Organizational sociology is, by most standards, a fundamental part of the discipline—after all, figuring out how to collectively organize ourselves is a core problem of any society—but many have wondered if it’s a subfield on the brink of irrelevance. Blog posts and a recent ASA session have been dedicated to this question: what is the future of organizational sociology? There are numerous institutional reasons that organizational sociology has moved toward the periphery of the discipline, including the lack of sociology jobs in the subfield and the fact that many organizational sociologists, this author included, are no longer housed in sociology departments but in business schools. But if we put aside the questions of where and how organizational sociologists are trained and get jobs, at the heart of the problem is whether organizational sociology has anything new to say to sociologists who do not study organizations. If organizational sociologists are becoming irrelevant, it is because we are increasingly disconnected from the conversations most central to sociology as a discipline.

It was not always this way. Starting in the mid-1970s and then peaking in the early 1980s, organizational sociology went through a period of vibrancy and creativity that led to the generation of several theoretical perspectives and research programs that left an indelible imprint on the discipline. This work was motivated by attempts to better understand the rapidly emerging and increasingly complex organizational world—populated by complex bureaucracies in the public sector and sophisticated legal fictions that dominated the marketplace. Ecologists wanted to explain how much organizational diversity came to be, and institutional scholars wanted to understand why all of these different types of organizations looked so similar to one another in important ways.

The lifeblood of organizational sociology was an examination of the historical trends in organizing and an attempt to develop a more “social” explanation for these trends. Organizations were (and are) building blocks in contemporary society, and it was hard to find any major social problem, whether it be race or gender discrimination, economic inequality, or colonialism/globalization, that did not implicate organizations in some way. Organizations were sources of domination and exploitation, as well as potential mechanisms for addressing social
injustices. Scholars like Philip Selznick and Mayer Zald cared about organizations in part because they believed that well-functioning organizations could help communities realize their aspirations. But it was also hard to ignore the reality that organizations, especially those created for business purposes, could also be tools of exploitation and class dominance. The work of organizational scholars like Alvin Gouldner, Michael Burawoy, and other neo-Marxists reminded us that organizational bureaucracies were potentially corrupting structures that primarily benefitted the wealthy and powerful.

When Charles Perrow wrote of living in an “organizational society,” he described a world in which organizations were the dominant institutions of modern life, controlling political and economic power and creating a ubiquitous backdrop for most social interactions. Certain organizations—especially the public corporations that provided employment to the masses—exerted special influence. Not only did these large, public institutions form the backbone of employment, but the executives and directors who oversaw these companies were the political and economic elite that maintained the stability of our capitalist and democratic institutions. Although sociologists have often been quick to point out the potential for the abuse of the power that large corporations grant the elite, those same institutions have added to the regularity and normalcy of social life.

Inasmuch as organizational sociology has drifted from its original intent to understand humankind’s relationship to society via organizations—as tools for collective purpose but also potential sources of domination of the very humans who created them—it has become less relevant to the broader discipline of which it is a part. As both a participant in and observer of this subfield, I also think there is a tactical reason for the disconnect between organizational sociology and the rest of the discipline. Organizational sociologists write fewer books than they did in the past and fewer books than sociologists in other subfields. Classic works of organizational sociology that attempted to address these big historical questions about organizations’ place in society often came in the form of books, like Charles Perrow’s Complex Organizations: A Critical Essay, James Coleman’s The Asymmetric Society, and Philip Selznick’s TVA and the Grass Roots. Today most organizational scholars, including me, write articles, not books. Although articles are suitable for communicating an empirical finding, they are less suited than books for dealing with deep investigations of important historical topics.

