Those Who Can't . . .

The Harvard Business School is the high church of American-style business management. Reporter Alison Leigh Cowan's account in the *New York Times* (Sept. 26, 1991) of the latest events at the school's strife-ridden *Harvard Business Review* makes one wonder if that helps explain the woes of American business.

Few people could have seemed better suited to the task of gunning the motor of the scholarly journal and popular business magazine than the Review's *new editor, Rosabeth Moss Kanter, the Harvard Business School professor who is a nationally prominent management consultant and an expert on organizational behavior. So far, though, things seem to have become worse . . . .*

In recent months, tempers at the 69-year-old Review *have been running so high that two associate editors have quit in disgust. Hurt by staff shortages and internal political distractions, the bimonthly magazine has been coming out late . . . . Professor Kanter has proved so unpopular a boss that her two top subordinates . . . led an unsuccessful insurrection in April . . . .*

Exasperated by what they considered her self-centered management style and unrealistic goals for the magazine, they also said they wanted her office moved off the premises of the Review's *headquarters in Boston, leaving them in charge.*

After spending much of the summer at her vacation home on Martha's Vineyard, where acquaintances said she was reviewing her options, Professor Kanter returned to the Review *this fall. The situation, however, remains volatile . . . .*

The [most] common view is that Professor Kanter is simply a difficult person who, for all her technical brilliance, still has a lot to learn about managing people . . . .

A star on the lecture circuit who earns up to $26,400 a day for appearances and a bestselling author, Ms. Kanter is one of the school's biggest draws with corporate chieftains . . . .

[S]he first came to Boston in the late 1960s, as a young sociologist studying communes and utopian societies at Brandeis University . . . .

Edison's Other Genius

"Thomas Edison and the Theory and Practice of Innovation" by Andre Millard, in *Business and Economic History* (Fall 1991), Dept. of Economics, College of William and Mary, Williamsburg, Va. 23185.

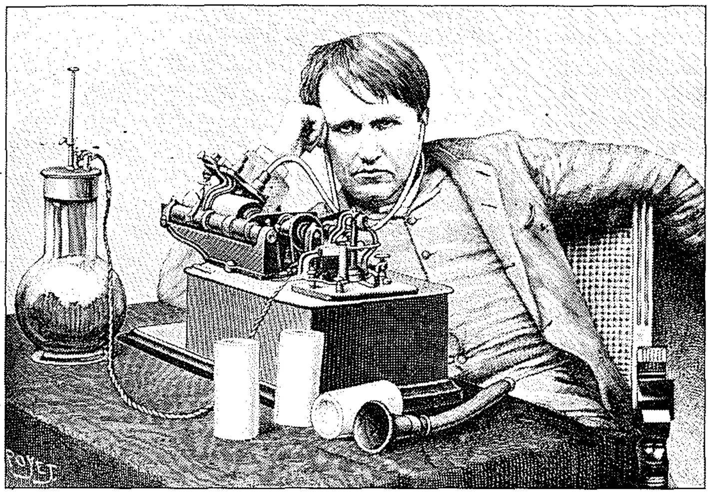
"Well, it's all gone, but we had a hell of a good time spending it!" Thomas Edison (1847–1931) exclaimed after losing his light bulb fortune in 1900 on a disastrous plan to mine iron magnetically. Henry Ford called his friend the world's greatest inventor and worst businessman, a reputation that has stuck unfairly, in the view of Millard, a professor at the University of Alabama, Birmingham. Edison, he says, pioneered many management techniques that are still in use today.

The inventor soon bounced back from his iron mining flop and rebuilt his empire around two new creations, phonographs and movie cameras. Unlike other inventors, Edison was not content merely to patent his ideas and then sit back and watch the money roll in. From the beginning, he saw that the future lay in organized research and manufacturing. His "invention factory" in Menlo Park, New Jersey, created in 1876, served as the model for the modern industrial-research laboratory, now followed by major corporations from Standard Oil to Sony.

In 1886, Edison expanded to a new laboratory in West Orange, New Jersey. He wanted to concentrate on mass production and marketing, and rightly predicted surging demand for such consumer goods as sewing machines and electric fans. During these years, Edison made product diversity his company's main goal, working on hundreds of different projects at once. Most of these "stunts" came to nothing,

Periodicals *continues on page 136*

Continued from page 16



Edison, shown listening to a phonograph, thought that it would be used for dictation and that its recorded cylinder—the phonogram—would replace the letter and memo in American business.

but it took only one success to pay for all the failures, notes Millard.

Once a product showed signs of success, Edison moved quickly. By 1910, Thomas A. Edison Incorporated (TAE) was making phonographs, film projectors, electric fans, and storage batteries. Edison was also an early practitioner of "vertical integration": His company controlled each stage of production, from the raw materials to the finished product. To better serve his diverse customers (ranging from railroad companies to filmmakers), he created a separate division for each major product, with separate managers and finances. This divisional structure "became the standard of business organization in the 20th century," starting with General Motors and DuPont.

Unfortunately, says Millard, "Although TAE Inc.'s divisional structure was years ahead of its time, Edison remained firmly committed to personal leadership in the mold of the 19th-century family business." His control allowed him to impose his old-fashioned tastes on TAE. Because he hated jazz, his company completely missed the great boom in popular music of the 1920s. Edison also hired professional managers and then overruled their decisions, costing him his technological leadership. Edison died in 1931, but thanks to his strategy of diversification, his company weathered the Great Depression. His reputation for business acumen, however, did not.

SOCIETY

Why Infants Die

"America's Infant-Mortality Puzzle" by Nicholas Eberstadt, in *The Public Interest* (Fall 1991), 1112 16th St. N.W., Ste. 530, Washington, D.C. 20036.

One of America's great shames is its unusually high infant-mortality rate. Although the rate has been steadily declining for many years (from 12.6 deaths per 1,000 infants in 1980 to 9.1 in 1990), it is still much higher than in other developed nations, notes Eberstadt, a researcher with the Harvard Center for Population and Development Studies. In 1987, for example, it was almost 20 percent higher than the rate in Norway, nearly 50 percent higher than in the Netherlands, and twice as high as in Japan. Yes, some countries underreport, Eberstadt says, but Australia and Canada, whose reporting practices are similar to those in this country, also have markedly lower infant-mortality rates.

Poverty, the chief culprit in most analyses, is not the real problem, Eberstadt finds. According to one study, for example, child-poverty rates in Australia and the United States were virtually identical