Craft, magic and the re-enchantment of the world

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1. Introduction

Nearly one hundred years ago, Max Weber identified an emerging “disenchantment” with the world. He used the term “disenchantment” to capture a sense of weary nostalgia for what humanity must give up in order to progress. Disenchantment, he argued, was the inevitable outcome of the ongoing expansion of rationality in modernity. Weber saw disenchantment as a natural result of the displacement of tradition, myth and superstition by reason — a displacement that he felt defined the transition to modernity.

Weber’s theory of rationalization describes a range of social changes that emerged from the Enlightenment, sweeping away medieval ways of thought (Bell, 2012). Secularism supplanted religion, scientific and expert knowledge replaced myth and magic, and, most profoundly, bureaucratic formal social structures like the organization, the guild and the nation state began to erode traditional collectives like the family, clan, tribe, and community (Berman, 1981).

For Weber, disenchantment meant “the knowledge or belief … that there are no mysterious incalculable forces that come into play, but rather that one can, in principle, master all things by calculation” (Weber, 1946, pp. 129–139). Weber’s thesis of relentless rationalization was intimately connected to the industrial revolution. He presciently predicted the rationalizing impact of industrialization, where massive factories, organized by trans-national corporations attached to global consumptive markets achieve ever-greater economies-of-scale in an emergent world-society.

Weber’s thesis of unremitting rationality is a central premise of neo-institutional theory. Isomorphism, the structuration of organizations fields, and the global diffusion of modern management practices are extensions of Weber’s core idea of the metastasis of formal-rational ways of knowing and being in the world. Neo-institutionalism also shares Weber’s sense of disenchantment with its inherent assumption that human agency has been abdicated to institutions. Borrowing from Weber’s haunting image of the iron cage, where human will is increasingly suborned to social structures of our own making, neo-institutional theory has been soundly criticized for its persistent unwillingness to attribute change to human agency (Suddaby, 2015).

In this essay we challenge the assumption that inexorable rationalization and disenchantment is the only narrative of modernity. Although the empirical evidence of disenchanting rationality is impressive, there is equally impressive evidence of a countervailing narrative of re-enchantment in the world. Some of this evidence is not positive. The resurgence of fundamentalist religion, the rejection of sensible science and an increasingly tribal populism all speak to a worrisome rejection of
rationality in recent history.

But much is positive. The resilience of the family, the resurgence of craft modes of production and the optimistic persistence of aesthetics, myth and other aspects of human reflexivity, all speak to the positive potential of re-enchantment. Yes, there are powerful forces of disenchantment in the world, but there is also a vast but unexamined element of social and organizational life that is simply not amenable to calculation, science or rationality. We explore this alternative view in this essay where we draw together the disparate threads of a competing discourse that challenges the prevailing view of rationality as both inexorable and universal. Our core argument is that rationality and disenchantment cannot exist in the absence of enchantment and arationality. We challenge the teleological assumption of progress that is implicit in neo-institutionalism — i.e., that humanity is engaged in a civilizing project of rationality that will, ultimately, erase the influence of myth, magic and mystery in social and organizational life.

We present our argument in three stages. First, we describe the core components of Weber’s theory of rationality that form the basis of neo-institutional organization theory. Then we present evidence drawn from both academic research and the popular press that challenge each of these assumptions by offering a competing narrative of ongoing enchantment. Finally, we introduce four competing constructs — authenticity, reflexivity, mimesis and incantation — each forms of a “rational magic” that contradicts and counterbalances neo-institutionalism’s assumptions of ever-expanding reason.

2. Formal rationality

Max Weber’s primary contribution to social theory was to identify the critical role of reason in social history. Broadly stated, Weber argued that the drive toward rationality — the mastery of all things by calculation — informed all areas of human life. The quest for calculability, Weber suggested, underpins all social innovation, perhaps most obviously industrial capitalism, which rests on a range of subsidiary inventions — double entry accounting, the division of ownership and labour, measuring the time-value of money, bureaucratic organizations — each of which enhances the ability to calculate processes of industrial production.

Weber’s use of the term rationality was never precise and has been the subject of much debate. Most scholars acknowledge four basic types of rationality in Weber’s writing: practical, theoretical, substantive and formal rationality (Habermas, 1984; Kalberg, 1980), each of which uses slightly different forms of calculability. Practical rationality implies a form of calculation required to achieve a desired end, based on pragmatic reasoning. Theoretical rationality is perhaps closest to scientific calculability in that it involves abstract reasoning through deduction and the use of increasingly precise symbolic meanings. Substantive rationality involves calculation based on values where a course of action is deemed appropriate based on the degree of congruence of a give cluster of shared beliefs. Formal rationality requires calculations of universal social rules, regulations and the collective expectations of others.

While Weber clearly viewed these categories as ideal types in which any given act might involve varying degrees of each type of rationality (Hirsch, 1997), neo-institutional theorists have clearly emphasized theoretical and formal rationality in articulating their core argument, i.e. that norms of economic rationality are constructed by social institutions (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 1995). More emphatically, neo-institutional theorists have wholly adopted Weber’s central thesis that modernity is marked by widespread acceptance of rational ways of organizing and knowing and an inevitable expansion in practices of reason.

Most research in neo-institutional theory has been devoted to elaborating this thesis of rampant rationality. Isomorphism, or the notion that organizations become increasingly similar to their institutional environments as the result increasing structuration of organizational fields (DiMaggio & Powell, 1983), is perhaps the best example. John Meyer and colleagues (Bromley & Meyer, 2015; Meyer, Boli, Thomas, & Ramirez, 1997) extend the concept of structural isomorphism to the global level of analysis, demonstrating how certain formal rationalities (i.e. environmentalism, feminism, corporatization) now operate beyond the nation state in an emerging and continually expanding world-society.

But we also see Weber’s ideas of rationality crystallized in studies of institutional change, which inevitably offer “progressive” narratives of the displacement of traditional ways by more formally rationalized ones. For example, traditions of professionalism are always replaced by bureaucratic or corporate modes of production (Suddaby & Greenwood, 2005; Thornton, 2004), larger social identities always supplant individual ones (Rao, Monin, & Durand, 2003) and the adoption of new practices always favours ‘modernist’ rationalities of science and professionalism over “primitive” practices of craft and amateurism (Garud, Jain, & Kumaraswamy, 2002; Zilber, 2002). Ultimately, neo-institutional theory reinforces the Weberian narrative of the inevitability of formal rationality through science and technology, on one hand, and professionally bureaucratic modes of organizing, on the other.

