organization of which the College was now but a less interesting unit (headquarters are now in New York City); and by firing two Deans who sought to recapture for the College some of the concern and eminence lost in the construction of the Network.

To offset these centrifugal forces, certain centripetal influences might have been activated, but were not: the clear articulation of purpose; careful recruitment and orientation of new members as to the ends and means of the organization; separation or reassignment of workers who would undermine the organization they were hired to serve; setting up and responding to an early warning system so that workers' legitimate needs are met before they must resort to strikes and aggression. (Intelligence has been defined as the ability to respond to reduced cues; and intelligence in organizations is similarly revealed by a sensitivity to environing threat and opportunity.)<sup>3</sup> Above all, three questions were not answered about a number of influences from the social surround. What is the aim in admitting this new element to the organization? (A new program in microelectronics, or programming, or in genetic engineering, or a novel input of personnel.) Is this aim consistent with organization purpose? And if so, what is the social homologue, the new procedure that will connect purpose with product? In the case of the College, for example, this question had not been answered about a novel input of student traits: What social mechanisms will be appropriate for the teaching of ghetto youth lacking academic motivation, with no understanding of a liberal arts education, and with no assurance that the heavy requirements are worth the candle?

In sum, the management set in motion large, centrifugal forces that were not offset by the centripetal influences needed to clarify purpose and create needed procedures to assure the desired product. This period from 1920 to 1975, then, can be seen as a period of charismatic leadership, followed by the translation of aspiration into program, and a final, emergent condition described in some lines by Yeats: "Things fall apart; the center cannot hold / Mere anarchy is loosed upon the [group]."

## DISJUNCTURES IN SUCCESSION

*Students: The Traits to Be Processed*

Over a period of 50 years there was a succession of three sorts of students: the unorthodox—individualists and idealists, somehow attracted by the extraordinary organization; then, in the period of routinization, the intellectually oriented students with family backgrounds and personal destinations disproportionately in the professions; and finally the guerilla fighters of the academy, from deprived backgrounds, seeking restitution from the establishment.

An interesting sidelight links novel purpose with a novel input of raw material (student traits). In 1955 an outside consultant (Wilson) observed that the College's incoming classes included a surprising number of isolates—that is, very few came from the same preparatory or high schools. A likely interpretation is that the extraordinary definition of product articulated by a charismatic leader confounds customary recruiting procedures. So the initial match of traits with organization needs must be made by isolated persons who somehow feel an affinity with their image of the organization. With the passage of time, with the routinization of charisma, we find a shift from isolated self-selection of a few to the more systematic and patterned recruitment of the many.

In the later years, especially 1968–73, another wave of newcomers helped change the nature of the organization. This was the period of acute politicization. Many were absorbed in protest movements and, as elsewhere, the College was a protected platform for launching attacks against militarism, racism, and sexism. (One must be intrigued by the way such transitional organizations generate controlled explosions. The liberal arts college can operate as a sanctuary for ideas and conscience, in part, because it is shielded by the incontestably virtuous and newsworthy activities of semi-professional sports, the schools of law and medicine, and MBA programs.) Among succeeding cohorts, the greatest disjuncture in succession was that of blacks from urban ghettos who were asked to use unfamiliar means to unknown ends, all at some cost in anxiety and an initial devaluation of self. But like elements coalesce when confronting crises; and segregated huddling together for reassurance soon gave way to assertive claims for self-enhancing experience and a larger share of the organization's resources.

I want to call your attention to three features of this last cohort of students. First, for effectively exploiting enviroing resources an organization needs some external counterpart agency. But poor and unprepared urban blacks are a *category*, not a group in the College's environment; and there is no agency out there which could discerningly apply appropriate

selection criteria and so help the organization recruit students it was qualified to help.

Second, I report a hazardous demographic feature: among these ghetto blacks, males were disproportionately recruited. Recognizing gender differentials, one can understand the heightened violence that characterized young black males trained in, and esteeming physical aggression as a condition of rank and survival.

