

**Organizations in America: Analyzing Their Structures and Human Resource Practices.**



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explosions, weapons designers had to worry about their bombs not exploding—Livermore's early history was marked by humiliating test site fizzes. Gusterson argues that the sense of mastery gained from successful tests alleviated potential anxieties about the reliability not just of individual weapons but of nuclear deterrence as a whole. Testing was also crucial in a cognitive hierarchy in which the authority of "test-seasoned" designers was central. By necessity, the world of the nuclear weapons designer must be largely a closed one. Achieving the "Q-clearance" needed for access was only a first step; the nuclear test was a more discriminating initiation rite.

In a time of science wars—heated debates over a sociological perspective on science—Gusterson's book carries a lesson. He is honest about his antinuclear predilections, but also open about how his fieldwork experiences have changed him emotionally as well as intellectually; he reports the loss of his visceral fear of nuclear weapons. The man he debated against in 1984, Thomas Ramos, is one of nine participants whose comments on the text are reproduced. Says Ramos, "His observations rang true to me, even though they occasionally stung my sensitivities" (p. 247). Not all of Ramos's colleagues agree, but Gusterson's brave and honest book is testimony to his fieldwork skills and to his achievement of a measure of what one might even dare to call objectivity.

*Organizations in America: Analyzing Their Structures and Human Resource Practices.* By Arne L. Kalleberg, David Knoke, Peter V. Marsden, and Joe L. Spaeth. Thousand Oaks, Calif.: Sage, 1996. Pp. xvi+382. \$58.00 (cloth); \$27.95 (paper).

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For many years, social scientists have been lobbying the National Science Foundation (NSF) and various other federal agencies to support development of a matched national sample of organizations and employees. The argument has been that building a longitudinal data set could harness the power of the social sciences in tracking the changes in jobs and employment experiences in a manner useful for both basic and policy-relevant research. This book begins to test this idea. The authors analyze data from the National Organization Study (NOS), a representative sample of work establishments in the United States that was obtained by asking respondents to the 1991 General Social Survey (GSS) for the names and contact information of their places of work. Organizational data were then collected from personnel managers via telephone interviews.

Each chapter of the book is written by one of the authors and one or more colleagues. A wide range of topics are covered, arranged under three headings: (1) organizational structures (size, control and coordination sys-

tems, formalization, etc.), (2) human resource practices (staffing, training, unionization, earnings, and benefits), and (3) the changing workforce (contingent work and gender differences). By the end of the book, the reader has a pretty good idea of the strengths and weaknesses of this design and the data it generated.

Any survey is only as informative as the theoretical framework used to guide the choice of questions asked. The theoretical lens used to design a national survey that seeks to inform policy makers carries an especially heavy burden since it must be responsive to both current policy issues and future, often difficult to anticipate, shifts in policy agendas. In their introductory chapter, the authors outline their chosen model—a structural approach to organizations and employment practices. They trace the evolution of this structural perspective from the 1960s studies measuring organizational bureaucracies through the internal labor market models introduced in the 1970s to the “new” structuralist perspectives of the 1990s that seek to relate organizational and internal labor market features to social and economic stratification. While this is a broad and defensible approach, it produces a somewhat static and mechanical view of how employment relationships and organizations are determined and evolve. The analysis would have been greatly enriched by building in some complementary (and competing) perspectives on these issues from industrial relations (i.e., a greater focus on interests, power, the nature of union-management relations, and governance systems), from human capital (education, training, compensation, and mobility), or from strategic human resources (competitive strategies, leadership values, and the role of human resource professionals and line manager relationships).

The major contribution of the book is to provide a snapshot of the structural features and human resource practices of a representative sample of organizations circa 1991. The results reported provide a national benchmark against which the rate of change in practices and their consequences might be gauged if and when the survey is replicated. Most of the key findings reported relate to organization size. Size is positively correlated with formalization, decentralization, codification of rules, well-developed internal labor markets, the extent of training, high performance work systems, earnings and fringe benefit levels, and earnings inequality among managers. Widespread use of contingent workers and gender segregation are also reported. Many of these findings have been documented in prior studies with more limited samples, however, the value added here lies in the validation of these results and the more precise baseline measurement of the levels and variations in these organizational and human resource practices for comparison with future studies. For this reason alone, this book provides essential source material for all researchers engaged in research on workplace topics.

The biggest weakness of the design, as the authors note, is having only one employee observation per organization. This makes it impossible to sort out individual versus organizational effects when the two provide equally plausible explanations for a finding. The authors also note that

many of the most interesting issues related to the changes or transformations occurring in employment relationships today are difficult to see with these data. Policy analysts will undoubtedly add that the data provide only a general, five-year-old snapshot of the employment practices and are not directly useful for assessing options open to either program administrators or for assessing the performance of any particular policy or regulation.

These limitations are recognized by the authors and therefore should not diminish the contributions of this impressive complication of current practices and the potential value that can be realized by *replicating* and *enhancing* the design of this type of study. Of the enhancements suggested by the authors, the most valuable would be to add multiple employee respondents to the organizational samples in order to assess the effects of organizational structures and policies against the processes and relationships among workers, managers, and external institutions and networks. I would also urge an expansion of the theoretical lens guiding the choice of questions to better capture the essence of the transformations underway and to test alternative explanations for their consequences. Finally, to gain government support, future studies must be attentive to and flexible enough to speak to policy issues that will endure over the time span required to conduct and to report the results of the project. These are tall orders, however, they need to be tackled if the full potential of this important project is to be realized. I hope the authors and the NSF stay committed to the project.

*Consumption and Identity at Work.* By Paul du Gay. Thousand Oaks, Calif.: Sage, 1996. Pp. vi+213. \$65.00 (cloth); \$22.95 (paper).

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Du Gay sets out to provide some answers to what he calls the question of identity in contemporary society: "This book is an attempt to explore some of the new articulations that are emerging within the world of paid work and organizations . . . it is concerned with delineating and examining the construction of new work identities and the production of different work-based subjects" (p. 3). He claims he will do this using theoretical tools derived from sources not traditionally associated with the study of work and organizations. In addition, as signaled by his title, he aims to investigate some of the ramifications of the stress on consumption in modern society.

In pursuit of these aims du Gay divides his book in two parts. The first part, consisting of four chapters, is intended to explore limitations in traditional approaches to the analysis of work identities and to construct an alternative framework founded on the concept of discourse (his new theoretical tool). The purpose of the second part is to develop the

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tion from one another: distributive vs. procedural justice, attitudes vs. behaviors, and individual vs. collective action. It was also odd not to find a discussion of interactional justice included (Bies, 1987). Despite the occasional minor complaint, however, overall I am in awe of this book. Not since Lind and Tyler's (1988) sweeping review of procedural justice has any book even attempted such a thorough coverage of so far-flung a range of topics. Finally, succumbing to a pun that I've tried hard to avoid in this review, I must say that even the glowing praise on the dust-jacket has not done justice to what's between this book's covers.

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## Organizations in America: Analyzing Their Structures and Human Resource Practices.

Arne L. Kalleberg, David Knoke, Peter V. Marsden, and Joe L. Spaeth. Thousand Oaks, CA: Sage, 1996. 382 pp. \$66.00, cloth; \$32.00, paper.

Kalleberg and his collaborators were funded by the National Science Foundation to conduct the first (and only) study of a representative sample of organizations in the United States, the National Organizations Study (NOS). They sampled organizations by asking respondents in the National Opinion Research Center's General Social Survey (GSS) to report the name and address of their own and their spouse's employer. Interviewers from the University of Illinois' Survey Research Laboratory then contacted the firms and attempted to conduct an interview with the individual responsible for hiring and personnel matters. Completed interviews were obtained from 727 of the 1,427 organizations nominated by the GSS respondents. The NOS informants were queried on issues ranging from hiring and promotion practices to organizational structure and context.

