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EXPLOITATION, EXPLORATION AND EXALTATION: NOTES ON A  
METAPHYSICAL (RE)TURN TO 'ONE BEST WAY OF ORGANIZING'

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# **Exploitation, Exploration and Exaltation: Notes on a Metaphysical (Re)Turn to ‘One Best Way of Organizing’**

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*Abstract: For many years within Organization Studies, broadly conceived, there was general agreement concerning the pitfalls of assuming a ‘one best way of organizing’. Organizations, it was argued, must balance different criteria of (e)valuation against one another – e.g. ‘exploitation’ and ‘exploration’ – depending on the situation at hand. However, in recent years a pre-commitment to values of a certain sort – expressed in a preference for innovation, improvisation and entrepreneurship over other criteria – has emerged within the field, thus shifting the terms of debate concerning organizational survival and flourishing firmly onto the terrain of ‘exploration’. This shift has been accompanied by the return of what we describe as a ‘metaphysical stance’ within Organization Studies. In this article we highlight some of the problems attendant upon the return of metaphysics to the field of organizational analysis, and the peculiar re-emergence of a ‘one best way of organizing’ that it engenders. In so doing, we re-visit two classic examples of what we describe as ‘the empirical stance’ within organization theory – the work of Wilfred Brown on bureaucratic hierarchy, on the one hand, and that of Paul Lawrence & Jay Lorsch on integration and differentiation, on the other – in order to highlight the continuing importance of March’s argument that any organization is a balancing act between different and non-reducible criteria of (e)valuation, and that the proper balance is not something that can be theoretically deduced nor metaphysically framed, but should be based on a concrete description of the situation at hand.*

## **Introduction**

According to March (1991), establishing a requisite and ongoing balance between exploration and exploitation is a key facet of organizational survival and flourishing. For March, neither capacity can be ignored or indeed privileged in and of itself, on general or a priori grounds, as both are necessary and their combination in practice is crucial. On the one hand, an overemphasis on exploitation can preclude an organization from obtaining new input to its ‘code’, as he puts it, thus failing to renew itself; on the other, with too little control and an underdeveloped capacity to follow through, an organization can be overwhelmed by too many such inputs, and its capacity to achieve its core tasks will be diminished as result (Levitt & March, 1988). March’s proposition was not in and of itself a novel intervention, its basic tenets appearing in a number of different guises throughout the history of organization theory (Simon, 1946; March & Simon, 1958; Lawrence and

Lorsch, 1969). However, March's elegant formulation established the basic premise very clearly.

In this article we argue that in much contemporary organizational theorising, broadly conceived, there is a pronounced tendency to ignore his basic premise and to treat 'exploration' as something approximating to an 'expressivist' ideal, by which we mean that the capacities, dispositions and 'values' routinely huddled together under this heading – innovation, play, agency, entrepreneurship, risk taking, improvisation and so forth – have been allotted a *moral* primacy over and above, and indeed, in basic opposition to, those capacities and dispositions March labelled 'exploitation' (Larmore, 1987; du Gay, 2007). This tendency to moralise organizations through the prism of 'exploration' resides not simply in popular and populist management thinking, where a pre-commitment to certain norms – liberty, flexibility, improvisation and so forth – leads to a denunciation of bureaucratic forms of organizing; it also has its counterpart in critical denunciations of that theorising, and of the organizational forms it seeks to privilege, namely, 'post-bureaucracies'. However, this denunciation does not depart from an empirical assessment of the capacity of such post-bureaucratic forms to effectively combine exploration and exploitation in the manner suggested by March, but rather from an assessment of the failure of such forms to embody the ideals of exploration fully enough. The moral ideals themselves are not problematised, nor is the primacy accorded to them questioned. Instead, post-bureaucracies are accused of surreptitiously enhancing 'exploitation' and thus of not giving full expression to the norms of 'exploration' as they were claimed so to do. Once again, exploration functions as an expressivist ideal, and exploitation as its negatively coded 'other'.

In what follows, we investigate this contemporary tendency to privilege 'exploration' over 'exploitation', and examine some of the consequences of this shift of emphasis, not least the re-surfacing of a 'one best way of organizing' that it inaugurates. In so doing, we indicate that a pre-commitment to 'exploration' by certain organizational theorists is indicative of the reappearance of a 'metaphysical stance' (Van Fraassen, 2004) within the field and suggest some of the explanatory costs of this development through an engagement with two classic, resolutely anti-metaphysical, contributions within organization theory, that are now largely seen as somewhat 'anachronistic' in relationship to contemporary matters of organizational concern: Wilfred Brown's *Exploration in*

*Management and Organization*, and Paul Lawrence and Jay Lorsch's *Organization and Environment*. Clearly, we are not alone in elaborating this line of argument, and we make no claims for our originality in so doing. In keeping with others in the field, such as King et al (2010), for instance, we seek to 'bend the stick' by highlighting the need for understanding, explicating, and researching the enduring, noun-like qualities of 'the organization', in the face of the metaphysical 'disappearing' of this object in much organizational theorizing concerned with process, networks, knowledge and change, for example. Similarly, in the manner suggested by Simon (1946) many years ago, we are keen to highlight some of the pitfalls associated with 'proverbial' approaches to organizational theorising, where one principle of organizing is elevated to a pre-eminent position on the basis of unwarranted assumptions or moral pre-commitments. Indeed, we suggest that a sustained re-engagement with 'classic' organizational theory offers a productive way of contextualising, de-dramatising, and questioning normative claims about the overriding significance of 'exploration'. At the same time, we suggest, such a re-engagement also has the capacity to furnish contemporary organizational analysis with precise 'empirical concepts' that have a clear and pragmatic reference to organizational reality, and which assist in specifying this reality in order to analyse and assess the types of arrangements and balances between contradictory criteria of (e)valuation that are appropriate to the 'situation at hand'.

### **The Increasing Emphasis on 'Exploration' and Its Consequences**

Over the last three decades within organization studies, broadly conceived, there has been a significant upsurge of interest in the values and practices that March gathers together under the heading of 'exploration'. A growing concern with innovation, entrepreneurship, creativity, flexibility and related notions has frequently occurred at the expense of, rather than in tandem with, a similar focus on the elements of organization that March labels 'exploitation'. While March's formulation is not without its own drawbacks, as we hope to show – its explanatory reach being achieved at the cost of a certain lack of empirical specificity and precision in relation to 'the situation at hand' – it has the merit of focusing attention on a recognisable object: the organization. In contrast, many within the field no longer appear comfortable with the idea of the organization as a discreet or enduring object. Certain positions within the field of organizational learning, for example, give a flavour of the manner in which a renewed focus on exploration is trumping a concern with

exploitation. Here, for example, the two key terms, ‘organization’ and ‘learning’ are often deemed antithetical to one another (Weick and Westley, 1996), the former precluding or otherwise oppressing the possibility of the latter. As a result, March’s ‘balance’ between competing criteria is nowhere to be seen. Exploitation (organization) is represented as inimical to exploration (learning).

