Book Reviews

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Donald Palmer
Normal Organizational Wrongdoing: A Critical Analysis of Theories of Misconduct in and by Organizations
Oxford: Oxford University Press, 2012. 313 pp. 9780-1995-7359-2 (hbk) 9780-1996-7742-9 (pbk)

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The overarching goal of this book is to provide a critical analysis of existing theories of the causes of organizational wrongdoing, and in so doing, to extend the examined theories. Palmer's purpose is even more than this, however, for he states that his aim in writing this book is to "champion the normal organizational wrongdoing perspective" and "to advocate the alternative approach to analyzing the causes of wrongdoing" (p. 283).

So, what are the normal wrongdoing perspective and the alternative approach to the analysis of organizational wrongdoing? Palmer defines both by contrasting them with the "conventional view" of the nature of wrongdoing and the "dominant approach" to its analysis, respectively. The conventional view sees wrongdoing as abnormal, and thus wrongdoers "as abhorrent—[as] extraordinary in a malevolent way" (p. 7). In contrast, the normal wrongdoing perspective considers wrongdoers to be "ordinary" and wrongdoing as largely the result "of the full range of structures and processes that shape behavior in organizations," and thus the assumption is that wrongdoing is pervasive, or, normal.

Given this distinction of the nature of wrongdoing, Palmer then contrasts the dominant approach to the analysis of wrongdoing with the alternative approach to analysis that he promotes. He succinctly sums up the difference in analytical approaches as follows:

> One approach, the more longstanding and widely accepted "dominant" framework, assumes that wrongdoing is produced by mindful and rational actors who deliberate in social isolation, make discrete decisions, and develop positive inclinations to engage in wrongdoing. The other approach, a more recent and increasingly popular "alternative" framework, assumes that wrongdoing is sometimes produced by mindless and boundedly rational actors, who formulate their behavior in an immediate social context, in a temporally protracted escalating fashion, and who never develop positive inclinations to engage in wrongdoing. (p. 3)

Palmer argues that these contrasting perspectives and approaches to thinking about and studying organizational wrongdoing lend to several alternative explanations—eight to be exact—of such wrongdoing. Before I briefly review these, however, I note two critical definitional matters. The first thing to keep in mind is that the theories examined in the book are at the individual level of analysis, and Palmer's concern is with explaining collective wrongdoing. Palmer nicely articulates this boundary condition in his introduction:

> Put succinctly, I analyze theories that explicate the factors that lead directors, top managers, middle managers, and line employees to either initiate wrongful behavior that initially or ultimately involves multiple individuals, or that cause these organizational participants to join others engaged in wrongdoing already in progress. (p. 2)

Second, then, is that Palmer takes somewhat of a narrow—and perhaps even controversial—definition of wrongdoing. Rather than trying to adopt a universalistic definition that would apply across time and space (i.e., an "exegetical approach" to defining it), the theoretical development in this book is predicated on a more relativistic definition of wrongdoing that relies upon the law, ethics, and notions of social responsibility in the particular society within which the wrongdoing takes place (i.e., a "sociological approach" to defining it). Specifically, wrongdoing is defined as "any behavior that those responsible for monitoring and controlling wrongful behavior, called social control agents, label as wrongful" (p. 29). Palmer defends this choice of definition based upon the three advantages to using it: (1) the definition of wrongdoing essentially becomes an empirical matter within any particular society, and so can be relatively easily agreed upon; (2) this definition lends to practical relevance as it potentially helps managers understand how not to "run afoul of social control agents;" and (3) this definition allows researchers to remain objective in their explanations. At the same time, he recognizes that this relativistic definition is "something of a moving target" and runs the real risk of excluding from analysis those behaviors that most would consider wrongful simply because social control agents have failed to label them as such. In the end, this definition and Palmer's extensive use of examples involving US-based companies means that the book offers a highly US-centric view of organizational wrongdoing.

Given all of this, the book proceeds to present Palmer's ambitious endeavor of critiquing and developing eight different explanations of wrongdoing, with a chapter devoted to each. Two of these explanations—the rational choice and cultural accounts—are seen as falling within the abnormal/dominant approach to assessing wrongdoing. The ethical decision account is presented as a bridge between the abnormal/dominant and normal/alternative approaches, and five explanations are presented as fitting within the latter approach: the administrative system, situational social influence, power structure, accidental behavior, and social control accounts.

The book progresses through these various accounts in a very orderly and incremental fashion. The rational choice account serves as the "jumping-off point for the other accounts" (p. 50), given that it epitomizes the assumptions of the abnormal/dominant approach (i.e., as listed above), and each explanatory account is offered after this in a way that gradually unwinds these assumptions.

Palmer formulates the starting point by developing an "overarching rational choice framework" built upon expectancy theory (i.e., "the causes of wrongdoing rest in the effort-performance and performance outcome expectancies associated with alternative wrongful and rightful courses of action") and incorporates individual differences (i.e., "low self-control," "antisocial personalities") as well as situational factors (i.e., "rewards and punishments," "opportunities to reap benefits") that lend to being aberrant. In short, the rational choice account suggests wrongdoing is done by people who are positively inclined or predisposed to do so, and occurs when the benefits outweigh the costs and the opportunity to gain from it presents itself.

