So far so good. What is less clear is how is it to be secured? What specific policies are needed? The book is less clear on these questions. But that does not detract from its central message. Its main appeal is to academics and, to a lesser extent, policy makers. Its overtly academic approach rules out a wider audience. The message is intuitively obvious. Yet widely ignored. The so-called Butskellism—that bi-partisan economic and social tradition established after the last war—broke down in the last decade and has since been relegated to the history books. At the work place, new technologies have arrived. Yet push, rather than pull, seems to be the dominant thrust of corporate response. For evidence, one needs no more than a cursory reading of the daily newspapers. If nothing else, this book serves to remind us that the push approach run counter to the grain of human nature. Its gains may be immediate but transitory.

Power, wealth, prestige and control

Sohail Inayatullah

The Adaptive Corporation
Alvin Toffler
217 pages, $15.95 (McGraw-Hill Book Co, New York, 1985)

Toffler's *The Adaptive Corporation*, by being less ambitious and more focused than his previous books, makes a better case for his argument that we are moving through a watershed point in human history and entering a post-industrial information world.

Based on a consulting assignment for AT&T, Toffler argues that decentralization or in business terms, divestment, can be a corporate and social good. This argument is paradigmatic of the larger debate *vis-à-vis* the natural or appropriate state and size of nations, institutions and communities.

Toffler writes that instead of being routine and predictable, the corporate environment—social, political, demographic, economic—has become increasingly accelerative, unstable and revolutionary. To deal with this new environment, corporations need adaptive managers that can cope with non-linear, discontinuous changes. These new managers must, instead of con-

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structing permanent edifices, *deconstruct* their companies to maximize manoeuvrability. They must be experts, not in bureaucracy, but in coordinating adhocracies.

The adapative manager must also be able to forecast future trends, reconceptualize basic missions, structures, procedures, products, and programmes. As a first rule for corporations attempting to survive, Toffler believes that nothing is more dangerous than yesterday's success. That is, what worked during the Second Wave, Industrial era will lead to failure in the emerging Third Wave, Post-Industrial world. Of course, Toffler is not the first to spell this principle out, Homer perhaps said it best: "Your unique excellence is also your tragic flaw: your greatness hobbles you".

For strategic planners involved in forecasting future trends, Toffler writes that predicting from isolated trends and events based on linear forecasting in periods of rapid change is treacherous. Multivariable and multidimensional models are needed, as are, from the reviewer's perspective, normative forecasting methodologies such as emerging issues analysis that predict discontinuities.

Although Toffler's report to AT&T

was not legitimated by senior management, it nonetheless became widely read and influenced AT&T's corporate culture. Toffler reconceptualized AT&T's fundamental mission from that of universal service, a phone in every American home, to that of "providing those products and services, *and only those*, that cannot be provided by other companies at equivalent levels of cost, quality, and social concern". Toffler also recommended weeding out secondary activities (that other corporations could do just as well, or that obstructed primary activities). This effort would involve developing a strong centre framework which would coordinate a group of decentralized associated organizations.

This reconceptualization, however, was contrary to AT&T's past successes, its mastery of the industrial model of business: that of finding simple routine procedures that could be cheaply and easily duplicated at all levels and processes of the organizations—from production to customer relations to operators learning rote phrases. Thus, his recommendations were not implemented, although with the break-up of AT&T, his words have certainly come true.

In general, a variety of new perspectives will make the industrial mode of doing business obsolete. Among these are:

● economic rewards are not enough to motivate workers;
● there are upper limits to economies of scale for business and government;
● information is as important as land, labour, capital, and raw material;
● final consumer output will be customized goods and services;
● the best way to organize is through ad-hocracies, where each organization interacts with each other unit horizontally and decisions, like, goods and services, are custom-made, that is they are situtional and temporal;

● new technologies do not necessarily lead to progress; every technology has social costs (environmental, worker, and structural); and
● work, for most people, must be varied, non-repetitive and responsible, challenging the individual's capacity for discretion, evaluation, and judgment.