In a less dramatic formulation than that advanced by Weick and Westley, but one which nonetheless also trades on distinctions between learning and organization, Argyris (1992, p. 9; Argyris and Schön, 1996) refers to the differences between ‘single loop’ and ‘double loop’ learning. The former is represented as appropriate to ‘routine, low level issues’ whereas the latter is more relevant to ‘the complex, non-programmable issues’. Clearly, the former is not at all antithetical to organization. The latter, though, is more slippery. Argyris still holds onto the idea of the organization as a discreet entity: double-loop learning may disrupt, disorganize and pluralise to some extent, but only within specific limits – limits set by organizational authorisation. In this way, learning and organization are not antithetical *per se*, rather ‘real’ learning (the double-loop ‘*explorative*’ kind) is deemed inherently antithetical to a particular sort of organization: a bureaucracy (the ‘*exploitative*’ kind – and we should add, something of a miraculous achievement, as even Argyris (1996) suggests) (see also, Contu et al. 2003, p. 937). This is an important point, for it re-configures March’s formulation slanting it in a particular direction. March’s dictum suggests that *any* formal organization must necessarily cultivate both the capacity to explore and the capacity to exploit. Argyris and those influenced by him, suggest that the techniques and practices associated with exploitation do entail learning, of a certain limited sort. Double-loop learning, however, cannot be cultivated or found in certain sorts of organization – bureaucracies; because they are solely focused on exploitation, they simply cannot accommodate or support double-loop learning. Here, the link between exploration and exploitation in March’s sense is sundered. Bureaucracies cannot learn beyond a certain basic level, therefore they are unable to renew themselves (explore) and must of necessity be superseded by new organizational forms (post-bureaucracies) that allow learning to flourish.

Other more populist interventions within the field of organizational learning, such as those associated with the work of Peter Senge, for instance, have continued this separation of double-loop learning from bureaucratic forms of organizing. Here learning organizations

are directly counterposed to bureaucratic organizations “where the wonder and joy of living have no place” (Kofman & Senge, 1993, p. 22). Emergent learning organizations are represented as harnessing the potential of ‘the full human being’, whereas bureaucracies connote by contrast, as Boltanski and Chiapello indicate (without endorsement):

(...) authoritarianism and arbitrariness, the impersonal blind violence of cold monsters, but also inefficiency and squandering of resources. Not only are bureaucracies inhuman, they are also unviable...[T]he discrediting of bureaucracy [...] should we are told, facilitate a return to a ‘more human’ modus operandi, in which people can give full vent to their emotions, intuition and creativity.” (2007: p. 85 & 98)

In some of the texts of Karl E. Weick (Weick, 1991; 2000; Weick & Westley, 1996) , the anti-bureaucratic stance articulated by Argyris and Senge is extended to a general disdain of the organization as an enduring object. Learning is here consistently associated with dis-organizing and the flourishing of plurality and diversity. The balancing act between exploitation and exploration is no longer seen as a ‘balancing act’ at all, but rather as an ‘oxymoron’ – a self-contradiction. Accordingly, a ‘learning organization’ is in Weick’s theorization a paradox: “to learn is to dis-organize and increase variety. To organize is to forget and reduce variety” (Weick & Westley, 1996, p. 440). Perhaps, Weick suggests, “organizations are not built to learn” (Weick, 1991, p. 119), and a thread running throughout his work is that there is a basic conflict between efforts to control and regulate and the ability to stay open and innovative. These anti-bureaucratic, pro-exploration tropes, also figure largely in recent work within the sociology of economic life, where ‘dissonance and ‘search’ are also allotted a distinctive mortal status, and represented as increasingly crucial features of organizational success and flourishing in the present and future (Stark, 2010).

While not everyone has such a low opinion of, or lack of confidence in, the capacities of organizations to engage simultaneously in processes of exploitation and exploration (see for instance, Raisch et al, (2009) for an assessment of the growing literature on ‘organizational ambidexterity’), an increasingly singular concern with exploration is far from unusual within the field of organizational studies. Indeed, we might go further and

suggest it is in fact part and parcel of an emerging orthodoxy. If for a moment we engage in a brief and far from representative examination of the sorts of articles being published in key journals in the field such as *Organization Science* and *Organization Studies* (and, we might add, *Research in the Sociology of Organizations*), we quickly note a concentration of interest in topics that can be classified as relating to ‘exploration’ and which relatedly, surface the idea that bureaucracy and ‘old organizational forms’ are relics of the past and increasingly irrelevant. A search<sup>1</sup> on the keywords ‘change’, ‘innovation’ and ‘new organizational forms’, for example, shows that these concepts significantly outnumber three classic concepts within organizational theory: ‘coordination’, ‘hierarchy’ and ‘interdependence’. A simple counting exercise like this does not, of course, constitute any conclusive proof, and it does certainly not tell us a how or why these concepts are used more frequently now. One way to proceed is to take a closer look at the scholarly debates as they unfold at conferences, such as the European Group of Organizational Studies (EGOS). Confirming the pattern found in the simple search, only 12 out of 57 subthemes at the 2012 EGOS conference, focus upon specific issues of ‘exploitation’ in the sense deployed by March (e.g. “Trust in crisis: diagnoses and remedies” and “The governance of effective learning strategies”). 14 subthemes focus upon ‘other topics’ (e.g. “New forms of organizational ethnography”), and a total of 31 subthemes address either themes related to ‘exploration’ (e.g. “From designing organizational creativity to creativity for organizational design” and “Luck of the draw – design or serendipity, accident and change?”) or critically discuss issues of exploitation in organizations, such as ‘power’ and ‘categorization’ in organizational life (e.g. “Challenging inequality: changing gender and organizations” and “Reassembling management ethics and CSR”). Here, it seems that the priority accorded to change, creativity and flexibility and other key tropes of ‘exploration’ within organization studies comprises two different moves – a double shuffle, as it were: on the one hand, there is an agenda that by and large continues and extends the Weickian appraisal of exploration, and, on the other, a critical agenda which is largely suspicious of exploitation efforts in whatever form they may take) but which too, in its own distinctive way, is concerned with promoting ‘exploration’ as a moral ideal.

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<sup>1</sup> The search for keywords in articles was made in November 2011 in *Organization Science*, *Organizational Studies* and *Research in the Sociology of Organizations* using the journal web pages’ online search facilities. The following results emerged (the order of digits follows the above order of journals): ‘Change’ (880,1975,186); ‘Innovation’ (691,1038,118) and; ‘New organizational forms’ (1132,1659,161) in contrast to: ‘Hierarchy’ (343,760,66); ‘Coordination’ (388,496,56); and ‘Interdependence’ (232,267,36). Searches on ‘exploration’ and ‘exploitation’ showed the same tendency of nearly twice as big interest in exploration than exploitation: ‘Exploration’ (379,480,43) and; ‘Exploitation’ (233,225,28).

These two agendas can also be found in the literature focused upon the idea of ‘the post-bureaucratic organization’ (Heckscher and Donnellon, 1994; Iedema, 2003) and ‘post-bureaucracy’ (Maravelias, 2003). The first group of authors affirms the proposition that bureaucratic organization has outlived its usefulness and that network-based, flatter, less hierarchical organizational forms – ‘post-bureaucracies’ – are more apt forms for dealing with complex environments in which the capacity for ‘exploration’ is held to be at a premium (Heckscher & Donnellon, 1994). The second group of authors – departing predominantly from Critical Management Studies – point to the inconsistencies underlying the rhetoric of ‘post-bureaucratic’ empowerment, for example – that post-bureaucracies don’t deliver on what they promise, not least because they are more bureaucratic, or hierarchical in reality, and hence more exploitative, than their advocates can admit to (Iedema, 2003: 2). The solution to this presumed ‘hypocrisy’ is to demand an explicit surfacing of the tensions and contradictions at play in post-bureaucratic organizations:

(O)ur focus of interest has to shift from adopting fixed moral and analytical stances as researchers, to tracing the specifics of how people and organizations wield heteroglossia and monoglossia, and what this does to peoples’ work and self, and to the products of their work. (Iedema, 2003, p. 203).