It is, therefore, exciting whenever a new book is published by a leading organizational scholar that presents a fresh take on the role of organizations in society. This is what Gerald Davis offers in The Vanishing American Corporation: Navigating the Hazards of a New Economy, which is written for a general audience but manages to be highly relevant to sociologists interested in big, historical questions. Davis’s main thesis is pretty straightforward: the public corporation is in decline in the United States, and this will have profound consequences for how we organize social and economic life. Readers who have followed Davis’s work for the past couple of decades will not be surprised by his punchline that public corporations have been stripped of their former economic power. His previous book, Managed by the Markets, was an exploration of how financial markets reshaped firms, reducing them to assets that could be bought, sold, liquidated, and made expendable whenever their purposes ceased to be relevant to value-maximizing shareholders.

The logical consequence of the financialization of markets is that corporations are no longer the trusted institutions they once were and the social contract between corporations and employees has been completely broken. Whereas public corporations used to dominate the economy, their number is shrinking rapidly, down from over 8,000 public corporations in 1995 to just over 4,000 in 2014. The largest corporations no longer employ the vast number of people they once did. In 1972, all of the top five largest corporations by market capitalization had over 100,000 employees, but in 2012, among the top five largest corporations only Walmart exceeded that mark (with 2.2 million employees globally). Apple, which has the largest market cap, only had 76,000 employees. Instead of offering permanent
employment, corporations are now more likely to contract with suppliers and outsource much of their labor to smaller businesses.

Davis says that the main reason public corporations are disappearing is because they are just too costly to run compared to smaller, more flexible alternatives. Public corporations are more heavily regulated, they are required to disclose more information about their balance sheet and policies, and they are more subject to public scrutiny. Private forms of business, in contrast, are less transparent than corporations, a fact well known to activists and to any organizational sociologist trying to dig up information about the bad behaviors of companies. Private companies operate under the radar and have far fewer legal restrictions on what they can do and say. Being public means being accountable to investors, activists, and even academics.

If the reaction of the reader to corporations’ decline is ambivalence or perhaps even joy to hear that economic concentration is being broken up into smaller parts, Davis provides plenty of reasons to be wary. For example, he implies that the ability of private companies to avoid scrutiny may actually contribute to economic inequality. “Anyone can look up the compensation packages of the top five corporate executives of any listed company for the past 20 years [on the SEC’s EDGAR database] . . . Now try to find the same information about Koch Industries, which is privately owned and not required to tell the public what it earns” (p. 87). He points out that corporate size is highly negatively correlated with income inequality within the firm (−0.9). The smaller the company, the more inequality there is. Is it possible, then, that one reason we see less economic upward mobility is that public corporations are disappearing and getting smaller? Davis believes so. He argues that corporations “created a legible career map . . . and could be held to account for discriminatory practices. As corporate employers have declined, careers have been replaced with jobs, and jobs are being replaced with tasks” (p. 149).

The decline of corporations has also dealt a major blow to the social safety net in the United States. In the post-World War II era, the provision of welfare benefits was largely mediated through employment by large corporations. Cemented through labor agreements, such as the Treaty of Detroit that was struck between General Motors and the United Auto Workers, employee benefits became the U.S. version of welfare state provisions. Health insurance, retirement pensions, and unemployment wages were all tied to employment. As corporations have shrunk, so have their benefits—but without any suitable replacements offered by the state. Davis points out that the costs of being a “benevolent employer” may actually discourage companies from taking on full-time employees, further incentivizing them to resort to temporary employees or contract workers.

Davis’s colleague at the University of Michigan, Mark Mizruchi, offers his own spin on the decline of corporations as institutions in his book, The Fracturing of the American Corporate Elite. Whereas Davis focuses on the effects of corporations on employment, Mizruchi emphasizes their loss of significance to policymaking. Mizruchi views corporations as vehicles for elites to acquire and allocate resources but also as network hubs for class formation. This view of corporations as tools of the capitalist class appeals to those who subscribe to elite theory in the tradition of C. Wright Mills. Corporations are thus become an ineffective form of governance, at least if we equate governance with promoting the interests of capitalists.

