Review of the book Organizational effectiveness, Richard M. Steers, 1977, 0876206550

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amorphous, the treatment of some issues may become too broad and neglect rigorous evaluation.

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Organizational Effectiveness: A Behavioral View

Richard M. Steers, Santa Monica, CA: Goodyear Publishing Company, 1977. 204 pp. $7.95.

Since Adam Smith, mankind has tried to organize human activity to yield the highest productivity and efficiency. During the relatively short history of organizational and administrative sciences, there have been numerous articles, books, and monographs with such titles as "the efficient organization," "the effective organization," "organizational effectiveness" — all evidence that the idea of effectiveness has often been a central theme in organizational theory literature. Research and debate on leadership, motivational and structural-contingency theories and interorganizational relationships, ultimately deal with the explanation and prediction of organizational effectiveness.

While there has been a growing interest in organizational effectiveness per se, there is a concurrent, widespread anomie among those involved with the measurement and conceptualization of the construct. The theoretical underpinnings of the concept of organizational effectiveness have not been delineated and there is little agreement about the nomological network of what is the focal element of effectiveness. Indeed, pertinent research and debate show little cumulative character and even less theoretical direction for scientific efforts. The widely quoted Seashore and Yuchtman (1967) paper is a case in point. These authors asserted that, instead of viewing effectiveness as a degree of goal achievement, it would be more useful to examine how successful organizations are in acquiring scarce and critical resources. The paper, however, has not triggered a new line of research that would reflect their system-resource model.

Given this dismal state of the art one becomes easily intrigued by Richard M. Steers' *Organizational Effectiveness,* whose cover states that "until this book there has seldom been a systematic look at the many divergent findings on the topic of organization effectiveness . . . theory, research, and applications are integrated into a process model." Nothing, however, could be further from the truth. Steers' monograph represents a set of disconnected reviews on sociological and psychological areas of inquiry such as the structure-technology and environment debate, motivation, and organizational climate. Indeed, his monograph gives a fairly clear image of the organizational effectiveness literature and fails to dispel its disintegrated character.

Apparently by "process model" the author means that effectiveness is to be conceived along the lines of Seashore and Yuchtman. Effectiveness is not to be seen as an end but as a set of changing conditions that affect the end. Organizations as open systems optimize rather than maximize this process and the main emphasis ought to be placed on human behavior to obtain insight in this process.

This model is rather vague and clearly unable to bring order to the examples of organizational-effectiveness literature that Steers selected. After discussing goals and measurement of organizational effectiveness he reviews the technology and environment-structure relationship, organizational climate, and employee attachment and performance. The review of these areas is then followed by prescriptions for improving organizational effectiveness — including goal setting, personnel training and selection, job design, communication and planned organizational change. There is no clear line of thinking going through these sequentially arranged reviews and prescriptions. For example, there is no integration between the discussion on the structure-technology relationship and the discussion of expectancy model of work motivation. Contradictions between different sections result without these integrations being fully drawn. Thus the author concludes (p. 68) "several aspects of organizational structure can affect certain facets of organizational effectiveness," while 15 pages later he states "neither technology nor structure by itself shows any appreciable relationship to effectiveness." Elsewhere, Steers conceives of social structure as an "objective phenomenon" and organizational climate as a "subjective phenomenon." Yet when he drowns in his attempts to counter criticism against this latter concept he refers to "collecting 'objective' data concerning climate instead of the more subjective self-report data." When defining organizational climate he refers to "perceived properties in the work environment that result largely from actions taken consciously or unconsciously by an organization," that is, the "personality" of the organization. Nevertheless, 50 pages before, he elaborates extensively on the reification problem that plagues so many effectiveness researches and warns against this problem.

Other flaws include misspecification and misinterpretation of published research, revealing a disturbing degree of sloppiness and a confusion between antecedents of effectiveness and effectiveness itself.

One wonders whether "the student" for whom the book is intended can cope with such shortcomings. The practicing manager, who represents the other part of the audience, will be less affected by the shortcomings since most managers will probably not proceed beyond the fifth page due to the verbose style and excessive use of jargon which is only intelligible to the author's ingroup.

Altogether, it is evident that this book cannot justify the claim of its cover. We still have to wait for some gifted theorist who can develop a paradigm that can unify the present accomplishments and provide theoretical guidance for those who like to tackle this construct.

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Markets and Hierarchies: Analysis and Antitrust Implications.

Oliver E. Williamson. New York: Free Press, 1975. 286 pp. $14.95.

No student of organizations should fail to read this book. Never mind the title; it is about organizations and it is readable, clear, and powerful. Williamson has collected and revised some old and a few new pieces of his into a coherent whole which ought to provide food for argument and further research for at least the next decade. In a sense, this book obsoletes the works by March and Simon, by Thompson, and by anyone who has attempted to understand the implications of bounded rationality, technology, and uncertainty for the structure and functioning of organizations. This book also will cause many of us to question the usefulness of the Weberian approach to the study of organizations. The great power of Williamson's book stems from recent developments in microeconomics which, through the idea of the cost of conducting transactions, has made a great region of microeconomics directly applicable to the concerns of the main-line organization theorist.

In a fundamental sense, this book can be said to deal with questions of exchange and of trust. Williamson contends that organizations and markets are both effective modes for conducting exchange and that, basically, the formal organization is the preferred mode when mutual trust is necessary for exchange to occur. More specifically, trust is not required nor perhaps even desirable for exchange to occur in a market. What is necessary is that the parties be able to accurately determine a fair price. When information is difficult to get or is not to be believed, however, then a market cannot operate efficiently, and it is at that point that organizations grow up as a result of their superior ability to