Third, this cohort in alliance with radical students and faculty, promoted a transfer of initiative and power—from the formal agencies of administration to the informal pressure of students, from the processors of traits to their carriers, from long-term members of the organization to the transients. Members of this last cohort were ignorant of organization history, purpose, and procedures. They were indifferent to costs and more willing to put the organization at risk. They deceived themselves in thinking that large goals were immediately attainable; and were quite innocent in estimates of consequences of their actions. Putting action above thought, they were indifferent to any need to assess the degree of achievement of desired outcomes such as empowerment.

#### *Succession of Faculty and Administrators*

There were also marked disjunctures in the succession of workers and administrators. After WW II, an older, smaller faculty, often teaching outside the domain of their training, were gradually replaced by conventionally accredited specialists, with a concomitant stress on academic prowess and professional training. The increased emphasis on disciplinary distinction was reinforced by the complementary changes in student succession. This change in succession amplified centrifugal impulses in the organization. In complex organizations, the division of labor by specialties soon shifts the reference group from community to professional association; and recruitment criteria to universal standards that are, in some measure, eccentric to the unique product that gives an organization its identity.

There was another wave in the succession of workers. Between 1968 and 1975 a handful of incoming faculty identified themselves as radicals. Their agenda, along with that of the rapidly increased number of student rebels, led to coopting the organization to promote political ends—racial justice, getting out of Vietnam, opposing the bourgeois liberalism represented in the Peace Corps, organizing College workers, controlling College resources, and the like.

As with students and faculty, there were discontinuities in the succession of administrators. *Type* of input changed from the charismatic through the routinizers to the Network-builder for society's underdogs. The Board of Trustees was transformed from a group of third-party overseers to contending partisans: for or against the parent organization, the

proliferating Network units, a liberal arts education, empowerment of the poor and deprived. But what was distinctive in succession among College administrators was the *rate* of input and turnover. At the second echelon, following the retirement of a Dean who had been in the role well over 30 years, the tenure of ten successors was, in years: 3, 1, 1, 3, 2, 1, 2, 1, 2, and 1, respectively. Thus centrifugal forces at work among faculty and students were amplified by the lack of centripetal influence among administrators.

#### CHANGES IN PROGRAM: COLLEGE TO NETWORK TO UNIVERSITY

Another disruptive influence was a radical departure in program, a conglomerate which was metastasizing under College auspices. These satellite ventures fixed on the population to be served, to be identified by their deprivation. The outcome, in changed properties of material processed, was to be empowerment, displacing the more proximate learning goals. The populations included certain Vietnam veterans, blacks, Hispanics, prisoners, poor whites of Appalachia, law students concerned with social justice, and so, likewise with students in the graduate education program.

We can assume, with Simmel, that other things equal, the larger the group the less likely a singleminded commitment to agreed-upon goals. The general principle is simply that organizations "decrease in inner cohesion as they increase in volume" (a,95). Heterogeneity is a positive function of size; and departures from the faith are a positive function of heterogeneity. In this case, the effects of an extremely heterogeneous program were aggravated by the rate at which the Network grew, and the enormous scatter of the units.

In the beginning, the home office bravely assumed responsibility for quality of product. But it was not long before the conferring of degrees by authority of the College faculty was seen as farcical. They had no knowledge of what went on in these remote units—their personnel, procedures, or products. And of course workers in the distant units were precious of their own responsibility and autonomy—except insofar as they needed resources, including repute, that the parent organization might offer.

So the greatly increased growth and diversity of the organization rendered ever more inappropriate the old procedures of faculty recruitment, student admissions, quality control, and administration. The expanded organization required a high degree of autonomy in local unit operations. It entailed a loss of control by the sponsoring organization. Branches lacked appropriate statements of operative goals, not at the abstract level of empowerment but in concrete terms that would permit assessment and point to improved methods of processing. Development of the Network meant a continued drain of resources from the College: ab-

sentee leadership, office space devoted to Network uses, sale of real property, loss of endowment funds that had been used as collateral for Network investments, and diminished reputation as public officials and news media depreciated the work of Network units.

### III. Dimensions of Analysis: Spatial

I turn now to the spatial dimension, the impact of the organization's environment. This will vary in volume, type, and rate of flow across organization boundaries. One of the characteristics of the open admissions policy in the CUNY system was high volume and rapid input of a new type of student. Values on all three variables were so high, so incompatible with extant methods of processing student traits that Dean Theodore Gross wrote about it under the title: "How to Kill a College." Let us consider two aspects of the organization's environment, its social surround and its ambient culture.

