

Interview with Jerry Davis -- 2017 OMT Distinguished Scholar

Written by Derek Harmon

Wednesday, 22 November 2017 15:04 - Last Updated Wednesday, 22 November 2017 16:21

DESIGNING DEMOCRACY:

A CONVERSATION WITH JERRY DAVIS, OMT's 2017 DISTINGUISHED SCHOLAR

Interview conducted by Derek Harmon

[Jerry's slidedeck can be found [here](#) , and a FB live stream can be found [here](#)]

DEREK: Congratulations on being named the 2017 OMT Distinguished Scholar. What does this award mean to you?

JERRY: It's a great award for me because OMT has always been my intellectual home. I've been a member of the Academy of Management for 30 years now, and I've always identified with OMT from my very first meeting in 1987 in New Orleans, Louisiana. You look at the list of people who have received the OMT Distinguished Scholar and it includes everybody that I would want to be. Dick Scott, Mayer Zald, Jim March, Joann Martin, Jane Dutton, Jeff Pfeffer, Woody Powell, Bob Kahn, and the list goes on. It's just this amazing group of scholars. OMT really is a distinctive intellectual community. It is religiously interdisciplinary. Anthropologists feel at home, as do economists, sociologists, and psychologists. It is the intersection where all of the strings of our thinking about organization connect.

DEREK: This award is given to individuals whose contributions are central to the development

of organizational studies. Looking back on your career thus far, how would you characterize your own impact on this field?

JERRY: If I think about the work that I spent most of my time on, it would be unpacking 'financialization.' That wasn't a word that anybody used when I started doing this. But back in the late 80s and early 90s, when I was writing my dissertation and starting off in the field, I was writing about the impact of financial markets and the institutions around them on the corporation, and how these were changing. It was a really fortuitous time to be studying this topic because during the 1980s, 1 in 3 Fortune 500 companies got acquired. This often involved hostile takeovers, where outsiders would buy a company's shares without the endorsement of management and then split the company up into bits. The takeover wave radically restructured what the corporate world looked like in the US, but it didn't look like birth and death. It didn't look like transaction costs. It didn't really look like resource dependence. It was kind of a puzzle.

Our field had largely overlooked the impact of financial markets and finance on the way organizations operated. It was just not part of the conversation in the field of organization studies. When I was doing my job talks in the 1990s, I had to do a 10 to 15 minute tutorial on agency theory and shareholder voting and what a hostile takeover was. This was not widely understood or acknowledged in the field, and so it took a little bit of background for people to even know why the stuff that I was studying might have been important.

There were a handful of us, and I think I was one of the earlier participants in this, that were thinking about finance and financial markets and what all of that meant for the way organizations operated. Now, it seems super obvious, but it was not at the time.

DEREK: How did you come across this perspective if it wasn't obvious?

JERRY: Jeff Pfeffer was my advisor and he is smarter than everybody else. He was then and he still is now. We were looking for a project to do and he said, "I think that the reason why there are so many hostile takeovers is because outsiders see that companies have well-funded pension plans and well-paid senior employees and they think a hostile takeover will allow them to show up, fire all those folks, abrogate the pension agreements, and grab the goodies." I thought that's an interesting theory, so what would it take to study that and see if Jeff is right? And it turned out that what it took was learning a lot about finance, accounting, law, and economics to even be able to start to answer this question. Organization theorists weren't thinking a lot about hostile takeovers, but in finance, that was half the field in the 1980s. You

Interview with Jerry Davis -- 2017 OMT Distinguished Scholar

Written by Derek Harmon

Wednesday, 22 November 2017 15:04 - Last Updated Wednesday, 22 November 2017 16:21

could not pick up a copy of the Journal of Financial Economics without reading about tender offers, buybacks, poison pills, and boards of directors. They were all over this topic, but in a way that was not very socialized. So Jeff had the initial impetus to study takeovers and I had to learn a whole to be able to understand them.

DEREK: Is this the way you've always thought about research?

JERRY: I think so. In my Distinguished Speaker talk in August, I said that my core research question over the years has always been the same thing: What the hell just happened? It is funny, but it is also true. The world keeps throwing anomalous events at us that need to be understood. "What the hell just happened" is actually a pretty compelling research question.

DEREK: What advice would you give to young scholars, like students and young faculty members, when they are thinking about developing their careers? Were you cognizant of the tectonic plate-level thinking that you've just described? Or did you just happen upon a change in tectonic plates?

JERRY: More the latter. It wasn't that I was thinking about the organization of society exactly. I was looking for a tractable project that I could do and gather data, run regressions, and write up papers for ASQ. It turns out that the projects I picked were lucky choices because they pried open some bigger topics. I didn't go in thinking, "Oh, I bet poison pills spread through a contagion process among boards, and studying that will put corporate governance in a broader social context." That was not at all what I had mind going in. It turned out to be true, and that ended up having bigger implications. I would say I'm not a great role model for careers because you get famous for coming up with really cool buzzwords, but I have always tried to lead with well-grounded findings about the world. There tend to be greater rewards in our field for clever theory and memorable phrasings than findings per se. For better or worse. I would say probably worse because I don't know if you want to provide yet more incentives for people to come up with clever phrases and new theories when what we really need is better information about emerging empirical regularities in the world today.

