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Why the Assholes are Winning: Money Trumps All

Jeffrey Pfeffer
Stanford University

In August, 2015, the *New York Times* published a much-discussed and somewhat controversial article documenting the harsh working conditions facing white-collar employees at Amazon.com (Kantor and Streitfeld, 2015), a description that Amazon CEO Jeff Bezos and some other 'Amazonians' claimed was not accurate. However, there have been numerous other articles and blogs noting Amazon's high-pressure, competitive culture (e.g., Chow, 2015). And the poor working environment in Amazon's enormous warehouses, where people suffered workplace stress from productivity pressures and physical conditions that included inadequate ventilation, had already been well-documented (e.g., Cadwalladr, 2013). Importantly, the *Times* article also correctly noted that Amazon was one of the most admired companies and Jeff Bezos, the founder and CEO, was typically high on lists of most admired CEOs.

Bezos and Amazon are not unique in this coexistence of success, including the plaudits of others, with harsh and harmful workplaces. As I have noted (Pfeffer, 2015), the multiple dimensions of corporate performance and reputation are not that highly correlated. For instance, only four companies made both *Fortune*'s most admired and best places to work lists in 2015.

The juxtaposition of admiration – and, of course, extraordinary financial success in terms of stock price appreciation and wealth creation – coupled with hellish and toxic work arrangements, reinforced a view that had been slowly taking hold: that for all the lofty values and leadership aspirations we profess to hold, there is precious little evidence that real choices and behaviour, or even hierarchies of status and awards, reflect what we espouse. Instead, numerous behaviours suggest that it seemingly doesn't matter what an individual or a company does, to human beings or the environment, as long as they are sufficiently rich and successful. Money, indeed, trumps all. Moreover, because money can serve as a signal of competence and worth, no amount of money is ever enough. Much like a drug, money and status become addictive.

Address for reprints: Jeffrey Pfeffer, Graduate School of Business, 655 Knight Way, Stanford University, Stanford, CA 94305-7298, USA (pfeff@stanford.edu).

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If we are to create, or possibly even begin to build, a more humane world reflecting humanistic as contrasted with economic and materialistic values, we need to better understand why and how money trumps everything else and also what types of interventions might change the way we currently view 'success' and accord status. This essay briefly outlines what we know and how we might make progress on this agenda.

HOW PEOPLE RATIONALIZE THE UNACCEPTABLE

There are a number of theories that help explain the phenomenon of rationalizing and accepting harmful and even immoral behaviour. One account suggests that to bolster our own status and esteem, we want to bask in reflected glory (Cialdini et al., 1976). Although the original basking in reflected glory study had, as its focus, the wearing of school insignia merchandise, certainly another way to psychologically associate with success is to praise and accord status and deference to a social actor, thereby becoming part of the circle of friends and supporters of that entity and enhancing one's own status by association and support of a higher status other.

Second, people are motivated to believe that the world is a just and fair place (Lerner, 1980). The just world phenomenon derives, according to Lerner, in part from people's desire for a sense of controllability. If everyday life has rules, consistently and fairly applied, then people merely need to follow those reasonable rules to achieve predictable outcomes. One possible way of maintaining a belief in a just world in the face of ample evidence of both capriciousness and evil people and companies achieving success is to reconstrue information about events and the qualities and behaviour of social actors to be consistent with just world perspectives.

Research in the just world tradition, for instance, shows that people who experience even randomly or externally caused misfortune often have negative traits attributed to them by others as a way of explaining why they 'deserved' their misfortune (Lerner and Simmons, 1966). Similarly, serendipitously fortunate social actors, or even entities that have achieved success using immoral means, will have positive attributes applied to them so as to make sense of their success (Heider, 1958). And it is always possible to reconstruct facts to put them in a positive light, thereby justifying the success of the successful. So, for instance, Amazon may be a harsh and unpleasant place to work, but it is acknowledged to be innovative and also a disrupter of industries ranging from book selling to retailing – and disruption and innovation are both seemingly highly valued in the current social context.

Which leads to a third psychological mechanism potentially in play, people's capacity to rationalize behaviours they want to take for other reasons. Research shows that people can and do engage in processes of moral rationalization and moral decoupling if they are motivated to continue transacting with or supporting entities that have engaged in harmful or immoral behaviour (Bhattacharjee, Berman, et al., 2013). One reason to continue to associate with problematic entities: business and economic advantage, including the quest for resources. I recall accompanying a fund raising staff member as we visited a wealthy individual who had preserved more than $700 million in assets by selling stock in a publicly traded company about nine months before the company filed for bankruptcy. A subsequent shareholder lawsuit alleging fraud collected more than

$300 million from various parties involved with the company, including $55 million from this individual. The discussion in the car concerned whether or not the school could accept money if there was to be publicity, how much public recognition and 'naming' would be too much, and how much money would be required to cause the institution to overcome the possible taint that might come from the association.