Mizruchi thinks that the decline of a corporate elite has been really terrible for society as a whole. (I’m sure this is where he loses many elite theorists and neo-Marxists!) Even if corporations were meant to serve elites, they also bound elites to the employees and communities on which they depended for smooth functioning. For much of the twentieth century, the elite class sought to unify around a policymaking agenda that promoted the good of commerce. Embodied in the Committee for Economic Development, the
corporate agenda was thoroughly moderate. The recent memory of unrest before and during the Great Depression and a mobilized labor force after the war motivated the corporate elite to find solutions that would pacify the working class. But Mizruchi also finds evidence that many corporate elites viewed themselves, especially in the post-war environment, as leaders of free society who sought to lead responsibly. They saw corporations not just as mechanisms for creating wealth but also as institutions serving the public good.

But by the 1980s the elite became divided, partly due to the decline of labor union power but also because the takeover wave threatened managerial autonomy. Deregulation unleashed financial forces and undermined managerialism as a governing ethos. As corporations shrank, so did the power of their elite. The unified corporate agenda dissipated. “The result was a new era, in which the moderate, pragmatic, and well-organized elite that had been present at the top of the corporate world since at least the 1940s began to disappear” (p. 221).

Corporations, inasmuch as they seek to influence politics, are now islands unto themselves, pursuing their narrow self-interests. New elites have embraced ideological conservatism and are less likely to seek political compromises. If Mizruchi is correct, the current partisan divide may be partly explained by the retreat of the corporate elite from policymaking.

Davis’s and Mizruchi’s views of corporations as quasi-benevolent institutions will surely irritate scholars whose research has documented the numerous ways in which corporations and the corporate elite have failed to promote the public good. Davis and Mizruchi may be guilty of being nostalgic about managerialism. Davis, in particular, seems to discount the role that labor unions played in fighting for every little benefit they received from corporations. The decline of employee benefits is surely a result of the decline of labor union power. Mizruchi also seems to undervalue the changes in politics from the Old Left—one dominated by labor unions and New Deal Democrats—to the New Left, which accompanied the rise of civil rights and identity politics. This major political shift in leftist politics likely weakened the moderating force on the corporate elite. It’s not surprising that the rise of the New Left was accompanied by a surge of neoconservatism in the United States.

Despite these reservations, Davis and Mizruchi are overwhelmingly persuasive in their argument that corporations have declined in economic, social, and political significance. For organizational sociologists, the question we must answer is, what organizational models will replace corporations as the predominant form? Davis has some things to say about this, although much of his speculation about local economies and community gardens seems idealistic to me. Can we really expect that our future economy will be made up of do-it-yourself, grass roots-led community organizations? I don’t think so, and I’m not sure that Davis does either. The answer to what comes next is probably far more obvious and less exciting. Organizations will thrive as they always have—bureaucracies as modeled by management science—but perhaps they will be smaller and more likely to be private (and hence more unequal, less accountable, and less responsible to their communities).

The message of Patricia Bromley’s and John Meyer’s Hyper-Organization: Global Organizational Expansion is in some ways the very opposite of Davis’s. Organizations are becoming more prevalent than ever. For these authors, public corporations are but one type of organization, and whether they are the dominant legal form is quite irrelevant. (Although, notably, they show that the number of multinational corporations has increased dramatically from 7,000 in 1970 to 63,000 in 2010.) Many more organizations populate the earth today than fifty years ago, and the growth of organizations is not limited to the business world. Nongovernmental organizations have proliferated at a more rapid rate than even that of business, and governments have become more organizationally complex during this same time period. Bromley and Meyer extend John Meyer’s career-long obsession with a rationalizing world culture made up of “organizations [as the] fundamental units of order” transitioning from a society “dominated by structures like states, family firms, trading empires, and traditional professions” (p. 9). The organizations of “late
modern society” are “thought to be more responsive, flexible, efficient, autonomous, and accountable” than the bureaucracies that emerged during Max Weber’s lifetime. In fact, the organizations that Bromley and Meyer observe are much like the “virtual organizations” that Davis concludes currently populate the globe. They need not house vast numbers of employees and are not strongly embedded within traditional communities—the organizations of today’s society exist largely for themselves. They are actors in their own right, with their own purposes, and they are constructed with a sense of agency that would have been inconceivable a hundred years ago.

