Foreword

Eric Abrahamson

This foreword promises to provide the final statement on the subject of panaceas; a statement that will explain every panacea, as well as every one of panaceas’ facets, generally, specifically and precisely, for any type of social situation, both past and future. Clearly, such a foreword would be a panacea about panaceas. At best, I can relate, in this foreword, the questions I have asked myself over two decades about phenomena like panaceas in organizational techniques. At best, my experience and reflections in this foreword will help frame the rich series of chapters in this book bearing on panaceas in management techniques and maybe, in all forms of techniques and technologies more generally (Abrahamson 2011).

For me, organizational techniques are labels, such as Business Process Re-engineering, that denote prescriptions for transforming organizational inputs into desired organizational outputs (Abrahamson 1991). The chapters in this book are united in their observation that organizational techniques are sometimes broadcast in business media or followed by leaders, managers, employees, or organizational stakeholders, as if they were panaceas. I will call such organizational technique ‘technical panaceas’, or ‘panaceas’ for short.

The term ‘panacea’ is repeatedly defined throughout this book, each definition adding a rich dimension to this polyfaceted phenomenon. It strikes me that organizational techniques are broadcast or followed like panaceas when they make three types of promise, or are believed to fulfill these promises.

First, panaceas promise or are believed to be universally applicable. Both in time, meaning that organizational panaceas’ technical prescriptions have always worked historically and will always work futuristically. And, in space, meaning that organizational panaceas’ technical prescriptions will work everywhere: in every firm, industry, sector and nation, for instance.

Second, panaceas promise to, or are believed to be able to do many things, if not everything. They will simultaneously motivate employees, render organizations flexible, enhance product efficiency, effectiveness and quality, and the list goes on.

Third, panaceas promise that the many things they do, they will
do unfailingly and extremely well. Panaceas succeed, in every respect, completely. They fail nowhere, in no way and at no time.

Organizational technical panaceas, therefore, are organizational techniques that promise to do everything, extremely well, at any time and anywhere. On the flipside, organizational panaceas recognize no limits on where or when they will work, on what they can do, or on how perfectly they will do it.

Who is swept up in a panacea? Not everyone, it seems to me. Though this is a gross simplification, it seems to me that among purveyors of organizational techniques there are always those who try to provide well-reasoned, carefully-articulated description of techniques, their prescriptions, and where and when they should be applied, with what limitations. Then there are those who use the language of panaceas with its claims of universal, ahistorical, multifaceted and infallible utility.

Likewise among those who use techniques, there seem to be those who use them for precise ends using sensible means. Then there are those who endow technical panaceas with quasi-magical qualities.

What do panaceas look like in retrospect? First, panaceas are an extremely rare type of social phenomenon that by naming itself destroys itself. Panaceas die as panaceas when people start calling them panaceas. What does this mean? Over time, the very people or organizations that are swept up in technical panaceas are those who, at a certain point in time, start debunking these techniques by calling them ‘panaceas’. Indeed, it is around the time that those swept up in a panacea start calling it a ‘panacea’ that it is recognized as a panacea and disappears.

Second, in retrospect, panaceas seem literally insane. How could people have possibly believed in them? The claims of panaceas are so grandiose, so absurd, so impossible to realize, that panaceas appear to us as occurring in moments where collectivities have abandoned any sense of reason and logic.

Third, in retrospect, panaceas appear ahistorical. There is no readily apparent precedent to the panacea. Nor does it seem to leave a lasting trace on what follows upon it. There is a feeling that the grip of historical path-dependence, cultural logics, normative social constraints and economic calculation was loosened for a period. What was released, after the fact, appears as standing outside history, as violating common cultural understanding, as having been the product of abnormal behavior, and as making little economic sense. Panaceas, retrospectively, appear as weird blips in collective consciousness. This is only an appearance, however, that can be dispelled by a careful analysis of the conditions building up to the triggering of panaceas.

Why do panaceas happen? In 1991 I drew an analytical distinction
between what I called ‘organizational fads’ and ‘organizational fashions’, and I also pointed to hybrids of both (Abrahamson 1991). I think of panaceas as a type of organizational fad more than as organizational fashions. This statement requires some clarification.