Part 1 provides a thorough description of the conceptualization, design, and execution of the NOS. Parts 2 and 3 report

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descriptive and analytical findings on organizational structures and human resource practices. Part 4 includes substantive chapters on contingent employment, gender segregation, and organizational commitment, as well as a chapter summarizing major findings and prospects for future data collection efforts on organizations and workplace practices. Nine of the sixteen chapters appeared in a special issue of *American Behavioral Scientist* on the NOS, and four of the chapters have appeared elsewhere in refereed journals.

The National Organizations Study is publicly available for secondary analysis, and this book illustrates both the strengths and weaknesses of the NOS dataset. *Organizations in America* (or the special issue of *American Behavioral Scientist*, which includes all of part 1) is essential reading for anyone planning to do research with the NOS. The unique strength of the NOS is its representativeness of the full range of employers in the United States. Unweighted, it is representative of the work contexts of the U.S. labor force, and applying sampling weights inversely proportional to total firm employment yields results representative of U.S. establishments. The authors' claim that each worker is selected with equal probability, however, is not quite accurate. This is because the GSS samples just one respondent per household, and the NOS selected the employing organization for the GSS respondent and his or her spouse, but not for any other employed adults in the household. Unfortunately, neither the rationale for this aspect of the sampling design nor its implications for analysis are discussed in the book.

Some limitations of the NOS are attributable to the inevitable compromises that are made in any general purpose survey; others are simply oversights. For example, the NOS includes information on the gender composition of the firm and of three job categories in the firm: the job of the GSS respondent, "managers and other administrators," and the "core" occupation, defined as the one "most directly involved with producing the establishment's main good or service." While less than ideal for analyzing establishment-level gender segregation, the data are uniquely valuable for analyzing the relationship between the gender composition of jobs and individual-level outcomes (by merging the NOS data with the individual-level GSS data). But the NOS does not include comparable data on the race of job incumbents, which is unfortunate, since very little research has been done to date on the impact of a work setting's racial composition on earnings, job satisfaction, workplace relations, and racial attitudes.

The quality of the substantive chapters in this volume is uneven. For example, chapter 4 (Marsden, Cook, and Kalleberg) examines the relationships among an organization's size, structure, administrative intensity, and environmental context, and the data from the NOS are probably the best ever collected for such an analysis. But the hypotheses examined were not particularly interesting when they were explored in detail in the 1970s and are even less so today. Furthermore, the problems of causal ordering and the limitations of cross-sectional data for drawing inferences about dynamic processes that plagued earlier research are present here as well. Chapter 6 on human resource practices and organiza-

tional performance (Kalleberg and Moody) is based entirely on correlational analyses, and there is a general tendency across chapters to draw substantive conclusions about environmental and institutional effects from bivariate associations and then to qualify them when they fail to hold up in multivariate analyses. For example, in chapter 5, Kalleberg et al. argue that their bivariate findings are "consistent with the arguments that attribute the emergence of FILMs [firm internal labor markets] to external influences rather than to internal organizational strategies" (p. 99). Yet the multivariate analyses show that net of measures of a firm's size and structure, variables such as union pressure and institutionalization have absolutely no impact on the presence of internal labor markets.

Besides overinterpreting bivariate associations and small effects to sustain support for a theoretical perspective, null findings with seemingly important theoretical implications are sometimes minimized or overlooked. For example, Marsden's analysis of the NOS data in chapter 7 indicates that the presence or absence of a personnel department is associated with neither the types of recruitment methods used by organizations nor the practices they use to select among applicants. Other results reported by Knoke in chapter 12 indicate that there is no relationship between either unionization or the extent of part-time employment in the establishment and the provision of employee benefits. If these results are reliable, they would require a major rethinking of both institutionalist and transaction-cost accounts of the employment relationship, yet they are mentioned only in passing here.

Chapters 10 and 11, by Kalleberg and Van Buren, addressing organizational effects on earnings levels and earnings inequality, were less illuminating than I was expecting, given the richness of the organizational data available from the NOS. Merging the earnings and other individual-level data from the GSS with the NOS data, the authors find that apart from firm size and the internal labor market measure, organizational variables have little impact on earnings levels net of human capital variables. If this finding is reliable, it suggests that there is little specification bias in earnings models based solely on the kinds of individual and organizational data that can be collected from a random sample of workers and that the value added from measures based on organizational surveys is minimal. The results of the analysis of individual differences in organizational commitment by Marsden, Kalleberg, and Cook (chap. 15) also supports this inference.

To examine the determinants of earnings inequality within organizations, Kalleberg and Van Buren rely on data collected on the highest, lowest, and typical earnings in the GSS job, in the core job, and in managerial and administrative jobs in each of the NOS establishments. Unfortunately, their analysis of the impact of an organization's structure and context on the dispersion of earnings is limited by the absence of measures on the degree of inequality in employees' education, training, tenure, and other individual-level determinants of earnings. Overall, the analyses of labor market outcomes



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in *Organizations in America* point to the limitation of a design that produces just one individual-level observation per establishment. A design that samples multiple employees within establishments (or better yet, multiple jobs within establishments and multiple workers within jobs) would allow for sophisticated, multilevel analyses of labor market outcomes.

While institutionalist perspectives motivated many of the more interesting hypotheses explored in *Organizations in America*, the authors show little sensitivity to how institutional forces shape the measurement process itself. What is being provided to the NOS interviewers are accounts by the organizational informant, in many cases by a person whose job it is to put the best face forward to the outside world. For the most part, those accounts are taken at face value, even when they could have been compared with the perceptions of the GSS respondent employed in the same organization. For example, the NOS informant's report of job recruitment and selection methods is not compared with the GSS respondent's report of how she or he found a job with the organization, nor is there any analysis of the consistency between NOS and GSS reports of employee benefits. Also, while considerable information is collected on the presence of written rules and procedures for making personnel decisions, there is no way to tell from the NOS data the extent to which they are in fact applied systematically and objectively to personnel decisions. A social survey may not be the best way to gather information on the substance of actual personnel practices, and at the very least, anyone doing secondary analyses with these data should be cautious in interpreting and applying the measures of formalization included in the NOS.

The coauthors of *Organizations in America* should be applauded for demonstrating that it is indeed possible to collect data on a representative sample of organizational settings in the United States. The research reported in this volume illustrates the kinds of research questions about work and organizations that can and cannot be addressed adequately with a general-purpose survey questionnaire administered via a cross-sectional, two-stage sampling of employees and informants from the establishments that employ them. Besides those who plan to use the NOS data for their own research, this book will be of great interest to anyone planning to use survey methods to collect data on a representative sample of organizations or work contexts. The NOS data are not sufficiently detailed to tell us much of substance about personnel policy and practice, however, and thus the book fails to live up to its billing (on the back cover of the paperback edition) as an "indispensable reference tool" for organizational scholars and human resource professionals. Specialists in the sociology of work, industrial psychology, labor economics, and organizational behavior will find all that they need in the contributors' previously published articles, while practitioners and those with a general interest in human resource issues will be disappointed if they are looking for a definitive treatment of contemporary personnel policy and practice in the United States.

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**The Quest for Responsibility: Accountability and Citizenship in Complex Organizations.**

Mark Bovens. Cambridge, UK: Cambridge University Press, 1998. 252 pp. \$59.25, cloth; \$22.95, paper.

In *The Quest for Responsibility*, Bovens has undertaken the difficult task of determining how top managers and other organization members can be made appropriately responsible for fraud, pollution, and other wrongdoing that occurs in organizations. Obviously, such a complex question requires an interdisciplinary approach. Drawing from law, organization theory, organizational behavior, ethics, philosophy, sociology, public policy and management, and other areas of inquiry, Bovens takes great care in analyzing the question. As professor of legal philosophy at the University of Utrecht and a policy advisor to the Ministry of Justice of the Netherlands, he emphasizes analysis of the issues over the development of organization theory and exhaustive review of empirical research. Yet he does an admirable job of integrating work from areas outside his own. He does not package a set of prescriptions for managers, though a chapter devoted to practical implications is included. Readers comfortable with the emphases Professor Bovens has chosen will likely find the book challenging and interesting.

