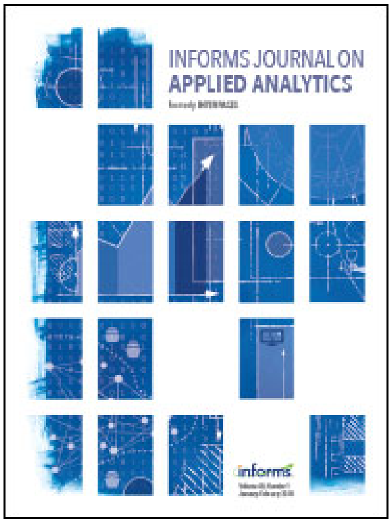

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Book Reviews

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Book Reviews

BANFIELD, EDWARD C., *The Unheavenly City: The Nature and Future of Our Urban Crises.* Boston: Little, Brown and Company, 1970.

Concern over the urban problems has always been with us. In America one of the first major attempts to do something about "Urban Crisis" was the establishment by our National Congress of the Federal Housing Administration in 1934. Not long after, the Congress went on record with the statement that the purpose of the Federal Housing Administration program is declared to be, "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American Family."

This effort culminated in the 1968 Housing Act which established as a national goal 26,000,000 housing units to be built in the next ten years (2,000,000 unsubsidized and 600,000 subsidized houses per year). In 1971 American builders came very close to meeting this goal. Between 1960 and 1973 the Government will have invested 160 billion dollars into improving our urban areas. Aid from Washington to our urban areas is now running at the rate of 27 billion dollars a year and is still growing.

Set against this effort is a statement from an address made on March 6, 1972, by George Romney, Secretary of Housing & Urban Development, saying, "We have been throwing billions of dollars into these problem areas without making a dent upon them. It is now foolish to say that if we will only spend a little more money, we will resolve these difficult issues." Apparently, none of us — including the experts — is certain what is the right thing to do.

With this background we can examine Edward C. Banfield's book, *The Unheavenly City.* Banfield does not offer any new unique solution. Rather, he suggests that there is no one solution and that we may well be looking from the wrong direction as we view the problem.

In his analysis, the question that arises is not whether we are faced with an "Urban Crisis," but rather, in what *sense* are we faced with one. Whose interest and what interests are involved? How deeply? What should be done? Given the political and other realities of the situation, the critical question is, "What can be done?"

Banfield's view is that not very much can be done to change the current scene. He does suggest approaches to dealing with issues such as crime, education and poverty. Unfortunately, though, many of these responses result from Banfield's own particularized view of the world.

The chapter on "The Imperatives of Class" is a glaring example of the use of personal prejudices and stereotypes seemingly stated as facts. Banfield's classifying of persons according to the relative amount of "future-mindedness" they possess results in some obvious inconsistencies. Class comparisons are drawn and value judgement made about what is good, bad or indifferent regarding the various classes as Banfield perceives them. The lack of empirical verification allows people to agree or disagree with Banfield depending on their own biases.

Banfield's cost-benefits analysis of crime and the criminal fits in well with the elitest approach taken throughout the book. The notion he presents that certain people, because of their socio-economic class and background, are "crime prone" and should be treated accordingly rubs against the grain of the philosophy and history of Amerian jurisprudence. His attempt to provide a rationalistic approach to human behavior, i.e., that various people will take the cost of the results of their behavior into consideration before taking criminal action, strikes one as conjecture and an attempt to correlate morality with the degree of "future-mindedness" an individual possesses.

In contrast to the preceding, the chapter on "Schooling versus Education" is quite provocative and raises some interesting questions concerning the current status and role of the educational establishment in American society. Banfield states, "The possibilities for improving the city by reforming its schools are sharply limited. Even if the schools were to do much better those things that it is possible for them to do, the result would hardly change the main features of the situation in the city." Banfield suggest the plausible notion that city high schools give up trying to compete with the "street culture" and give up forcing lower class youths to conform to current middle class attitudes. The schools should give those academically unmotivated youths a chance for self-respect; allow them to get diplomas at fourteen rather than confer upon them the onerous stigma of "drop-out" and develop work-study programs that give students options for alternative patterns of behavior. Banfield's intelligent suggestions are based on data from the Coleman and Pettigrew reports.