#### THE SOCIAL SURROUND

##### *Demographic Influences*

Changes in the age-eligible population must affect a people-processing organization. During the period of this study, annual births in the U.S. fell by about a million, for a decline just under 25 percent. Projected college enrollments for the years 1980 to 2000 show a monotonic decline of another million by 1996, at which point the curve bottoms out and starts upward. But changes in volume may be less significant than social shifts that alter the internal demography of organizations: currents of change in religious belief and conduct; or in the treatment of minorities; or in the age structure of our population; or in urban-rural shifts; or increases in women's part of the labor force, especially in professional and administrative roles—all these related to changes in economy and polity.

##### *Economic and Political Influences*

For schools, decline in the pool of age-eligible persons means a severe drop in resources. Some, like the one I studied, with a negligible endowment, must rely on student tuition for 75 to 85 percent of their operating income. A diminished pool of students may mean death for a number of organizations. During the period 1970-79, 132 private colleges closed their doors (*Chronicle*). The College in our study was particularly vulnerable to economic ups and downs because it had to place, each year, between one and two thousand students on half that number of jobs. And of course, like all other organizations, schools are affected by ever increasing costs.

(Setting the index of prices colleges and universities pay at 100 in 1967, the figure in 1983 was 309.)

Political influences on the organization were various and continuous. The New Deal years opened all kinds of new employment opportunities in social services for the work-study scheme. Later, the GI bill introduced a quite different cohort of students. The McCarthy years were times of oppression for this College. One outcome of the perpetual war of the United States and the USSR is that a technical advance by one party reverberates in the other's education system. There was the impact of Vietnam, Cambodia, Kent State, Jackson State, the Black Panthers, and the murder of Martin Luther King—all marked by weeks of feverish political activity during which students seized power and often controlled College operations. When, at this College, the Behavior Research Laboratory was chained shut—it was an Air Force supported project—a faculty member expressed her feelings this way.

First, it was rather like waiting to be executed . . . it felt like Shirley Jackson's "The Lottery"—being stoned to death for the good of the community. But I think the best comparison is that of being in Nazi Germany in the early thirties and discovering one had a Jewish grandmother.

Finally, it was a political event, the prospect of reduced federal funding for student aid that was the alleged reason for students' closing all the buildings, except dormitories, and straitjacketing operations for 6 weeks in 1973.

#### *Foundations and Professional Associations*

Both the changing source of the faculty (conventionally trained and accredited through their graduate work) and the greater propensity of students for graduate work reflected the growing importance of professional organizations. These associations shaped the curriculum for some fields of concentration and sometimes even the nature of the general education curriculum. They enabled faculty to establish external networks which competed with the College for time and allegiance. Thus professional organizations put in motion strong centrifugal forces.

In parallel fashion, the identification with the College of plant and service personnel was progressively qualified by orientation toward unions. As with the professional associations of faculty, an external agency became a prime source of reward. Even the legitimacy of the organization's work, once based on *internally* ratified convictions about a unique and critically important mission, shifted toward *external* ratification by various accrediting agencies.

As to Foundations, it is probably not an exaggeration to suggest that, from their offices in New York City, they may have had more influence on the College's destiny than the faculty or governing agencies of the

College. The three programs which most altered the course of the organization were Foundation supported. Danforth and Exxon provided some backing for the First Year Program. Rockefeller funded the enormously disruptive race relations program. And the Ford Foundation was an early source of funding and planning for the College's colonizing—the developing of the Network and, as it became, the University.

### *Cooptation*

If it is inevitable that administrators tap resources available in the social surround; it also happens that outside agencies view the organization as a resource and may try to coopt it in the service of their special purposes. At best, the relationship is symbiotic; but the reciprocity of symbiosis may give place to parasitism as satellite preoccupations multiply. Scores of examples come to mind.