3. Disenchantment

Weber predicted that the rationalizing arc of modernity would be accompanied by an increasing sense of loss as the old “nature-centered” world of myth and magic gave way to the new “human-centered” world of efficiency and control. He understood the emotional consequences of modernity and the increasing loss of meaning that inevitably occurred when craft modes of production gave way to the mechanics of the assembly line, when the courthouse replaced the church and the physician supplanted the midwife.

The emotional impact of the disenchanting effect of modernity is captured in post-Enlightenment culture — in William Blake’s (Blake, 2008) description of the “dark satanic mills” of the industrial revolution in his poem Jerusalem, in Charles Dickens’ ode to the dehumanizing factory towns of England in Hard Times, or Edward Hopper’s remarkable painting Nighthawks that captures the aching loneliness of urban life. Equally poignant are the academic studies of disenchantment — from Engels’ (1993) heart wrenching descriptions of The Condition of the Working Class in London, to Gramsci’s (1988) observation that Fordist production regulates both the production of cars and the sexual libido of workers.

Perhaps the most comprehensive summary of the disenchanting effects of rationality is offered by George Ritzer’s (1993) powerful concept of McDonaldization, in which he describes the inherent irrationality of rational systems that, in their quest for efficiency and calculability, dehumanize their participants. Collectively, these, and a host of critical management studies, sketch out the emotional cavity created by the expansion of rationality in modern capitalist society.

4. Re-enchantment

But is the narrative of the world really one of inexorable rationalization? Does neo-institutionalism’s thesis of structuration, isomorphism and commodification fully capture the phenomenal reality of all social and organizational life? Or as Robert Nisbet (1980) suggests in The Idea of Progress, does it actually offer a highly selective account of the future as an illusion of progress
4.1. The return of populism

The US election of Donald Trump offers perhaps the best illustration of the resurgence of populism in global politics. President Trump’s populist success is reinforced by the emergence of similarly populist leaders in Britain (Nigel Farage), France (Marine Le Pen), Austria (Norbert Hofer) and the Netherlands (Geert Wilders), each riding a surge of support amongst older, predominantly male voters who reflect religious and ethnic majorities. While populist leaders have appeared with some frequency in developing countries, the simultaneous emergence of a number of populist leaders in Western industrial nations that have come to epitomize neo-liberal economic policies is historically unprecedented.

Because populism reflects a broad range of political beliefs it is difficult to define in ideological terms. Politicians as ideologically diverse as Mao, Hitler and Margaret Thatcher have each been described as populist leaders (Norris, 2005). As Ernesto Laclau argues in On Populist Reason, populism is best defined in terms of a shared rejection of “an institutionalized other” (Laclau, 2005: 117). Populism reflects a libertarian mistrust of traditional social institutions. It is a discourse that emphasizes: “faith in the ‘decent’, ‘ordinary’ or ‘little people’ over the corrupt political and corporate establishment, national interests ... over cosmopolitan cooperation across borders ..., protectionist policies regulating the movement of trade, people and finance over global free trade, xenophobia over tolerance of multiculturalism, strong individual leadership over diplomatic bargaining and flexible negotiations, isolationism in foreign and defence policies over international engagement, traditional sex roles for women and men over more fluid gender identities and roles” (Inglehart & Norris, 2016: 17).

Populism rejects rational notions of progress to a world-society in favour of a return to traditional and more local values. Populism “enchants” by embracing the myths of the past. We see this in the persistent power of the agrarian myth in Western industrial democracies.

The agrarian myth is the nostalgic belief that the most desirable form of living is the pastoral community of village life (Brown, 2003; pp. 27–29). In The Age of Reform, Richard Hofstadter (1955: 34–55) notes that the agrarian myth valorizes the role of the farmer as a “special creature, blessed by God” whose voice is “the voice of democracy and of virtue itself”. The myth is based on a deeply held belief that the city is a deviation from ‘natural’ living and “the yeoman farmer” who works to produce food rather than money and whose honest, grounded values form the backbone of democracy (Hesseltine, 1961, pp. 3–32).

The agrarian myth has been used to justify an oversized influence of the agricultural sector in Western industrial economies. Agriculture is often viewed as a sacred industry and is more likely than other industries to get protective trade legislation (Grant, 1993; Lester, 2007). Rural voters are given a disproportionate voice in the US Electoral College, despite the fact that as early as the 1920s the US Census reported more Americans lived in cities than the country (Badger, 2016). The agrarian myth has also proved a powerful impediment to free trade in the food industry. The irrational protection of inefficient agricultural production, both in Europe (Marsh, 1989) and the US (Grant, 1993) and Japan (Morihuchi, 1990) is attributed to the resilience of a utopian view of farmers, particularly amongst urban elites (Paalberg, 1988).

Populism, thus, has a stubborn presence in Western democracies and, as evidenced by the agrarian myth, has lain dormant in our collective consciousness but remains influentially embedded in the political structure. Its recent prominence in national politics, in defiance of the predictions of most scientific polling, offers powerful evidence of a growing re-enchantment in the world.

4.2. The return of populism in management research: the magic of crowds

The re-emergence of populist logic in management theory can be seen in our changing attitude toward crowds. In early modernity the crowd was not to be trusted. In his famous treatise The Crowd, first published in 1895, Gustave Le Bon (1960) characterized crowds in the most derogatory terms. Crowds were impulsive, irrational, unreasonable, lacked judgement and reacted on the basis of exaggerated sentiment. They were, in short, irrational. Le Bon (1960) likely drew from Scottish journalist Charles Mackay’s (1995) book Extraordinary Delusions and the Madness of Crowds, first published in 1841, which derided the mob-enthused irrationality of the Crusades, duels, and prominent economic disasters such as the Railway Mania of the 1840s, the South Sea Bubble and the Dutch tulip craze.

These authors were, of course, reinforcing the rationalist mistrust of populism in the post-industrial revolution era by articulating an anti-populist concern about the role of the masses in democracy. Because crowds were irrational important social institutions were structured to keep the crowd in check. In law, for example, the ‘wheels of justice move slowly’ by design, so that over time the sober rationality of the legal system can prevail over the emotion of the posse. Similarly, in politics, the reasoned experience of the landed gentry in the House of Lords in England and the Senate in the United States is designed to offer a check on the populist irrationality of elected politicians.

Consider the view of crowds in public discourse today. In economics we are advised that crowds are no longer viewed as irrational and emotional, but are now thought to be wise. In his best selling book The Wisdom of Crowds: Why the Many Are Smarter Than the Few and How Collective Wisdom Shapes Business, Economies, Societies and Nations American journalist James Surowiecki (2004) argues that the aggregate information of large groups of individuals offers superior information and advice than any single constituent of that group. He relates the oft-told story of Victorian scientist Sir Francis Galton who observed, with surprise, that when averaged, the guesses of individual crowd members at an agricultural fair could accurately predict the weight of a cow.