The chapter "Rioting Mainly for Fun and Profit" is a well-defined description of the various lawless encounters which took place during the 1960's. Banfield puts into perspective the various levels of riots — the rampage, the foray for pillage, the outburst of righteous indignation and the demonstration. Banfield's view is that most of the rioting was caused by the outbreak of young, male, animal spirit and that very little can be done to stem these outbreaks until some drastic demographic changes occur. He believes that the rioting will continue for many years but will not destroy the cities and that our affluent society can well bear the cost incurred by these riots.

Banfield indicates that the problems we face are as much, or more, a product of the class cultures of the city as the manner or form in which the city grows. He suggests that if ten to fifteen per cent of all housing and low-class individuals were suddenly removed from the scene, there would no longer be an "Urban Crisis."

The chief quarrel one might have with Banfield's sometimes verbose style is the pseudo scientific approach he utilizes. Additionally, most of the material is written so as to give the appearance of keen insight on the part of Banfield. Upon reflection it becomes clear that Banfield has not really been analytical at all but has trapped the reader into believing he is examining something new and fresh rather than a somewhat pedantic description of the urban scene.

The Unheavenly City is worth reading. No matter what one's vocational interest is, considering the massive effort in manpower and money being devoted to our "Urban Crisis" today, any reader will come away from *The Heavenly City* having been forced to review his own prejudices and, perhaps, with some new ideas worth pondering.

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MARSCHAK, JACOB and RADNER, ROY, *Economic Theory of Teams.* Cowles Commission Monograph No. 22. New Haven: Yale University Press, 1972, $15.00.

Once in a while a book is written which pulls together decades of piecemeal theoretical development. Jacob Marschak and Roy Radner's *Economic Theory of Teams* plays such a role. The purpose of this volume is to provide the intermediate building block between decision theory of a single decision maker and a theory of efficient organizations composed of multiple decision makers and technological resources. The intermediate building block is the team. To accomplish its purpose, the book devotes one part to construction of decision theory for a single decision maker, a second part utilizing decision theory to construct team theory, and a third part (epilogue) utilizing a network formulation of team theory to construct a theory of efficient organizations.

Single-person decision problems address cost and value information tradeoffs relative to the individual's consistent preferences — appropriately called the economics of information. Since teams include multiple individuals and technological resources capable of observation, memory, computation, and communication, then a team problem differs from a larger single-person decision problem because team members do not have to share the same information. The team problem includes the cost and value information tradeoffs for alternative team structures (acyclic networks of individuals and resources) relative to the team's consistent preferences — preferences are identical for each team member. Team theory, in a sense, designs the group, i.e. decides who and what observes, remembers, computes, and communicates. This design provides an insightful basis for organizations. The organization paradigm extended from the team concept recognizes different preferences among members and relinquishes optimality for the concept of equilibrium or viability based on pareto-optimal acts.

The book is well organized and written. Considering the complexity of the problems, it is quite clear. It has several additional attributes. Of particular importance is the use of detailed examples throughout. These examples are not trivial and contribute significantly to the ease of reader understanding. Thus, it can be successfully used as a textbook in graduate level courses in decision and information theory.

Excellent overviews are given at the beginning of most sections as well as all chapters, parts, and the introduction of the book. These overviews keep the reader conceptually well-informed of the material ahead and how the concepts are related to previous work. Formal proofs are limited and are frequently preceded by summaries. Notation for the most part is good, particularly in the first part concerning decision theory where a summary of all notation used is included. The notation is more cumbersome in the remaining parts.