Professional sports can rely on the college or university to serve as a farm camp where talent can be scouted and recruited. Television moves in to swell advertising income from collegiate athletics. The military attach themselves to colleges and universities through Reserve Officers Training Programs and various research projects. Beer and junk food companies thrive on this special population. Newman student centers, Hillel foundation and various Protestant centers ring campus, so taking advantage of a critical sector of the population assembled by a school. Political parties and various social movements capitalize on the vigorous enthusiasms and commitments of students and faculty. In the organization I studied, blacks used the College as a staging area for the black liberation movement. Radicals used it to promote their version of a desired social revolution. And the CEO himself coopted the school as a means of redressing social wrongs by empowering the deprived through a farflung Network of satellite units.

The liberal arts college is especially susceptible to such external influences because it is intellectually voracious. The range of human affairs is grist for its savoring and analysis. But such a range of interests may so extend the organization's perimeter as to multiply points of vulnerability.

For organizations with extremely permeable boundaries, it seems likely that clarity of purpose and effectiveness of procedures will be compromised to the extent that external and potentially coopting influences are not anticipated and, if accepted, monitored for their impact on the organization. Insofar as members of an organization are committed to a given product it would seem desirable, first, to assess the efficacy of the link between current procedures and product; and then to weigh the probable influence of external agencies in helping or hindering in the achievement of that product.

*Organization Identity a Function of the Social Surround*

I note, finally, that the identity of an organization, a condition of its very existence, hinges on environing circumstances. A well-lit room one can find one's way around in is distinctive when the rest of the house is dark; but it loses this identifying quality when switches are thrown on in the rest of the house. Some think this is what happened at the College: what had been distinctive features of the College were now commonplace in higher education. And, says a Board member: "They didn't know what to do for a new act . . . I guess their claim for distinction was no longer theirs." The general principle would then seem to be that an organization's identity and competitive capacity is always threatened as distinctive features are taken over by others, resulting in a constant impulse—sometimes meretricious—toward innovation.

## THE AMBIENT CULTURE

The data make clear that this organization was susceptible to common cultural currents. Three of them were particularly powerful as they joined strong, broad cultural themes with ostensibly parallel values handed down from the College's founding fathers. The three themes are innovation, equality, and pluralism.

*Innovation*

Any organization in the United States operates in a culture that equates the new with the good, and the newer with the better. And this organization's long record of innovation was used to justify a profusion of new departures. The Board of Trustees and the College officers were committed to the *principle* of innovation. The principle equated "the exercise of academic freedom [with] the right to experiment," that is, to innovate. It was to stimulate innovation that the President and others proposed to limit the term of faculty appointments to seven years (with eligibility for reappointment after a five-year absence). "The vested interest of faculty and administrators in special parts of the College's program would be reduced. Newer faculty and administrators would have *greater encouragement to pursue innovative ideas*" (Brower et al., 27; emphasis added).

There are good reasons for this stress on innovation, beyond the fact that academic organizations must welcome new ideas as indispensable to scholarship and teaching. It is promoted by leaders who can be expected to have less interest in perfecting programs initiated by their precursors than in devising new departures that will carry their stamp. The primary reference group of executive officers is likely to be their counterparts in similar organizations; and their standing among such peers will depend on distinctive changes they have wrought in the organizations they administer.

There are two other reasons: the marginal mind and the marginal role. It may be that change in an organization is stimulated when, as Yeats put it, "the best lack all conviction, while the worst are full of passionate intensity." There is evidence that a passive source of support for innovation came from faculty who were skeptical of the learning derived from conventional patterns of instruction. And a lack of faith in current practice could lead to an investment of faith—or at least to an agonistic position—in some innovative sortie.

Just as the agnostic lends support to the convinced innovator, so a marginal role makes for an alliance with proponents of change. A strong class of marginals were the non-classroom faculty. Since they were with less honor in their own country, they were ready to follow the leader to another country where their contributions might be justly honored. And so the marginals of role and mind abetted innovation.

Beguiled by innovation as an unqualified good, the means became an end; and its successes in the past were used to contrive its failure in the present.

