

## **Book Review for 01/03/05 by Michael Smith**

Title: "The Company: A Short History of a Revolutionary Idea"

Authors: John Micklethwait and Adrian Wooldridge

Publisher: Modern Library

Length: 227 pages

Price: \$19.95

Reading time: 3 hours

Reading rating: 5 ( 1 = very difficult; 10 = very easy)

Overall rating: 4 ( 1= average; 4 = outstanding)

"The Company" fills a critical gap in modern business literature by providing an approachable, enjoyable presentation of business history. This is not an academic history, although a number of historians have given it positive review and the book is well researched. Instead, the authors have presented the fascinating story of the path from the earliest attempts at developing a durable organizational form with limited liability to the modern corporation. Along this path we find tales of good and evil, and a story that is ultimately still in the making.

Today's corporation truly is the product of its history, and those without an understanding of that history may find it hard to believe that recent misdeeds among corporate managers fall in line rather comfortably with a history of greed and mischief among such managers. It has been said that those ignorant of history are doomed to repeat it, and in the case of corporate transgressions and government attempts to constrain them, we seem to find a constant cycle of repetition. Perhaps we should all learn of this history, and seek to break the cycle.

From demonstrations damning globalization and excessive corporate influence to reverence bordering on worship, today we find a vast continuum of public perception of the business institution. What the majority of these positions hold in common is that they are founded upon inaccurate simplifications of business history. On one end of the continuum we find the perception that the organizations of today represent something totally new and terrifying, and on the other extreme we find those who believe that current approaches to conducting business are immutable and "the way it has always been done." With knowledge of business history, it becomes clear that neither terror nor fawning represent realistic reactions to what we witness today. Instead, the corporation of today represents the most recent incarnation of an idea with substantial history, and many of our practices are in fact relatively new. Since early times, there have been rogue businesses, and governments have been challenged to regulate scruples. However, it is really only in relatively recent times that professional management as a class and functional, hierarchical structure have become commonplace. Thus, readers of this book should develop an understanding that the modern battle for social responsibility in corporations represents nothing new, while also realizing that how we tend to think of the role of managers is recent and something that can be changed. It is truly unfortunate that

we often fail to recognize that some struggles require constant diligence, rendering a continuous cycle of transgression and reaction inevitable, but it is perhaps much worse that we fail to recognize that current approaches to organizing and managing work are recent inventions that should not be regarded as the correct way to do things.

Reading this book is enjoyable for anyone interested in business and the role of the modern corporation. More importantly, reading this book may help you to question ineffective business approaches and devise effective new approaches.

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