Bovens essentially proposes that it is hard to understand how serious wrongdoing in organizations can occur and recur. Aside from the ethical reasons not to engage in it, it seems reasonable to propose that rational decision makers would see that the negative consequences of allowing wrongdoing to continue would usually outweigh any short-run benefit to the organization. The consequences can be disastrous not only for victims but for the organizations themselves, well beyond the costs of fines or other immediate financial losses. For example, many consumers' views of Ford are still colored by the Pinto fiasco, and the lives of members of financial institutions can be greatly affected by the imposition of complex and costly regulations. Further, most public accounts of organizational wrongdoing mention that persons within the organization recognized that serious problems were brewing. But they didn't act, or their warnings to others were simply ignored. Why?

Bovens proposes that the answer lies in the "problem of many hands"—that in complex organizations it is difficult to attribute responsibility to the organization as a whole and that where attributions to individuals are made, impediments to accepting full responsibility abound. This position seems reminiscent of two theoretical streams that are not discussed in the book. First, research on the diffusion of responsibility and bystander intervention (e.g., Latané and Darley, 1968) proposes that the greater the number of observers of wrongdoing such as street crime, the less likely

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policing. Gary Marx has been central in turning attention to the less savory aspects of police work. This book shows how clandestine policy methods (wiretapping and high-tech spying, buy-bust and sting operations, undercover cops and snoops . . . the list goes on) are being adopted in North America and Europe in a variety of police organizations. What was most interesting to this reviewer was seeing how the unique histories of various national police traditions create subtle differences in undercover police styles, even when the basic ingredients are the same. Readers will find a cornucopia of interesting bibliographical references in the footnotes of individual chapters that will help them add spice to their own sociological work.

*Le Dessert* (for organizational sociologists). The idea that police manipulate the image of particular folk devils, making them appear more dangerous than they are in order to justify their own actions, was a sociological recipe initially developed by Stanley Cohen and later elaborated by Stuart Hall. Dick Hobbs and Gary Armstrong rehash this idea, showing how British police continually depict the amorphous social phenomenon of football hooliganism as a rank-structured conspiracy of military precision. The perpetuation of the ideology of a hierarchical criminal conspiracy creates the organizational space in which police can exercise almost unfettered discretion. The theory applies to the conspiracy of narco-terrorism just as well. In the transnational domain, as Ethan Nadelmann shows, the marketing of that set of folk devils leads to—adapting Ritzer's terminology—the McDonaldization of policing. This strange dialectic between the disordered and the ordered is a central problem for the sociology of the police institution, and there are many case studies in this volume that clearly illuminate this, and other, organizational processes.

With so many good cooks in the kitchen, this book cannot help but provide substantial fare *à la carte*. Like any good restaurant, it will be worth returning to several times in order to sample the menu in its various combinations.

## Organizations, Occupations, and Markets

*Organizations in America: Analyzing Their Structures and Human Resource Practices*, by **Arne L. Kalleberg, David Knoke, Peter V. Marsden, and Joe L. Spaeth**. Thousand Oaks, CA: Sage Publications, 1996. 382 pp. \$58.00 cloth. ISBN: 0-8039-5815-3. \$27.95 paper. ISBN: 0-8039-5816-1.

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This book reflects the advantages and disadvantages of big, expensive projects in the area of organizational analysis. On the plus side, it is the first national survey of organizations of all sizes and all types, an ingeniously designed probability sample. While the study dug deep into the treasury of NSF funds available for sociology, the data are publicly available, and we have a base for longitudinal studies. The major topics are all important—recruitment, training, centralization, dispute resolution, wage inequality, fringes, contingent workers, gender segregation, and employee commitment. We get important snapshots of each, e.g., which types of organizations (public, private, nonprofit) are most likely to have internal labor markets and what effect this has on wage and salary inequalities or gender segregation, and there are some provocative findings. The introductory pages of each chapter are impressive summaries of the literature and debates on some major questions in organizations and stratification; any graduate student preparing for qualifying exams in organizations or economic sociology will be delighted by these succinct summaries. Finally, the data analysis is technically impeccable; one would expect no less from these four authors and their several associates. This is both a benchmark and landmark study, but only in the tradition of narrowly conceived journal articles with poorly specified variables testing rather superficial and obvious hypotheses.

Here is how it came about and what it includes. In 1991, the General Social Survey's

annual survey of some 1,500 adults included a module on their experiences in the organizations in which they worked, and these responses are analyzed. The 912 who were working were also asked where they worked and where their spouses worked. This provided a list of 1,427 establishments. Because of duplicates and an adequate response rate of only 50 percent, the final establishment sample is 688. But judging from other surveys, it is surprisingly representative.

In principle, this is a probability sample of all work establishments in the United States; the probability of being included is proportionate to the size of the establishment, since the larger the establishment, the greater the probability of inclusion. This "probability proportionate to size," or PPS sample, is the most appropriate one for a population in which the elements vary widely in size, as they clearly do.

The variation in size is important. Are we a nation of small organizations? Yes, if the unweighted means are used. Half the sampled workforce is in establishments (not organizations) of under 50 workers, so there are a great many very tiny establishments; 87.5 percent of establishments have only 1–9 full-time employees. But while most establishments are small, the typical worker works in a large one with 599 full-time and 72 part-time workers. If we look at organizations, rather than establishments, which the book almost never does, the median size is 3,750, and the mean is a whopping 40,000. We are, in this sense, a nation of large organizations, and size matters. For one thing, the large organizations control a good many of the small establishments that dominate the sample. Fully 55 percent of establishments are dependent units of larger organizations, a significant feature of the sample that is rarely considered. Over half of these are wholly owned subsidiaries or branch facilities of for-profit organizations, or, in 6 percent of the cases, locally owned franchise units. The rest are schools, campuses, and governmental units of larger complexes.

Thus, not only do most workers work in establishments of 599 or more, but also most of these establishments are under the control of larger organizations, the mean of which is 40,000. This feature of "organizations in America" is rarely discussed, and seems to me to be more important than associating establishment size with the presence of personnel departments or contingent workers,

or noting that multisite organizations are more formalized and have taller hierarchies, and have higher earnings (pp. 83, 92). All that we might easily expect. The survey cannot ask how very large organizations affect the survival rates of smaller ones, set patterns for them, innovate more or less, bribe officials and buy legislators, and finance candidates more effectively or not, demand property tax reductions and sales tax hikes or pollution rights more effectively, and so on. Such research would require what they term "convenience sample" studies, a mildly pejorative term. Presumably, in the authors' view, future NSF funding in the area of organizations should go to another national PPS study, with its heavy human resources emphasis, rather than to convenience sample studies that examine the power of big organizations in shaping social processes.

Most of the measures are very general, resulting in such obvious findings as the following, listed in their summary (pp. 326–29): Large establishments will be more likely to have complex structures than small establishments; have more levels; are more likely to have internal labor markets or formal dispute mechanisms; those in complex and competitive environments will do more training. Some of the findings are suspect because of the measures used. For example, they find that large establishments have more decentralized decision making (p. 326), on the face of it an important finding to document. Actually, the respondent (one per establishment) was asked which of three people made a number of personnel decisions *only* (not operational decisions): the head of the establishment, below that level, or someone in another location. There is no grounds for reading "decentralized decision making" in its usual empowerment sense in this finding; it only indicates that the head of a big organization doesn't evaluate all subordinates directly, or schedule overtime, or deal with other such routine personnel matters. Stated this way, it is an unenlightening finding, and you wonder why they bothered. But presented as it is, as a major finding about the decentralization of big establishments, it is quite misleading.

