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David Stark, The Sense of Dissonance. Accounts of Worth in Economic Life. Princeton: Princeton University Press, 2009, 264 pp

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Book reviews

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We deal with incommensurable decisions daily: should I write this review or should I go for a walk in the woods? Should you spend more time with your family or devote all your Sundays to hard work? How much loyalty to friends you need to renounce to have a quicker career? Economists have a simple answer to these questions: if agents hold a well-defined preference ordering they can maximize a utility function and trade-off alternatives. The customary critique of sociologist to this answer rests on the importance of values: people act and choose following their values, which can not be traded. A well-shaped value system may help economic *exchange*, but values are not *exchangeable*. This division of labour between economist and sociologist found its greater example in the "Parsons's Pact": economist study *value*, while sociologist study *values*. Since the Parson's Pact this vision has been repeatedly challenged by different approaches such as new economic sociology, economic anthropology, organizational sociology, sociology of culture and the so-called "economics of conventions." David Stark work lays at the crossroad of these approaches and it offers a fresh view on the multiple logics of worth, which govern contemporary organizations.

His argument starts, apparently, very far from the issue at stake: "Search is the watchword of the information age." But search, Stark goes on, means interpretation, not just finding a solution for a well-defined problem: "The fundamental challenge is the kind of search during with you do not know what you are looking for but will recognize it when you find it" [ch. 1, p. 1]. John Dewey called this process *inquiry*. Inquiry, differently from problem solving, involves the management of "perplexing situations" or a disagreement about *what counts*. Modern organizations have a lot to gain if they learn how to articulate alternative conceptions of what is valuable. *Value* emerge from re-combination of *values* and the "Parsons's Pact" is therefore beyond. Organizations that facilitate this process of reflective cognition are called *heterarchies* and entrepreneurship is "the ability to keep multiple principles of evaluation in play and to benefit from that productive friction" [ch. 1, p. 6]. To grasp the interplay between value and values our usual focus on institutions should be enriched by close study of situations, as the "post-Mertonian" sociology of science and technology does.

To effectively study the actual evaluative and calculative practices of "actors at work," economic and organizational sociology needs to take into account the insights of the French "economics of conventions" school and the orders of worth spelled out by Boltansky and Thevenot in their book *On Justification: The Economies of Worth*. Each order of worth defines the good, the just and the fair and sets the very fabric of calculation: every "economy" is therefore a moral order. Stark acknowledges his intellectual debt to this approach, but he also makes a step further. While French conventionalist argue that orders of worth make action possible by way of *solving* uncertainty, Stark maintains that a mix evaluative principles *create* uncertainty and opens opportunities for action accordingly. Here is where entrepreneurship makes the difference: "entrepreneurship is the ability to keep multiple evaluative principles in play and to exploit the resulting friction of their interplay" [ch. 1, p. 15]. Stark highlights the difference between his conception of entrepreneurship and Ronald Burt's one. Burt's structural holes emerge in the network because of the absence of certain connections, and an individual actor or a firm can gain from exploiting such holes, and bridging across actors that could otherwise not be in contact with one another. In this view the key problem is access to *information*. But where the problem is the production of new *knowledge*, the argument goes on, integration across the overlap of cohesive structure is needed. Moreover what are overlapping here are diverse and "even disparate" evaluative principles: networks should therefore be conceptualized as frames of meaning and a sound conception of entrepreneurship must take this point into account. The legacy of Harrison White is explicitly acknowledged here.

Entrepreneurship should not be viewed as a psychological trait as, for example, the personality trait of tolerating ambiguity, but as an organizational property. Heterarchy is the form of distributed intelligence, where units are laterally accountable according to different principles of evaluation, that makes entrepreneurship possible. Stark reminds us that the environment of modern firms resembles a "rugged" fitness landscape with a jagged and irregular topography, with many peaks and many optimal solutions. In such an environment, the most innovative firms are those able to promote radical decentralization in which virtually every unit becomes engaged in innovation. This system can not be controlled by means of a hierarchical management, and authority must emerge laterally. In such conditions managers are accountable to "everyone count on them" and when authority is laterally distributed the process of *accounting* or the *evaluative judgment* becomes the key. In heterarchies multiple systems of evaluative principles (orders of worth) promote the organization of diversity and entrepreneurship is the ability to exploit this productive friction.

Stark follows Dewey's guidelines not just for theoretical purposes, but also for methodological ones [ch. 1, pp. 31-34]. Dewey stated that all human behaviour must be studied in its cultural setting and hence Stark says that the process of "actual evaluation" and "situated cognition" should rely on ethnographics methods. These methods allow studying situations where the heterarchical rivalry of evaluative principles is opened up to reflective cognition by the actor themselves.