In this way, the critical agenda does not specifically aim to analyse the realism or one-sidedness of the post-bureaucratic organization, or even how it is put together normatively and technically – as would follow from taking March’s maxims seriously – but instead satisfies itself with a theory programme focused upon analysing organizations and organizing efforts as ‘texts’, ‘discourses’ and ‘power’, repeating many of the (tired) tropes of social explanation (Latour, 2005; du Gay, 2007). Here a range of ‘forces’ (let’s call them social, for the sake of argument) are interpreted as always already present, and the precise means through which organizations qua organizations are put together and work tend accordingly to disappear from the analysis. The organization itself is transmuted into an underspecified arena in which various social forces (power, gender, values, the list can be extremely long and varied) play themselves out, drowning everything organizational and practical in the bath of the social.

Thus, while mainstream management thought has focused on providing the norms and techniques through which organizational success is to be achieved through self-exploration and ‘empowerment’, its oppositional twin, Critical Management Studies, has devoted much of its effort to surfacing the human downsides of such norms and techniques, indicating the manner in which ‘empowerment’, for example, operates as a control mechanism through regulating or disciplining the ‘soul’ of the employee in an insidious manner (Alvesson & Wilmott, 2002; Fleming, 2005; Fleming & Sturdy, 2009). Here the focus has been on ‘self-exploitation’. However, what unites both parties is not simply a focus on the mobilisation of subjectivity as a key means through which ‘post bureaucratic’ organizing is undertaken (whether for or against), but also an enduring attachment to ‘exploration’ as a normative ideal. Both parties endorse a set of precommitments to particular values, including, notably ideals of ‘autonomy’, ‘liberty’ and a romantic conception of ‘the full human being’. We suggest that this preference for ‘exploration’ is also indicative of a (re)turn to metaphysical forms of theorising within the field of organization studies at the cost of what might be termed an ‘empirical stance’.

### **‘Stances’ in Organizational Theorising**

‘Work in philosophy, like work in architecture, is very much work on oneself, on one’s way of seeing things (and what one asks of it)’

(Ludwig Wittgenstein)

In *The Empirical Stance*, the philosopher of science, Bas Van Fraassen (2002, p. 3) seeks to answer the question: how has so much work in contemporary philosophy reverted to the once moribund *vieux jeux* of metaphysics? It is a question that could be equally applied to work in contemporary management and organization theory, popular, ‘mainstream’ and ‘critical’, that treats ‘exploration’ as a normative ideal.. In a series of illuminating articles, the historian of ideas, Ian Hunter (2006; 2007; 2008; 2010) offers some hints as to how this question can be answered by exploring the shared intellectual deportment and attitude that has come to characterise a range of distinctive positions within the field, again, both mainstream and ‘critical’. Focusing attention on the history of the proliferation of high theory in the post 1960s humanities and social sciences, Hunter (2006, p. 80) indicates that what has come to be known as the ‘moment of theory’ began when a certain kind of philosophical interrogation surfaced inside a wide variety of disciplines – linguistics,

literary criticism, sociology, organization studies, political economy, the “psy” disciplines, and jurisprudence – “where it assumed the form of an array of associated but rivalrous theoretical vernaculars” (ibid). In other words, the ‘moment of theory’ cannot be readily identified with a common object or even a shared language. If this is the case, though, what then is it about these manifold forms of theory (which includes, inter alia, structuralism, post-structuralism, deconstruction, ‘process’ ontology, and so forth) that has prompted both exponents and detractors to acquiesce in a single name – ‘theory’ – for them? According to Hunter, the answer to this question resides in the shared intellectual deportment or attitude they exhibit, albeit to differing degrees:

This attitude is sceptical towards empirical experience (in a more or less Kantian way) [...] which it regards as foreclosing a higher level (“transcendental”) experience – and hence cultivates openness to break-through phenomena of various kinds. (Hunter, 2006, p. 81).

It would seem evident from our discussion above that such a comportment precisely characterises a number of positions within the field of organizational theorising, broadly conceived, whether they be more popular or populist management thinkers (Peters, Senge), or more mainstream organizational theorists (Weick), keen as they are to cultivate openness to break-through phenomena (and thus an antithetical attitude towards entities that are seen as foreclosing such a break-through, such as bureaucracy). A leading ‘process’ scholar, openly acknowledging the influence of Weick, encapsulates the deportment rather nicely when he writes of the implications of taking a ‘processualist’ approach to organizational change

Relaxing of the artificially-imposed structures of relations, the loosening up of organization. Such a relaxing strategy will allow the intrinsic change forces, always kept in check by the restrictive bonds of organization to express themselves naturally and creatively (Chia, 1999, p. 211)

In their suspicion and problematisation of ‘exploitation’, their deployment of social explanation, and their attachment to many of the tenets of post-structuralism, theorists within Critical Management Studies can also be seen share this intellectual attitude or

department as well, though of course, they inflect it rather differently (Alvesson & Wilmott, 2002; Fleming, 2005).

Rather than affirming or denying the truth or falsity of the ‘moment of theory’, however, Hunter treats its claims as actions or activities (and thus no more capable of being true or false as are swimming, chess or drawing) that certain individuals perform on themselves as the condition of establishing the inner department required to undertake ‘theory’. Despite its reliance upon certain kinds of philosophy, he approaches the ‘moment of theory’ not as a species of philosophy. Rather, he treats it as a ‘stance’: an ensemble of discourses, a certain kind of intellectual self-stylisation arising from the philosophical problematisation and reworking of an array of disciplines deemed positivist, empiricist or representational as a result of this same problematisation.

Hunter’s approach shares much in common with that of Van Fraassen. Neither is interested in equating a distinctive theoretical position with a ‘thesis’ or ‘belief’ *per se* but rather in exploring it as a ‘stance’, i.e. an attitude or commitment. In other words, the ‘sensitivity’ informing the persona of the theorist is not a belief they choose to hold, but an intellectual comportment forming the register in which beliefs (doctrines, projects, norms, hopes) can be held. In the case of the law, for instance, the crucial thing is not the beliefs held by jurists *per se* but the existence of a legal profession and a juristic comportment through which juridical norms and doctrines are acceded to. This explains why the central concern of secularising early modern legal reformers, for example, was not legal doctrine as such – though they were concerned with this too – but the formation of the juristic persona who would accede to such doctrines. See in this way, adopting a metaphysical or an empirical stance is:

(...) analogous to conversion to a cause, a religion, an ideology, to capitalism or socialism, to a worldview such as Dawkin’s selfish gene view, or the view Russell expressed in ‘Why I am Not A Christian’. That is so, and not a prospect to everyone’s liking. But let us not colour the project with guilt by association...all the great philosophical movements have really been of this sort, at heart, even if different in purport. (Van Fraassen, 2002, p. 61).

Viewed as stances, metaphysical and empirical approaches to organizational analysis are rival attitudes, and should be treated as such. It is not so much that one is ‘true’ and the other ‘false’ – they are not reducible to factual theses, so that cannot be the case – but that they are engaged in a battle and there is no position above or below the fray from which to judge them.

While, Van Fraassen advocates the ‘empirical stance’ over and against the ‘metaphysical stance’, he stresses that the former cannot be made consequent with the assertion or belief of a given factual thesis (such as “experience is the only source of information”). As he puts it, “there is no factual thesis itself invulnerable to empiricist critique” and which can simultaneously function as “the basis for the empiricist critique of metaphysics” (2002, p. 46). Any thesis is liable to empirical criticism and thus none has the capacity occupy the place from which an empiricist critique of metaphysics can be launched. Rather than a thesis, empiricism is a *stance*, component elements of which include: a dissatisfaction with and devaluing of explanation by postulate, a pragmatist call to experience, a rebellion against high theory, and an admiration for scientific forms and practices of enquiry (in the classic Weberian (1989) sense of that term as ‘the disciplined pursuit of knowledge’, and as such not reducible simply to the ‘laboratory’ sciences, nor to the *content* of the sciences *per se*).