Much is made of the performance indicators, but as with most measures these are based upon the judgment of one informant per establishment, in this case as to whether

the unit is “doing worse, same, better or much better” than similar units. Surely we need more reliable information than the judgment of the personnel officer, the typical respondent. The Lake Woebegon effect is substantial—all the children are above average—but it is disguised in the text. One has to eyeball a bar chart to see that rather than “a majority” feel they do better than average, about two-thirds do, giving one further pause about the reliability of the measure. Undaunted, they divide the sample into High Performers and Low Performers with this question and show that the former, the good citizens of Lake Woebegon have, for example, internal labor markets, more training, and more profit sharing. A causal connection is implied. But the laggardly (or more honest?) Low Performers are necessarily a mixed bag. Being small, they could contain dry cleaning and fast food outlets, on the one hand, where expectations might be low, and law firms and high-tech software companies, on the other, where expectations could be high, generating a rating of Low Performance. They are surprised that there is more performance-based compensation and more “decentralization” in these small, “low performing” establishments, but the heterogeneity of the sample and the measurement of performance (and decentralization) would seem to make generalizations difficult. Actually the most significant finding in this chapter appears in a footnote: The greater the wage dispersion within the unit, the worse the reports on employee relations and customer satisfaction (p. 129). Now, *there is* a finding about organizations in America that is worth italics and some reflection, rather than a footnote. In a later chapter they return to wage dispersion (there is more among managers than workers, as one would expect), but never to the consequences a wide dispersion of wages has for morale, employee relations, effort, innovation, product quality, customer relations, and the like.

The bulk of the survey concerns personnel practices; a better title for the book would have been “Aspects of Human Resources in Organizations in America,” reflecting this focus. This makes one finding very surprising: The presence of a personnel department is not associated with having an internal labor market, any of several forms of recruitment, a variety of testing and selection methods, the

number of interviews, length of interviews, or number of applications. The anomaly is probably related to the heterogeneity of organizational types, but the important point is that the apparent irrelevancy of personnel departments for so many personnel functions, while reported (pp. 148, 150, 153), is simply not discussed in a survey that emphasizes personnel matters and the “new structuralist” viewpoint.

There are some important, valuable chapters where a national sample works well. The chapter on contingent workers is a quite useful beginning. The authors acknowledge that most of the important questions can only be posed, not answered, by the data, but a national sample seems quite appropriate to establish benchmarks and lay out some basic parameters. The chapters on gender segregation and gender and organizational commitment are both excellent. Here the sample, the instruments, and the methods converge on important questions. One result is the first nationally based estimate of the frequency of gender-balanced jobs: only 19 percent (p. 300) Neoclassical economic theory fails badly here, since the authors find that lower segregation is associated with formalized employment practices and governmental scrutiny, not with efficiency considerations. Another important finding is that gender differences in organizational commitment are very modest, and probably oversold in much of the literature; it takes a national survey to get a handle on this.

But we can't do much with even the interesting national findings. The broad categories of for-profit (66 percent), nonprofit (7 percent), and public (27 percent) hide as well as proclaim (where would most hospitals go today?), and allow little sensitive analysis. A major distinction used throughout, product or service, is poorly specified; it is operationalized by simply asking the informant whether the establishment was concerned primarily with producing a product (14 percent) or delivering a service (77 percent), or both (9 percent) (p. 47). This is barely enlightening and not a terribly reliable control for analyzing other variables. Inevitably, it creates odd bedfellows, lumping construction firms with law firms in the huge service category, for example.

The massive survey has produced numerous statistically impeccable journal articles with poor indicators investigating

rather obvious relationships in the human resources area. I hope it does not foretell a shift in funding from more sensitive research in other areas where organizations in America play their commanding role.

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*All That We Can Be: Black Leadership and Racial Integration the Army Way*, by **Charles C. Moskos** and **John Sibley Butler**. New York: BasicBooks, 1996. 198 pp. \$24.00 cloth. ISBN: 0-465-00108-4.

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American discourse on race, write Charles Moskos and John Sibley Butler, is organized around the "paradigm of black failure" (p. 1). Whatever the reasons might be—white racism, black family breakup, economic change, and so on—blacks are seen by most Americans as unable to succeed in American society. So locked in are we to this view that we fail to notice when blacks do succeed. And blacks have been extremely successful in one of the key institutions of American life: the U.S. Army. In *All That We Can Be*, Moskos and Butler want to impress on us the magnitude of this success; to explain the success in the hope of providing a prescription for black progress in other institutions; and, perhaps most of all, to change our attitudes about blacks and American institutions in order to undermine the paradigm of black failure itself.

That blacks have succeeded in the Army is incontestable. In 1990, almost a third of the Army's senior noncommissioned officers were black, as were 11 percent of the commissioned officers, including 7 percent of the generals (among them the Chairman of the Joint Chiefs of Staff, Colin Powell). Blacks are far more likely to have authority over whites in the Army than in any other American institution, and their influence on Army culture, particularly at the enlisted level, is substantial. Blacks respond to the opportunities available in the Army by enlisting and reenlisting at higher rates than whites. Black career soldiers are more likely than whites to express satisfaction with their careers, and black soldiers are far more satisfied with their jobs than are black civilians.

No one would claim that the Army has eliminated racism from its ranks. Nevertheless, it has emerged from its history of segregation

(through the 1940s) and bitter racial conflict (in the 1970s) into a period in which it offers blacks opportunities at least equal to those they will find anywhere. What has it done, Moskos and Butler ask, to create an environment in which blacks feel they can get ahead through their own dedication and hard work?

Key to the Army's success, Moskos and Butler claim, were two decisions about what not to do: change the Army's mission or alter its standards. Its overriding mission remained combat readiness, and its standards for entry into skilled jobs and leadership positions remained high. Blacks and whites were thus made to understand that whatever might be done to aid blacks, the Army would not make diversity its primary goal or create a double standard for evaluation and promotion. Whatever rewards anyone got would be based on contributions to combat readiness.

At the same time, however, the Army concluded that it "works best when race relations are harmonious and racial justice is upheld" (p. 71). It therefore adopted an approach that Moskos and Butler call "race-savvy, not race-blind" (p. 71), assiduously encouraging black advance while trying to avoid any appearance of reverse discrimination. Thus, the Army works to enlarge the pool of enlistees from which potential leaders can be selected—by expanding ROTC programs at historically black colleges and universities, for example. It maintains high standards for promotion, but provides extra education for those with inadequate skills. It seeks to promote blacks in proportion to their numbers, but without lowering standards. It carefully monitors black progress and provides mechanisms for resolving complaints of discrimination. And it makes commanders responsible not only for handling specific charges of discrimination, but for the general racial climate in their units as well.

Moskos and Butler make the Army's approach seem simple and straightforward, almost mundane. Can it really be possible to overcome a history of racism, advance many blacks into leadership positions, and maintain racial harmony using techniques that mostly seem quite obvious? Moskos and Butler might say that the paradigm of black failure is so powerful that accounts of black success are likely to be met with suspicion. Yet there is

**Organizations in America: Analyzing Their Structures and Human Resource Practices**



Review Author[s]:  
Thor Atle Thoring

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academic debate in the field of social inequality and social justice.

**Wil Arts**

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**Arne L. Kalleberg, David Knoke,  
Peter V. Marsden, and Joe L. Spaeth:**  
*Organizations in America: Analyzing their  
Structures and Human Resource Practices.*

Thousand Oaks, London, and New Delhi: Sage,  
1996. 382 pp.

This publication presents a detailed analysis of modern work organizations in America, based on the National Organizations Study (NOS) from 1991. The book offers empirical evidence about the organizational processes analysed competently and within an interesting and highly relevant theoretical framework, considering the changing structure of work organizations and the changing nature of employment relations. It is motivated by the perspective that organizational research is still 'based on designs that cannot yield broadly generalizable findings' (p. 7). The NOS study is an example of a representative organizations study, and in reviewing this book it is natural to draw attention to two particular aspects of the data-set: first, the rarity and usefulness of this type of data in general, compared to analyses based on case studies and comparative analyses based on non-representative data, and secondly, some specific problems with this data set.

The book is divided into four parts, starting with a detailed description of the NOS, describing the logic behind the sampling process and the quality of the final data-set. This section also includes a chapter which describes American organizations and their environments. The other parts of the book discuss organizational structures, organizations' human resource practices, and finally organizations and the changing workforce. The book is a collection of articles by different authors discussing different aspects of organizational structures. Some thematic examples are: coordination and control practices, human resources and employ-

ment relations, stratification processes such as earnings, job training, and gender segregation. So the study considers some of the main organizational aspects which one would expect to find in such a collection from the perspective of the changing structure of work organizations and the changing nature of employment relations.