### *Equality*

Like other academic organizations, this College was marked by an air of equality. People were selected for a rough equality of potential and their work was judged by universal criteria. Aside from a division of labor and of interest, distinctions were often seen as invidious. The gymnasium was named after its black janitor. The long-time headwaiter at the Tea Room was made an honorary member of the faculty. Most workers were equally members of the academic community, including the transient members (students) as well as the permanent ones. The emphasis on equality confounded the equal indispensability of differentiated roles with unequal skill in their performance. It led to the equivalence of processors, processes, product, and purpose.

*Equality of processors.* Teachers, administrators, and persons responsible for job placement were equally faculty. But those farther distant from classroom operations—farther in rank and function, became natural allies when narrowly defined academic emphases threatened their interests. And the title of faculty member authorized an equal vote in shaping organization policy and practice.

*Equality of product and purpose.* The assumption of equality among processors is easier when, among various products, none can be preferred—that is, when various products are equally honored. The charismatic leader of the College's rebirth sought a product individually strong in purpose; and, following the Quaker tradition of seeing that of God in every man, left the way open for an infinite range of equally valued service. Later, in the

course of routinization, including the hiring of workers on the basis of disciplinary specialties, the product became ever more differentiated and incommensurable. Equality cannot be denied when contributions are incommensurable. This equality of product was linked with an increasing ambiguity of purpose.

The clear statement of purpose, especially as operative goals (Perrow), is a hard thing to do for the liberal arts in contrast to schools producing, say, physicians, lawyers, or engineers. It was especially hard as the black liberation and other movements, together with the expanding Network, and the lack of effective orientation of newcomers, dissipated the mission, obscured the purpose. It is clear in this organization that purpose was not the determinant of procedures, and they of the product. Rather, changing circumstance altered procedures, leading to a different product and only retroactively, a statement of changed purpose.

*Equality of process or procedure.* The equality of means is more likely when purpose is uncertain. To paraphrase the Cheshire cat: If you don't know where you're going, one road is as good as any other. In the 1960s and 1970s there were many students who had no particular destination. They lacked the goal of prevocational requirements to spur their industry. Many lacked the experience that would have made new ideas and tastes alluring. With no particular goal in view, it is impossible to determine appropriate methods of processing; and by default, one procedure is as good as another. This is especially the case where evaluation is decried as punishment, a belittling process in defiance of the ideal of humane relationships defined as equalitarian. Thus there is no means of discovering the better means.

### *Pluralism*

Many of these observations about equality hold for a third valued characteristic of our society; and one so esteemed at the College that a special committee was set up to increase pluralism.

The theme of pluralism might seem the antithesis of the equality theme. Actually, the theme of equality emerged in a negative, rather than a positive sense. It did not mean the absence of distinctions. It simply expressed a distaste for the evaluation of what differed. To discriminate among various products, or procedures, or processors, came to be seen as a violation of the spirit of the organization. The freedom to go off in new directions (innovations), and the equality which rejected evaluation of differences, were reinforced in the esteem of pluralism. All three themes are critical influences from the organization's cultural surround.

Pluralism is commonly justified in the celebration of diversity, tolerance, and the open marketplace of ideas. Adam Smith's invisible hand now extends from competing individuals to contending groups. The free

enterprise of persons becomes the pluralism of interests once celebrated by Calhoun as he condemned the censorious abolitionists. The well-being of a group, a region, or society, rests on the enlightened self-interest of the dominant spokesmen of such groups—including the slave owner.

Calhoun's pluralism can be taken either as innocent wishfulness (as with Charles Wilson's "What's good for General Motors is good for the U.S.") or, more cynically, as indifference to the public costs of private aggrandizement. But if Mancur Olson is correct it is rationality, not ignorance or avarice, that's at issue. If people or groups act rationally, they will concern themselves as little as possible with the general welfare. In the absence of special incentives—the coercion of taxation, mechanisms for expressing social blame or praise, and the like—persons or groups, "at least if they are composed of rational individuals, will *not* act in their group interest" (18). The reason for this is that any investment in the general welfare will return to a person or a group but a miniscule amount, so that the effort to advance the commonweal becomes too costly.

If Olson is right, then organization leaders must set centripetal forces in motion that induce common commitments and contributions. It is not enough to respond that a kind of self-seeking voluntarism will ensure the organization's success because each has his own special interest group; and such groups can exercise countervailing power. It is not enough because it is false: the deprived and the poor always lack effective advocacy. It is false, because demands have no limits and outrun resources. It is false because ways of adjudicating claims tend to favor the favored.