In what follows, we present two examples of ‘the empirical stance’ in action in organization theory, both of which in effect address the organization as a practical balancing act between different concerns, cautions and criteria of (e)valuation in the manner suggested by March. The first example, we term ‘the bureaucratic stance’, and it presents a rather different and we would suggest more subtle empirical description of bureaucracy than is to be found in the exploration literature. The second, we term ‘the contingent stance’; here we find a nuanced analysis of conflicting dimensions of organizing and the different ways in which an empirically specific balance between them is practically undertaken. In outlining these two stances, we also have cause to compare their approach and conclusions to the (metaphysical) precommitment to ‘exploration’ characteristic of much contemporary organizational theorising, whether popular, mainstream or critical. We suggest that such pre-commitments have the effect of (re)producing a ‘one best way’ thesis in organizational theory.

*The Bureaucratic Stance: Wilfred Brown*

At the beginning of his classic essay, *Complex Organizations*, the sociologist Charles Perrow (1979) notes that the organizational form that has most preoccupied organizational theorising since the latter's 'disciplinary' inception is without doubt 'bureaucracy'. He notes too, that this organizational form has largely been negatively coded by organizational theorists and that many of the same criticisms of bureaucracy appear time and time again throughout the history of organizational theory (Perrow, 1979, p. 6). He points, in particular, to two enduring lines of criticism. The first associates bureaucracy with inflexibility, inefficiency, and, at times of rapid environmental change, with a lack of creativity and a pervasive unresponsiveness. The second, which he associates specifically with the humanistic tradition in organizational theory, represents bureaucracy as stifling the spontaneity, freedom and self-realization of those in its employ. He notes too, that both lines of criticism are often combined by a single author and "are echoed by such diverse groups as the radical right, the radical left, the man (sic) in the street, and the counterculture" (ibid). After many years of studying 'complex organizations', Perrow (1979, p. 5) concludes that, despite their enduring popularity and reach, these two lines of bureaucracy critique are deeply problematic: "the sins generally attributed to bureaucracy are either not sins at all or are consequences of the failure to bureaucratise sufficiently". For Perrow (1979, p. 200ff) bureaucracy is not an inherently unadaptive organizational form. Indeed, empirically it is a form that has proven capable of undertaking both exploitation and exploration to some effect, creating as well as responding to the environment within which it exists (in Charles Goodsell's (2005) related terms, bureaucracy has proven 'almost uniquely' capable of both 'rule' and 'response').

In making his case for a re-consideration of bureaucracy as a potentially positive, if often fragile, organizational achievement, Perrow (1979, p. 24–26 & 44) had cause to turn at certain points to the work of Wilfred Brown, an experienced and successful manager and organizational analyst, who rose to prominence in the field of organizational theory as a result of his involvement in the first major research project undertaken by the Tavistock Institute of Human Relations in the UK after the second world war: the Glacier Project. Brown's experience of working within and empirically analysing the operations of bureaucratic hierarchy led him to argue that bureaucracy was neither inherently pathological nor dysfunctional but rather, in contrast, a form that could potentially enable

an organization to employ large numbers of people and yet preserve both unambiguous work role boundaries and accountability for work conducted by those occupying those roles. In particular, Brown stressed that the very formalities, or so called 'rigidities', of bureaucratic hierarchy were not antithetical to flexibility but rather its precondition (see also du Gay, 2000; Stinchcombe, 2001). Instead of being seen as mutually exclusive, as the 'customary view' of bureaucracy within organizational theory would have it, the one is seen as the condition of the other. For Brown, it is the relationship between the two that is important.

One of the aims of the Glacier project was to investigate empirically what would be generally accepted as the right level of pay for a given work role. One of the starting points for Brown and Jaques's analysis was an observed distinction between the 'prescribed' and 'discretionary' demands of specific tasks. Prescribed demands could be precisely and specifically stated, and it was almost unambiguously clear whether or not they had been met. The discretionary elements were those aspects of the work task that involved the exercise of judgment and where a decision as to the adequacy of performance, as to whether it has achieved an adequate balance of pace of work and quality, could only be made by a superior in relation to what Parker Follet (1982) termed 'the law of the situation'. Brown and Jaques also argued that the level of discretion or responsibility in a work role could only be measured in terms of its time-span of discretion: the maximum period of time during which marginally sub-standard exercises of discretion could pass without review by a superior (Brown & Jaques, 1965; Jaques, 1967). This measurement was seen as providing a basis both for organizing work roles hierarchically into a number of definite strata, distinguished by qualitative breaks in the nature of the discretion which is required for their satisfactory performance, and for determining payment at an level 'felt' to be equitable for the time-span of work involved.

This argument was developed via a set of relational distinctions concerning organizational 'modes' or 'states'. The first of these relates to 'manifest' organization: the structure of the organization as it appears in official organograms or charts. The second relates to 'assumed organization': the organizational structure as different categories of person within the organization assume it 'really works'. Both manifest and assumed organization may differ from the 'extant' organization: the situation revealed by systematic empirical exploration and analysis (though it can never be 'completely' known). Finally, 'requisite

organization' is "the situation as it would have to be to accord with the real properties of the field in which it exists" (Brown, 1965, p. 47–8). The work of Brown and Jaques entailed both detailed empirical description of extant organization and, elaborating from this 'empirical stance', a precise set of prescriptions for the attainment of 'requisite' organization. As Eric Trist (1965, p. 20–21) noted in his original introduction to Wilfred Brown's *Exploration in Management*: the main focus of interest was with the organization as a discrete object, with its internal processes and structures, and with the sources of change which may arise therein. Brown's (1965; 1974) analysis of the executive system, based as it was on empirical observation and detailed description, remained resolutely concrete, Trist indicated, referring to sets of work roles and role relationships, though there was some elaboration in terms of rather more abstractly defined activities at various points.

Having outlined the bare bones of Brown's project, let us briefly explore in more detail one of the aspects of his approach that place him at odds with the assumptions about bureaucracy informing 'expressivist' conceptions of exploration in certain forms of contemporary organizational theorising. This relates to the relationship between bureaucracy, flexibility and creativity. As we have had cause to note, a customary and enduring criticism of bureaucracy as a rule infused hierarchical form of organization concerns its presumed inability to be adaptive to changes in its environment and thus to be inherently inefficient, unresponsive, inflexible and uncreative. While the role of rule bound bureaucratic authority and accountability relations in the reduction of particularism and featherbedding within organizations, and in the protection of individual employees from arbitrary decision-making, is relatively uncontroversial (Perrow, 1979, p. 23), those very same rules are also the source of considerable unease, not least to those for whom formalization connotes a loss of freedom, flexibility and creativity both organizationally and individually. For Brown such sentiments were both empirically inaccurate and organizationally dangerous; 'There are those who are convinced that formalization means a loss of freedom. Their cry is: "Let's keep it vague so that individuals' creativeness can have a greater chance". But there is plenty of evidence that vague and confused organization is the great enemy of creativeness" (1974, p. 35).