Harnessing the aggregate rationality of the crowd is now an established technique called ‘Crowdsourcing’ in which a specific problem or item of work is outsourced to an undefined (and generally large) network of people in the form of an open call (Howe, 2006). Wikipedia, the online encyclopaedia that aggregates
information from an open source author base, is premised on an enchanted challenge to the assumption that arcane knowledge is the exclusive domain of elites (Giles, 2005). Crowdsourcing or ‘distributed problem solving’ (Brabham, 2008) retains the populist assumption that crowds, once viewed as emotional, irrational and untrustworthy, are now viable sources of reason.

There are serious logical flaws in the argument that crowds are wise. In order for crowds to be wise they must be diverse, independent, decentralized and aggregated. Unfortunately, modern crowds are shaped by social media algorithms, which tend to violate all of those assumptions. As we demonstrate in the next section, modern cyber-crowds are increasingly Balkanized into close-knit and often volatile communities that more closely resemble tribes than the sober sources of collective rationality that Galton and Surowiecki describe. The irony, however, is that even as crowds become more tribal, populist discourse has elevated them to founts of rationality, even in the dismal sciences of management and economics. We have re-enchanted the mob.

4.3. The return of tribalism

The world is becoming increasingly tribal. Tribalism is often mistakenly assumed to refer to kinship communities defined by blood relations. However, as Emile Durkheim (2014) observed in The Division of Labour in Society, tribes or clans are more accurately defined as a form of association based on a feeling of organic solidarity or common belief system reinforced by intense and ongoing personal interaction. A more contemporary definition is offered by Paul James (2006: 29) who sees tribes as a competing ideology of organization, distinct from the nation-state or globalism, characterized by “self-reproducing communities framed by the social dominance of face-to-face integration and living”. A tribe, in this view, can be anything from a group of soccer hooligans to a professional association (Ouchi, 1980).

In his best selling book Tribe: On Homecoming and Belonging, Sebastian Junger recounts Benjamin Franklin’s observation that European settlers in the New World were constantly abandoning their ‘civilized’ settlements to live with the “Indians”, but few “Indians” voluntarily left their communities to join white communities. He explains this phenomenon as evidence of the communal power of the tribe, and extends that argument to explain why soldiers who return home, even those without direct combat experience, suffer from post-traumatic stress disorder.

The trauma of war, Junger argues, is not the experience of violence but rather the loss of experience of camaraderie and intimacy of the tribe. Modern civilization, he observes, has given abundant material wealth and comfort. But it has also deprived us of the invaluable sense of community that has been fostered over generations of social evolution. War, he argues, satisfies a primal need for belonging (Junger, 2016).

Junger’s theory of tribalism, and the anomic sense of loss of community in modern society, is not new. People are more isolated today than ever before (Lee & Bearman, 2017; McPherson, Smith-Lovin, & Brashears, 2006). We see this in American sociologist Robert Putnam’s (2000) influential account of the loss of community and political engagement in the United States in America, Bowling Alone: The Strange Disappearance of Civic America. We also see it in French sociologist Michel Maffesoli’s (1996). The Time of the Tribes: The decline of Individualism where he predicts that, as the institutions of modernism decline, we nostalgically cling to institutions of the past.

Increasingly, the tribe has reassessed itself over more “civilized” forms of social organization. The 2016 referendum in support of the United Kingdom to exit the European Union can be seen as an illustration of ethnic tribalism triumphing over globalism. But perhaps the most potent evidence of tribalism can be observed on social media where the construction of tribal groups is facilitated both by our own prejudices and by sophisticated search algorithms that create recursively-reinforcing world-views.

Media guru Marshall McLuhan presciently predicted the “tribalizing power of the new electronic media” in its capacity to “return us to the unified fields of the old oral cultures, to tribal cohesion and pre-individualist patters of thought” (McLuhan, 1997, p. 124). Tribalism, he observed “is the sense of the deep bond of family, the closed society as the norm of community” (McLuhan, 1997, p. 124).

McLuhan’s somewhat pastoral notion of tribalism overlooks the bullying reality of modern cyber-tribalism which, instead of creating McLuhan’s utopian global village has unleashed a more complicated version of the modern tribe. In the same way, management theorists have found the tribe, like the mob, to be a complex and unpredictable subject.

4.4. Tribalism in management: the magic of the clan

Tribalism is an increasingly important subject in managerial discourse. This is perhaps most pronounced in marketing where both practitioners and researchers have become increasingly conscious of the growing import of “consumer tribes”. Consumer tribes are “a group of people emotionally connected by similar consumption values and usage ... of products and services to create a community and express identity” (Mitchell & Imrie, 2011, pp. 39–40). In contrast to the passive consumption of traditional consumers, however, the term “tribe” is invoked to capture the high degree of agency that these consumer groups bring to the marketplace. Consumer tribes “rarely consume brands and products without changing them: they cannot ‘consume’ a good without it becoming them and them becoming it” (Cova, Kozinets, & Shankar, 2007, pp. 3–4).

In their 2007 book Consumer Tribes, Bernard Cova, Robert Kozinets and Avi Shankar show how tribal sub-cultures are changing contemporary commerce. Consumer tribes have rescued failing brands, as in the case of hipster ‘cult adoption’ of Pabst’s ‘Blue Ribbon beer. Pabst was a brand in danger of cancellation that appealed to low-income consumers until the brand was incongruously “appropriated” by high-income west coast hipsters from San Francisco and Seattle (Cova et al., 2007). Tribal values of irony helped save a failing brand.

Consumer tribes ‘hijack’ brands by taking control of their marketing away from executives and by violating copyright protection. They “pirate” the brand by infusing their own unique, and often deliberately ironic meaning to the product in defiance of its intended image. The phenomenon is tribal in that the group appropriates the brand to express their own idiosyncratic values. Often those values undermine the intended meaning of a brand - for example, when fans produce sexually explicit movies using characters from Harry Potter.

A growing managerial discourse celebrates the organizational advantages of tribal knowledge. Mozilla’s Firefox, for example, is celebrated as a successful organization in large part due to the communitarian sharing of “tribal knowledge”. In his 2006 book Tribal Knowledge, John Moore (2006) attributes the global success of Starbucks to the uncodified oral knowledge of the organization held by the employees. Moore’s positive attribution of tribal knowledge stands in sharp contrast to its prior treatment in the highly rationalized Six Sigma process of total quality management where unwritten information passed down orally from generation to generation was considered an inefficient and non-rational management practice.

