
BOOK REVIEW RETROSPECTIVE

Reviews of Richard C. Cornuelle's

De-Managing America: The Final Revolution

New York: Random House, 1975

Richard C. Cornuelle

De-Managing America: The Final Revolution

Reviewed by David G. Santry

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Can the World Work Without Authority?

Management literature typically deals with hierarchical structures, procedural problems, leadership techniques, and systems of organization. It tends to be fuzzy and pseudo-scientific and far too often is written in turgid prose, heavily laden with jargon. By and large, it is impenetrable. Richard Cornuelle's *De-Managing America*, however, is refreshingly different. It is the personal manifesto of an establishment apostate who five years ago quit as executive vice-president of the National Association of Manufacturers and has been thinking about how America runs ever since. The book takes a broad look at management in America's organizations, makes a number of interesting evaluations, and offers some provocative ideas for businessmen, bureaucrats, and politicians alike.

As the title suggests, Cornuelle is concerned with demanagement, with simplifying things. His thesis is that our institutions—government bureaucracies, business corporations, and private foundations—really run themselves. The “invisible hand” that guides them, Cornuelle says, is the ingenuity and initiative of the people who work in the institutions. Conscious or authoritarian management that prescribes specific procedures for achieving goals, Cornuelle contends, only interferes with the workings of the mystic mechanism, and stifles creativity and motivation. He concludes that organizations would run more efficiently with less management and attain greater productivity by setting forth the results to be achieved and not the procedures to be followed. Correspondingly,

he believes with Thomas Jefferson that the country would work better with less government. Indeed, he would diminish government to a standby role. Private enterprise would have an opportunity to tackle problems first, and only if it failed would the government become involved.

Cornuelle, moreover, has an intriguing way of looking at the country. He sees two Americas—one is “Front-office America” that comprises all the entities that presume to manage the country and its organizations. The other is unmanaged America—the people who do the work and actually make things run. The front office believes the myth—spun by management theorists and honored by the establishment—that unmanaged America is tractable, and can be controlled by authoritarian methods. Quite the contrary is true, according to Cornuelle.

Unmanaged America, he says, works in spite of management. It has its own metabolism. “People are self-propelling,” Cornuelle writes. “They somehow arrange themselves so that the necessary work of society is done, as if, as Adam Smith would say, they were guided by invisible hands. But because we don’t know how the invisible processes work, we have no solid confidence in them and instead cling desperately to the discredited conviction that management makes the world go round.”

His argument goes like this: Management fails because it is authoritarian, and authority simply doesn’t work anymore. For one thing, authority is built on subordination, and “Americans everywhere are becoming insubordinate, unmanageable,” he says. He cites as an example the millions of women who are rejecting marriage because they will no longer accept male domination. And as a measure of this trend he offers some startling statistics from a company that searches for runaways. In 1963 the company was asked to trace one runaway wife for every 300 husbands; by 1974 the ration was one wife for every two husbands. Other signs that authority is eroding abound. Catholic women overwhelmingly ignore the Pope’s pronouncements on birth control. Parents fight for the decentralization of educational systems, and insist on having something to say about who runs the schools. We lost the war in Vietnam, Cornuelle says, “not because the best and the brightest suddenly saw the light, but because most of our soldiers wouldn’t fight it. National policy was effectively made by buck privates in the jungle.”

Cornuelle scoffs at the scientific management credo that holds that people like to be used efficiently on assembly lines. “People won’t be used at all,” he says. And Cornuelle believes that the rapidly changing world defies the best efforts of authoritarian organizations to cope with change. “They cannot digest diversity, and our society is becoming incomprehensibly diverse.”

To be sure, as a veteran of the National Association of Manufacturers, Cornuelle comes well by his *laissez-faire* sympathies. Unfortunately he may be generalizing too much. Some organizations—the military, for example—need a lot of direct supervision, and are not amenable to de-management. And at the risk of sounding like a member of the front-office establishment, I don't think everyone is willing to assume the responsibility that goes along with working in a de-managed organization. There are millions of people who probably could do something more creative who, instead, happily opt for the job security and pension rights of a government port despite the deadening procedures that accompany it. And, undeniably, there are people who are incapable of functioning without rigid procedures to follow. Without rules and office manuals they are lost.