DEREK: What sorts of topics are you thinking about today?

JERRY: The title of my OMT Distinguished Scholar talk was "Designing Democracy," which was

Interview with Jerry Davis -- 2017 OMT Distinguished Scholar

Written by Derek Harmon

Wednesday, 22 November 2017 15:04 - Last Updated Wednesday, 22 November 2017 16:21

not meant to be pretentious. It was actually meant to be a prescription for what we should be doing because we have been given this set of tools that can allow us to have an incredible impact on the world. We could be creating organizations that are democratic and fulfilling and allow people to have control over their lives. But we're not using them that way. The people who are designing these tools and implementing them tend to dwell in Silicon Valley and they come up with products that appeal to 25 year old white guys driving Teslas. No offense, but on-street valet parking, disappearing pictures of your junk, more convenient hook-ups? Why are these the things that we're using these incredible tools to make? I mean, if you gave Michelangelo a chisel, a hammer, and slab of marble and he used them to make a giant sculpture inspired by Anthony Weiner, I'm not sure that's a great use of his talents and materials.

But that is what we're doing. It's insane. The array of tech businesses that we're creating now are often either pandering to people's boredom and lower impulses or providing ways for corporations to ever more intrusively infiltrate our lives, track our movements, and sell us useless and dangerous products. That doesn't feel like the best use of the tools that we've got.

You'll notice that the opening slide of my presentation had this picture of "The Porch of the Maidens" at the Acropolis in Athens. I decided it might be the most beautiful building ever created. Each of the pillars is different. It's this beautiful sculpture, but it's also functional in that it holds the roof up. Imagine if ancient Greeks showed up today and said, "Wait a minute. You've been given tools such that less than 10% of the population can grow all of the food and make all of the physical goods that you need to survive. You've been given tools so that all of the world's knowledge is available to you on a tiny supercomputer that you carry with you everywhere and it can answer any question, translate almost any language, connect you with anyone else in the world. And you're using it for Tinder and Snapchat?" "WTF," as Plato might have said.

My point is that I think OMT is uniquely positioned to use these tools to design a better future if we chose to do so. The field doesn't necessarily provide incentives for creating a better future. What we're really good at is analyzing why things fell apart in the past. We write exposés about decoupling and hypocrisy and why everything went to hell. We could be using those same tools and those same talents to ask, How do we create an alternative future? And we need it now.

DEREK: How should we be thinking about this then?

JERRY: We don't know much about peer-based mutualism as a way of getting things done. We

Interview with Jerry Davis -- 2017 OMT Distinguished Scholar

Written by Derek Harmon

Wednesday, 22 November 2017 15:04 - Last Updated Wednesday, 22 November 2017 16:21

don't have much work on spontaneous social movements or situations where group of people find ways to work together collaboratively, but not through a formal organization. As I asked in my talk, how the hell did the Women's March happen? One Facebook post the day after the election saying, "We women should march on Washington the day after the inauguration," and 500,000 people showed up. That was an astonishing event. What organizational factors enabled it? How can we build on this social capacity?

I also talked during my presentation about Pokemon Go, which was brief but insane. In Central Park and other places, you would see diverse groups of dozens of people in public spaces all playing games together through their phone. How do we make sense of that kind of spontaneous collaboration? How could we use those tools to generate new kinds of organizations? I mean now it will be used for advertising, to track peoples' movements, to sell people junk. But Pokemon Go feels like proof of concept that new organization designs are possible in a way that we hadn't thought of before.

So when Weber was writing about bureaucracy, it's not like the world was nothing but bureaucracies. There were a few of them. He knew about the Prussian military and some government organizations. After he wrote about these things, they spread everywhere. What would that look like for us? What if we wanted to document experiments and organization designs that were more democratic and less dominated by shareholder value?

DEREK: It sounds like your advisor, Jeff Pfeffer, substantially shaped your thinking about the world. How have your students over the years shaped your thinking ?

JERRY: I'm really fortunate that I've had great students who are super-smart and talented and self-sufficient. Because of my irresponsibility and incapacity to set deadlines or give guidance, they have to be self-propelled to push their own ideas. So, in some sense, I feel like Fagin in Oliver Twist with a bunch street urchins who go off into the world and pick the pockets of knowledge and bring it back. They help keep me informed about what's interesting and what's going in the world. I love that.

DEREK: This was a wonderful conversation. Thank you so much for your time and, again, congratulations.

Interview with Jerry Davis -- 2017 OMT Distinguished Scholar

Written by Derek Harmon

Wednesday, 22 November 2017 15:04 - Last Updated Wednesday, 22 November 2017 16:21

JERRY: Cool, my pleasure. That was good fun.