Bromley’s and Meyer’s view of organizations echoes my own perspective—which I have written about with Teppo Felin and Dave Whetten (2010)—in which organizations are described as “social actors” that are seen as capable of action, legally and socially. The external attribution of actorhood creates its own pathway for the emergence of character and intentionality within organizations. They are built to perpetuate themselves and to enact certain values and objectives, long after their founders disappear from the scene. Organizations are thought to have autonomy and sovereignty, which allows them to control their own boundaries and coordinate behavior. Bromley and Meyer take the argument several steps further to argue that this conceptualization of actors is itself a late-modern phenomenon that has insinuated organizations in most arenas in social life. The project of nation-building and societal development is one of building organizational actors. Moreover, the authors firmly believe that people do not necessarily create organizations for rational or technical reasons. People could conduct many of the various functions of society without organizations, but organizations are preferred nevertheless. “[O]rganizations incorporate elements with indeterminate value, even in the absence of direct competition” (p. 149). And once an organization gets created, it perpetuates a cycle of organizational creation, spawning new partners, agencies, subsidiaries, and committees, all for the purpose of carrying on the basic needs of organizational life. Bromley and Meyer refer to this as “internalized interdependence” (p. 153).

Bromley’s and Meyer’s perspective is shaped by a need to better understand contemporary educational institutions and the organizational structuring of childhood. If one takes childhood as an empirical setting to test their claims, it’s hard not to walk away agreeing with them. Children’s and parents’ time is increasingly structured around organized activities, ranging from recreational sports leagues to after-school enrichment activities. Whereas in the past children’s play and learning occurred in families, local schools, and neighborhoods, in contemporary society community organizations, nonprofits, and schools contract these activities out to other organizations. Pick-up games of basketball aren’t completely extinct, but it’s harder to find time for those games in between children’s organizational obligations.

As children have gained status as actors with their own rights to education and protection from abuse and exploitation, organizational apparatus have sprung up to “legitimate the value of children and childhood” (p. 83). Education is at the center of this childhood-structuring process, culminating in the promotion to higher education institutions that transform children into adults. Of course, the global expansion of higher education also has “direct effects on the rise of modern organization in the area of management training” (p. 81). As children learn to become adults, they also learn how to organize. Bromley and Meyer point, in particular, to the growth in the number of undergraduate business degrees and MBAs as strong evidence of the diffusion of management training as the common vernacular and knowledge base of an organizational society. But more generally, higher education has become oriented around a “quantified and scientific curriculum,” which contributes to a rationalized view of how society ought to operate. And if we think that this a narrowly American style of education, Bromley and Meyer show that business degrees have grown worldwide. Asian and European business schools are currently growing at a faster rate than the North American market.

Newly minted MBAs are the field marshals of the global organizational expansion. Whereas it used to be the case that a law degree was the default path for aspiring
leaders, over the last couple of decades the MBA has replaced it. If we want to understand the motivating philosophy behind the global growth in organizations, we only need to wander into business schools and see how students and their instructors approach their training. Michel Anteby’s *Manufacturing Morals: The Values of Silence in Business School Education* does exactly this. The book is a fascinating insider’s view of one of the most influential business schools in the world. Anteby did the research for this book while teaching at Harvard Business School. “Few organizations aim to produce a shared perspective or set of morals as deliberately and consistently as” HBS (as it is usually called).

The question Anteby seeks to answer is one that is not only central to organizational sociology but also germane to this broader discussion of the dissemination of a world culture of organizations: can an organization routinize training in a particular set of morals or values? The answer is nuanced. He claims that HBS is able to convey a particular set of morals to its students and faculty; it does so without directly communicating them but rather by creating a “vocal silence” around standards of appropriate conduct. Moral codes are passed on implicitly: “the ways other members talk about the organization or convey particular expectations to each other all indicate what conduct is considered proper” (p. 8). By signaling what is “doable,” rather than what a person ought to do, the individual is given discretion in how to apply that moral code to any given situation.

