

How do organizations matter?

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The business school as an estuary



The corporation as a defining social institution

Synecdoche

“The **big enterprise is the true symbol of our social order**...In the industrial enterprise the structure which actually underlies all our society can be seen...” (Drucker, 1950)

Surrogate

“Organizations are the key to society because **large organizations have absorbed society**. They have vacuumed up a good part of what we have always thought of as society, and made organizations, once a part of society, into a surrogate of society” (Perrow, 1991)

The largest US employers have shifted from manufacturing to retail and other services

10 Largest US Corporate Employers, 1960-2009

<u>1960</u>	<u>1980</u>	<u>2009</u>
GM	AT&T	WAL-MART
AT&T	GM	TARGET
FORD	FORD	UPS
GE	GE	KROGER
US STEEL	SEARS	SEARS HLDGS
SEARS	IBM	“AT&T”
A&P	ITT	HOME DEPOT
EXXON	KMART	WALGREEN
BETH. STEEL	MOBIL	VERIZON
ITT	GTE	SUPERVALU

Manufacturing Oil Services

Wal-Mart now employs roughly as many Americans as the 20 largest manufacturers combined

The Dow Jones 30 Industrials, 1987

Allied Signal	Eastman Kodak	Navistar International
Alcoa	Exxon	Philip Morris
American Can	General Electric	Procter & Gamble
American Express	General Motors	Sears Roebuck
AT&T	Goodyear	Texaco
Bathlehem Steel	IBM	Union Carbide
Boeing	International Paper	United Technologies
Chevron	McDonald's	US Steel
Coca Cola	Merck	Westinghouse Electric
Du Pont	3M	Woolworth