Arguably the most interesting stream of management research on the re-emergence of tribalism lies in efforts to understand how
Marshall McLuhan’s cyber-tribes of new electronic media can alter our perception of truth. Using computer modeling techniques to simulate online communications, Van Alstine and Brynjolfsson (2005) demonstrate that social media has a profound balkanizing effect on intellectual and social interaction. Specifically, they show that, while in the past, geography or separation by physical space was the primary source of limits to human interaction, today our own preferences, facilitated by filtering software, helps to intensify and crystalize stereotypes and biases.

Cyber-tribalism, thus, is a new type of iron cage, albeit an increasingly smaller one, in which limits to human cognition are subject to ever-narrowing interpretive frames in an ever-expanding universe of information. Gustave Le Bon warned of the hypnotic suggestibility of the crowd. He did not anticipate, however, the even more dangerous autohypnosis of the Internet, in which our own prejudices and lack of epistemic humility can self-construct an ever constricting “cyber cage” of our own making.

4.5. The return of religion

Tribalism, as Edward Shils (1975) observed, is built on a foundation of religion. Sacred rituals, he suggested, are central to the survival of all social institutions. Like Durkheim, Shils believes that social practices and institutions, however secularized cannot escape the influence of religious belief. Stated differently, the institutions of religion never fully disappear but, rather, are simply temporarily suppressed by the sediment of alternative myths until new social circumstances allow them to re-emerge.

Shils’ argument is borne out in the global resurgence of fundamentalist religion in the late 1970s. A watershed event in this process was the rise of Grand Ayatollah Ruhola Khomeini to power of all social institutions. Like Durkheim, Shils believes that social practices and institutions, however secularized cannot escape the influence of religious belief. Stated differently, the institutions of religion never fully disappear but, rather, are simply temporarily suppressed by the sediment of alternative myths until new social circumstances allow them to re-emerge.

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Religious fundamentalism, however notoriously difficult it might be to define, is understood as a powerful reaction against progressive rationality. In his book Jihad vs. McWorld: How the planet is both falling apart and coming together, Benjamin Barber argues that the nation state is under threat from the rationalizing forces of global capitalism, on one side, and fundamentalist religion on the other. In essence, Barber (1995) is suggesting that the dominant social institutions like the nation state are being pulled apart by competing and powerful forces of disenchantment and re-enchantment.

An important and growing variant of religion in post-industrial nations is a growing interest in New Age spirituality. In a provocative book titled Value Change in Global Perspective, Paul R. Abrahamson and Ronald Inglehart demonstrate how secular societies have moved beyond simply satisfying base material needs and, as a result, their members now focus on finding meaning. Examining data from the World Values Survey, Abrahamson and Inglehart (1995) observe a growing concern for the purpose and meaning in life.

They interpret this as a clear sign that spirituality is growing, not receding and should be interpreted as a new form of religion based on ‘post material values’. While there is considerable debate about which specific beliefs best reflect post material values, they are based on a degree of existential security among the emerging next generation that gives precedence to self-reflective questions of spirituality and meaning over material survival — one of the defining characteristics of religion. Indeed, one might see the tension between the Moral Majority and the conservative right on one hand and the global neo-liberals on the other as less a battle between religion and secularism and more a contest between competing religions, both of which offer different scenarios of how to best re-enchant society.

4.6. Religion in management: post material values at work

Spirituality is increasingly present at work. Some of it is overtly religious. A study of North American corporations in 2003 revealed that the corporate chaplain is a defined occupational category and roughly 4000 chaplains minister to the spiritual needs of corporate workers (García-Zamor, 2003). Much, however, is based on ‘post material values’. In a book titled A Spiritual Audit of Corporate America, Ian Mitroff and Elizabeth Denton (1999) demonstrate that, while most US workers distinguish between religion and spirituality in the workplace, the vast majority express an interest in spirituality and meaning in their work. Reflecting on these somewhat surprising findings, Mitroff (2003) concludes that finding meaning in work is part of an individual’s larger project to find meaning in life.

Scholars interested in workplace spirituality are quick to note how the subject has, traditionally, been marginalized by mainstream business academia. Gockel (2004) reports that the Academy of Management has been very slow to respond to the trend toward spirituality, despite mounting evidence that firms with a moral or ethical mission tend to outperform firms without one (Collins & Porras, 1996; Ornitzky, Schmidt, & Rynes, 2003; Baldridge National Quality Program, 2005; Fry & Matherly, 2006), that spiritual values correlate with leadership effectiveness (Reave, 2005) and that positive organizational values improve employee health, commitment and engagement (Fry, Vitucci, & Cedillo, 2005; Giacalone & Jurkiewicz, 2003; Malone & Fry, 2003).

However, a growing body of research has begun to attend to the more enhanced elements of spirituality and meaning at work. Jane Dutton, Kim Cameron and colleagues at the University of Michigan, for example, have established a vibrant research community that attends to positive organizational scholarship (Cameron & Dutton, 2003). The intent of this research is to focus management scholars’ attention on the largely ignored questions of generative dynamics in organizations that lead to human strength, resiliency, healing, restoration and meaningful work (Cameron & Spreitzer, 2011; Pratt & Ashforth, 2003).

The turn to meaning and spirituality in work is an effort to re-enchant the modern corporation. It reflects a long-standing fascination with mysticism in organizations (Bartunek & Moeh, 1994; Merton, 1951) and an awareness that successful organizational change often requires the magical language of the shaman rather than the rational logic of the scientist (Biggart, 1977; Frost & Egri, 1994). Our current fascination with corporate social responsibility, some argue, is another example of an attempt to inject spirituality and post material values into the modern corporation (Bubna-Litic, 2009).
modern rationality. The profound success of science and technology in alleviating hunger and disease or in elevating the material wellbeing of humanity makes it extremely difficult to suggest that modernity has generated a loss of faith in the value of science. But, despite its technical success, there is clear evidence that science is losing legitimacy in distinct segments of western industrial society.

American sociologist Gordon Gauchat (2012) examined public attitudes toward science in the United States between 1974 and 2010. He found that while there is not an overall decline in the public trust of science, there is a distinct and significant decline in trust for science within the sub-population that identifies as politically conservative. Moreover, educated conservatives uniquely demonstrate the greatest decline in trust, results that suggest the influence of both religion and populism in challenging the objectivity of science.

The populist mistrust of science includes the field of medicine as demonstrated by the increasing rejection of immunization in North America and parts of Europe. The US National Institute of Health reports that in many communities the vaccination rates for children have fallen below the threshold required to maintain ‘herd immunity’. As a result, these communities are experiencing outbreaks of diseases that we once believed to be eradicated by modern science.