In chapters 2, 3, and 4 Stark presents three ethnographic case studies where the evaluative practices are studied *in situ*. The first is a Hungarian factory of machine tools operating just before the collapse of Communism in 1989. This factory is part of "Minotaur" (pseudonym), one of the largest state-owned enterprises in Hungary with more than 11.000 employees. The process starts when Minotaur introduced the "enterprise work partnership" as a group of highly skilled workers was allowed to organize itself as a semiautonomous subcontracting unite to build machine tools on their off-hours using factory equipment. During regular hours these workers were paid a time wage, while in its subcontractual arrangements with the parent firm they were paid an "entrepreneurial fee" as a group. This allowed them an extra income equal to two-thirds of an average worker's income. Their economic success created new criteria of worth and new identities attached to these criteria and issues such as "I sell my time" in the official hours and

"I sell my skills" in the off-hours involved deeply moral considerations and problems of distributive justice.

The second ethnography regards a new-media company in Manhattan that grew from 15 to 150 employees at the end of the 1990s. Here business strategist, designers, programmers, information architects, and others professionals bring distinct identities and different principles by which to evaluate the worth of the websites they are building. In this regard, websites are above all "sites of contention" about the best criteria of worth. This causes a productive friction that allows the firm to "never take its knowledge for granted." Innovation hence is not confined to an R&D department or engineered from above, rather is a self-organized emergent process crucial to "figure out how it fits together." The various communities of practice (programmers, web designer, information architects, online merchandisers) rely on different logics of worth (speed, pleasant perception, cognition, playfulness) and proofs of worth are often not recognized outside the frames that would appear to be plain to their proponents. In such cases disputes arise and they are key for the performance of the company: "If the firm locked in to a single performance criterion, it would not be positioned to move with flexibility as the industry changed and the Web evolved" [ch. 3, p. 106].

The third study concerns a trading room of a major international investment bank at the turn of the century, after the rise of quantitative finance and before the Enron scandal. Arbitrage is a form of entrepreneurial activity that generates profit not only by exploiting gaps across markets, but also trough the overlapping of different evaluative principles. The trading room is therefore organized as a cognitive ecology in which: "commitments to distinctive principles of arbitrage combine with interactions across these principles to produce a situated cognition that not only recognizes already-known kinds of opportunities but also *re*-cognizes situations as opportunities" [ch. 1, p. 34]. Arbitrage traders locate value by making associations between particular properties of one security and those of other previously unrelated or tenuously relate securities. Space is hence used to create an atmosphere conducive to association: the trading room layout is an open-plan arrangement where information roams freely. The trading room is an organizational space where people, artifacts and ideas are reciprocally connected in a socio-technical network, which not simply connects pre-formed identities, but generates agents, their dimensions and what they are and do. This became crystal clear after 9/11, when the World Financial Center was damaged, making the trading room dangerous and inaccessible, and a recovery process to build and improvised trading room in a converted basement warehouse was set.

In the last chapter, Stark points out five new directions for economic sociology and organizational analysis which emerge from his approach. The first one is "from classification to search": while hierarchies are organized around processes of classification, heterarchical forms are organized around processes of search. The second one is "from the diversity of organizations to the organizations of diversity": the first matters at the macro-societal level, while the second is key at the meso-organizational level. Here diversity matters because it contributes to adaptability by preserving a more diverse organizational "gene pool" when confronting with an unexpected environmental change. The third one is "from unreflective taken-for-granted to reflexive cognition": practical action should not be reduced to unreflective activity, rather it should be understood as a reflexive activity which may disturb the cognitive order. The fourth is "from shared understanding to coordination through misunderstanding": here the emphasis is on those circumstances in which coordination takes place not despite but because of misunderstandings. Finally, Stark highlights a methodological point: to effectively grasp the working of heterarchies ethnographic studies should broaden the scope conditions of the empirical cases analyzed. In the very last pages Stark extends his argument to society as a whole and his slant becomes more normative: to promote a good society we need to have an heterarchial politics, which openly challenges the market metric of value by articulating alternative principles of the valuable.

All in all, Stark gave us a book both theoretically very deep, pleasant to read, and rich in empirical details. Along with some others, this book acknowledges the close relationship between "American" new economic sociology and the French tradition of Bourdieu, Boltansky and Callon. Here the "social" cannot be separated, nor empirically neither analytically, from the "economic" realm. This exciting encounter has so far produced fine pieces of work and its future looks very promising.

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