I reserved the term ‘organizational fashion’ for organizational techniques produced and consumed in an institutionalized market wherein purportedly new and improved organizational techniques were produced, sold, bought and used, whether symbolically or technically (Abrahamson 1996). The demand side of the fashion market was populated by organizations, such as for-profit or nonprofit organizations, which used organizational techniques. I treated demand-side organizations as analytically distinct from supply-side organizations. Supply-side organizations, such as consulting firms or Guru Shops, formalized or produced organizational techniques, broadcast them, and sold them to demand-side organizations at a handsome profit.

At times, the market for organizational techniques looked like so-called ‘supply–push markets’: markets wherein suppliers dictate what consumers demand. At other times, this market looked more like so-called ‘demand–pull markets’: markets wherein consumers dictate what suppliers produce. Over time the pushes and pulls of the market made the supply and demand side co-evolve (Abrahamson and Fairchild 2001). As demand guided supply and as supply drove demand, organizational techniques would spread both among organizations supplying them and organizations demanding them. In a quantitative study of the spread of 25 organizational techniques between 1993 and 2004, we found that the number of articles about these techniques correlated with survey measures of their reported use by organizations (Abrahamson and Reuben 2014).

Co-evolution, however, was more than a force causing an organizational technique to spread. It caused an organizational technique to morph. With the benefit of hindsight, an organizational technique was an entity that became hard to trace by its form or its label, but rather was revealed by the historical continuity in its ever-mutating label, prescriptive discourse and the enactment of this discourse.

Certain organizational panaceas are fueled by the co-evolution forces of the market for organizational technique. But there is more to panaceas. Market co-evolution always seems to occur within the institutionalized constraints of the market causing such co-evolution. But panaceas do not feel institutionalized. If anything, they feel like the result of the breakdown of institutions (Abrahamson et al. 2015). There is nothing legal about panaceas, for instance. On the contrary, they can be illegal. Likewise, panaceas are not constrained by norms. On the contrary, they are and appear abnormal. Panaceas are not taken for granted. On the contrary,
they take nothing for granted. There are no limits. A panacea makes everything possible.

I used the term ‘management fad’, as distinct from ‘management fashions’ to denote the spread of organizational techniques outside the constraints of the market for fashionable organizational techniques (Abrahamson 1991). In the case of fads, there were no supply-side organizations influencing or being influenced by demand-side organizations using a technique. There were only demand-side organizations. Or more exactly, as there can only be demand-side organizations in a market if there are supply-side organizations, there were only organizations that used techniques symbolically, pragmatically and maybe, even, psychodynamically.

So fads generally, and panaceas particularly were not driven by institutions. On the contrary, they were the results of the temporary breakdown of institutions. In other words, panaceas were not in the grip of institutions. Panaceas, rather, were an escape from that grip. An escape from everything that was habitual, normal or logical. They had nothing to do with common sense, but reeked rather of uncommon sense.

Why did panaceas emerge then? How could they escape the institutional iron cage? How could they spring forth so apparently unfettered? And, why, after they did, did they die out? Why, after cracking the thin veneer of tradition, custom and institutionalization did they vanish, and how was this social veneer used to seal society back into a sense of normalcy?

For panaceas to escape the iron cage of institutionalization, something had to weaken and rend this cage? What? Clearly something was at work gnawing at and weakening the cage’s bars; weakening them to such a point that something as strange as a panacea could burst out and sweep entire collectivities.

I witnessed panaceas in the United States of America (US) in the early 1990s. The strain in US business circles was palpable. The US had emerged from the Second World War not only as the military victor, but as the economic victor. More than half of the world’s economic output was produced in the US and much of the rest was under its influence. Or so it seemed. Because in this period, it became apparent that US business firms were being outdone in market after market: electronics, machine tools, shipping and so on. And who was outdoing the US? Well, once defeated military powers like Japan and Germany were. The sense of the normal was gone and articles were heralding the decline of the US and the beginning of the Japanese century.

What I was witnessing, it seemed at the time, was a kind of social strain on the institutional iron cage; a strain that built to such a point that it
was ripping apart institutional constraints. This was the heyday of the panacea.

The panacea to outdo all panaceas was the so-called ‘Quality Circle’. A management technique that involved giving basic training to employees in principles of quality control, letting them meet outside managerial supervision, and watching them solve easily every possible type of problem plaguing US industry. Quality Circles would work everywhere in the US. Quality Circles would do everything in the US. Quality Circles would work flawlessly in the US; in every situation and in every respect.