The cultural account according to Palmer largely maintains rational choice assumptions, but works to soften the assumption that decisions are made in a social vacuum: here, the organization's culture (i.e., the norms, values, beliefs, and assumptions of what is right and wrong behavior, and the artifacts and practices that convey these) influences one's preference structure. In essence, organizational participants are seen as "normative appropriateness assessors," and the organizational culture determines what behaviors are appropriate—both through socialization processes as well as by endorsing "wrongful courses of action as rightful" (p. 67) or providing ready rationalizations for seeing wrongdoing as rightdoing.

The ethics literature suggests that individuals are boundedly rational when it comes to ethical matters and that such decision-making unfolds over time. Palmer draws upon this literature to develop the ethical decision-making account of wrongdoing, which moves away from the rational choice account in these two respects—i.e., that people's deliberations about wrongdoing are boundedly rational at best, and that wrongdoing tends to be the result of an accumulation of decisions ("slippery slope") rather than the outcome of discrete decisions. While the theoretical development throughout the book is brought to life by Palmer's expert intertwining of extended empirical examples, his very detailed and extended analysis of the evolution of Walter Pavlo's wrongdoing at the MCI Corporation is especially masterfully done.

While the cultural and ethical decision-making accounts bring explanations of wrongdoing closer to an understanding of wrongdoing as "normal," Palmer argues that they don't go far enough, given their maintenance of deliberateness (albeit boundedly so) and inclination (albeit a culturally or incentivized one). The next three explanatory accounts—administrative systems, situational social influence, and power structure—thus seek to further loosen these assumptions by considering how "the immediate social context" influences organizational wrongdoing.

Both the administrative systems and situational social influence accounts suggest that people can mindlessly engage in wrongdoing, even when they are disinclined to do so. Administrative systems lead to such wrongdoing through the compartmentalization and scripted/schematic cognitive processing produced by the obtrusive and unobtrusive control mechanisms used by organizations. Situational social influences such as social comparisons (i.e., social proof), groupthink and informal group norms, the norm of reciprocity, and the principle of commitment may also lead organizational participants to engage in such wrongdoing.

The power account considers wrongdoing both on the part of power holders and those less powerful within organizations. Power is defined as "the capacity to get what one wants over the resistance of others" (p. 177), and is seen as coming through formal authority and/or the control of resources ("resource dependence-based power"). The relatively powerless, though disinclined to engage in wrongdoing, still do so either mindlessly (through obedience to authority) or mindfully (they can't do otherwise given their resource dependence). But why do the powerful engage in wrongdoing? Palmer suggests several reasons: (1) power provides the opportunity for one to pursue their interests over others and those who harbor selfish rather than collective goals will become inclined to wrongdoing once power is gained; (2) the use of power has been shown to alter the power wielder's cognitive orientation toward the self (as being superior) and those they control (in a dehumanizing way) such that wrongdoing becomes more likely; and (3) to the extent that the acquisition of resource-based power inherently requires one to engage in unethical behaviors, this tends to desensitize those who accumulate such power and moves their behavior "closer to the line separating right from wrong," and Palmer suggests that this edging toward the line makes them "more prone to cross the line in the future" (p. 195).

The final two normal/alternative explanations involve treating wrongdoing as an accident or as being created by social control agents. The chapter on accidental wrongdoing draws directly upon the normal accident literature (i.e., complexity and tight coupling make accidents inevitable) and upon Palmer's previously published work on the financial crisis as a normal accident. While this view takes wrongdoing the furthest afield from the assumptions of the abnormal/dominant approach of any of the accounts so far, it also raises the question as to how this explanation is relevant to wrongdoing. Palmer essentially provides the following answer: to the extent that behaviors resulting in accidents are defined by social control agents as wrongful, then accidents are wrongdoing by definition (i.e., wrongdoing is defined as any behavior that social control agents deem to be wrongdoing).

This then leads to the final, most provocative, explanatory account: social control agents draw the “line separating right from wrong” and thus they create wrongdoing. For instance, since they can move the line, they can make what was one day rightful behavior the next day wrongful. Palmer cites as example the Cellar-Kefauver Act of 1950, which suddenly made a common corporate practice—vertical and horizontal acquisitions—illegal in the US. But the significance of this explanatory account is that it puts front and center for analysis the interests of the social control agents, as well as their relationships with their constituencies and the potential wrongdoers. Palmer reminds us that “social control agents exist to apprehend wrongdoers” (p. 247) on behalf of the organizations and individuals they represent, and suggests that they therefore “have an incentive to increase the likelihood that organizational participants will end up on the wrong side of the line separating right from wrong.” Their legitimacy increases with the number of wrongdoers they apprehend. Ambiguous and complex definitions of wrongdoing help this likelihood. So does entrapment. Indeed, the relationship between the social control agents and potential wrongdoers is one of a game of cat and mouse: the former constantly try to catch wrongdoing while the latter ceaselessly seek to escape detection or to accomplish their ends in ways that don’t fit the prevailing definition of wrongdoing. Moreover, power here is also of importance, as social control agents may hesitate to take on those wrongdoers with superior resources. Furthermore, under this account, what is deemed to be right ends represents the interests of powerful constituencies (i.e., who have direct control over the resources upon which the social control agent depends) more so than the interests of less powerful constituents.

