

Edgar H. Schein

Organizational Psychology (3rd Edition)

Prentice Hall: Englewood Cliffs, NJ, 1988. 274pp + xiv.

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With books on organizations written these days by authors ranging from athletes to Eastern mystics, it is worthwhile revisiting one of the classics of organizational psychology. With the macro shifts in the global economy and extraordinary advancements in the digital infrastructure, there is a temptation by managers to dismiss Edgar Schein's *Organizational Psychology* – the most recent edition nearly 20 years old – as a quaint but useless artifact of another era. Though it is unlikely that Schein had envisioned some of the emerging types of organizations enabled by technology today, his primer still holds relevance – and perhaps more relevance than ever – as managers seek to solve the age-old problem of coordinating people around a common goal. After all, models for organization may change in 20 years but human beings are still human beings.

Schein is at his strongest when he delves into the purpose of organizations, human nature and motivation. He presents clear questions, using the “psychological contract” as the mechanism for exposition. The psychological contract is a useful construct to conceptualize the relationship between individual and organization, and how that relationship can be different across organizations and change over time. His discussion of the bases of authority, classes of organizations, perspectives on human motivation, and underlying assumptions on human nature are an excellent overview of the building blocks of organizational psychology. Schein is able here to tie theory, perspective and empirical study together into a coherent framework that can be used to address the central problems at hand – designing the organization; recruitment, selection, development and allocation of employees; use of authority and influence; integration of organizational units; and adaptation to change. Here, he presents conclusions as a scholar of established canon, rather than a collector of curiosities, while still managing to incorporate a pragmatic situation-based approach that admits the inherent complexity of human nature.

As the book delves into occupational choice, and later, theories of leadership and participation, it begins to lose clarity and devolves into a summary of opaque and overlapping theories. Here, Schein tends to lean on convoluted description of methodology and definition in lieu of presenting crisp and relevant insight. For instance, he begins the theories of leadership section abruptly with a long-winded

discussion of Fiedler's leader-match theory and ends by calling it complex and deeply flawed – a less-than-helpful conclusion that leaves the interested reader disappointed. He also spends a great deal of time mapping theories against each other, which would be fine if he eventually emerged with useful findings. Though this is an area where the canon itself is less well-defined, we would expect Schein in his role as editor to provide better guideposts for understanding.

He recovers, however, in his review of formal and informal groups in organizations. Schein's discussion of informal groups is particularly convincing, arguing that these informal groups arise out of formal factors. He cites striking correlations between informal association and structural factors that include direction of doorways and geographic distance of desks. Long before Google bribed its engineers to stay on campus with a myriad of perks, the field of organizational psychology knew the importance of designing physical facilities to maximize probability of interaction. The discussion on cliques – horizontal, vertical and mixed / random – is also highly informative for managers and aspiring theorists seeking to facilitate informal “communities of practice.”

The final section of *Organizational Psychology* introduces some newer and more complex models that embed the view of organizations as dynamic entities in constant interaction with their environments. Schein is ahead of his time in his understanding that organizations do not exist inside the rarefied vacuum of organizational psychology, that massive change is (or would be) underway in the technology, economy, geopolitics and social values. Here, he is less prescriptive and more abstract, bringing up more questions to be explored than he answers. We can't fault him on this, however, as a good primer should always end with a survey of the land still contested.

Taken as a whole, the main critique of Schein's work is the sheer obviousness of his most cogent conclusions. The importance of social context, contingent strategies of management, self-actualization as a motivator, leadership as a relationship, leadership flexibility, group think, and so on – the instinctive reaction by an experienced manager in a firm of knowledge workers would probably be a shrug. Ask any Chief Talent Officer of a professional services firm and they would call these insights “motherhood and apple pie,” and not in a complimentary tone. We must remember, however, that Schein wrote his book during a period when the United States had not yet completed its transition to a service economy, at a time when manufacturing was still a primary economic engine, and most large corporations were strongly hierarchical. Part of the reason why we consider his conclusions obvious today is their success and deep integration into the way managers think about organizations.

Organizational Psychology does suffer from an (understandable) lack of modern examples. If Schein does update his volume, we would hope that he would spend more time on areas of current relevance, especially those relating to the macro changes in work and the economy driven by technology. For instance, social and informal organizations are given less space. As technology lowers the cost of coordination, formal organizations as defined by Schein as incorporating a “hierarchy of authority and responsibility” will decline in importance relative to self-organized entities such as those embodied in the open-source movement. We would also appreciate more examples from the services sector, knowledge-worker firms, and small-and-medium-sized business, as opposed to large manufacturing corporations. Key areas of focus might be internal labor markets in project-oriented organizations and new models for knowledge-sharing.

At its best, Schein’s volume is important for all the reasons why organizational theory is important – it reminds us that principles must guide action and, in the words of Immanuel Kant, experience without theory is blind. It offers an excellent overview and primer for students entering the field of organizational psychology, and, when supplemented with more current literature, can form the basis of understanding for students and aspiring theorists to think of something new.