In addition, in the last few decades, structural changes in the telecommunications field in specific—satellites, cable television, computers, consumer values—have transformed the business environment. These new technologies destandardize, while industrial technologies standardize. In the past, according to Toffler, companies who could standardize were the victors, in the future those who can destandardize may be the leaders.

Thus, the changing business, technological and global environment is causing serious disruptions to all organizations. For organizations to survive in the emerging Post-Industrial era, they must revise their basic missions. For organizations to survive, they must be flexible enough to withstand pressures of high-speed change. Specifically, they must be able to deal with the following critical problems:

(a) Mismatch—existing organizational structures are designed to produce repetitively a few basic kinds of decisions. In traditional bureaucratic systems, for each problem, there is a matching organizational component—marketing, manufacturing, finance, etc. However, today, the number of problems are increasing and the type of problems do not fit into past organizational categories or belief systems (organizations may not even be able to see these problems). What is then needed are temporary *ad-hoc* organizational structures to deal with these problems.

(b) Hierarchy—this vertical control system works when there is accurate feedback from the field and when there is relative homogeneity in the type of decisions

required. Today, however, decision makers are confronted with more varied types of decisions (increases in complexity, in external variables and in general unpredictiveness—randomness). In addition, feedback from the field, relative to the amount of information is poor. Thus, an effective organization must have decision-making at the lower levels of the organization.

(c) Scale—at a certain size organization can no longer maintain their mission, without a fundamental change in essence. Growth, then at a certain level is dangerous to the organization. AT&T faced that situation, where increased growth made management nearly impossible and damaging to the interest of society and the individual.

Problems created by mismatch, hierarchy and size are applicable to not only corporations but to governmental institutions and nation states as well. Governments, ideally, should divest themselves of various functions and programmes which have become inefficient. The Courts, for example, should perhaps, like Bell Labs, become the inventor of new dispute resolution techniques and methodologies, and then spawn them off to the private sector or special quasi-governmental agencies.

Selective deconstruction would make government more manageable. Reduction in size might also aid in relegitimating government, for as Edward Greenberg argues in *Understanding Modern Government* "paradoxically, with enhanced size, penetration and impact, government has experienced a simultaneous loss of respect and a decline in its legitimate authority". As other agencies or sectors that are more matched to deal with these problems succeed, the best interests of the public would be met.

Nations who have become overdeveloped could also be more effective at smaller levels. Kohr has argued this in *Overdeveloped Nations: The Diseconomies of Scale*. The bioregional movement, as developed, for example, by P. R. Sarkar

in numerous articles in *Renaissance Universal Journal* has argued that changes in structure and size are necessary to increase equity between linguistic, cultural and economic groups and classes.

While these are preferred and rational visions of the future, we must examine the politics of growth to discern what might be. Industrial capitalism is only partially responsible for the growth of the corporation and the State. Organizations tend to increase their size for power, wealth and prestige, that is, for control. The size of a corporation is important for its image. The divesting of divisions of corporations is certainly a current trend. But being lean and thin for corporations and bureaucracies is not a preferred state. Reducing size means certain divisions, individuals losing budgets, certain careers ending—it means a shift in corporate and organizational power politics.

Unprecedented levels

Naturally, then, another current and significant trend is that of corporations merging to increase their size. Paradigmatically, at the global level we are seeing power and wealth increasingly becoming concentrated at unprecedented levels. And while Toffler makes convincing arguments for reducing hierarchy and size, the ability of telecommunications technology to increase hierarchy, control and centralization cannot be ignored, hacking and the individualization effects of computers notwithstanding.

We need to remember that within the capitalist framework—corporate or state —capital must expand. Corporations expand overseas, vertically and horizontally, to increase their profit levels and decrease their overall risk. They lobby governments for favourable regulation so as to create a stable environment. Thus, it does not matter if the environment is Second or Third Wave, hidden agendas and the problem of power and

control inherent to industrial or post-industrial capitalism will still exist.

Thus, while it is certainly true that organizations and nations will have to transform to adapt to the changing structure of the world economy, to new technologies and social movements—still it is important to remember that organizations grow and change for a variety of reasons—efficiency is not always one of these. Power, wealth, prestige and control usually are.

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