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Book Review: Bullish on Uncertainty: How Organizational Cultures Transform Participants

Doug Guthrie

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knowledge and discourse in the exercise of power.

Bullish on Uncertainty: How Organizational Cultures Transform Participants, by **Alexandra Michel** and **Stanton Wortham**. New York, NY: Cambridge University Press, 2009. 264pp. \$27.99 paper. ISBN: 9780521690195.

DOUG GUTHRIE
New York University
Dg38@nyu.edu

Bullish on Uncertainty is a beautifully executed comparative organizational study of two investment banks. It is exactly the kind of timely, empirically-driven organizational study that many more scholars of organizations should be conducting. It will be of interest to organizational and economic sociologists and anyone else interested in pulling back the veil on the industry that has become so important to the structure and fitness of the global economy in general.

There are many things to admire about this book. The research design is elegant. For decades now, the trend in the field of organization studies has been toward large data sets and fancy econometric analyses modeling whatever outcomes can be squeezed from the data. But in many of those studies, the reader comes away wondering how much the researcher really knows about his or her research subject. In this quantitative climate, *Bullish on Uncertainty* is a breath of fresh air, as the authors have rolled up their sleeves and gotten deeply inside two organizations to reveal the inner workings of job structure and organizational culture. Building around a classic comparative analysis framework, the authors selected two investment banks with divergent organizational structures and cultures and divergent outcomes in the turbulent markets of the last decade. The authors (primarily Alexandra Michel) gathered impressive qualitative data—participant observation, formal and informal in-depth interviews—on the ways in which these firms recruited, trained junior employees, developed career paths, assigned work, and ultimately on the cultures of these two organizations. Within the analysis is a tantalizing sociological puzzle: why would it be that “Individual Bank,” which seemed to

follow all the rules of organizational design that are taught in business schools and disseminated by consulting firms around the world, perform worse than “Organization Bank,” which seemed to violate all of those rules? By the rules of organizational design, the authors indicate creating clear strategies and directives, allowing individuals to specialize and develop expertise around a topic, having clearly defined responsibilities, etc. Individual Bank worked to reduce uncertainty by encouraging individuals to specialize—cultivating superstars—and assigning these “experts” to tasks at which they will excel. Organization Bank, by contrast, deliberately “amplified” uncertainty, by constantly assigning junior employees to tasks that were out of their areas of expertise and beyond their levels of experience. But their story runs deeper than just the contrast between these two job processes and organizational cultures. The true value of Michel and Stanton Wortham’s study is the illumination of the tie between psychological processes, conceptions of self, organizational culture, and market success. The punchline is that, because Organization Bankers continuously lived in uncertain environments, they learned to draw on organizational resources to accomplish tasks much better than Individual Bankers, who learned to become narrow and territorial (and cognitively “rigid”) experts in their fields. The effect for Organization Bank was the development of individual psychologies and the building of an organizational culture that placed the organization first (a process Michel and Wortham call “clearing away the self”). It is among the best portrayals of the link between psychology and organizational culture that I have ever read.

Despite the book’s many strengths, I did find some minor issues that might arise for the sociological reader (i.e., readers of *Contemporary Sociology*). The first has to do with systemic and institutional analysis. Michel and Wortham really sit on the micro side of the organizational behavior/organizational theory divide, a position that psychologists are more comfortable in than sociologists (Michel is an Organizational Behavior Professor in a Management Department, Wortham a Professor of Education who has written about self and identity in the class-

room). This is not a fatal flaw, as the authors are obviously well-versed in cognitive psychological and sociocultural theories and do a very nice job of considering and explaining what is at stake in these debates. However, the lack of discussion of many key institutional aspects of the environments in which investment banks operate will seem odd to the sociological reader. There is very little discussion of the institutional environment in which these firms are situated and very little discussion of how organizational cultures and structures are connected to these environments. For example, while the authors mention the turbulence of the 2000s for investment banking, I cannot recall one mention of the repeal of Glass-Steagall in 1999 and the ways in which this fundamental institutional shift changed the talent markets and competition of these banks. More importantly, perhaps, the authors present the generalizable thesis that the model of organizational disruption practiced by Organization Bank is a superior model for mitigating risk. This is not just a hackneyed complaint about generalizing from two cases; the problem is a more basic flaw in the presentation of how organizational culture and risk mitigation work. The authors seem to believe that in the complexities of the new world economy, the classic organizational model is dead. However, there are many ways for firms to mitigate risk; it just depends on how the firm has set in place the structures and processes that allow the firm to produce the culture that is desired. The key issue is alignment: organizations can be successful when organized in more traditional ways, as long as management puts in place the structures and processes that align with a healthy culture.

Nevertheless, these are small points in what is overall an outstanding treatise on the structure of careers in investment banking and, more generally, the roles of structure and career process in the creation of individual psychologies and organizational culture.

Market Rebels: How Activists Make or Break Radical Innovations, by **Hayagreeva Rao**. Princeton, NJ: Princeton University Press, 2009. 205pp. \$24.95 cloth. ISBN: 9780691134567.

FABIO ROJAS
Indiana University
frojas@indiana.edu

Economic sociology's great argument is that markets are social institutions. Hayagreeva Rao's *Market Rebels: How Activists Make or Break Radical Innovations* illustrates this insight by arguing that industrial innovation can be accelerated or halted by mobilization. Building on published research, and accessibly presented, Rao shows how activism within markets can rescue a flailing product, or prevent a firm from pursuing chosen strategies. Intended for a broad audience, *Market Rebels* introduces the reader to research on markets and social movements and illustrates the links between sociology and the study of economic behavior.

Drawing on examples as diverse as the early auto industry, micro-brewing, and pharmaceutical firms, Rao describes how people rally around products or practices in the same way that policy draws movement activists. Success depends on how well "market rebels" appeal to new identities, exploit political opportunities, and frame products and services. Rao advances a plausible theory. The success, or non-success, of market mobilization depends on the nature of the cause and the style of mobilization. He draws attention to the idea of the "hot" cause, which is well defined and emotionally sharp. There is also the issue of mobilization. Rao also suggests that mobilization might succeed if it is "cool." Drawing from the sociology of culture, "cool" mobilization is less emotionally heated but helps forge collective identity and encourages individuals to enact creatively new practices. Combining emotionally-charged causes with flexible mobilization allows activists to leverage group solidarity into influence.

Market Rebels illustrates this process with informative cases. The first is a description of the struggle over gas-powered cars. In the early automobile industry, gas-powered cars competed with electric and steam-powered