The theoretical background is a structural approach, including, for example, theories on organizational incentive and control systems, and the broader insights from new structuralism in stratification research. Within this general theoretical framework several hypotheses on organizational processes are formulated; some of these hypotheses are conventional in the sense that they are tested on other data from earlier publications.

The NOS is conceived as a single cross-sectional project, following an interesting sampling procedure. The information on organizations is based on a method using individual-level data (from the General Social Survey (GSS)), which is a representative sample of employees in the US workforce. The general objective of the GSS 'is to monitor trends in important social indicators' (p. 25). The NOS sample was generated by asking respondents to give the name, address, and telephone number of their own and their spouse's employer. Based on this information a sample of organizations was constructed. The data collection was organized in two stages: first, the collection of nominations and second, interviews with informants in the organizations.

However, there are some serious problems with the NOS sampling procedure. First, it only provides complete data for 727 cases, which represents 50.9 per cent of the original 1427 cases. As pointed out by the authors, a low response rate raises questions about the representativeness of the NOS study. In order to discuss this problem, distributions of several key variables were compared with the population distribution, based on three possible comparisons. Distribution of selected key variables are presented in several tables, based on the NOS sample, the GSS, and finally a current population survey (by the Bureau of Labor Statistics). The key variables in this analysis were occupation, industry, and establishment size. Based on values for the index of dissimilarity and goodness-of-fit tests, the results indicate, at least for these three variables, that the

NOS sample is reasonably representative of the population it was designed to study.

The second problem concerns refusals, and is described as 'twice as serious as the inadequate information problem' (p. 28). The informants may have different reasons for giving limited information about their employers, and several questions could be posed as to why this is the case. Such questions are not addressed in the book, and a more substantial discussion of their implications for the empirical results should have been offered. This would at least be expected in relation to the diagnostics of the data-set (Chapter 2), where this key problem should have been discussed concretely.

The third problem is some overrepresentation of larger work organizations in the net sample. This problem is discussed in Chapter 3, where results both from an unweighted and a weighted sample are presented. The unweighted measure gives every worker equal weight, and the 'statistics will describe the typical work settings to which employees in the U.S. labour force are exposed.' (p. 46). On the other hand, due to the sampling method, establishments with many workers have proportionately higher chances of being included in the NOS sample. With a procedure of weighting establishments inversely proportional to the number of employees, the results must be interpreted as representing the population of establishments, understood as each establishment having an equal probability of inclusion.

Finally, the complexity of labour-market processes can be captured in several ways. One example is studies of earnings differences, which in the existing literature have been split into two components: namely, differences within and between different organizations. Since this study is based at the 'organizational level', complex multi-level analysis (workers nested within organizations) cannot be accomplished. This relates to the problem caused by the fact that the NOS contains only one observation within each organization. This is also mentioned as a problem in the book, and makes it impossible for the authors to analyse differences within organizations (such as the example of earnings differences), and further to analyse structural (organizational) effects net of human-capital and other individual characteristics in the same empirical model. There are some problems with this data-set, but these problems are taken care of through very careful data reduction,

analysis, and interpretation of the empirical results. The authors also remark in their concluding chapter that the data collection in this case is successful compared with the standards of organization research in general.

The overall contribution of this book is that it is possible to analyse labour-market processes from a structural (organizational) point of view. In Chapter 3 it is confirmed that most of the organizations in the sample provide services rather than producing goods, and this point is extended in later chapters, with the focus on how these new types of production affect employment relations (such as the chapter on contingent employment relations). This discussion brings us a step forward, both theoretically and analytically, 'since most of what we know about contingent work comes from surveys of individual labour force members' (p. 259). The individual approach implies limitations on organizational processes, and the possibility of analysing what kinds of organizations make use of contingent work relations, and why they do so, has so far been limited. In their concluding remarks (in Chapter 13) Kalleberg and Schmidt raise some interesting points about the implications of the growth in contingent employment (70 per cent of organizations in the NOS sample now use some form of contingent work). Their concluding remarks consider the different interests and preferences among employers and employees. But from the workers' point of view it is not possible to analyse whether workers have a free choice or if they have to adapt to the employer's needs, which are structured by new technology and market processes.

Another important and interesting aspect of this analysis is the fact that it is possible to categorize clusters of organizations. One main organizational characteristic is size, which is usually used as a proxy for other organizational aspects. In this book, however, the understanding of organizational size is built into a more sophisticated framework. Size is combined with such characteristics as performance – one example is the distinction between low performance organizations, trainers, and high performance organizations. In a fascinating analysis these characteristics are discussed in relation to different compensation profiles, such as firm internal labour markets, training, performance-based compensation, and decentralization. With this kind of

data it is possible to analyse organizational differences, and to form an impression of clustering tendencies, as in the chapter on bureaucratic structures for coordination and control. Measures of coordination and control (structural complexity, formalization, decentralization, and administrative intensity) are related to one another, and there are strong differences in structure between large and small organizations, even when contextual effects in the same model are controlled.

One part of the book that fulfilled my expectations is Part III, which deals with organizations' human resource practices, including staffing processes and organizational structures of inequality, and covers earnings differences as well as internal labour markets and benefit packages. Differences in earnings are mainly understood within a structural context determined by organizational position and membership. The critique raised against stratification research is that organizations are generally ignored, since the focus is either on differences between individuals or between societies or large geographic units. The analysis of staffing processes gives new information about these processes from an organizational point of view.

In Chapter 5, formalizing the employment relationship, the definition of internal labour markets is based on the earlier works of Doeringer and Piore and Althausser and Kalleberg. The conceptualization of firm internal labour markets is based on 'managers' reports of how much mobility (both potential and actual) there was in several occupations (including managerial ones) in their establishments' (p. 93), and is used in an eight-item firm internal labour market (FILM) scale.

The implications of FILMs are competently discussed in this chapter, and this information is used in the analysis of other topics considered in later chapters. Examples include Chapter 8, on job training in US organizations, and Chapter 9, on training, unions, and internal labour markets.

In Chapter 9 the purpose of job training programmes is analysed for different core occupational groups. The occupational composition of the workforce is one important element in the analysis, and is categorized into three samples: core, GSS, and managerial. The core sample is based on informants' reports on the occupation they 'considered to be most directly involved with producing the establish-

ment's main good or service' (p. 52), while the GSS job sample is based on the occupation of the respondent who had nominated the establishment. Finally, the informants in NOS were asked about information at the supervisory level, concerning management and other administration, which provides the managerial sample in the study.

One interesting finding in the analysis of training, unions, and firm internal labour markets is the relationship between differences in core job composition and differences in formal training programmes. Organizations with blue-collar core workers are as likely to offer formal training as organizations with white-collar core jobs. But there are still some content differences, which are of interest when considering the trend towards a service-oriented society and labour market. The distinction between basic skills, equipment safety, computer skills, and managerial skills is used, and the pattern observed follows a traditional pattern of labour-market stratification.

Gender differences and gender segregation in the labour market are analysed in the final part of the book. These topics are also analysed within an organizational framework. Some critiques are made of previous research, because of limited sample sizes or the use of unrepresentative case-studies of individual firms. The NOS sample contains occupational information on gender job composition for three different occupations within each establishment (the core, GSS, and managerial samples as distinguished above). When organizations are weighted, some interesting findings occur. The level of gender segregation is much higher when measured across organizations rather than across jobs. When this is tested against dispersion in earnings among different gender constellations of job composition, the results indicate higher payment and larger dispersion when the job is occupied by mostly male workers. In addition, in female-dominated occupations the earnings cover a much narrower range.

In sum, the findings indicate a high degree of gender job segregation in US organizations, but some finer distinctions are also drawn. Organizational characteristics such as personnel policies, formalized employment practices, and organizational leadership matter in terms of lower gender segregation, implying that internal organizational policies and

not only external characteristics contribute to determining the level of gender job segregation. One of the main conclusions is that the gender job segregation in the USA is very high. As mentioned in the book, this must be seen in relation to gender differences in promotions and career mobility. Studies in Norway indicate that earnings differences between men and women are low at the point of labour-market entry (because of credential screening). After ten years this initial equality has disappeared in favour of men. The interpretation is thus directed against career mobility patterns among the two groups, understood as partly firm-internal, but also as career mobility between different organizations.