Author Timothy Caulfield, in a book provocatively titled Is Gwyneth Paltrow Wrong About Everything? (Caulfield, 2015) argues that the growing mistrust in science is fuelled by modern celebrity. The anti-immunization movement has been driven by entertainment celebrities, such as Gwyneth Paltrow, Jenny McCarthy, Jim Carrey, Bill Maher, and Robert DeNiro, who use their powerful media profiles to promote scientifically unproven claims about the adverse effects of immunization. Their motivation, apart from the obvious efforts to grow their own online followers, seems to also involve a somewhat incomplete articulation of the ‘post material’ values of meaning and spirituality which, in part, promotes a growing disenchantment with the lack of independent objectivity of medical science.

While the populist challenges to science are somewhat new, there is a long-standing scepticism toward scientific rationality as a disenchancing element of society that reaches back to the critical theorists of the Frankfurt School. The rapid rise of acupuncture, homeopathy and other alternative medicines in does not necessarily suggest a complete rejection of the objectivity of science. Rather it suggests that science has become a consumer item or an expression of fashion and taste, the interpretation and use of which is increasingly understood as a source of individual re-enchantment.

4.8. Re-enchanting the science of management education

The critiques of rationality in science have inspired similar critiques of hyper-rationality in management education. In a famous Harvard Business Review article titled How Business Schools Lost Their Way, noted leadership scholar Warren Bennis argues that research in business schools fails to connect with practicing managers because of its narrow focus on scientific rationality. Science, he observes “…is predicated on the faulty assumption that business is an academic discipline like chemistry or geology. In fact, business is a profession, akin to medicine and the law, and business schools are professional schools — or should be” (Bennis & O’Toole, 2005, p. 98).

In his highly influential book From Higher Aims to Hired Hands Rajesh Khurana (2010) argues that in order to attain legitimacy within the university, business schools adopted the model of scientific management promoted by Frederick W. Taylor. But critics note that scientific management failed both in practice and in its application in business schools because scientific rationality erroneously assumes that business decisions can be made independent of social values.

As a result, observes management guru Henry Mintzberg (2004), business schools have adopted an “excessively analytical, detached style” of education that produces “overconfident and underequiliated MBA’s” with no real grounding in how to run an actual company. The narrow rationality of business education based on amoral theories of maximizing self interest and the application of algorithmic reasoning has generated a serious backlash by elite business school academics who argue for a more balanced curriculum that embraces critical thinking, the humanities and ethics (Augier & March 2002; Ferraro, Pfeffer, & Sutton, 2005; Grey, 2004). In our terms, they each ask for a degree of humanistic re-enchantment of management education.

4.9. The return to craft

The resurgence of craft modes of production in Europe and North America offers a powerful illustration of the re-enchantment of work and economy. While craft has always been an important but somewhat invisible element of contemporary industrial economies, the global financial crisis of 2008 seems to have accelerated a movement to refame craft from a form of hobby-work to a viable form of commerce.

There are multiple indica of the growing economic clout of craft production. Etsy.com, an online platform devoted to retailing handmade goods, observes a five thousand percent increase in sales between 2008 and 2011 (etsy.com). The total value of sales in 2010 was 314.3 million USD, an increase of 74% over the previous year and 106% increase over 2008. In 2013 Etsy sales exceeded $1 billion (etsy.com).

The resurgence of craft modes of production has been accompanied by a growing cultural discourse about rediscovering the meaning and value of working with one’s hands. In his New York Times best-selling book Shop Class as Soulcraft: An inquiry into the value of work, Matthew B. Crawford (2009) notes that for nearly a generation Americans have denigrated blue-collar work. Citing Robert Reich’s now famous argument that the new American worker must acquire the abstract knowledge required to become a “symbolic analyst” or “knowledge worker”, Crawford (2009) observes that skilled labour has become delegitimized as evidenced by the widespread closure of “shop” classes - classes devoted to exposing students to work in the trades - in US high schools.

The problem with delegitimizing manual labour, Crawford notes, is that it implies that white-collar workers achieve higher agency, autonomy and financial success than their blue-collar counterparts. The empirical evidence, however, is quite different. The average office worker or computer programmer is as subject to the same deskilling impacts of scientific management as is the typical assembly line worker. Independent tradesmen, Crawford argues, still retain a degree of autonomy over work, a vocational dedication to quality and a sense of purpose and meaning in work that has long since been eliminated in the cubicle based reality of a typical “knowledge worker”.

Crawford concludes with the observation that, while western
industrial societies have worked hard to create institutions that prevent the concentration of political power, we have failed utterly to prevent the concentration of economic power, or take account of how such concentration damages the conditions under which full human flourishing becomes possible. Crawford echoes many decades of research in management that bemoans the loss of meaning in work and the need to re-enchant the workplace.

5. Re-enchanting institutions

Collectively, the resurgence of religion and spirituality, emerging challenges to scientific rationality, the rise of populism, tribalism and craft modes of production, all speak to an oppositional discourse that exposes the questionable assumptions of totalizing progress inherent in post-Enlightenment claims of inexorable rationality. More specifically, these phenomena offer an empirical challenge to the assumptions of in neo-institutional theory. Institutionalism has only explained the inexorable expansion of rationality and disenchantment in the world. But it has been willfully blind to the contradictory evidence of the stubborn persistence of myth, magic and re-enchantment.

Instead, institutionalism fallen victim to the disenchanting effects of rationality. Consider how the theoretical richness of the ‘old’ institutionalism and its focus on social structures populated by humans, has given way to the thin constructs of neo-institutionalism where cognition occurs absent individuals (i.e. institutional ‘logics’) and change occurs absent human agency or reflexivity (i.e. institutional ‘entrepreneurship’). In his poignant comments on the virtues of old institutionalism Arthur Stinchcombe (1997: 1) comments on the disenchanted absence of individuals in the constructs of neo-institutionalism:

“But, unlike the institutions of modern institutionalism, people ran these institutions by organizing activities on their behalf. Institutions were, in the first instance, created by purposeful people in legislatures and international unions, and in pamphlets of business ideologists in Northern England. Modern institutionalism, to create a caricature, is Durkheimian in the sense that collective representations manufacture themselves by opaque processes, are implemented by diffusion, are exterior and constraining without interior people doing the creation or the constraining.” [emphasis added]

Institutional theory is in serious need of re-enchantment.

What would a re-enchanted theory of institutions look like? We address this question in the balance of this essay. We sketch out four alternative constructs that offer an “enchanted re-interpretation” of well-established constructs in neo-institutional theory. First, we examine authenticity as a counterpoint to legitimacy. Second, we introduce the concept of reflexivity in place of the paralyzing notion of embeddedness. Third, we offer the construct of mimesis as an enchanted substitute to isomorphism. Finally, we propose incantation as a counterpoint to diffusion.