Anteby talks about how this vocal silence operates at every level of the organization, from the day he is initiated as a faculty member to the interpersonal experiences he has with students in and out of class. His “working ethnography” fleshes out an institution that is a mystery to many of us. That said, as I read the book, I found that the most interesting parts had less to do with the routinization of morals and more to do with the moral content of business schools, more generally. If business schools are the main purveyors of our new world culture of organizations, then the content they teach ought to be indicative of what types of organizations we will see in the future.

Anteby’s depiction of business schools as training grounds for organizational expansion would be troubling to idealists. Clearly, there is a lot of value in the education given to students at places like HBS, which help students learn how to think about problems related to coordination, scaling, leadership, and strategic decision-making. There is an effort across departments to take discipline-relevant knowledge from fields like economics, psychology, sociology, and organizational behavior and turn it into practical guidelines about the best way to manage organizations. But what is missing from this picture isn’t what organizations do but rather what they ought to do. There is very little discussion in business schools, except in the stray business ethics class, about the values and morals of organizations.

Anteby’s book treats vocal silence as an intentional strategy for the development of higher-order moral decision-making. Rather than attempting to steer students’ values directly, by leaving choices with moral tradeoffs open to discussion, students are better prepared to make those decisions themselves once they enter the managerial workforce. But another interpretation of this effort is that it gives students and managers permission to avoid discussions of values altogether. As Anteby notes, the values that are most embedded in the students’ daily scripts are those of “civility” and “decency.”

My own experience at a business school resonates with his. Business school students above all seek to be polite with one another, which means that certain topics that might be fodder in other schools of higher education are strictly off limits in business schools. Or if they are discussed, as for example when a class dissects a case about a business decision to enrich demographic diversity in the workforce, they are strictly approached as decisions related to maximizing shareholder value or enhancing one’s own career options. The problems with this are numerous, including that choosing to maximize shareholder value is itself a value that comes with potential negative externalities (to borrow the economists’ parlance) and potential tradeoffs with other moral choices.

More detrimentally, if business schools are the breeding grounds for the future leaders of global organizational expansion, then
what models for organizing are they given? What kinds of organizations will we have in the future with such a limited moral framework?

Bringing Anteby’s book to bear on Bromley’s and Meyer’s view of education as the root of organizational expansion creates more questions than answers. Business schools offer training about the best way to implement a decision, but they have little to say about what types of decisions are good for society. They have little to offer if we’re considering how organizations’ values affect public goods and resolve social problems. The future of organizing, then, seems strangely uninterested in the problems that organizations are built to resolve.

And perhaps this is where organizational sociologists ought to have something to say. If public corporations are disappearing for their lack of functionality and because the elites that once steered them are disconnect ed, then there is clearly an opportunity for organizational innovation. Sociologists, less tied to a strict normative imperative of maximizing wealth than economists are, are well positioned to offer insights about the future of organizing. Doing so would surely make the work of organizational sociologists more relevant to sociology as well, inasmuch as it would reconnect our subfield with sociology’s fundamental concerns about improving communities and societies.

To bring the discussion back to where this essay began, as organizational sociologists we must ask ourselves if we have the tools and theoretical frameworks to address these issues. For better or worse, the future of organizational sociology has become tied to this engine of organizational expansion. If we are not engaged with historically important questions, such as those addressed by Davis, Mizruchi, and Bromley and Meyer, we will not be well equipped to offer useful perspectives about the future of organizing.

It seems unquestionable that the organizational world is constantly evolving. Old organizational forms—like public corporations—outlive their usefulness and eventually are replaced by something else. But what that something else is requires a sort of creativity of thought that our own scholarship might be incapable of offering in its current form. If organizational sociology wants to be relevant, not only to the discipline but also to those who will build the organizations of the future, then we must be willing to step outside of our own small corners of the academy and ask big questions about the past, present, and future of organizing.

Reference