Nevertheless, de-management works in some instances. General Foods has de-managed its Gaines dog-food plant in Topeka, Kansas. There the work force is broken down in teams of 10, each of which has a leader. The leaders specify the results, and the teams decide how to achieve them. There are none of the trappings of authority, such as assigned parking spaces and time clocks. Absenteeism and turnover at the Topeka plant are low, and productivity is a third higher than at comparable but managed plants. Similarly, IBM has de-managed a typewriter plant in Amsterdam and increased production by 46% in two years. General Electric, Texas Instruments, and Polaroid are also experimenting with de-management. But in total there are still only about 3,000 persons now working in de-managed organizations.

Cornuelle, nevertheless, believes that a “final revolution” is coming, at least metaphorically, and here he begins to sound a bit like a 48-year-old flower child: “This revolution is real, and it has enormous permanent power....It aims not for the substitution of one authority for another, but for the final transformation of authority. It is moving on many different fronts. Its weapons are self-discovery and self-expression. Management can survive only if people submit to it. And more and more people, as they develop a sharper sense of their full human potential, are saying one way or another that they will not take their place in line anymore.”

I have a strong suspicion that, for the time being at least, the so-called revolution may have been left high and dry somewhere because of the current recession. For when unemployment rises and people are faced with the possible loss of their jobs, lofty concerns like self-discovery and self-expression give way to baser drives, like economic self-preservation. At the same time, when corporate profits fall off, front-office management often reacts by becoming more—not less—

authoritarian, and by centralizing operations in an attempt to cut costs.

In any case, Cornuelle has written a book that is well worth reading, even if only to disagree with him. And happily, he has written it tersely and lucidly—something rare indeed in management writing.

At the time of this review, David Santry was a Business Week contributing editor, frequently reporting on management theory and technique.



Richard C. Cornuelle

De-Managing America: The Final Revolution

Reviewed by John Chamberlain

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Power to the Stopkowskis!

Not so many years ago Richard Cornuelle wrote a paean to voluntarism, *Reclaiming the American Dream*. The book was visionary but it was also practical. Going back to Alexis de Tocqueville for his inspiration, Cornuelle sought to revive a day when Americans solved their problems by free association. Barn raisings might be anachronistic, but Cornuelle persuaded a number of banks to underwrite a program for long-term student loans that did not involve any guarantee from taxpayers. This prototype operation was rolling along, but Lyndon Johnson had a somewhat different dream than one that had animated Tocqueville. Instead of a spate of voluntarism, we got the Great Society. It became the nightmare of HEW [Dept. of Health, Education, and Welfare] in short order.

For a time Cornuelle thought he could fight back by making a direct appeal to big business. He took a job as a vice president of the National Association of Manufacturers [NAM], thinking he would have carte blanche to work up voluntaristic schemes which would be put forward with NAM sanction. Alas, he discovered that attempts at “social engineering” from the “front office” led nowhere. The “front office” he says, knew “damn little about how America really works...we were unconsciously borrowing methods that are appropriate to building bridges and baking biscuits but which have no useful application to human enterprise.”

One day, in a fit of blind frustration, Cornuelle simply walked out of his oversized office at NAM and disappeared. He did not know what he was going to

do. He moved out of the high-rent district and started using buses and subways. He saw individuals as he had never seen them before. He saw that young people were learning a lot in spite of the fact that front-office educational plans never worked. He discovered that Americans were living longer and healthier lives in spite of the fact that our “health delivery system” was reportedly in a financial crisis. He found some businesses that prospered by letting workers alone. His sudden realization that millions of people were getting along in spite of elaborate government and business organization and “administration” sent him scurrying for pencil and paper. The result is a refreshing and—sometimes infuriating—little book called *De-Managing America*, which is a blast against the social engineer mentality whether it expresses itself in government or in labor unions or in business organizations.

What impressed Cornuelle was the diversity which still exists in America despite the compulsion to give everybody a number that enables the government to treat individuals as pushpins, retiring them on a Social Security pittance from a “fund” that consists of a lot of unbacked IOUs. There are five million business enterprises in America, ranging from those of bootblacks and pushcart peddlers to AT&T. There is a man in Florida, says Cornuelle, who makes a living making microscope guides out of the webs of black widow spiders. Some people make tote boards; others do dance notation for a foundation that serves modern dance. Thousands of people live in the interstices of the political and industrial systems, getting along somehow and enjoying life with whatever the government allows them to keep after it has paid \$44,000 or so each to worthless congressmen who keep our inflation going in spite of all the warnings from the Britain we seem fated to imitate.

