

## What Were They Thinking?

*Jeffrey Pfeffer*

*HBS Press*

**Reviewed by Indranath Neogy**

Now, you may be inclined to ask, first of all, what is HE thinking, when the first review is of a book published by “that other school” and written by a Professor of Organizational Behaviour from Stanford. My defence is only that this is an interesting book and potentially useful book. Subtitled “Unconventional wisdom about management” it is made up of independent chapters, based on editions of Pfeffer’s column “The Human Factor” in Business 2.0 magazine. That structure is convenient as it can be read in any order, perfect for dipping into every now and then.

I think every one of us has seen an organisation leap into action to turn around troubled times, using the latest and greatest management fashion. MIT students of a similar vintage to me will recall the ongoing “Re-engineering” effort under Charles Vest and I’m sure each of us has stories to tell of similar efforts from our working lives. I would guess that some of those efforts failed and in a way that many in the organisation could see was going to happen.

If you’ve had that experience, you will have confronted two difficulties. Sometimes you have an instinctive feel for how the system is going to “blowback” but find it difficult to articulate the chain of actions. Other times, you can explain what is going to happen, but lack the evidence to make a really convincing argument. This book can help in both cases. In bringing his columns to book form, Pfeffer has taken the opportunity to expound his arguments further and add substantial notes on the evidence he uses to back up his ideas. However, as he notes it isn’t “going to tell you specifically what you ought to do. Each person’s company and circumstances are too different ... to offer advice about what particular actions to take.” Rather the aim is to expand our thinking overall.

The book is divided into five sections. The first is “People-Centred Strategies” and begins with a short chapter on the value of people in improving customer service vs. that of CRM (customer relationship management) software. It is apparent straight away that Pfeffer’s store of anecdotes and illustrations focus on companies in the United States, particularly his home state of California. It’s not a big criticism, but as someone who hasn’t lived in California for some years, I did have to rack my brains a few times to get the context for the logic of his stories.

Further chapters cover a host of well-known hot issues like the ethics of today’s managers, the consequences of shedding employees and salary freezes when a

company is in trouble, the (lack of) value to many mergers and acquisitions. Of course, each of these topics would take a book in itself to document fully and that is one problem. If you are particularly familiar with any of the topics discussed, you're likely to feel the treatment is a bit superficial. The discussion of performance-related pay, for instance, clearly makes sense to me, but the evidence presented in the notes doesn't really do justice to the volume (and ambiguity) of research into the topic.

Pfeffer articulates three common themes across his collection of "unconventional wisdom": "Feedback effects", "A More Nuanced View of What Motivates People and Makes Organizations Successful" and "Sometimes the Right Answer is Obvious." This last category is perhaps the most problematic, because (as in the chapter on Persistence) the reader is left feeling a bit short-changed. I think we all know already that persistence is important and that it has to be mated with an inquiring approach rather than pure rigid stubbornness. So, as a personal message, it's not a revelation and as an organisational message, the chapter doesn't really give a lot meat to help convince others to change their way of acting.

Despite these small criticisms, so long as you're not an expert in every facet of the business world, I would suggest that you'll get a lot out of this book. The conclusions reached probably aren't news to you, but the careful exposition of logic behind the all too familiar unintended consequences of conventional business wisdom and the hints towards an unconventional and potentially more accurate view of organisational life are useful to everyone.