Self-interest is doubtless a powerful incentive. Yet unconstrained it undercuts collective welfare, returning eventually to sabotage self-interest. Indeed, Jencks suggests (Gans et al.), that some level of unselfishness, or altruism, is necessary for group survival. The fact is that pluralism, taken alone, will not produce the consummation devoutly to be wished, "Interest group brokerage is not the genius of the American system, but one of its biggest flaws," Longman writes (20). The only way to offset the myopia of Calhoun's pluralism is to shift from the part to the whole, to recover the larger view, to acknowledge that "an honest God is the noblest work of man" (Ingersoll, 7). That work of man is found in the common good, in the lares and penates that point to purpose and endow an organization with its identity.

This is to acknowledge Durkheim's wisdom. When he used the ratio of retributive to restitutive sanctions as an index of the changing ratio of two forms of solidarity, he did not suggest that, with a vastly elaborated division of labor, mechanical solidarity must disappear. To neglect the matter of common commitments is to give extra impetus to the centrifuge. That administrator is innocent indeed who defines the role as that of promoting each worker's special needs and interests. Effective administration

means systematic affirmation of the organization's distinctive mission—and thus its identity; together with an artful, regularly assessed articulation of differentiated parts.

If, then, both sources of integration can be taken as imperative requirements of an organization's productivity, the question must be: What is the optimum relationship between the two? If it does not seem plausible that the relationship is linear, then it might seem that the ratio of common to particular interests is curvilinear. This would mean that quality and quantity of organization product—measures of students' education, or cars off the assembly line—will be minimal where the common-particular ratio is very low (an anomic state) or very high (a condition of oligarchy). Thus an inverted, U-shaped curve would register degree of productivity as the common/special-interest ratio varies between low and high values. Or, as one of my favorite sociologists put it some 400 years ago: "They are as sick that surfeit with too much, as they that starve with nothing." (*Merchant of Venice*, I-ii-5)

The pursuit of special interests is justified in the ideology of pluralism. It has the virtue of any dogma that is ratified by prevailing practice. But it fails to take account of the common commitment without which even pluralism itself cannot survive; for the containing organization flies apart with the force of pluralism's centrifugal tendencies. Perhaps curiously, the ideologies of innovation and equality have similarly disruptive tendencies. All three of these ambient cultural themes were forcefully at work in the decline of the College.

I've suggested that the decline of this organization can be usefully analyzed along two dimensions, changes across time and incursions across space. We had a classical case of charismatic authority and its transformation, concluding in a destructively anomic state, serious disruptions in succession, and powerfully centrifugal forces, leaving the organization empty at the center and draining away at the periphery. Through its unusually permeable boundaries there entered foreign elements poorly assimilated to its task: demographic, political, and economic forces, together with the impact of social movements and the Foundations which seemed to offer stunning new possibilities. These forces from the social surround were reinforced by imponderably strong influences from the ambient culture, represented particularly in the themes of innovation, equality and pluralism. What, now, can we make of these discursive ruminations?

#### IV. Some Conclusions

After 4 or 5 years of tacking about on this voyage of discovery, I come away with these persuasions.