6. Authenticity

Considerable research has demonstrated that, in order to be successful, an organization must be legitimate – i.e. it must comply with prevailing societal norms, values and expectations (Suchman, 1995). This means not only legal compliance, it also means normative compliance with social expectations of how an organization should be structured, governed and managed. For example, corporations ought to have a board of directors and any corporation without one will find it difficult to gain critical resources.

An equally important, but unarticulated element of organizational success is authenticity or the ability of an organization to remain true to idealized and unique norms, values and expectations of success. In contrast to legitimacy, which requires an organization to remain true to externally determined social expectations, authenticity requires an organization to remain true to an internalized ideal, identity or historically defined template of what is real, honest, true or essential about an organization, a product or a practice.

The notion of authenticity draws from Plato’s notion of ideal forms in which there is assumed to exist an abstracted ideal type from which all empirical observations are to be compared. While notions of what is legitimate for an organization is socially constructed and may vary over time and space (e.g. gambling, once an illegal activity is now legitimized as ‘gaming’) as external norms change, notions of authenticity or being true to an endogenously conceived ideal form are resistant to pressures of social construction.

Authenticity offers an important but as yet unarticulated counterpoint to legitimacy. While the construct does not form part of the ongoing conversation in neo-institutionalism, the notion of authenticity was an implicit element in the ‘old’ institutionalism of Phillip Selznick who coined the term institutional character to capture the internal “ideals and commitments” (Selznick, 1949, p. 181) held by an organization that give it its “distinctive unity and character” (Selznick, 2008, p. 59).

One of the notable absentees in modern institutionalism, Selznick observes, is the product of an organization’s history, an integral element that cannot be easily replicated or removed and which contributes to its distinctiveness. “Not every organization” (Selznick, 1969; 56) observes “has a set character. When goals are highly specialized and technical, where individuals and groups have only a narrow relation to the organization as a whole, few character-defining commitments may develop. But where some special mission, or a long history, results in more than a purely formal administrative structure, there emerges a quality of uniqueness that suffuses the entire organization”.

Selznick’s conception of character, thus, is a construct that combines the somewhat ephemeral elements of what we now understand to be organizational culture. However, Selznick (1992: 321) noted that character “includes its culture, but something more as well”. It also incorporates an element of commitment to a set of ideals or “critical values” that protected the organization from the somewhat whimsical demands of the external environment by giving the organization a sense of “irreversible commitments” (Selznick, 1957, p. 40) to an internal ideal or sense of organizational self that could best be described as an “institutional imperative” (Selznick, 2008, p. 98).

Ultimately Selznick’s conception of character captures the essence of authenticity, which is an enduring ideological commitment to an internalized set of values and sense of identity that helps guide an entity on a range of difficult issues. Selznick’s notion of character has been largely ignored by contemporary neo-institutionalism with the one possible exception of Roger Friedland, whose construct of institutional substance echoes many elements of Selznick’s original ideas. Friedland (2009: 56) defines institutional substance as an unchanging essence of an institutional field determined by a “regime of values” which defines “the foundation or essence of a thing which cannot be reduced to its accidental properties”. Critically, like Selznick’s notion of institutional character, institutional substance defies calculability. It is often difficult to articulate, even by those who understand its value. “Like Aristotle’s soul as the substance of human, an institutional substance does not exist; it is rather an absent presence necessary to institutional life” (Friedland, 2009, p. 57).

In combination, these three elements – institutional character, essence and substance – contribute to the umbrella construct of authenticity which we define as a powerful and enduring commitment to an internalized set of critical organizational values that are the
product of a unique history and critical reflection that gives an organization a coherent identity and purpose. Authenticity is a recognition that organizations are, at their core, a human endeavor.

While the term authenticity has not yet been articulated in organizational theory we gain some insights from a variety of themes that appear to help elaborate the term. One such theme is that authenticity involves being true to an organization's history, identity or founding values (Suddaby & Foster, 2017). Prior research has shown that successful organizations often fail by drifting too far from the key factors that originally determined their unique position in the marketplace. Mercedes-Benz, for example, faced near failure when the company drifted too far away from its core competence in high quality engineering (Miller, 1992). Similarly, the Danish toy manufacturer LEGO faced bankruptcy after decades of strategic drift away from its foundational values as a source of childhood creativity (Schultz & Hennes, 2013).

In contrast to legitimacy, which is inherently based on a discourse of prevalence, similarity, "normality" (see Hannan & Carroll, 1995; Baum & Powell, 1995; Suddaby, Bitekhtine, & Haack, 2017), authenticity is based on a discourse of difference, "rarity", uniqueness, and the logic of identity. Like Baudrillard’s (1994) notion of the simulacra, authenticity is not merely the claim of aspiration to be normal, it is, rather the claim of aspiring to be real.

7. reflexivity

A distinguishing element of authenticity is that it presumes a capacity for human critical reflection. This assumption stands in sharp contrast to canons of neo-institutionalism, which has been sharply criticized for failing to articulate a clear role for individual agency in institutional processes (Suddaby, 2010) and for the marked absence of any explanation of reflective capacity (Mutch, 2007; Suddaby, Viale, & Gendron, 2016).

Instead, neo-institutionalism is premised on the concept of an "iron cage" in which agents are so embedded in social relations that they fail to recognize their position in the social structure and, as a result, are not capable of understanding how to change it – a theoretical conundrum that has been termed the "paradox of embeddedness" (Greenwood & Suddaby, 2006). Actors, thus, are assigned the assumptive role of Garfinkel’s (1967) "cultural dopes" with an extremely limited repertoire of choice and action as a result of a presumed inability to understand the social pressures that surround them.

While neo-institutional theory has devoted considerable attention to resolving the paradox, the proposed solutions focus on gaps in the social-structural edifice that create very limited opportunities for change. Entrepreneurs effect change by occupying structural positions that either exist on the periphery of social structures (Leblebici, Salancik, Copay, & King, 1991), thereby avoiding the totalizing effects of social pressure, or in the center of two or more social fields, thereby acquiring a hyper-muscular capacity to overcome the social pressures of each (Suddaby & Greenwood, 2005). Both explanations rest on the disenchanter assumption that reflexive insight emanates from flaws in the social structure rather than the reflective capacity of the actor.