The book does indeed accomplish its purpose. Decision theory and the theory of teams are neatly summarized from previous work. Linear and quadratic utility functions are used almost exclusively -- theorems concerning concave functions are also given. An adjustment process, called person-by-person-satisfactory team decision rules, for an iterative approach under certain conditions, to team optimality is given. This procedure is analogous to maximizing one variable at a time for a several variable function. The network formulation of a team conceives each team component as an input/output box, the network unifying the devices. Perhaps, this network form is most advantageous to utilize the work on sequential machines in team and organization theory. A second extension would be to relax the acyclic network property or include other adjustment processes.

Marschak and Radner have produced a major step toward the integration of organization theory concepts. Although the network framework of efficient organizations is a game theoretic approach, it will undoubtedly spark much further work along different lines. For instance, if an organization control function, i.e. dominating overall utility function, is introduced, then Ackoff's work defining an organization in a purposeful system paradigm would be comparable. (Ackoff, R.L., "Towards a System of Systems Concepts," *Management Science,* Vol. 17, No. 11 (July 1971), pp. 669-671.)

The cost and value information tradeoffs of team structures provide the framework for an integrated theory of organization design. This book will be of particular value to information theorists and organization designers, as well as management and behavioral scientists in general.

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HELLER, FRANK A., *Managerial Decision Making. A study of leadership styles and power-sharing among senior managers.* New York: Harper & Row, Publishers, 1972, 140 plus XXV pp., $9.50.

This small, but complex book is essentially a report of research focused on widening the current concepts of participatory management. It is written with at least three apparent objectives. First, it directly challenges simplistic notions of participation as the single, most desirable leadership style. It offers a shift to a more empirically defined, situation-bound, influence-power-sharing continuum. Second, it attempts to bridge "hard" and "soft" methods for data collection and evaluation by utilizing group feedback discussion information to augment questionnaire data. Third, it works hard at communicating with the non technical as well as technical readers, although its content is decidedly technical.

Assessing style of leadership as more than a simple split between democratic and authoritarian methods, Dr. Heller, on loan from Britain's Tavistock Institute, studied 83 senior managers (vice presidents and division heads) paired with one of their immediate subordinates in 12 California companies. The research addressed such questions as: "What leadership methods do senior managers use in making various kinds of *different* business decisions? What errors do boss and subordinate make in describing the leadership methods that operate between them? How do boss and subordinate judge the skill requirements of their respective jobs and how do these skill judgments affect the senior manager's leadership method?"

Six short questionnaires including a new five-point scale measuring degree of power sharing in sixteen decision-making situations were used to gather the "hard" data which was then discussed with the participating executives to gain additional insight into the rationale behind their responses. The five points on the influence-power continuum range from Style 1 (the leader makes his own decision alone) through Style 5 (the leader delegates a decision to his subordinate). The middle of the scale includes prior-consultation and joint determination.

The first major objective of the research is generally supported with the findings that decision makers use the full range of styles conditioned by the situation. Among other provocative findings, subordinates tend to claim more influence in decision-making than their chiefs concede to them, but there are environmental and individual characteristics which affect the senior executive's choice of style. The findings, of course, are qualified by the small sample size, evidence that some of the managers may have misinterpreted the "joint decision-making" style, and some questions concerning some of the statistical assumptions. Nevertheless, the data have substantial strength to support a picture of flexibility in decision-making style in response to predictable organizational demands.

On the other hand, the power of the Group Feedback Analysis may be overemphasized in the book. Post-experimental inquiry is not a new technique for the "hard" empiricists and American industrial morale surveys have capitalized extensively on feedback techniques. Certainly the discussion of responses with the participants prevented possible overinterpretations of some of the findings in this research. However, in promoting the use of the technique, certain philosophical arguments (i.e., the "hard" vs. the "soft" scientists) are revived which could draw critical attention away from the primary objectives.

The details of the research itself are of interest principally to research workers, teachers and specialists in organizational behavior. However, an effort to reach the nontechnical reader is made in the 25-page introductory preface which summarizes the work. The abundance of charts and tables are well done although a minor annoyance are the numerous typographical errors.

All factors considered, this is a valuable book since it makes a well-grounded attempt to put participatory management in context. Clearly, it will provoke a great deal of further work.

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