Blue = in index in 1930

~~~~~~~~~ = gone by 2009

The corporation is no longer the defining social institution in American society

## Corporation ≠ organization: no fixed nationality

THE WALL STREET JOURNAL  
WSJ.com

MAY 27, 2009

### Accenture to Move Base To Ireland From Bermuda

By KATHY SHWIFF

Accenture Ltd. said its board has voted to change the consulting company's place of incorporation to Ireland from Bermuda.

Accenture incorporated in Bermuda in 2001 after the company did an initial public offering.

Several large companies have recently announced plans to reincorporate from Bermuda, helping them avoid what are expected to be significant changes in how the U.S. taxes multinational corporations. Earlier this month, drug maker Warner Chilcott Ltd. said its board approved a plan to relocate to Ireland from Bermuda.

Accenture shareholders will be asked to vote on the proposed move at meetings in the next three to four months.

"We believe that incorporating in Ireland will provide Accenture with economic benefits and help ensure our continued global competitiveness," said Chairman and Chief Executive William D. Green, adding that the company will benefit from Ireland's well-developed corporate, legal and regulatory environment.

The technology outsourcing and management consulting company doesn't expect any material change in its operations, financial results or tax treatment as a result of the change.

The company will continue to be registered with the Securities and Exchange Commission and its shares will continue to trade on the New York Stock Exchange.

## Corporation ≠ organization: no fixed boundaries

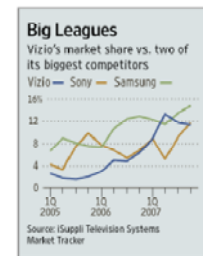
THE WALL STREET JOURNAL  
WSJ.com

LEADER (U.S.) | APRIL 15, 2008  
PICTURE SHIFT

### U.S. Upstart Takes On TV Giants in Price War

By CHRISTOPHER LAWTON in San Francisco, YUKARI IWATANI KANE in Tokyo and JASON DEAN in Beijing

But one upstart, Irvine, Calif.-based Vizio Inc., has largely surfed past the industry's woes. Its single focus: churning out low-priced flat-panel TVs.



Vizio is a fraction the size of Sony and Samsung Electronics Co., both leading brands in the U.S. flat-panel market. Yet Vizio shipped 12.4% of North America's liquid-crystal display, or LCD, TVs in the last quarter of 2007. That's just behind Sony's 12.5% share and Samsung's 14.2%, according to research firm iSuppli Corp. Overall, Vizio's sales have multiplied to just under \$2 billion last year, up from \$700 million in 2006 and \$142 million in 2005, according to the closely held company.

The California company's success illustrates the rise of a new business model in the fast-changing TV industry. Big Korean and Japanese consumer-electronics makers spent huge sums developing and marketing their own technology, creating a high barrier to entry for newcomers. They also built many key components in-house, including the all-important LCD and plasma display panels.

But panel technology is becoming ever more commoditized, meaning big brands aren't the only ones controlling the field. The shift has allowed nimble players like Vizio, which handles the design and marketing, to hook up with contract manufacturers and produce their own cheap TVs. At the same time, discount retailers such as Wal-Mart Stores Inc. are increasing their sales in the electronics category, slashing prices in the process.

A company of 6 people can grow to \$2 billion in sales by assembling the right supply and distribution network

## Corporation ≠ organization: no fixed identity

May 9, 2007