Relexivity is a well-established construct in both social (Archer, 2007; Garfinkel, 1967; Horkheimer & Adorno, 1972; Marx, 1992) and organizational theory (Weick, 1995; Chia, 1996; Alvesson, 2003; Antonacopoulou & Tsoukas, 2002). Perhaps the most compelling contemporary articulation of reflexivity in social theory is offered by Margaret Archer’s work, which focuses explicitly on intra-subjective conversation as a key element of social action. Drawing from American pragmatist Charles Saunders Peirce, Archer (2007) focuses attention on the "internal conversation" or the ongoing internal deliberations with us as the foundation of human reflexivity.

These internal conversations with different elements of the self (the I, me and myself, as Cooley (1902) would describe them) provides a life-long internal discussion within which the subject forms an internal consensus about a projected life course that best expresses an authentic identity of the self. Reflexivity, according to Archer (2007: 4), is "the regular exercise of the mental ability, shared by all normal people, to consider themselves in relation to their social contexts and vice versa".

Reflexivity is also emerging as an explanatory element within neo-institutional theory (Mutch, 2007; Suddaby et al., 2016). Suddaby et al. (2016: 229) define reflexivity as "an individuals' general awareness of the constraints and opportunities created by the norms, values, beliefs and expectations of the social structure that surrounds them ... it is the outcome of an interaction between one's structural position ... and the general level of social skill, expertise and knowledge that they have ...".

Reflexivity offers the possibility of re-enchaining institutional theory by articulating a role for the uniquely human capacity for creative insight and self-awareness. Like authenticity, the concept of reflexivity refers to a somewhat ephemeral internal ability that captures Schutz and Luckmann’s (1973) notion of “commonsensical rationality” as distinct from scientific rationality. In order to justify one's social actions, Schutz argued, they must not only be understood to be rational, they must also be "sensible and reasonable" within the subjective point of view of the actor.

It is important to note that reflexivity and internal conversations are not restricted to the interiority of the individual. Both Peirce (1933-35) and Archer (2007) contemplate the possibility of internal conversations about the life interest and life project of collectives – groups and organizations for example. These conversations are expressed in what Searle (1990) describes as statements of joint commitment that capture collective intentionality that are expressed as "we" statements that often form the basis of institutions, perhaps best illustrated by the opening words of the US Declaration of Independence.

In his work in the sociology of law, Phillip Selznick (1992; 1994, pp. 396–402) identified reflexive rationality as an advanced form of legal interpretation that was superior to formal-law because of its ability to create progressive social institutions. Formal law requires the narrow construction of rational interpretation according to the inherent logic of its internal assumptions. So, for example, in a contract dispute a judge must find that a contract exists if the evidence shows a “meeting of minds” between the parties.

Reflexive law, by contrast, avoids slavish attention to procedure and is, instead, attentive to social factors, such as any power differences between the parties, and will restructure contracts based on desired social outcomes. The difference between formal law and reflexive law is like the difference between strict constructionism of the US constitution and judicial activism. It is also like the difference between old and new institutionalism. The former is purposive, agentic and interventionist while the latter is bound by rigid adherence to rules and conventions that cede agency to structures of our own creation.

Reflexivity, thus, offers a re-enchanted view of organizations in which cognizant, self-aware individuals form collective intentions to engage in institutional actions. While these individuals are subject to normative pressures of the institutions they create, these pressures are not cognitively overwhelming. Rather, individuals retain a degree of awareness and sensitivity to their influence. With reflexivity, institutions are enchanting rather than totalizing.

8. Mimesis

Isomorphism is another disenchanter concept of neo-
institutionalism. It is based on the observation that organizations signal conformity to institutional pressures by adopting structures, practices and behaviours that are perceived to be legitimate because they are similar to other organizations in a shared social field. Over time, organizations in a common field will become increasingly similar to each other.

DiMaggio and Powell (1983) identify three distinct types of isomorphism. Coercive isomorphism is a response to social pressures of large central actors in an organizational field, most typically the state. Normative isomorphism is a response to social pressures of arbiters of legitimacy in the field, typically the professions. Mimetic isomorphism is a response to conflicting or ambiguous social pressures in an organizational field in which subject organizations mimic those organizations perceived to be successful or legitimate.

Isomorphism offers a limited and biased view of empirical reality because it marginalizes the role of agency in institutions. It does so by separating beliefs, as subject, from the rationalization of those beliefs into taken-for-granted practices and routines, as object. The concept of isomorphism forces us to attend to the outcome of processes of mimicry — i.e. the expansion of rational forms — with the assumption that the copy is a true but weaker reproduction of the original (DiMaggio & Alford, 1998). It is premised on the assumption of an integration of subject and object (original and copy) and focuses attention on the process by which subject and object, or original and copy, become integrated into a new claim of reality (Baudrillard, 1994).

Although both mimesis and isomorphism share an interest in the production of copies, they differ substantially in how the copy is theorized. In the formal rationality of isomorphism the copy is a weak reproduction of the original. The subtext of mimetic isomorphism is that the weak and inefficient copy the ‘leader’ in the hope of appearing rational. In Mimesis and Alterity, however, anthropologist Michael Taussig (1993) observes that mimesis is a form of ‘sympathetic magic’ in which special power is conferred through the act of copying and through which the copy becomes more powerful than the original.

Walter Benjamin sees mimesis as a form of symbolic interaction that underpins all social institutions. Benjamin (1986: 336) granted special attention to mimesis through language as a key means whereby magic occurs as the subject becomes the object:

In this way language may be seen as the highest level of mimetic behavior and the most complete archive of non-sensuous similarity: a medium into which the earlier powers of mimetic production and comprehension have passed without residue, to the point where they have liquidated those of magic.

We see the power of mimesis in modern business practice where logos, trademarks and brands — mimetic simulacra — are often far more valuable than the products they represent. The trademark, Coombe (1996: 206) observes, is the “mass-reproduced stamp of an authorized site of origin that authenticates mass-produced goods bearing the trademark owner’s singular distinction, the mark might be seen as channelling the cultural energy of mimesis into the form of the signature”. We see it, too, in human resource practices that position management should do (Abrahamson, 1996).

9. Incantation

Diffusion is a central concept in neo-institutionalism. The core argument is that organizational practices and structures are adopted not because of their technical efficiency or operational superiority but because they conform to norms and values in the organizational field. Considerable empirical evidence has been amassed to demonstrate how fads and fashions emerge and diffuse in management, not because of their technical performance but rather because they conform to assumptions about what an organization should do (Abrahamson, 1996).