*Organizations in America* represents a significant step forward within the field of organizational studies, both theoretically and empirically. As the authors sum up in their concluding remarks, some further aspects are postponed for further analyses using the NOS data-set; the consequences of

downsizing are mentioned as one among other possible topics for further analyses. In addition, the authors also sketch possible future extensions, including a discussion of how to obtain multiple informants and how to study organizational change. While this book gives interesting evidence on organizational processes which are of a generalizable character, the authors also invite the research community to reflect on what would be the most fruitful way forward concerning the structure of organizational data. One possible path beyond this publication is to further analyse this and other organizational processes within a comparative framework. This would enable researchers to compare differences in labour-market changes in western industrialized societies within an organizational framework.

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**Organizations in America: Analyzing Their Structures and Human Resource Practices.**



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are unlikely ever to confront theory/practice relationships (pp. 281–86). This persuasive argument implies that universities are particularly unlikely to ever become “learning organizations” in any meaningful sense, a sad irony.

The book’s merits far outweigh its flaws, and I am impressed by the authors’ careful attention to criticism of their earlier perspectives. They are clearly aware of the need to speak to the issues of “organizational culture” that necessarily inhere in organizational learning, an awareness not visible in the earlier work (for example, p. 14 on collectivities, p. 29 on “organizational worlds,” p. 72 on multiple and conflicting organizational norms). Nevertheless, this dimension still needs more attention, as the treatment of organizational culture remains rather limited and mechanistic, in contrast to the authors’ dynamic and more differentiated behavioral perspectives. The cultural dynamics of organizational contexts and processes still require greater analytical development.

Argyris and Schön make a number of attempts to move beyond a view of organizations as collectivities of individuals struggling with each other dyadically, and they clearly aim at developing a more truly “social” concept of organizational structure. This is an important endeavor, but it remains incomplete. For example, the authors’ treatment of individuals and higher level organizational entities announces the problem rather than resolves it. The reader still does not know if the authors think there are basic differences between dyadic relationships and larger organizational structures (pp. 190–93).

The authors show their awareness of criticisms that their perspectives either are blind to power relations or actually reinforce certain kinds of hierarchies in organizations. Nevertheless, the fact that Model I behavior is the “default” for people in organizations is still treated pretty much as a “law of nature” rather than as a possible product of particular systems of political economy. (The distinction between Model I and Model II behavior is central to the authors’ approach. Model I behavior builds strategies of action without inquiring into the values that underlie those actions. In Model I, organizations respond to problems by reproducing more of the behavior that created the problems. Model II behavior centers on understanding the underlying causes of problems. Actions in Model II flow from changes in the values and behaviors that created the original problems. In other words, Model II solves problems by linked value and organizational trans-

formations.) Whether or not systems of political economy are relevant, the sources of Model I and Model II behavior need to be explained more carefully. Not explaining the ultimate sources of Model I behavior leaves us also without an explanation of why certain individuals (in this case, the authors) are capable of transcending these ordinary human limits and then leading others to do the same. This opens up questions about legitimations of authority and expertise that deserve more open inquiry. The failure to explain Model I behavior also ultimately leaves us with no explanation of the political economy that makes so-called centers of learning (universities) into something other than learning organizations.

The authors do take on some of the issues of the normative and ethical ends of organizational learning and make some moves in the direction of organizational openness and “democracy.” Still, these moves remain secondary to the main thrust of their models for intervention and are only slightly developed in the book. Given the abuse of the concepts of organizational learning and organizational culture already evident in the corporate world, these are issues that remain quite important.

These hopes for an *Organizational Learning III* aside, this is a superb book that richly rewards the reader’s attention and will set the tone for discussion of this subject for some time to come.

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*Organizations in America: Analyzing Their Structures and Human Resource Practices.* By Arne L. Kalleberg, David Knoke, Peter Marsden, and Joe L. Spaeth. Newbury Park, Calif.: Sage, 1996. 382 pp. ISBN 0-8039-5815-3, \$58.00 (cloth); 0-8039-5816-1, \$27.95 (paper).

*Organizations in America*, a collection of 16 papers by the four lead authors and seven associates, presents results from the 1991 National Organizations Study. Versions of many of these chapters were published in a special issue of *The American Behavioral Scientist* or in leading sociology journals. The book addresses a set of fundamental questions about the employment relationship. At

the heart of the examination is the question of how human resource practices and organizational structures vary across employers, and what explains this variation. The effects and policy implications of those variations in practices clearly motivated the study, but they are treated less directly.

The lead authors, with the collaboration of Diane P. O'Rourke, spend considerable time explaining the rationale for the NOS's sampling frame and the implications of the choices they made in designing it. They point out that drawing a random sample of organizations and exploring core jobs may differ considerably from drawing a random sample of workers (as in the NOS) and matching them with jobs, occupations, or organizations. Further, both approaches differ from assembling a random sample of organizations or establishments over a certain size threshold.

The approach to sampling exemplifies a strength of the book—its empirical and conceptual treatment of organizational size. On the empirical side, the authors show that small establishments are underrepresented in organization-level research. The carefully constructed sample of the NOS avoids that bias and sheds new light on the small establishments in which many Americans work. On the conceptual side, the authors approvingly quote John Kimberly's description of size as a theoretical wasteland—too often, a proxy for other variables that are relevant but poorly specified—and proceed to fill in many of the gaps in our understanding of size effects. They rarely treat size as a black box; its effects on control structures, internal labor market design, and HR practice are the object of careful theorizing and modeling, and the varied results are often interesting. Establishment size and membership in multi-unit structures have main effects on structure and practice, giving rise to complexity and formalization. Size also mediates and moderates other relationships between an organization's environment and its structure.

The chapters examining reasons for the variety of structures and practices are written by various combinations of the lead authors with four other contributors—Cynthia R. Cook, Yoshito Ishio, Kathryn Schmidt, and Mark E. Van Buren. These papers examine variety in control structures, internal labor markets, staffing, training, compensation, benefits, and contingent work. They are methodologically varied. The papers share some theoretical constructs and scales used to measure those con-

structs: the firm-based internal labor market (FILM), for example, appears repeatedly. Other constructs and scales appear sporadically or are unique to individual chapters. The authors point out that many of the questions they address are only infrequently studied at the organization or establishment level, and even less frequently studied using anything resembling a nationally representative random sample. The findings are mostly consistent with prior work. For example, firm-based internal labor markets (FILMs), dispute resolution procedures, and formal training programs are characteristic of "formalized organizations" and tend to accompany one another; non-profit and public organizations, larger establishments, and branch establishments are more likely to be formalized.

Some of the findings reveal contingent relationships. For example, Knoke's chapter on the moderating effects of unions on organizational training shows that unions offset the negative effects of the absence of FILMs on training opportunities. More work on such contingent relationships would be interesting; one wonders if many of the other predictor variables that have main effects on various practices would also have moderating effects on the same practices.

Three chapters further illuminate the potential *Organizations in America* has to raise questions for subsequent research, by deviating from the general approach featuring human resources practices and organizational structures as dependent variables. A chapter by Kalleberg and James W. Moody offers a discussion of the linkages between HR practices and firm performance; this chapter is replete with cautions and limitations (foremost among them the caveat that performance is measured by looking at managerial perceptions). A piece by Donald Tomaskovic-Devy, Kalleberg, and Marsden examines relationships between organizational structures and gender segregation, providing evidence that formalization is associated with decreased segregation.

A third chapter, by Marsden, Kalleberg, and Cook, uses data from the General Social Survey of individuals to examine the links between gender and organizational commitment. While this analysis of the GSS is not tied explicitly to the NOS, one can infer from the chapter the potential of the NOS-GSS sampling frame. The NOS and GSS drew representative samples of individuals, matched those individuals to establishments, and then independently measured organizational practices. Much potential there-

fore exists for studying the effects of organizational practices on individuals with variables measured at the organizational level rather than based on the self-reports of individuals.

