Mismanagement, “Jumpers,” and Morality
Covertly Concealed Managerial Ignorance and Immoral Careerism in Industrial Organizations
By Reuven Shapira, Ph.D.

Synopsis
Managers’ jeopardizing authority by ignorance-exposing vulnerable involvement in practitioners’ deliberations is a high-moral trust-creating practice which also enables change by learning job-essential local tacit know-how. Outsider ‘jumper’ executives suffer larger gaps of local know-how than insiders; these gaps encourage covertly concealing managerial ignorance (hereafter: CCMI) which leaves executives job-incompetent and they often practice immoral careerism (Im-C), using subterfuges which engender distrust and conservatism-prone local cultures that fail change efforts.

A longitudinal semi-native ethnography of five inter-kibbutz automatic cotton gin plants and their parent co-operatives made by managerially experienced and educated anthropologist untangled these processes. Some 75% of ‘jumper’ executives studied combined CCMI and Im-C and failed change leaders, practicing CCMI by either detachment from practitioners’ deliberations or by seductive-coercive autocracy, generating vicious distrust and ignorance cycles and remaining incompetent. Their Im-C subterfuges generated distrust, secrecy and concealed/camouflaged mistakes and failures which failed change and innovation efforts. They survived in jobs and furthered managerial careers by ‘riding’ on successes of vulnerably-involved employees-trusted mid-levels none of which was rewarded by promotion to executive jobs. Only a few high-moral vulnerably-involved ignorance-exposing and trust-creating ‘jumper’ executives learned practitioners’ know-how, enhanced changes and innovations that led their plants to excel. The findings suggest that ‘jumper’ executives’ tendency to combine CCMI and Im-C threaten knowledge-based organisations’ capability to change and innovate.

Recommendation
“Management is taught as a discipline, which can be applied in any organization, including those in which the employees are highly skilled and highly trained. In this context the ‘in-experienced’ manager’s tendency is to conceal his ignorance or to assume she has all the answers. This ethnography illustrates this all too frequent behavior but also shows how this difficult situation can be managed with ethics and aplomb. While the context of this study is a kibbutz in Israel, the situation applies around the world in many different types of organization, from universities, to information technology, to health care and professional service firms like lawyers and accountants. This book is a must read for any human resources manager filling such a position or any manager taking up such a role and perhaps even more importantly, for any professional managed by someone without your professional expertise.”

—Roxanne Zolin, Queensland University of Technology, Australia
Foreword by Davydd J. Greenwood
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Foreword

Mismanagement, “Jumpers,” and Morality by Dr. Reuven Shapira makes for extraordinarily rewarding reading. This book gets at the root causes behind the immorality and incompetence of corporate executives, traits now exposed regularly in financial crises, bankruptcies, fraud investigations, and books on the evils of “casino capitalism.” This rich anthropological study is relevant to scholars and organizational actors in management, leadership, organizational studies.

Generalization and case studies:

In an era of “big data” and quantitative social science dominance, readers may be tempted to wonder how can they learn anything from long-term studies of the management practices in a few Israeli kibbutz-owned cotton gin plants. After all, these unique organizations, based on putative democratic/ethical principles developed in an unusual and young country, represent only a tiny fraction of the industrial organizations of the world. Though the book contains wonderfully vivid, extremely long-term ethnographic case studies of inter-kibbutz cotton gins, the question remains why readers should care about inter-kibbutz organizations management if they are not interested in Israel. I experienced an analogous phenomenon when studying the Mondragón industrial cooperatives in Spain. These organizations and the general lessons to be learned from them are largely and incorrectly dismissed as irrelevant to the rest of the world. They are treated as exceptions and therefore the challenges and the support they offer for various analytical frameworks are dismissed.

In fact, the very exceptionality of such cases often tells us much more about social phenomena than studies of “typical” organizations. It is a rule of science that what happens in the world must be possible. Thus kibbutz, cooperatives, and other less common organizational forms tell us much about the boundaries of the possible in organizations. They often teach us great lessons about possibilities forgone in more conventional organizations. But they can also
teach us much about processes found within them that are also found in more conventional organizations but may be seen in sharper relief in these less common venues.

This is the case in Shapira’s book. The disastrous ignorance and immoral behavior of fly-in managers who are “parachuted” in by various means (patronage among powerful people, executive headhunters, and various kinds of boards of governors and trustees) has rarely been more effectively and descriptively portrayed than in Shapira’s study. Based on long-term ethnographic research and on being a member of the kibutz, which is one of the owners of the organizations he analyzes, this study documents in remarkable detail the negative impacts of importing managers and placing them at the pinnacle of a hierarchical work organization.

Logic alone would counsel against such practices because the best practices in industrial organization are based on matrix organization, flattened hierarchies, team-based organization, and the collaborative posing and resolution of organizational problems. Creating authoritarian, hierarchical organizations with Tayloristic structures reporting only to the organizational apex is a recipe for organizational failure. The hierarchy itself encourages isolation of the manager, even well-intentioned ones, from the value creation process in the organization and means that she/he will have little real-time knowledge of the context in which management decisions will have to operate. That is bad enough, but when the now popular practice of hiring in managers from outside the organization is put into such a structure, a perfect storm is created. Not only does the hierarchy isolate the leader from knowing anything meaningful about the organization but the outsider does not in fact know nearly anything relevant about the organization, its technologies, its processes, etc. Faced with changes, turbulence, and needed decisions, many such managers conceal their ignorance by detachment and/or imposing their authority and blaming others in the organizations when their plans fail. This is a recipe for predictable disaster. We have seen these processes at work in the financial firms, banks, political systems, and publically held corporations whose bosses made their only goal increasing the profits to the external shareholders and cost us all a world economic crisis. This mode of organization and concealment has undermined or demolished many organizations in the private and public sectors including manufacturing and service companies and educational institutions.

So what Shapira portrays in the inter-kibbutz cooperative environment is a vivid close-up view of why these management practices are a disaster. The book shows very clearly that it is precisely such a set of practices make it impossible for organizations operating in a turbulent, competitive environment to be learning organizations. When the boss knows next to nothing and has to cover it up, the organization cannot adapt in any meaningful way. And the rest of the stakeholders are aware of it and often disgruntled and even hostile, making for an unproductive and morally repugnant work environment.

This seemingly localized set of stories actually link directly to the leading-edge literatures in socio-technical systems design, lean production, and team-based management. Shapira’s work bridges into the significant community of industrial democracy researchers starting with Trist, Herbst, Emery, and Thorsrud and continues the work of many Scandinavian work researchers, for collaborative, team-based organization is the only viable and sustainable form of industrial work organization.

In the end, Shapira’s cases show that it is not merely the lack of ethics of these fly-in managers that is the core problem. Rather, their behavior and positioning prevents their organization from learning and making good decisions. Hiring practices that bring in such people and place them at the apex of a hierarchical work organization are also to blame, as are those who implement such hiring systems.

Moral commitment in social research as an analytical strength:

Finally, Shapira’s book arises out of his frustrated commitments to open, competent organizational structures run on a solidary basis. Moral commitment in research is generally
punished by armchair positivist social science as being “biased” and therefore not “objective.” This red herring is an excuse for the moral nihilism of much social science, nihilism that is every bit as destructive as immoral mismanagement of companies. It is precisely Shapira’s commitment to good, competent, and sustainable organizational systems and behavior that fueled this work and that brought the destructive effects of “fly-in” management to the fore. In this case, righteous anger and powerful ethnography coalesce to bring home the central analytical lessons in a way that cannot be ignored.

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