In Brown's (1965; 1974) descriptive analysis of employment hierarchies, formalization was viewed as a supple and multifaceted organizational device enabling people and tasks

to be deployed at complementary levels and as a mechanism whereby employees in any given layer were able to add value to the work of those in the layer directly below them. For Brown (ibid.), formal organizations consist of an executive system or employment hierarchy comprising the network of positions to which fulfilment of the organization's work is assigned. It is made up of a number of roles and consists of all members of the operating organization, a member being in such a role when s/he is carrying out their job responsibilities or tasks. Every role carries with it specified responsibility and authority which are taken on by the member assuming the role. Work roles themselves here consist of the totality of discretion which an organizational member is expected to exercise and the prescribed acts s/he must discharge, in carrying out the responsibilities of the role to which s/he is attached. The activities constituting a given role are set by the immediate manager and by higher policies and are directed towards an objective set by the higher manager, the whole being carried out within an employment contract. The benefit of such formalization, Brown argues, is that everyone knows their place, and this provides the security required by the individual employee before they can become free fully to develop the discretionary (flexible, creative) component in their own role. Rather than infantilising employees, by robbing them of their liberty or agency, such security fosters their freedom to act in circumstances where ambiguity may exist (where a policy set may leave alternative courses of action from among which the employee has to choose). In other words, and as we indicated earlier, rigidity and flexibility are not here seen as inevitably antithetical to one another. Rather the former can be viewed as the condition of the latter.

The generalised *a priori* (metaphysical) disdain of bureaucracy (and the equation of bureaucratic rules with the inhibition of liberty, flexibility and creativity, for example) to be found in expressivist conceptions of exploration as a moral ideal, has its counterpart in the practical world of organizations too. Indeed, it may not be too ingenuous to suggest that the former might conceivably be connected in some 'performative' manner with the latter (du Gay, 2008). The cases of Enron, Anderson, and Worldcom at the beginning of the millennium, and those of Lehman Brothers and other financial institutions more recently, indicate precisely what can happen if bureaucratic formalities and procedures are viewed simply and irrevocably as tiresome and unnecessary constraints on innovation, flexibility and the 'freedom to act' (Byrkjeflot & du Gay, 2012). It is salutary then, to return to the work of Brown, for a more nuanced and subtle formulation of what precisely and specifically is involved in 'executive freedom to act', for instance, once the latter is

subject to a pragmatic empirical stance, and not simply to the dictates of *a priori* expressivist denunciation. In *Exploration in Management*, Brown (1965, p. 118) indicates that close empirical examination and detailed description of executive freedom to act or “the environment which gives a manager freedom to make decisions” can lead to conclusions the very opposite of those assumed by more normative and metaphysical assessments of formalization.

Many managers feel that ‘freedom’ lies in the sort of situation where their superior says to them: ‘There are not many regulations in this place. You will understand the job in a month or two and make your own decisions. No red tape – you are expected to take command; make the decisions off your own bat as they arise. I am against a lot of rules or regulations, and we do not commit too much to paper’. In my experience a manager in such a situation has virtually no ‘freedom to act’ at all. [...]. It is much more efficient to delineate as precisely as possible to a new subordinate all of the regulations he must observe and then say: ‘You must take all of the decisions that seem to you to be required, so long as you keep within the bounds of that policy. If, keeping within those bounds, you take decisions which I think you should have referred to me, then I cannot criticize; for such a happening implies that some part of the policy which I wish you to operate has not been disclosed to you. I must, then, formulate that policy and add it to the prescribed content of your job’. If, in addition, the manager can give his subordinate a rounded idea of the discretionary component of his job by stating the types of decision he must make, then that subordinate is in a real position to act on his own initiative in the prescribed area...In fact, it is only by delineating the area of freedom in this way that a subordinate knows when he can take decisions. The absence of written policy leaves him in a position where any decision he takes, however apparently trivial, may infringe an unstated policy and produce a reprimand. (Brown, 1965, p. 118–120).

In contrast to the assumptions framing contemporary discourses of exploration, Brown’s formulations, based as they are on practical experience and empirical observation, suggest that bureaucratic constraints, formalities and procedures may be understood, in context, as conditions *for* the existence of executive freedom to act, rather than simply and inevitably

as *barriers to* the exercise of such freedom. Brown is not naive or romantic about formalization, however. He is more than aware that employers try to take judgment out of work at a number of levels and in a number of ways – by automation, the introduction of prescribed routines and so forth – in order to increase productivity (1974, p. 63). Clearly, a fully automated concern would be one with few written rules, the ‘rules’ being in the machines, as it were. Similarly, it is possible to think of organizations staffed with persons in whom complex rules are ‘embodied’ – professionals, for instance. Only a small proportion of organizations fit either of these two cases, however. Nor does Brown think it necessary “for every organization to start writing up every policy and routine and specifying the work content of every role in Prescribed and Discretionary terms (he was also keen to indicate certain situations ‘under which bureaucratic organization should at all costs be avoided’, see Jaques, 1976, p. 244–47). The work of all organizations changes. Therefore the organization itself has to be dynamic” (1974, p. 73). Nonetheless, he argues that hierarchy is not an inherent evil, that formalization is not inherently or largely antithetical to creativity and liberty, and that the nature of the work that takes place in different employment hierarchies does need to be made explicit and precisely specified in the manner he proscribes (*ibid.*: 33). This is particularly the case, he continues, if we wish to avoid confusions concerning the relationship between persons and organizations.

Some of his fiercest criticisms concerning the dangers of ‘personalising’ work concern the normative assumptions relating to ‘informal organization’, which he views as an aberration rather than as a space in which people exert the agency, intuition, emotion and creativity that formality robs them of.

There is...a widely held view that formality in organizations deprives people of the right to make decisions and be creative. This theory is false because the *raison d’être* of formal organization is to use human decision-making ability to its fullest possible extent. Any failure of organization to achieve this situation calls for better organization, not its abolition. The false assumption of the ‘informal organization’ school of thinking arises from its failure to realize that human work inevitably concerns ‘decision-making’. If work does not require decisions to be made there should be no need to employ human beings to do it. The fact is that the informal organization thinkers tend to regard formal organization as a structure of roles down which specific work tasks are

delegated. They do not think of roles as containing precisely defined areas over which the occupant has to make all the decisions. As a result, the idea of informality is essential to them, in order to provide the opportunity for somebody to spot the need for a decision to be taken and to have the courage to take it. But if instead the role is defined by delineating an area over which the occupant of the role has, as a duty, to exercise discretion and take the necessary decisions, then there is no need to think in terms of informality as a mechanism for filling the gaps left by inadequate formal organization. (Brown, 1974, p. 86–87)

Many years ago, at the high point of the human relations school's dominance in organizational theory, Peter Drucker (quoted in Trist, 1965, p. 17) noted that "it has become fashionable of late...to assume that the actual job, its technology and its mechanical and physical requirements are relatively unimportant compared to the social and psychological situation of men at work". The implication of Drucker's criticism was that in its singular focus on the 'human factor', organizational theory had lost sight of its own object: the organization. A similar criticism could be directed at contemporary expressivist theorists of exploration, and indeed, their critical counterparts in CMS, for whom such things as the work at hand, and the resources and techniques available to do it, remain strangely absent and where attention is instead frequently focused upon a set of metaphysical commitments to particular conceptions of the person – the 'full human being'. Meanwhile, the work at hand disappears from view. Brown's approach to bureaucracy is resolutely anti-metaphysical (realistically functional, to use an under-deployed term). In the following, we will revisit another classic approach in which a similar empirical stance is deployed, focusing in this instance upon the organization as a concrete, empirical balancing act between different criteria and concerns, one also dependent on the characteristics of the situation at hand.