The process of moral rationalization takes the form of maintaining that 'it's not that bad', downplaying the significance of moral breaches. Moral decoupling argues that 'it's not that relevant', in that a moral breach in one domain is not relevant for making judgements in unrelated domains. The classic case of moral decoupling is the argument that people's personal peccadillos are not relevant to their performance in unrelated domains, such as being an executive or a sports figure. For instance, Macy's and J. C. Penney did deals to put Martha Stewart-branded merchandise in their stores even after Stewart had served time for charges of conspiracy and making false statements in connection with an insider trading investigation. The presumed rationale for the deals: Stewart's conviction had nothing to do with her design sensibilities and the power of her personal brand to move merchandise. Similarly, many people argued that former President Bill Clinton's dalliance with Monica Lewinsky did not have implications for his political skills and his ability to successfully manage the economy.

Fourth and somewhat related to many of the forgoing processes, is our motivation to achieve cognitive consistency. As cognitive dissonance theory argued decades ago, people are motivated toward consistency and congruence in their attitudes and beliefs. It is inconsistent to believe that some person is on the one hand behaving horribly and on the other hand is achieving outstanding financial and other forms of success. Since the financial success and social status are reasonably objective and difficult to deny, it is cognitively easier to revalue the behaviour as not being so bad or to rationalize negative perceptions as ignoring some positive aspects and consequences of the otherwise bad behaviour.

A fifth mechanism also operates from the consistency principle: people infer traits of social actors from the outcomes those actors have obtained. Thus, great results cause attributions of positive traits and behaviours. This process was demonstrated by Staw (1975) with respect to group performance. If we know a group has done well, we attribute many positive qualities to the group, even if those qualities are not really present. Similarly, if we know someone or some company is successful, people will logically attribute positive qualities to the successful entity, endowing it with more intelligence and veracity than it may have. Simply put, great success and performance create their own reality.

Here are two of numerous instances of this process in action. When Microsoft's Bill Gates weighed in on an issue about Canada's high technology labour market with statements that were at odds with statistics from the Province of Ontario, Microsoft's PR people told then-Toronto business school dean Roger Martin essentially that because Gates said something, it must be correct. Similarly, a colleague at Duke observed two students coming out of one of those CEO speeches at which the CEO spouted platitudes and also made arguments that were internally inconsistent and at variance with some facts. The faculty member heard one student remark to the other as they discussed the presentation, 'he is incredibly rich, so he must be smart'. A successful social actor can say or do almost anything, as the success makes the statements true and the behaviour intelligent.

I have argued that many of the mechanisms that can be adduced to make money and success trump all else proceed from some combination of a drive for cognitive consistency, a desire to believe that the world is just and fair, and the powerful motive to self-enhance and feel good about ourselves by associating with successful individuals and organizations. Many of these processes entail making excuses for otherwise successful entities when they engage in bad behaviour or by selectively ignoring or reinterpreting actions.

But to some extent, all of these mechanisms leave an important question unanswered: why and how did money and economic success, rather than social actors' contributions to human well-being, longevity, or happiness, become such an overarching marker of success and status? Part of the answer undoubtedly lies in the increasing primacy of economic language and assumptions, in part a function of business school education with its concomitant focus on self-interest and maximizing shareholder value as not one of, but *the* objective of business – a position at variance with stakeholder theory with its idea that customers, employees, and the community should also be considered in company choices. Furthermore, economic language and assumptions have a performative aspect, helping to legitimize, create, and perpetuate institutions and organizing arrangements that thereby ensure their continued dominance (Ferraro, Pfeffer, et al., 2005).

Without denying the importance and plausibility of these theoretical accounts, to some extent it is possibly useful to push the question even one level further back, and ask: how, in an era of unprecedented material abundance, did a discipline whose core mission is to better understand and propose policies for the allocation of *scarcity* gain such traction? Or to consider another discontinuity, how did a country, the USA, with such an emphasis on religion in public life come to espouse values so at variance with most if not all religions, which venerate the sanctity and preciousness of life and the importance of human well-being above other considerations?

Barley and Kunda's (1992) study of the shifting linguistic bases of managerial discourse offers one exemplar of a study of how and why the bases of managerial control shift over time. They find that normative control, emphasizing community, flourishes in economic downturns while a discourse of rational control predominates during times of economic expansion. Suffice it to say that understanding the prominence of performance, productivity, and efficiency as the dependent variables of most interest, should be a prime research priority for understanding the comparative neglect of humanistic values and human-centred outcomes in organizational research.

As alluded to at several points, everything I have just described can and should be subject to empirical study, and has been to an extremely limited extent. In addition to Barley and Kunda, Walsh, Weber, et al., (2003) noted the waxing and waning of research attention to concerns of business and its social impact as contrasted with more focused attention to economic framings of questions. We would be well served to devote more attention to understanding how some outcomes become more important and valued and more associated with high status than others, and also the ways in which people conspire in their own complacency and willing acceptance of the otherwise unacceptable.