I happen to be writing this review sitting in front of a fireplace built by a Polish family—two brothers and their five sons—named Stopkowski. They worked weekends to finish the job and didn’t charge overtime. They belong to no union. When they finish a job they all knock off and have an uproarious time for a week. They are just as much a part of America as George Meany or the head of HEW. Dick Cornuelle is right when he says that de-managed people—such as the Stopkowskis—are our hope for a sane future.

Alas, Cornuelle can give us no assurance that the political arm, financed by the inflation that our general ignorance of economics permits to proceed without any visible terminal point, won’t end by killing the social power we must have if we are to continue to pay the Stopkowskis among us. True enough, our front-office managers in Washington and in big private enterprise can’t manage. But they sure

can stop the works. What we want next from Cornuelle is a book telling us how we are going to climb out from under the wreckage without submitting to that ultimate manager, the dictator, who will Finlandize us while letting Marxist managers make a poorhouse of the rest of the world.



Richard C. Cornuelle

De-Managing America: The Final Revolution

Reviewed by Felician F. Foltman

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American Business as the Land of Oz

Richard Cornuelle, a self-professed ex-card-carrying member of the establishment has put together a short and provocative essay on what's wrong with America. (He was an executive vice president of the National Association of Manufacturers from 1966 to 1969 and prior to that an official of a foundation, but in 1969 he "retired" to reflect on, to analyze, and to interpret his perceptions of the American scene.) His thesis is simple—manage less for better results and higher productivity. De-managing or debureaucratizing is necessary, he claims, because existing institutions not only fail to deliver the goods and services but also stifle the inherent creative capabilities of the people in the bargain. So down with authority, down with remedies proposed by bumbling social scientists or other social engineers, and up with the revolution which is you and I refusing to submit to authority by practicing a form of personal civil disobedience.

The book is hard to classify in that it does not fit too neatly into established categories. It is not a political tract à la the classical work of Thomas Paine, nor is it truly revolutionary in the manner of Ivan Illich's *Deschooling Society*. It is rather a personal testament of an apostate who has found a new religion and is eager to share his enlightenment. Indeed, the book reads like an extended sermon interlarded with short stories, illustrations, vignettes, and occasional leaps of logic that only true believers will accept. The book is related also to a genre which has all but disappeared in the last turbulent decade, an exhortation to update the Protestant Ethic, a call to encourage human creativity by not over managing but by permitting personal autonomy. Not just boosterism but self-actualization for high productivity.

For a slim volume of 147 pages there is almost excessive organization with six parts and 15 chapters. Beginning with the author's social rebirth in 1969 and

his discovery that there *is* another America besides the accoutrements of the executive suite or the conference table, the author then recites the litany of managerial failures. Housing programs don't produce housing; our social security is going down the drain; we are running out of fuel; the trains don't run on time; in sum, a mess. Why, because people will no longer submit to authority. When things do work, as in something called the "other America," they do because managers are smart enough not to interfere with resourceful workers. The ineffectiveness of current managerial assumptions and the need for a de-managing solution are further embroidered throughout the remainder of the volume.

The closest the author comes to delineating a solution for our managerially caused ills is "internalizing the invisible hand," that is, getting people to do the necessary or the right thing even when they are not told what to do. To illustrate the concept he uses the New York City taxi system, particularly the taximeter. Managing what appears to be a hopelessly complicated system involving thousands of taxis operating in thousands of locations, locating unknown fares is really quite simple. Drivers are sent out with instructions to come back with \$60 or more on their taximeters. And it works, he claims, because drivers use their own ingenuity to produce the desired results. Similarly, the author favors managing by objectives and the experiments with worker self-management (for example, Gaines Dog Food) because these schemes emphasize results—not particular human behavior.

Those who are looking for a scholarly or scientific approach to our social performance will be disappointed. But even these readers will find nuggets of information and challenging ideas. His "expose" of the National Association of Manufacturers as a paper tiger is almost worth the price of admission. Similarly, I found delightful his characterizations of American business as something akin to the Land of Oz where the wizard appeared to run things but really didn't. While I cannot subscribe completely to the de-managing thesis, I do agree that many of our institutions could be made to work more effectively and more efficiently. We should spend more time clarifying what it is we really want from our public and private institutions rather than proliferating tons of fine print specifying what people should do. If that be the final revolution, let us unite and get on with it.

At the time of this review, Felician F. Foltman was Professor of Industrial and Labor Relations at Cornell University.