### *The Contingent Stance: Lawrence and Lorsch*

For nearly two decades in the mid twentieth century, the American organization theorists Paul R. Lawrence & Jay W. Lorsch conducted a series of studies into the appropriate structure and functioning of organizations formulating and establishing as they did so what became known as the 'contingency' approach within organisational theory

(Lawrence & Lorsch, 1967/1986; 1969). Based on studies of well-performing, middle-performing and low-performing organisations within three different industrial fields, they argued in their classic text *Organization and Environment* that the essential requirements of an organisation vary depending on the nature of the task, the environmental characteristics and the disposition of its members. There is no ‘one best way of organizing’, they concluded. Rather, an organisation should be arranged in a manner that corresponds to the ‘situation at hand’. In the following, we suggest that the distinction between exploitation and exploration and, more precisely, the tendency to elevate the latter as particularly useful and desirable in the present, illustrates that this once widely recognized maxim appears to have been forgotten (though see Raisch et al, 2009, for a re-iteration of its basic premises in relationship to debates about ‘Organizational Ambidexterity’).

Although it was coined to capture how organisations respectively form or break out of their cognitive code, March’s (1991) distinction between exploitation and exploration is not un-paralleled in the history of organisation theory. In fact, it mirrors a key dichotomy that has pervaded the field of organisational studies and management theory over time and which also formed the point of departure for Lawrence & Lorsch’s contingency theory. The dichotomy appears in many intellectual guises: ‘order’ versus ‘openness’; ‘structure’ versus ‘process’; ‘hierarchy’ versus ‘empowerment’ and so forth. Lawrence and Lorsch trace it back to the opposition between ‘classical theory’ (Fayol, Mooney, Urwick and Gulick) and ‘human relations theory’ (Mayo, Rothlisberger, Lewin and McGregor). They also point to its existence among the wealth of practical managerial tools and techniques that have been developed with the aim of improving organizational functioning. Listing a handful of tools that, at the time of the book, were popular in executive life – PERT (program evaluation and review technique), sensitivity groups, system design techniques, creativity training, cost benefit analysis, motivation laboratories etc. – Lawrence & Lorsch argue that such techniques tend to fall into one of two categories:

“Each of these techniques seems to carry with it a thrust in one of two directions – either toward greater order, systematization, routinization, and predictability, or towards greater openness, sharing, creativity, and individual initiative. One thrust is to tighten the organization; the other, to loosen it up” (ibid, p. 161).

Although this characterization may appear somewhat dated, it's not too difficult to apply it to contemporary organizational life. Currently popular theories, tools and methods can also be categorised along the tightening/loosening axis: 'Balanced scorecards', 'Six Sigma' and 'key performance indicators', on the one side. 'Storytelling', 'lateral thinking' and 'appreciative inquiry', on the other. Depending on purpose and temper, organisations will employ theories and tools from either, or they will be combined – as they have been practically for some time. As we suggested earlier, a rather different situation appears to pertain in the present theoretical landscape, however. At the time of *Organization and Environment* theories from both sides of the dichotomy were seen as providing an organization with potentially important contributions and choices. Today, we will argue, the scales have definitely tipped towards the 'loosening' side and literature emphasizes, for instance, the need for flexible arrangements that foster 'continuous change' (Brown & Eisenhardt, 1997; Weick, 2000), 'improvisation' (Orlikowski & Hofman, 1997; Barrett 1998; Vera & Crossan 2004), 'entrepreneurship' (Garud, Jain & Kumaraswamy, 2002; Maguire, Hardy & Lawrence, 2004; Tolbert, David & Sine, 2011) and similar capacities. Formerly well-established notions of, for instance, 'organisational design', 'strategy' and 'resource dependency' are by and large derided as old-fashioned, or only for the tool-makers that supply the above-mentioned models and methods for practitioners (Czarniawska, 2008). A central reason for this is the emergence of a distinctive assumption common to many contemporary theoretical streams that organisations depend for their future upon the softening or transcendence of tight structures. In order to flesh out this conjecture, we will briefly revisit some of the main arguments outlined in *Organization and Environment* to explore the extent to which this assumption is indeed plausible, and, if it is not, what implications this might have for the discussion of exploitation and exploration in the present.

In order to problematise the basic terms in which discussions of effective organizational functioning had been represented within the different wings of organisational theory, Lawrence & Lorsch (1967) emphasized the proposition that any organizational system must be adapted to the world outside it and at the same time make sure it is internally integrated. In order to cope with the exigencies of the external environment in which they find themselves, Lawrence and Lorsch argue that organizations come to develop segmented units, each of which has as a feature of its function and task the problem of

dealing with some aspect of the conditions outside what it considers to be its own formal boundaries. This *differentiation* of function and task is accompanied by differences in the capacities and dispositions of those charged with fulfilling those functions and tasks, and differences, too, in the formal structure of different departments. As a result of this differentiation, a coordination problem arises, which requires the deployment of appropriate methods of *integration* in order that the organization can function effectively. Integration, too, though, is affected by environmental conditions. The basic necessity for *both* appropriate differentiation and requisite integration to effective organizational performance lies at the heart of Lawrence and Lorsch's hypothesis. To explore this basic proposition, Lawrence & Lorsch (1967) decided to seek empirical answers to the question: "What kind of organization does it take to deal with various economic and market conditions?" (ibid, p. 1) through a two-fold study. First, they conducted a comparative study of competing organizations in the plastic industry (where the environment was very dynamic and new products had continually to be invented). Second, they compared the findings from the plastics industry with an analysis of high- and low-performing competitors in two other branches of industry: the container industry (which operated in a relatively stable environment) and the food packaging industry (which had a growth rate that was higher than the container industry, but lower than the plastics industry). Two significant findings appeared from these studies: First, the high-performing organisations in all the three industries were better at meeting the demands of their environment than their less effective competitors. The high-performing organizations in the plastics industry were more highly differentiated than the high-performing competitors in the food packaging industry, which in turn were more differentiated than the high-performers in the container industry. Second, all three high-performing organizations were achieving approximately the same level of integration, but through various means. All of them used to some extent the traditional ('classic') methods of paper systems, formal managerial hierarchy and direct managerial contact between members of different departments. However, the repertoire of integrating mechanisms included integrative departments, permanent or temporary cross-functional teams, and the deployment of individual integrators. The appropriateness of each device or mechanism seemed to vary with the environment:

"The more differentiated an organization, the more difficult it is to achieve integration. To overcome this problem, the effective organization has

integrating devices consistent with the diversity of the environment. The more diverse the environment, and the more differentiated the organization, the more elaborate the integrating devices” (ibid., p. 157).

The ability to resolve conflicts arising between different parts of the organisation proved to be central for the degree of integration in an organization. Based on their findings, Lawrence & Lorsch argued that the effective organizations developed conflict-resolving practices consistent with their environment. Thus, in the plastics industry, conflicts tended to be resolved by the integrating department, both at high and low levels of the organizational hierarchy, because no single part of the organization possessed all the necessary, requisite knowledge. In contrast, the container organization tended to solve its inter-unit conflicts either through the sales department or at the upper management levels, since the information required for appropriate decision-making tended to be located there as a direct effect of the way the organization related to its environment.