Given that the book advocates for viewing wrongdoing as normal, and that its objective stance offers no evaluative tone, Palmer expresses worry in the concluding chapter that readers will interpret this as meaning that the book offers an apology for wrongdoers. Thus, several prescriptions for eradicating wrongdoing are offered to assuage this concern. While there is nothing really new here—Palmer in essence brings together several suggestions raised by past researchers—because the normal/alternative approach is largely cognitive in nature, this chapter offers a nice compilation of the extant prescriptions in this regard.

Perhaps the primary criticism to be raised of the book is that, given its grounding in rational choice and its omission of greater macroscopic forces such as institutional structures, the model of normal wrongdoing developed doesn’t go quite far enough in moving away from deliberate cognition. As prior work on corruption and institutional logics has suggested, such greater societal forces must be taken into account if we are to understand the impact of unconscious cognition on wrongdoing. Thus, those who take an institutional perspective will be left dissatisfied. Those who subscribe to theories of hegemony will also be disappointed that the power and social control accounts don’t consider how the most powerful in society define not only what is right and wrong but also the very interests of “potential wrongdoers.” In short, extant theories on institutions and power suggest that these more macroscopic forces can’t be ignored if we are to truly gain an understanding of wrongdoing as normal.

In summary, this book represents an ambitious effort at extending thinking about organizational wrongdoing as “normal,” and it succeeds in doing so within the assumptions and boundary conditions it sets for itself. The book is impeccably organized in its laying out of the key assumptions and definitions up front, in its mapping conceptually how the different perspectives considered connect to the alternative modes of explanation offered, and then in providing a clear line of argumentation. Palmer’s illustrative qualitative analyses throughout the book provide rich details to the theoretical points that he develops. Moreover, at times his analyses reminded me of Graham T.

Allison's (1971) classic multi-perspective analysis of the Cuban missile crisis, as Palmer shows how several of the case examples of wrongdoing he examines can be alternatively explained by a multitude of the different explanatory perspectives he develops.

Reference

Allison, G. T. (1971). *Essence of decision: Explaining the Cuban missile crisis*, 1st ed. Boston, MA: Little, Brown.

Damon J. Phillips
Shaping Jazz: Cities, Labels, and the Global Emergence of an Art Form
Princeton, NJ: Princeton University Press, 2013. 232 pp. ISBN 978-0-691-15088-8. $35.00/£24.95

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Damon Phillips' first book, *Shaping Jazz: Cities, Labels, and the Global Emergence of an Art Form*, is a timely and path-finding contribution to the growing sociological and organizational literature dealing with the structural dynamics of creative industries by using social network analysis as a main analytical tool (Cattani & Ferriani, 2008; Godart, Shipilov, & Claes, 2013; Perry-Smith & Shalley, 2003; Uzzi & Spiro, 2005). This book synthesizes, and significantly expands, about a decade of work on jazz by the author and his colleagues (Phillips, 2011; Phillips & Kim, 2009; Phillips & Owens, 2004). The setting—jazz—makes it an appealing and pleasant read. The book is structured in seven chapters, six of which (1 to 6) are each focused on a specific puzzle related to the central question of "(sociological) congruence," the last one being a synthesis and an opening to further research. "Congruence"—which can be understood as a match between the features of a cultural product and its audiences' needs and expectations—is key to the understanding of jazz—and beyond of any industry "where novelty is rewarded" (p. 143)—because it helps shed light on the thorny question of success in creative industries (Bielby & Bielby, 1994; Godart & Mears, 2009; Salganik, Dodds, & Watts, 2006).

Keeping this concept of congruence in mind as a red thread for the whole book, Phillips proceeds in Chapter 1 to formulate and address his first puzzle, probably the most noticeable of all: the role played by "disconnectedness" in the diffusion and success of cultural goods. Phillips' developments on "disconnectedness" constitute a major conceptual and empirical improvement on the understanding of social structure. His original intuition is that isolates in social networks—that is to say, nodes (individuals or organizations) that are not connected to other nodes—do play a role and have an actual meaning for various audiences despite their isolation. However, not all isolates are the same, and their meaning depends on the features of the structure to which they are somehow related but not connected. In order to explore this fundamental idea, Phillips looks at the network of cities formed by the mobility of jazz bandleaders (between 1897 and 1933). In this network, two cities are connected if a bandleader moves from one city to another. A "disconnectedness" score is created for each city using this network and—controlling for a wealth of variables—it is shown to have a positive impact on the overall success of a jazz song (that is to say, how often it is re-recorded in subsequent years). More importantly, perhaps, the effect is shown to matter most when the focal city produces original work. Phillips measures originality by looking at three indicators: whether the bands used non-standard instruments, whether they clearly identified their styles, and whether they made explicit references. The unique contribution of Phillips' analysis in this chapter