HOW ORGANIZATIONAL STUDIES GOT OFF TRACK

People's adaption to and integration in work organizations and their psychological experience of work and the workplace were at one time probably the most important topics of organizational behaviour research. An interest in and focus on human well-being is manifest in some of the oldest subjects researched in industrial and organizational psychology, such as job satisfaction, alienation, organizational climate, the motivating potential of jobs, commitment, and turnover, all of which are concerned with people's psychological reactions to and assessments of their work environments. More recent concerns with positive psychology, happiness, and the effects of the workplace on psychological and physical health also make people's welfare a central concern.

Such foci are appropriate as work environments are powerful determinants of people's well-being. To take just two examples, we know from extensive epidemiological evidence, summarized in a series of papers on the health effects of workplace practices (Goh, Pfeffer, et al., 2015; Goh, et al., 2015b), that there are management practices that create economic insecurity, work-family conflict, demand long work hours, and take away job control, and that these and other practices that increase stress or reduce access to medical care are as harmful to health, as measured by mortality or physician-diagnosed illness, as second-hand smoke.

We also know from numerous studies the many adverse effects that workplace bullying and incivility create for people (Pearson and Porath, 2005). But even for these topics, the orientation or at least the public response has been to focus on the economic costs of toxic workplaces, rather than on the human toll.

Leadership, too, is an enormously popular topic for both research and writing, and the leadership literature is filled with prescriptions for leaders to be modest, honest, authentic, and to watch out for the welfare of others. Nonetheless, many iconic, powerful bosses ranging from Fox News's Roger Ailes to Martha Stewart to Amazon's Jeff Bezos to Bill Gates to the famously-difficult Steve Jobs exhibit (or exhibited) ill-tempered, demanding, abusive behaviour with few to no adverse consequences. The rationalizations offered: a) they were rich and successful and b) presided over organizations that were hugely valuable and financially successful, and/or c) had built extremely-bankable personal brands.

While the business ethics literature focuses mostly on how people make moral judgments – for instance, whether the same action such as reneging on a contract is perceived more negatively when done by an individual rather than a company (Haran, 2013) – a more fundamental concern might be the extent to which and under what conditions people act on the basis of these moral judgements. So for instance, the work on moral rationalization and decoupling speaks more to the plausibility of these mechanisms than to how frequently and under what conditions they are invoked – and possibly even more importantly, if we seek to live in a more moral world, how their use might be circumscribed.

One possible explanation for the fascination of organization studies with the 'practical' questions of profitability, productivity, and efficiency is its location in business schools. Industrial and organizational psychology has diminished in prominence almost to the point of nonexistence in psychology departments, and industrial sociology has also withered. When I asked W. Richard Scott, one of the founding figures in organizations why he attended the Academy of Management meetings, his reply was immediate: there were about 50 of his former students there, compared to about six at the American Sociological Association meetings. As I noted more than three decades ago (Pfeffer, 1982), context matters, and that holds also for the effects of context on the focus and development of scientific fields of study. Although Baritz (1960) criticized IO psychology for serving business interests, the influence of business (economic) thinking on organization studies has almost certainly increased with its growing concentration in schools of business.

CONCLUSION

In discussions of everything from the so-called 'gig economy' to Obamacare to the Greek financial crisis, as topics including labour market deregulation (often called 'flexibility') and budgets garner attention, the emphasis is all too frequently solely on economic outcomes and costs. Thus, lost in the question of how and how much money Greece needed to repay were data showing the profoundly adverse health and mortality consequences of austerity (Kondilis, et al., 2013). Missing in the contemplations of the 'sharing economy', with ever-more people working as contractors were the human costs of such innovative and disruptive labour market arrangements on people's lives and incomes (see, for instance, Hill, 2015). Missing in the discussions inside companies or in society more generally about the costs of various ways of organizing and paying for health care was the fact that health care, at least some of the time, ought to be about people's health. You get the point.

The focus on costs, profits, and economic success has pushed concerns of human well-being to the side. And this economic focus has apparently led to a belief, at least as reflected in choices about who and what to honour, that the ends surely justify the means, no matter how harsh.

Organizational studies, as others have noted, has been complicit in this process, happily worrying about performance with too little attention to its human costs. As I argued now about a half-decade ago (Pfeffer, 2010), we need to expand our dependent variables to consider psychological and physical health and, for that matter, other aspects of employee well-being much more frequently in our research – not because these things affect costs and profits, although they surely do, but as important outcomes in their own right. Given the importance and source of financial support for education from private rather than government entities all over the world, this reorientation will provide a challenge that one prominent organization theory, resource dependence (Pfeffer and Salancik, 1978), would predict will be impossible. But that simply makes the agenda all the more important.

In 2015, Pope Francis published an encyclical on the environment in which he wrote, 'Human beings too are creatures of this world, enjoying a right to life and happiness, and endowed with unique dignity'. The United Nations' Universal Declaration of Human Rights, in Article 22 stipulates that 'everyone…has the right to social security' and in Article 23 notes that 'Everyone has the right to work' and to just remuneration. Human dignity, separate from seeing people as human capital or a factor of production, suggests that well-being and life matter. Only when these sentiments are implemented in research and public policy will there be any hope of changing the harmful work practices that are all too frequent in contemporary life and the status we accord to both companies and leaders whose success comes literally at the cost of the lives of others.

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