Some peculiarities of the study will be evident to readers with an interest in industrial relations, and I will mention two. First, several of the papers consider the effects of labor markets on organizational structure and HR practice, but in each case the measure of labor market conditions is a local unemployment rate from 1986. Those who believe that HR practices must be understood in the context of the supply of labor may be unsettled by this measure, for there is little explanation of the choice, nor is there discussion of possible effects of the lag between the measure and the 1991 NOS. Second, the survey's treatment of unionization is unusual. Rather than ask directly what share of which employees in establishments were unionized, the NOS asked respondents to provide indirect measures (such as a subjective assessment of the importance of collective bargaining in determining wage levels).

The NOS, and the chapters in *Organizations in America*, are full of theory and data that could inspire future researchers from a variety of disciplines. The work here draws heavily on the sociological literature, as well as on recent advances in industrial relations research (for example, the MIT "Transformation" school is prominently featured), and effectively conceptualizes, models, and explains the effects surrounding institutions have on organizations. The authors give less detailed attention to what might be seen as efficiency-related drivers of practice. They are unable to unravel many of the effects of technology on organizations; here, they correctly advocate more contextualized, sector-specific research. They also draw relatively little from theoretical developments in nascent sub-fields such as the Economics of Organizations or Strategic Human Resource Management.

The authors conclude by encouraging further work with the NOS data. Not only do they issue researchers a direct invitation, but they also provide an Appendix telling readers where and how to obtain the data. (A minor point: the authors might also have included the full NOS questionnaire itself. While a reader can piece together most of the questions, there is no way to tell exactly what was and was not included in the survey.) Regardless of theoretical bent, a researcher undertaking to explain why different organizations adopt different HR practices

will find *Organizations in America* an excellent resource.

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### International and Comparative

*Labor Relations in Transition: Wages, Employment, and Industrial Conflict in Russia.* Edited by Simon Clarke. Brookfield, Vt.: Edward Elgar, 1996. 282 pp. ISBN 1-85898-411-4, \$79.95.

This volume consists of ten articles by Russian scholars together with an introduction and summary by the editor. In the introduction, Clarke writes,

The distinctive feature of our research program has been its emphasis on the internal relations of the industrial enterprise ... the area of Russian society which is most hidden from the view of the outside observer, not only from the Western consultants who believe that Russia has been transformed by their reforms because they can now get a cold beer and a hot meal in a Moscow hotel, but also from Russian intellectuals and specialists who interpret Russia for their visitors. (pp. 1-2)

American readers probably will derive the most benefit from Chapters 2 through 7, written by knowledgeable scholars and thorough researchers directly involved in the case studies they describe and analyze.

Chapter 2 deals with the difficulties management encountered trying to introduce greater pay differentiation among workers, line managers, staff specialists, and senior managers in a firm undergoing privatization. "The differentiation incorporated into the payment system was a bombshell, undermining the workers' conception of the justice of the rewards for mental and physical labour. When the pay of the managers and specialists exceeded that of the workers as a whole by 1.8 times [sic!] at the beginning of 1991, a wave of discontent spread among the workers" (p. 45). The middle managers adapted pay and incentive regulations to their own needs and the ordinary workers tried to create a completely different system, using informal relations at all levels.

Chapter 3 analyzes the role of foremen in a bus repair shop. Caught in a seemingly untenable position between the workers and senior managers, the foremen (who are paid consider-



## Book Reviews

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**Organizations in America, Analyzing their Structures and Human Resource Practices. Based on the National Organizations Study.** A. L. Kalleberg, D. Kooke, P. V. Marsden and J. L. Spaeth, Thousand Oaks, CA, Sage, 1996.

This book is an analysis of results from the 1991 National Organizations Study (NOS). The study resulted from interest in the effects on the American workplace of the business mergers, consolidations, reengineering, downsizing, decentralization, termination and the reduction or abandonment of long-term company commitments to employees that took place in the 1970s and 1980s. The changes presented organizational researchers with prime opportunities for developing and testing ideas about the changing structure of the American workplace. The problem researchers faced was the lack of data from which broad generalizations could be made. Previous studies tended to be single or multiple firm case studies or single-type or restricted surveys of diverse organizations. Because of limitations inherent to each, none of the research models was capable of yielding findings that could be broadly generalized. The NOS was conceived to help fill this vacuum. The survey instrument was developed in the belief that it was desirable to construct a national database on organizations based on a probability sample that would incorporate a diverse population of U.S. organizations without limits on type, geography, size, or any other dimension. The resulting study would be a multipurpose, multi-investigator survey of the structure, context, and personnel practices of a large number of diverse organizations as they existed at the time of the survey. Nothing like it had ever been attempted on a national scale in the United States before.

The study reported in this volume sampled some 700 establishments in proportion to their size, as measured by the number of employees. The only exclusions were companies that had gone out of business and military establishments. The project produced a series of snapshots of U.S. organizational demographics in the early 1990s and data that accurately reflected what organizations were doing.

Some findings may be familiar to scholars in the field: 11 of the book's 16 Chapters are substantially revised versions of conference papers or journal articles the authors and the book's seven other contributors presented or published between 1992 and 1996. A danger in compilations from material of this type is that the resulting book may be little more than a disjointed collection of essays. This is not the case here. Substantial reworking of the published material, well done Chapter transitions, and the inclusion of previously unpublished work make *Organizations in America* informative in its own right and a valuable addition to the literature. The whole is more than the sum of its parts.

The book is divided into four sections. The first three Chapters introduce and describe the sampling methodology, the procedures used to collect the data on the national probability sample of the work establishments that appear in the study and the analytical methodology, and present a descriptive overview and summary statistics of the establishments surveyed. Organizational structures are examined in Part 2. Particularly interesting is Chapter 5, in which the four co-authors analyze employer–employee relations in corporate America in two ways in which they have grown more formalized: the presence or absence of explicit dispute resolution procedures that offer 'due process'

to employees and whether or not the organization has a firm internal labour market, meaning entry at the bottom of job ladders with employee movement upward as experiences and skills increase. The analysis leads to the identification of two variations on the simple organizational structure that small firms use and three varieties of bureaucracies to be found in larger establishments. Chapter 6, an analysis of survey data in the context of 'high performance' work systems, meaning alternatives to traditional mass production forms of organization, yields two interesting findings. The first, that human resource policies and practices often identified with high performance, such as offering profit sharing or stock option programs, merit-based bonuses, and linking earnings to performance, do in fact enable organizations to perform better than expected, confirms conventional wisdom. The second finding, that decentralization enhances only one dimension of performance, that of attracting and retaining valued employees, is a useful corrective to repeated forecasts of glowing benefits that automatically flow as organizations flatten.

The third part of the book inquires into the human resource practices of the surveyed organizations: recruitment, hiring and, formal job training, the impact of unionization on work forces, and issues related to compensation and fringe benefits. The last section of the book examines contingent employment relations (part-time employees, temps, and subcontracting), patterns of organizational gender segregation and the consequences for wages and careers, and male–female differences in organizations. A well-done summary Chapter reviews major findings and suggests alternative research designs and topics for future research.

Many of the findings will not surprise readers. Larger firms are more complex than smaller establishments. Management training is uniformly spread across the occupational spectrum. A large majority, over 70 per cent of the firms surveyed, used part-time or temporary workers or subcontracted part of their operations. Gender segregation in jobs is widespread and lays the basis for inequality.

Other findings challenge previous research or enlighten current notions. The large majority of firms invest in job training or other programs to enhance employee capital. This holds true for both large and small firms. Whether or not a company makes the human investment depends on an organization's internal structure and external environment, not firm size, unionization, or workforce composition. Contrary to some research, firms where the core workforce is blue-collar are as likely to offer job training as companies where the core workers are white-collar. With regard to pay, analysis of the patterns of organizational earning dispersion reveals a picture far more complex than the popular impression of economic disparity between well-paid executives and poorly paid rank and file. With regard to benefits, employee demand is a far less reliable predictor of the packages available to employees than the firm's capacity, rivalry with other organizations, or high standing in benchmarking performance criteria. With regard to gender issues, while men are slightly more committed than women to their organizations, this has less to do with sex than the fact men are more likely than women to have jobs with commitment-enhancing features.