How could we possibly believe in such a panacea? The logic was simple and simplistic. The logic went as follows. Japanese companies are becoming dominant. Japanese companies use Quality Circles. Therefore, if US companies use Quality Circles, then US companies will re-establish their dominance. Anyone even vaguely familiar with formal logic, let alone common sense, sees the flaws in this reasoning. But in a world that had been strained to a breaking point by foreign competition, somehow this illogic appeared logical. Quality Circles spread like wildfire across US firms. And, when the Quality Circle panacea began to be called a panacea and to disappear, an even bigger panacea was offered up: Total Quality Management. Indeed, the quality management offered by Quality Circles was only PARTIAL. Now, quality management was going to be TOTAL. Nothing would escape its reach. I remember one leader telling me excitedly and in all seriousness ‘Total Quality Management is everything’. I remember thinking ‘If it is everything then it must be nothing’. In a world where everything was blue, the philosopher Edmund Husserl once said, there would be no blue. Clearly, the manager who had come to treat Total Quality Management as a panacea was witnessing something that by existing everywhere, existed nowhere.

Social theories can be thought of as going in and out of fashion (Abrahamson 2009). It seemed to me, at the time, that panaceas in organizational techniques were best explained by an argument, in social theory, which has fallen somewhat out of fashion. A line of theorizing that had usually been invoked to explain the collective behavior of crowds when they stampede, riot, become swept up in fads, genocides, hysterical epidemics, or a financial mania. An argument that suggests that when strain in a social system loosens the grip of customs or institutions on normal behavior, small events can trigger highly emotionally charged, self-amplifying, crowd behavior animated by wish-fulfilling beliefs, like those found in panaceas (Abrahamson and Rosenkopf 1993, 1997; Abrahamson and Fairchild 1999; Abrahamson and Eisenman 2008). An argument that suggests, therefore, that phenomena, like technical panaceas, are profoundly socio-psychological in nature.
When I use the term ‘socio-psychological’ here, it does not refer to the social-Psychology (capital P) that is often found in the study of individuals or small groups. I refer rather to the Social-psychology (capital s) more often found in the study of large groups or even entire collectives. European social science is fond of taking ‘turns’ and it is my impression that, in a number of chapters in this book, it has begun to take a ‘Socio-psychological turn’. A turn towards a point where the power of collective emotions and the beliefs attached to them is becoming palpable.

Panaceas end. Social constraints re-impose themselves. Emotions dissipate. People think more logically and critically with cooler heads. This had become so clear to me that, in a paper with Gregory Fairchild, we counted the number of positive and negative words, as well as of emotion and reasoning words, in articles broadcasting a technical panacea (Abrahamson and Fairchild 1999). Initially the discourse of panaceas was almost completely positive as opposed to negative. The discourse of panaceas was also largely emotional as opposed to reasoned. The panacea spread like wildfire across organizations. This was until the panacea started being called a panacea. Then the number of negative words in discourse about the panacea spiked and the number of positive words collapsed. The same was true in the case of emotion words; as the panacea reached its apogee and began to decline in popularity, the number of such emotion words declined drastically by comparison to the number of reasoning words. Finally, everything leveled off. Discourse was both positive and negative as well as both emotional and reasoned. Cooler voices had begun to prevail.

Are panaceas a waste? The question is non-obvious and the answer under-researched. It is possible that panaceas are episodes of collective insanity leading in most instances to massive collective waste. We should remain open to this claim, and organizational scholars should always provide a perspective from which harmful panaceas can be debunked (Abrahamson and Eisenman 2001). In a co-authored article in 2008, however, I illustrated how a series of fads and fashions could cumulate in fashion trends (Abrahamson and Eisenman 2008). Trends causing gradual, yet major shifts, in how people think, communicate, feel and act. Cole (1999) provided an exhaustive account of how Quality Circles, Total Quality Management and the other quality panaceas that followed them, cumulated to bring the quality of US outputs to the level of world standards of quality. Maybe waves of insanity are sometimes at the root of new rationalities?

Eric Abrahamson
Hughie E. Mills Professor of Business at Columbia Business School
REFERENCES