Lawrence & Lorsch’s conclusion was decisive: no one best way of organizing suitable to all circumstances could be reasonably identified. Neither one particular organizational form (e.g. a bureaucracy) nor one particular motivational approach (e.g. ‘Theory Y’) was always and everywhere ‘the best’. Rather, organizations must arrange themselves in ways that correspond to the specific environment in which they operate. It is impossible to decide once and for all whether a strict hierarchy or a flat structure is relevant, or whether an organization should try and solve conflicts through formal means and executive intervention or through ‘democratic’ negotiations at all levels. The first type of arrangement tends to be more relevant or appropriate in situations where the basic task is well-defined because of a stable environment. The latter form tends to correlate with more uncertain and changing environments where many types of input are needed. And yet this does not mean that an organization located near one of the ends in the stability-change continuum requires either ‘more’ or ‘less’ organisation. To organize for a dynamic environment does not necessitate a ‘freeing’ up of the organization in the way that many contemporary anti-bureaucratic approaches suggest (Keller & Price, 2011). The picture painted by Lawrence & Lorsch is much subtler. The more varied and turbulent the environment, the more internal differentiation is needed, and the more diverse and manifold the integrating devices and conflict resolving mechanisms will be. Nor does their work suggest the organizational necessity of fostering or developing only certain personal

dispositions and capacities at the expense of others. There is no sense here of the need to cultivate ‘the whole human being’ as a basic principle of organizational flourishing in the manner suggested by expressivist advocates of ‘exploration’ as a moral and organizational ideal, quite the contrary, in fact. The differentiation of function and task is necessarily accompanied by differences in the personal capacities and dispositions of those required to fulfil them. The roles have to be co-ordinated to ensure effective performance but the latter requires the development and deployment of requisite integrating mechanisms, *not* the development of integrated persons; a point that is sometimes missed by advocates of ‘organizational ambidexterity’, where the latter begin to foreground ‘ambidexterity’ as a personal capacity to be encouraged and fostered (see, for instance, Smith & Tushman, 2005). Thus, Lawrence and Lorsch’s text contains none of the romanticism regarding either organizational arrangements or human flourishing that has come to characterise expressivist conceptions of ‘exploration’ as an ideal to be fostered *per se*. In so far as they have anything to say about the way organizations and persons working within them might develop in the future in order to operate effectively in potentially more turbulent and fast-changing environments, they stay resolutely pragmatic:

“[...] the viable organization of the future will need to establish and integrate the work of organization units that can cope with even more varied sub-environments. The differentiation of these units will be more extreme. Concurrently, the problems of integration will be more complex. Great ingenuity will be needed to evolve new kind of integrative methods” (ibid., p. 238).

This ‘multi-organization’ organisation of the future may need more leaders, because there are many more sub-tasks to be achieved, each of which requires different forms of management. The parts of the organization that focus upon the development of new solutions may well be lead by managers with a capacity for innovation and the ability to take risks. The parts of the organization that perform more routine tasks, in contrast, are likely to be lead by managers that “fit more closely our traditional...models” (ibid, p. 244). However, in supplement to these two types of leadership, the multi-organization is likely to a higher degree than before to require ‘integrators’, i.e. managers that actively coordinate and integrate all the specialized functions of the organization. They also suggest that top-management will increasingly need to attend to the integration of the

entire organization and “formulate a general framework of purpose to guide the efforts of the parts” (ibid., p. 245).

At the time *Organization and Environment* was published, the concept of ‘organizational learning’ had not acquired the degree of fashionability it later obtained. Lawrence & Lorsch only refer to the work of James March a few times in the book. However, they do credit March and Simon with being among the first in the field of organization theory to fully recognise “the importance of differentiation and integration” (ibid., p. 270) and there seems to be a distinctive family resemblance between this pair of concepts and that of ‘exploration’ and ‘exploitation’. Both highlight the dynamic relationship between, on the one hand, the processes through which an organization relates to an environment to gain knowledge about demands and possibilities and, on the other, the mechanisms by which this insight is brought together and practically coordinated. The important lesson from Lawrence & Lorsch’s study, however, is that it is very unlikely, in fact something of a fundamental error, to assume that organizations face situations where they can rely on just one of these dynamics. What kind of organization can survive if it abstains from relating in some or the other way to its environment – if it does not bother to explore it just a tiny bit? Likewise, is it not rather romantic to think of an organization that can do away with all of its integrating mechanisms – where its members simply just do whatever they themselves find relevant? Any organization must find a delicate balance between those two dimensions in relation to ‘the situation at hand’, a point forcibly made by Simon (1946), to which will return in our concluding comments. In fact, like Simon (1946), and Parker Follet (1982), for instance, Lawrence and Lorsch stress that their main point is the need for a detailed understanding of these situational demands rather than a call for developing organizational typologies:

“First, we believe that the major contribution of this study is not the identification of any ‘type’ of organization that seems to be effective under a particular set of conditions. Rather, it is the increased understanding of a complex set of interrelations among internal organizational states and processes and external environmental demands” (ibid., p. 133).

It is precisely, this focus on the ‘situation at hand’, and the pragmatic lash up of the devices and dispositions deemed necessary to dealing with its contingencies, that

differentiates Lawrence and Lorsch's approach not only from expressivist conceptions of 'exploration' as a moral ideal or overriding principle of organization and human conduct, but also certain contemporary conceptualisations of *the* 'ambidextrous organization' as a form, in and of itself (Tushman & O'Reilly, 1996). Somewhat strangely, this warning seems to have been lost in the discussions of today's organizational challenges and possibilities. It is now widely agreed that 'bureaucratic' forms of organizing are relics of the past; increasingly irrelevant and problematic types of organization. In contrast, 'flexible', 'entrepreneurial' or 'ambidextrous' forms of organizing are almost unanimously portrayed as aptly suited to what is conceived of as a generalised state of fast and omnipresent change and, in addition, that they are also more desirable for 'humanistic' reasons. In this purview, the two hypothetical questions posed above are no longer understood as equally hypothetical.

While it is certainly recognized as an absurd proposition that organizations can afford to ignore exploration of their environment – most texts exactly call for embracing diversity and letting 'a thousand flowers bloom' – it is now a collectively shared assumption that organisations are better served by reducing their integrating efforts to a minimum. 'Rules', 'orders', 'authority' and 'coordination' are designations that no longer have the legitimate ring they possessed at the time *Organization and Environment* was published. Likewise 'exploitation' and 'integration' have come to acquire connotations of rigid forms of organizing that are no longer relevant because the demands of the environment (a meta environment, in effect) have so fundamentally changed. In fact, we would like to suggest that a peculiar (metaphysical) exaltation appears to have replaced Lawrence & Lorsch's pragmatic concern with a specific assessment of the fit between an organization's inner arrangements, its core tasks, the differentiated personal capacities and dispositions necessary to their fulfilment and its environment. If organizations are arranged in ways that allow its members to creatively explore the environment, start innovative processes and transgress tightening structures, a democratic, open trustful and effective atmosphere will ensue. Despite the tempting and optimistic outlook of this vision, it must be characterised as something of a contemporary metaphysical riff on a very old theme: the belief in a 'one best way of organizing' that had dominated organization theory up to the moment of Lawrence & Lorsch's study and the programme of contingency theory it inaugurated.

## Conclusion

According to March (1991), establishing a requisite and ongoing balance between exploration and exploitation is a key facet of organizational survival and flourishing.. On the one hand, an over emphasis on exploitation can preclude an organization from obtaining new input to its ‘code’, as he puts it; on the other, with too little control and an underdeveloped capacity to follow through, an organization’s capacity to achieve its core tasks will be diminished as result. As we have indicated, this was not a new proposition, its basic elements have appeared in a number of different guises throughout the history of organization theory. However, as we have stressed, March’s elegant formulation established the basic premise very clearly.

In this article we have argued that in much contemporary organizational theorising, popular, mainstream, and critical, , there is a pronounced tendency to ignore his basic premise and to treat ‘exploration’ as something approximating to an ‘expressivist’ ideal, by which we mean that the capacities, dispositions and ‘values’ routinely huddled together under this heading – innovation, play, agency, entrepreneurship, risk taking, improvisation and so forth – have been allotted a *moral* primacy over and above, and indeed, in basic opposition to, those capacities and dispositions March labelled ‘exploitation’..