1. Organizations are dead center for sociologists' work. Such an empirical unit combines the advantages of the larger and the smaller. The College was large enough to display variants on major societal patterns; and small enough to reveal the constant shaping of social structure.
2. We shall get closer to the truth if we see organizations as animate, effervescent, incessantly changing. A century ago, in his *Principles of Sociology*, Spencer entitled Chapter I with the question: "What is a Society?" The title of Chapter II gives his forthright answer: "A Society is an Organism." Never have I had such a vivid sense of the vitality of an organization, even one in the process of destroying itself. One saw in this organization a continuous interplay between purpose, procedures, and product; regular infusions of unmatched blood as differing cohorts of faculty, students, and administrators moved in and out of the organization; and a stream of intrusions from the social surround—Foundations, government agencies, professional societies, economic influences, accrediting associations, social movements.
3. This quite literal vitality of the organization is generated at the conjunction of inherited past and intrusive present. The common heritage confronts environing conditions that present both opportunities and threats. To the extent that the organization–environment relationship can be mutually useful we can describe the relationship as symbiotic. But it may, instead, be a parasitic relationship. Or strong incoming influences may coopt the organization, destroying its identity.
4. Every novel element crossing its boundaries entails changed procedures; for the novelty of the new element means that familiar procedures cannot be surely geared to the continued creation of the former product. Thus it happens that intrusions from the social surround exert pressures for changed procedures which may alter the nature of the product and, in turn, produce a retroactive change in purpose.
5. Academic organizations are particularly vulnerable to their environments because (1) they are intellectually voracious and, therefore, necessarily open to challenging social and cultural intrusions; because (2) they mass large populations of persons, making a convenient target for those who profit from such a category; and (3) because, insofar as scholarship and research foreshadow new enterprises, elements of postindustrial society are anxious to move in and coopt their resources.
6. Thus permeability of organization boundaries becomes a critical variable in the analysis of organization change. Operationalized by type, volume, and rate of flow of influence it can be a powerful predictor of organization change.

7. Resemblances or disjunctures in the succession of organization input give useful clues to extent and direction of change. Cases in point are disjunctures in the raw material to be processed (student traits in an academic organization), the traits of processors, and those of coordinators or administrators.

8. Valued elements of the culture (such as equality, innovation, and pluralism) will invade and threaten organization product to the extent that they reduce distinctions that are needed for effective division of labor. Evaluated distinctions among processors, procedures, and quality of product are essential for the effective fulfillment of organization purpose. What is also necessary is that they be revealed impersonally and objectively; that they be related to organization purpose; and that they lead to recognition and, where indicated, to reassignment or separation.

9. On the other hand, one must recognize that an intricate division of labor and a multiplication of interests and purposes will activate centrifugal forces that threaten the organization's integrity.

10. A prime task of administration is to achieve a balance between the centrifugal impulses of high differentiation and the centripetal force of common commitment. This can be achieved only with effective organization intelligence (R & D) on the ever-changing connection between procedures and product.

11. There is every reason to suppose that the connection between procedures and product will be ever more volatile owing to increased rates of cultural accretions (inventions) and accelerating social change. This points to an imperative feature of leadership, the need to identify intrusions that promote the organization's purpose, and those that do not; and to devise new social instruments to capitalize on the former and minimize the latter.

12. Organization change is promoted by status discrepancies as, for example, in the case where equal standing is combined with functional remoteness. The options appear to be either to discriminate between statuses or to make clear and public the contribution to product of those in roles seen as remote from the key function.

13. Change in an organization is promoted by the fact that the evaluative reference group for CEOs is that consisting of their counterparts in other organizations and that their evaluation will rest more on new departures than in refinements of precursors' work.

14. Detrimental changes may occur, compromising organization purpose and product when innovation becomes an end in itself—that is, when means and ends are transposed; or when purposes are so abstractly stated that any scheme of processing becomes permissible.

I believe these are true statements, apart from the usual *caeteris paribus* qualification. Each is a reasonable inference from the case study of one organization. Despite its uniqueness, these conclusions probably apply to a wide range of organizations striving to achieve desired products at the intersection of conserved past and volatile present.

### Notes

1. For example, "Lord, they can make you stand in the line 40 minutes . . . I just take a book . . . I think the unemployment people take special delight: it's something unusual for them to have PhDs standing in line.

"I was probably just plain stupid for not going through the food stamp thing . . . I never thought I'd be on welfare—whatever you want to call it.

2. One gets some inkling of organization change by pushing back a century and comparing two College mottoes and a label applied to the College in 1970 by a national news magazine. The one devised in the early 1850s and embossed on the College seal (in Greek) is translated: "In the Nurture and Admonition of the Lord." The second, dating from 1921, reads: "Purpose, Skill, Power, Wisdom." The third is put in two words: "Chaos College."

3. As part of an adequate early warning system, any complex organization requires some program of research and development that would monitor the connection between procedures and product, promptly detecting system failures. Without this we fall, literally, into unmeasured follies.

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