### ADVERTISING

#### 101 Brand Names, 1 Manufacturer

The Mass Pet-Food Recall Reveals a Widespread Practice: Many Competing Products Come From the Same Factory

By ELLEN BYRON  
May 9, 2007

(See Corrections & Amplifications item below.)

Pet owners have been reeling ever since tainted pet food led to the confirmed deaths of more than a dozen dogs and cats and likely sickened many more.

Some owners were also startled to learn that dozens of competing brands, from discount to premium, are all made by the same company, Menu Foods Inc. of Ontario.

Menu has recalled more than 60 million cans of pet food under more than 100 brand names ranging from Procter & Gamble Co.'s Iams and Eukanuba brands to Hill's Pet Nutrition Science Diet, owned by Colgate-Palmolive Co., to Ol' Roy pet food by Wal-Mart Stores Inc. Each was apparently affected by wheat gluten contaminated with melamine, a chemical substance with no approved use in food.

Poisonous pet chow containing melamine from China was made by an Ontario-based manufacturer but sold under dozens of different brand names.

The global OEM model is not just for Nike anymore.

## Corporation ≠ organization: no fixed industry

National Information Center  
A repository of financial data and institution characteristics collected by the Federal Reserve System

Top 50 BHCs as of 06/30/2006

| Rank | Institution Name (RSSD ID)                        | Location          | Total Assets    |
|------|---------------------------------------------------|-------------------|-----------------|
| 1    | BANK OF AMERICA CORPORATION (1073757)             | CHARLOTTE, NC     | \$2,256,055,674 |
| 2    | JPMORGAN CHASE & CO. (1039502)                    | NEW YORK, NY      | \$2,026,642,000 |
| 3    | CITIGROUP INC. (1951350)                          | NEW YORK, NY      | \$1,848,533,000 |
| 4    | WELLS FARGO & COMPANY (1120754)                   | SAN FRANCISCO, CA | \$1,284,176,000 |
| 5    | GOLDMAN SACHS GROUP, INC. THE (2380443) ?         | NEW YORK, NY      | \$890,137,000   |
| 6    | MORGAN STANLEY (2162956) ?                        | NEW YORK, NY      | \$676,957,000   |
| 7    | METLIFE, INC. (2945824) ?                         | NEW YORK, NY      | \$509,457,014   |
| 8    | HSBC NORTH AMERICA HOLDINGS INC. (2323216)        | METTAWA, IL       | \$383,820,898   |
| 9    | TAUNUS CORPORATION (2819306)                      | NEW YORK, NY      | \$366,350,000   |
| 10   | BARCLAYS GROUP US, INC. (2914521)                 | WILMINGTON, DE    | \$323,685,026   |
| 11   | PNC FINANCIAL SERVICES GROUP, INC. THE (1069778)  | PITTSBURGH, PA    | \$279,788,303   |
| 12   | U.S. BANCORP (1119794)                            | MINNEAPOLIS, MN   | \$265,560,000   |
| 13   | BANK OF NEW YORK MELLON CORPORATION THE (3587146) | NEW YORK, NY      | \$203,246,000   |
| 14   | QMAC, INC. (1562859) ?                            | DETROIT, MI       | \$181,250,000   |
| 15   | SUNTRUST BANKS, INC. (1131787)                    | ATLANTA, GA       | \$176,854,034   |
| 16   | CAPITAL ONE FINANCIAL CORPORATION (2277860)       | MCLEAN, VA        | \$171,911,307   |
| 17   | CITIZENS FINANCIAL GROUP, INC. (1113449)          | PROVIDENCE, RI    | \$163,304,291   |
| 18   | STATE STREET CORPORATION (1111436)                | BOSTON, MA        | \$152,921,189   |
| 19   | BBAT CORPORATION (1074158)                        | WINSTON-SALEM, NC | \$152,398,410   |
| 20   | REGIONS FINANCIAL CORPORATION (3242838)           | BIRMINGHAM, AL    | \$142,824,610   |