In outlining the manner in which ‘exploration’ functions as a moral ideal in certain forms of organizational theorising we had recourse to another analytic distinction, one drawn by the philosopher of science, Bas van Fraassen (2002), between ‘a metaphysical stance’, on the one hand, and an ‘empirical stance’, on the other. We suggested that the manner in which ‘exploration’ functions as an expressivist ideal in contemporary organizational analysis is related to the ‘metaphysical stance’ characteristic of certain sorts of theory – such as process ontology (as deployed in Weick’s work, for instance), or various forms of post-structuralism (as deployed by various Critical Management scholars, for instance). This ‘metaphysical stance’, we argued, is, amongst other things, characterised by a scepticism towards empirical experience, which it implicitly or explicitly regards as foreclosing a ‘higher’ level (“transcendental”) experience, and thus seeks to cultivate openness to break-through phenomena of various kinds. The remarkable powers and possibilities allotted to ‘exploration’ as a cluster of attributes which can enable organizations and individuals to ‘break through’ to the sunny uplands of empowerment,

change, innovation and human flourishing, is one aspect of this; the other is, of course, the scorn and disdain heaped upon organizational forms and practices which are deemed to precisely foreclose or negate the appearance of these ‘higher’ level experiences – namely bureaucracy and those other dull and ‘instrumental’ organizational practices gathered under the mantle of ‘exploitation’. Here, we would suggest, following Weber (quoted in Bourke, 2009, p. 106), ‘theorie’ transmutes into ‘theodizee’.

For Van Fraassen, the battle against metaphysics and its ‘theological aura’, is best joined via adoption of an ‘empirical stance’. In contrast to its metaphysical twin, the empirical stance consists of a radically different attitude, sensibility and comportment, characterised, *inter alia*, by a dissatisfaction with and devaluing of explanation by postulate, a pragmatist call to experience, a rebellion against high theory, and an admiration for scientific forms and practices of enquiry. In elaborating the difference between adoption of a ‘metaphysical’ and an ‘empirical stance’ within organization theory, we had recourse to two classic but partially forgotten empirical interventions within the field, both of which offered clear and present challenges to the *a priori* assumptions about the negativities of bureaucracy and the positivities of exploration pervading many popular, mainstream, and critical theories as well. The work of Wilfred Brown, which we labelled ‘the bureaucratic stance’, offered a descriptive analysis of bureaucracy, viewing the latter less as an inherent barrier to, but rather as a precondition of, the capacity to ‘explore’. In the work of Paul Lawrence and Jay Lorsch, which we termed ‘the contingent stance’ Rather than assuming the superiority of ‘exploration’ over and above other considerations, Lawrence and Lorsch’s analysis exhibited a pragmatic concern with the specific assessment of the degrees of fit between an organization’s design and co-ordination arrangements, its core tasks, the differentiated personal capacities necessary to their fulfilment and the environment in which it undertakes its work. As we have stressed, their analysis is very much focused upon the exigencies of ‘the situation at hand’.

Like March, both Brown and Lawrence and Lorsch point to the problems of espousing and promoting, implicitly or explicitly, ‘a one best way’ of organizing, whether that ‘one best’ is associated with a particular motivational theory, a set of value commitments, or a particular organizational form, deemed suitable to all ‘situations at hand’. For them all, justifying a reconfiguration of organizational arrangements on the presumed superiority of

a speculative norm or ‘principle’ is the business of a metaphysics of morals as opposed to a prudent and pragmatic empirical organizational analysis. As we have already had cause to note, this is not a novel conclusion, in organizational theory, as elsewhere (in political theory, for instance: see Bourke, 2009). In 1946, Herbert Simon made an important intervention in organization theory along precisely these lines. In his paper *The Proverbs of Administration*, March’s erstwhile collaborator offered a detailed argument against the tendency within the organizational theory of his time to elevate one principle of organizing over and above all others. Simon suggested that much organizational theorising had a proverbial quality – by which he meant, in effect a metaphysical tendency - to elevate one principle of organizing to a pre-eminent position on the basis of unwarranted assumptions or pre-commitments. In everyday discourse, he suggested, proverbs are often convenient ways of generalising experiences, even though they often occur in mutually contradictory pairs:

Most of the propositions that make up the body of administrative theory today share, unfortunately, this defect of proverbs. For almost every principle one can find an equally plausible and acceptable contradictory principle. Although the two principles of the pair will lead to exactly opposite organizational recommendations, there is nothing in the theory to indicate which is the proper one to apply. (Simon, 1946, p. 53)

He went on to argue that the administrative theory of his time suffered from lack of precise description and thus from a degree of “superficiality, oversimplification [and]... lack of realism” (Simon, 1946: 63) and that this had some unfortunate consequences, since decisions about how to organize and which principles to follow must depart from a clear understanding of the ‘content’ of the organization’s purposes: the situation at hand. Heralding the proposition of contingency theory, Simon drew attention to the need for studying carefully the “conditions under which competing principles are respectively applicable” (ibid). As a first step in “overhauling of the proverbs of administration”, he proposed the development of a vocabulary for a precise description of administrative organization. (66). The “first task of administrative theory”, Simon continued, “is to develop a set of concepts that will permit the description in terms relevant to the theory of administrative situations. These concepts, to be scientifically useful, must be operational; that is, their meanings must correspond to empirically observable...situations” (1946: 62).

Echoing, Mary Parker Follet's (1982) notion of the 'law of the situation', and indeed, the approach espoused by the tradition of casuistry or case based reasoning (Jonsen & Toulmin, 1988, for a definitive statement), Simon suggested that since the proverbs of administration tend to be somewhat abstract, mutually competitive, and frequently contradictory:

(It is not sufficient merely to identify them. Merely to know, for example, that a specified change in organization will reduce the span of control is not enough to justify the change. The gain must be balanced against the resulting loss of contact between the higher and lower ranks of the hierarchy...Hence administrative theory must also be concerned with the question of the weights that are to be applied to these criteria – to the problem of their relative importance in any concrete situation. This is not a question that can be solved in a vacuum. Arm-chair philosophising about administration...has gone about as far as it can profitably go in this particular direction. What is needed now is empirical research...to determine the relative desirability of alternative administrative arrangements (1946, p. 66)

Simon's analysis offers many parallels to our own. In particular, his distinction between a proverbial and empirical approach to 'administrative theory' echoes Van Fraassen's between a 'metaphysical' and an 'empirical' stance. Like Simon, we do, of course, acknowledge that concepts are necessary to assist in such empirical specification, but not just any sort of concepts. The work of Brown, and Lawrence & Lorsch, is important in this respect, we suggest, as both offer precise formulations of 'empirical concepts' that have a clear and pragmatic reference to organizational reality, and which assist in specifying this reality in order to analyse and assess the type of arrangements and balances between contradictory criteria of (e)valuation that are appropriate. Their conceptual work stands in stark contrast to that which has flourished during 'the moment of theory', and which we suggest still pervades all sorts of organizational theorising in the present: process, change, power, discourses, heteroglossia etc. Perhaps even 'exploitation' and 'exploration', in the manner elaborated by March, can be seen in the light of Simon's comments to be rather too proverbial and not specific or concrete enough for the task at hand (the same can be said about the concept of 'ambidexterity' which tends to take on a theoretical life of its own, rather than being used as an argument for detailed empirical analysis, see for

instance Raisch et al, 2009 and Cao et al, 2009). Overall, as Wilfred Brown put it: “the price of a realistic perception of this dynamic thing called organization is constant exploration and adjustment of attitude in the face of the facts as they emerge” (1965:37). Exploration, indeed, but from the position of an empirical, not a metaphysical stance.

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