Consistency in the organization of chapters throughout the book enhance readability and convey information clearly. There is a definitive topic statement at the beginning of each Chapter followed by a short explanatory section and literature review, a description of the methodology employed to analyze the NOS data, the presentation of the results, a concluding summary, and a smooth transition to the following Chapter. Hypothesis, data compilation, and analytical methodology are all present in both textual and graphic form.

The limitations of the study are all noted by the authors and are a minor issue because the study does not pretend to be what it is not. Internal organizational dynamics, for example, cannot be treated because the NOS information about the organization was obtained usually from only one informant, generally a personnel manager in each establishment.

That said, *Organizations in America* is a worthwhile addition to one's library. For those interested in the topics covered, the work not only will inform and serve as a handy

reference but also as a benchmark against which findings from more limited data can be measured. Researchers in particular will find useful the concluding Chapter and Appendix which contain the authors' suggestions about additional uses of the NOS data, how to obtain it, and improved methods for future data collection.

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**Leadership: Theory and Practice.** Peter G. Northouse, Sage Publications, Thousand Oaks, CA, 1997.

Leadership is a topic of perennial interest to researchers and managers alike. Although there are a number of new books on leadership, most of them are too abstract and theoretical, and of limited interest to managers who are much more interested in how a particular theory can be translated into practice. *Leadership: Theory and Practice* by Northouse attempts to strike a balance between theory and practice.

The book uses a consistent format throughout. Each Chapter starts with a comprehensive summary of a particular leadership theory/approach, followed by a discussion of its strengths and weaknesses. The Chapter then turns to the practical applications of the theory, using short cases and leadership instruments to illustrate the theory or approach.

In the first eight Chapters, Northouse leads the reader on a journey through the fascinating and complex terrain of leadership study from the early 'Great Man' and trait theories to current popular approaches to leadership. The book is evenly divided between traditional leadership research (e.g., traits, style, and contingency theories) and the frontiers of leadership research (e.g., leader-member exchange—LMX, transformational leadership, teams, gender differences in styles of leadership, etc.). The last four Chapters of the book are contributed by his associates, and they focus on issues such as team leadership (Susan E. Kogler Hill), the psychodynamic approach (Ernest L. Stech), women and leadership (Dayle M. Smith) and popular approaches to leadership (Mary Ann Bowman).

Chapter 1 provides a good introduction to some key issues in leadership, starting with the distinctions among management, leadership and power. It serves as a warm up to the rest of the book and gets people thinking about the topic. Chapter 2 presents the trait approach in a succinct manner, reviewing past research and bringing the reader up to date with the recent work on leadership traits which argues for focus on a select set of traits that are indicative of leadership potential or the motivation to lead. The questionnaire at the end of the Chapter is a useful tool for assessing one's leadership traits and comparing them to the perceptions of one's peers and subordinates.

Chapter 4, which presents Situational Leadership Theory (SLT), relies on a model that could not be located in either the Hersey and Blanchard (1993) book on *Situational Leadership Theory (Management of Organizational Behavior)* or any major leadership or organizational behavior book. The author could have better served his readers by presenting the most popular version of the model and perhaps discussing the various modifications to the model over time. (Incidentally, Ken Blanchard has yet another version of the model that is suitable for teams in his new book, *Gung Ho!*, Blanchard and Bowles, 1997). In analyzing the cases in Chapter 4, readers are likely to arrive at different conclusions about the appropriate leadership style to use in a given situation due to some ambiguities in the situations described. The cases would benefit from some clarification and fine-tuning.

Chapter 6 summarizes the main tenets of Path-Goal Theory and shows how managers can apply them to their work situations. The discussion about the role of the

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**Organizations in America: Analyzing their Structures and Human Resource Practices.**

By Arne L. Kalleberg, David Knoke, Peter V. Marsden and Joe L. Spaeth. Sage Publications, 1996. 382 pp. Cloth, \$58.00; paper, \$27.95.

Reviewer: JESPER B. SØRENSEN, *University of Chicago*

*Organizations in America* is the first book to grow out of the National Organizations Survey (NOS), a nationally representative sample of employing organizations fielded in 1991 in conjunction with the General Social Survey. Consisting of a series of loosely interrelated papers by the project's four principal investigators (and numerous co-authors), the book is a provocative demonstration of the potential of the NOS. It should inspire a fruitful debate about the future direction of organizational research.

The representativeness of the NOS makes it possible to document for the first time the prevalence of different employment practices; until now, researchers were forced to rely on less representative samples. *Organizations in America* presents a rich picture of the distribution of different employment practices across organizations — including internal labor markets, training, employee benefits, and contingent employment — through the use of both descriptive statistics and regression analyses. Some of the most interesting analyses demonstrate the power of supplementing the individual-level data of the GSS with data on employer attributes from the NOS.

*Organizations in America* makes a strong claim for the superior generalizability of findings from a nationally representative sample relative to more narrowly focused samples of organizations. This is a controversial claim, which the book itself casts doubt upon. *Organizations in America* never establishes that causal processes can meaningfully be said to operate in a unitary manner across all types of organizations. Furthermore, few organizational researchers believe that enough is known about organizations and the salient dimensions of their environments to construct measures that are robust in all contexts. The use of narrowly focused samples is therefore not necessarily just a matter of convenience.

In fact, the generalizability of the book's findings is often unclear, largely because of a failure to forthrightly discuss the study's limitations. The design of the NOS yielded a highly diverse sample of organizations facing a wide range of environments. This diversity necessitated several compromises, including a reliance on very general measures of organizational characteristics and the use of a single informant for organizational measures. The question of informant bias (and its relation to organizational characteristics such as size and differentiation) is clearly important, but the book glosses over potential problems with the reliability and validity of NOS measures. The concluding chapter claims that the book shows that "it is possible to collect valid and reliable information on a large sample of diverse

organizations and their employees." In fact, the book does not contain *any* analyses of the validity or reliability of the NOS measures. The fact that personnel officers were targeted as informants means that broader measures of the establishment's environment and performance should be viewed with some skepticism. For example, well over 90 percent of organizational informants think their employer performs about the same or better than "other organizations that do the same kind of work" according to a number of criteria, much like the vast majority of the public thinks they are above-average drivers.

The NOS generates an enormous amount of variance that is masked by the very general nature of many of the survey questions. This often makes it difficult to draw firm conclusions from the empirical results. For example, job training varies by occupation as well as by establishment. Since occupations are unevenly distributed across organizations, the NOS asked informants to identify a "core" occupation that was central to getting the establishment's work done. Training measures were then collected for the "core" occupation as well as for managerial positions and for the occupation of the General Social Survey respondent who nominated the establishment to the NOS. The findings based on these measures are difficult to interpret. Each category is highly heterogeneous. Furthermore, the book conveys no sense of how organizations (and informants) differ in their designation of "core" occupations. For example, it is not immediately obvious that the core occupation in a hospital is "nurse." Again, the book contains little critical discussion of the limitations stemming from this design decision.

Some analyses are ill-conceived. For example, chapter 4 establishes (again) that establishment size is negatively related to administrative intensity. However, it has been known for some time that the effect of changes in size on administrative intensity depends on whether the organization is growing or declining. There is no discussion of the equilibrium assumptions underlying the cross-sectional analyses.

The strength of *Organizations in America* lies in its wealth of descriptive information on contemporary organizations. Unfortunately, organizational theorists will find it disappointing, arguably because of the limits of the NOS's design. When causal processes are poorly understood, there are substantial benefits to limiting variance along key dimensions. Scientists seeking to map the genetic underpinnings of inheritable diseases, for example, seek out relatively homogenous populations in order to make the problem tractable. In many respects, reading *Organizations in America* suggests that organizational researchers would be well advised to do the same.