| 21   | TD BANKNORTH INC. (1249196)                       | PORTLAND, ME      | \$131,355,762   |
| 22   | FIFTH THIRD BANCORP (1070345)                     | CINCINNATI, OH    | \$115,983,653   |
| 23   | AMERICAN EXPRESS CO. (1976216) ?                  | NEW YORK, NY      | \$114,076,164   |

What is a "bank"?

## Corporation ≠ organization: no employees

Sharp Aquos 46" 1080p, 120Hz LCD HDTV w/ 3x HDMI Inputs

Compare at \$1899.99

**\$939.97**

SHARP

FREE SHIPPING

GUARANTEED LOWEST PRICES ON THESE EXCLUSIVE DEALS...

|                                                                                                                                                               |                                                                                                                                                               |                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>LG 42" 120Hz LCD HDTV with 4x HDMI Inputs</p> <p>Super fast 2.7ms Response Time 4000:1 Contrast Ratio</p> <p>Compare at: \$1199</p> <p><b>\$799.97</b></p> | <p>Average 2GB Dual Core All-in-One PC</p> <p>250GB Hard Drive, 18.4" WXGA LCD, Vista Home Premium</p> <p>Compare at: \$579</p> <p><b>\$429.99</b></p>        | <p>Acer Aspire One Netbook Bundle</p> <p>Includes 10.1" Netbook, Wireless Mouse, USB Optical Drive, Protective Bag</p> <p>Compare at: \$429</p> <p><b>\$379.99</b></p> |
| <p>Philips DVD Home Theater System</p> <p>1000W Amplifier, 1800W, USB, 100 Watts</p> <p>Compare at: \$399</p> <p><b>\$239.97</b></p>                          | <p>Okidata Color LED Printer with Networking</p> <p>1200 x 600 dpi, 21ppm Mono, 21ppm Color, Re-certified</p> <p>Compare at: \$399</p> <p><b>\$159.99</b></p> | <p>Hammer MoreSpace 1TB External Hard Drive</p> <p>Priority of storage to back up all your important digital data!</p> <p>Compare at: \$299</p> <p><b>\$74.99</b></p>  |

"Hermit crab organizations" maintain the brand but lose the people (e.g., Circuit City's 43,000 employees)

The reign of the vertically integrated, career-employing, shareholder-value-loving corporation may be over in the US. But we still have societal needs to meet. What can a community of organizational scholars contribute?

## Looking backwards and forwards

- “The organizational inventions that can be made at a particular time in history depend on the social technology available at that time. Organizations which have purposes that can be efficiently reached with the socially possible organizational forms tend to be founded during the period in which they become possible”  
Art Stinchcombe, 1965
- The turn of the 20<sup>th</sup> century: the integrated corporation (e.g., General Motors)
- The turn of the 21<sup>st</sup> century: the iPhone “workplace democracy app” that turns GM into a kibbutz

## The mashup approach to enterprise



- “The building blocks for organizations come to be littered around the societal landscape; it takes only a little entrepreneurial energy to assemble them into a structure” (Meyer and Rowan)
- What’s different now: the tools for “organizing without organizations” are readily available

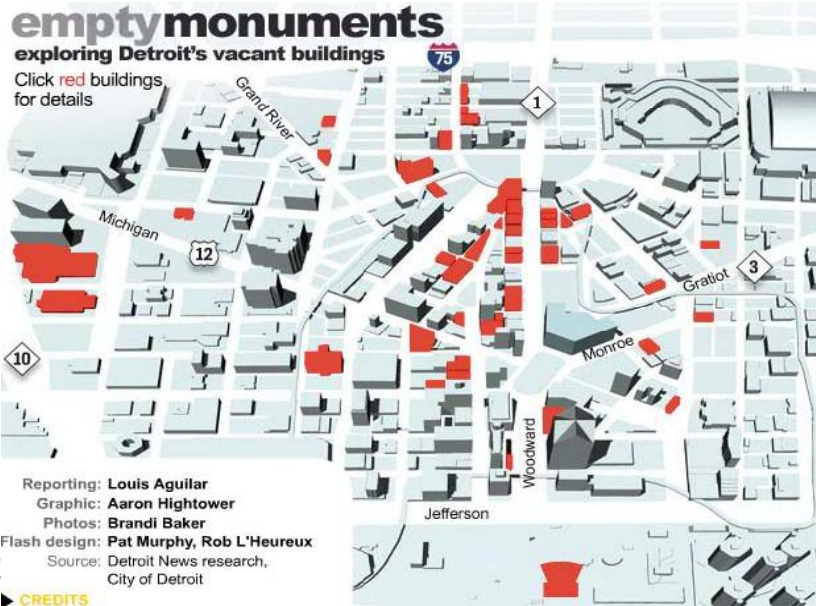
## How to fix Detroit: turn vacant land...



## ...into urban farms



## Turn abandoned corporate headquarters...

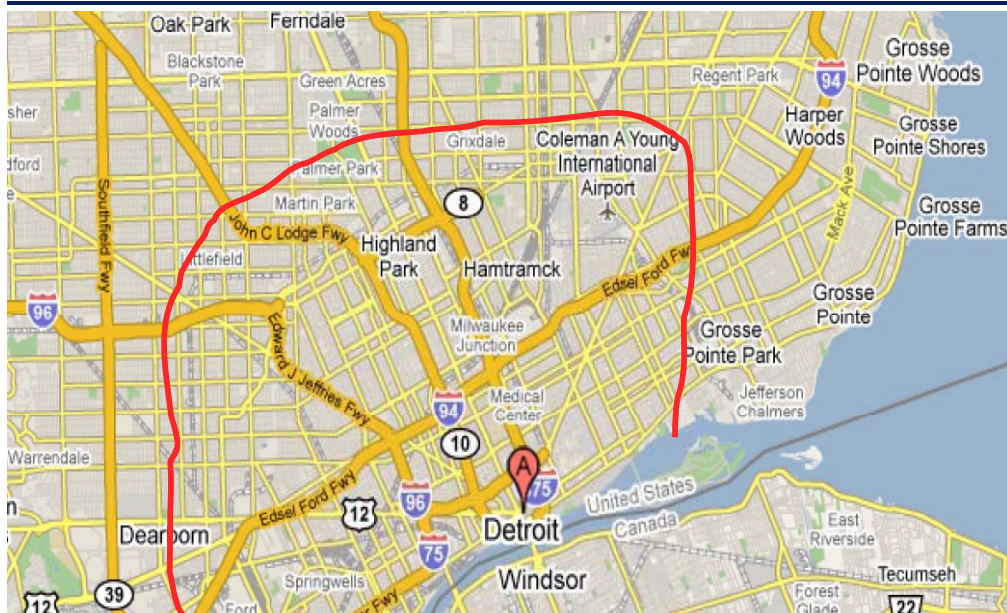


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## ...into grain silos



## Turn hostile suburban neighbors...



## ...into hilarious town hall protesters



# The Museum of Organizational Natural History