Critics have been quick to point out some problematic assumptions in diffusion studies. First, it is often assumed that adopting organizations do so passively. Without assessing the motive for adopting, it is difficult to distinguish between adoption for reasons of efficiency versus reasons of mimetic isomorphism (Donaldson, 1995; Haunschild & Miner, 1997; Haunschild, 2008). Second, diffusion studies typically fail to account for changes or translation of structures and practices during the process of adoption (Shalin & Wedlin, 2008). Scandinavian institutionalism refers to the act of changing a structure or practice during diffusion as a process of “translation” (Czarniawska & Joerges, 1996).

The term translation captures an important but invisible element of diffusion — that the practice of adopting a new structure or process, regardless of the motive, is always mediated by language. Indeed, legitimation, which is the sentiment that underpins diffusion, is also a linguistic construct (Zbaracki, 1998). Language, of course, underpins much human behaviour, but it is the power of language intended to legitimate or persuade that is of particular interest to those who wish to understand how rational actors can be convinced to do things that undermine their technical performance (Suddaby & Greenwood, 2005). In this regard, language is magic.

The power to incant through language has always been a central element of enchantment. Covino (1994) reminds us that the words “spelling” and “grammar” have their origins in sorcery and offer a reflection of the capacity of one skilled with words to cast “spells” by reading from a “grimoire”. In The Philosophy of Literary Form, rhetorician Kenneth Burke (1974: 4) reinforces our historical understanding of the magic of words:

“The magical decree is implicit in all language; for the mere act of naming an object or situation decrees that it is to be singled out as such and such rather than as something other. Hence, I think that an attempt to eliminate magic would involve us in the elimination of the vocabulary itself as a way of sizing up reality.”

True rhetoric, Burke (1969) argued, is magical because it initiates action. Words have the power to send men to their death in war, abandon their home and families and adopt political structures that will enslave them.

Yet where is the power of incantation in management theory? The hyper-rational world of finance tends to dismiss words as “mere noise” that will be ultimately washed out by the “invisible hand” of an “efficient market” (Fama & French, 1992; 2012). The global financial crisis of 2008 has revealed the notion of an efficient market as yet another myth of rationality (Fox, 2011). However there is an emerging interest amongst financial scholars to explore the power of rhetoric to magically subvert the rationality of markets. For example, researchers are examining the ways in which the choice of words by central bankers can significantly move the value of currencies (Holmes, 2009) or how the emotions used by finance analysts to describe firms can magically distort the value of a corporate stock (Tellock, 2007; Feldman, Govindaraj, Livnat, & Segal, 2010; Loughran & McDonald, 2011).

Language and incantation are powerful forms of enchantment and magic that remain, largely, unexplored in institutional
processes. While we have some indication of the legitimating power of words through rhetoric (Suddaby & Greenwood, 2005) and discourse (Maguire & Hardy, 2009) this thread of research remains largely unexplored. Certainly the sterility of diffusion deserves to be re-enchanted by a closer examination of how words and incantation permit the translation and movement of ideas (Czarniawska & Joerges, 1996; Sahlin & Wedlin, 2008).

10. Re - enchanting institutions with magical thinking

The intent of this essay has been to draw attention to the hyper-rationality of the modern world – the prominence of science, the spread of secularism and the expansion of rationality – and its deleterious effect on how we study and understand institutions. The hyper-rationality of social science and its focus on quantification and measurement has forced us to focus on the outcomes of institutional processes that produce organizational forms and ideas that conform to modernist notions of progress.

It is important to remember, however, that one of the central concepts of neo-institutionalism is the concept of rational myths (Meyer & Rowan, 1977), which argues that primitive and often regressive cultural ideas can only be spread in modernity when they are wrapped in the guise of rationality. They are not rational themselves. Quite the opposite: it is the incantation and mimesis of rationality that makes them appear legitimate.

Why then do studies of institutional change always demonstrate the success of modern forms of production (corporate modes of publishing always replace craft modes) or thinking (progressive logics always replace primitive ones) over traditional ones? Where are the accounts of successful efforts to subvert science, slow secularism and challenge capitalism? Where are the studies of enchantment and re-enchantment in the world?

Some are beginning to emerge. Perhaps the best illustration of this is offered by the fascinating account of the enchanted process of training advocates in Scotland - a process called devilling – by Sabina Siebert and colleagues (Siebert, Wilson, & Hamilton, 2016). The trainees (termed devils) must conform to ancient rules and rituals enforced by their mentors (devilmasters). The rules have little relationship to learning the rational, technical elements of law and much to do with the reinforcement of tradition and the ritualistic expression of enchantment through the imposition of seemingly arbitrary commandments (devils may not sit here), which the authors term the “enchanted space”.

While the example of “devilling” may be an extreme case, the professions are replete with lesser examples of the stubborn persistence of ritualistic thinking. Consider the reluctance of the American medical establishment to give up the irrational “on call” schedule of physicians in training (Pratt, Rockmann, & Kaufmann, 2006). Or consider the role of primitive routines in reproducing ancient class structures at elite British universities (Dacin et al., 2010) and the power of traditional professionalism to delegitimate the rationality of multi-disciplinary professional partnerships (Suddaby & Greenwood, 2005). These are all illustrations of the power of re-enchantment.

Stories of enchantment also abound in the hyper-rational world of finance. In his book The Alchemy of Finance, billionaire philanthropist George Soros attributes his success in investing to a form of magical thinking. Based on his experience in the markets, he rejects economists’ assumption of rationality in the market. Markets, he observes are made inconsistent by biased perceptions or myths. This he terms the principle of fallibility. He argues that the myths become magnified by human reflexivity, which ultimately, makes markets highly mercurial, more like alchemy than science. Rationality and human reflexivity, Soros observes, are incompatible explanations of the market. His success, he argues, is based on his view of markets as reflexive not rational systems best understood by alchemy rather than quantification.

The intent of this essay is to draw attention away from the obvious examples of hyper-rationality in the world and encourage us to attend, as well, to the somewhat marginalized examples of “arationality” – a term used to capture phenomena which stand outside the domain of what can be understood by reason. Emotions, ethics and much of what makes humanity interesting is inherently arational – a form of “magical thinking”.

In his acclaimed book Infinite Jest, American writer David Foster Wallace confronted the importance of arationality or magical thinking in the absurdity of the hyper-rationality of modern capitalism. Describing how the magical aural intimacy of old telephone conversations has been destroyed by a (fictional) new video technology, Wallace writes:

“The bilateral illusion of unilateral attention was almost infan
tilied gratifying from an emotional standpoint: you got to believe you were receiving somebody’s complete attention without having to return it. Regarded with the objectivity of hindsight, the illusion appears arational, almost literally fantastic: it would be like being able to both lie and to trust other people at the same time (Wallace, 1996, p. 144).

Here Wallace describes the inherent and recurrent destruction of intimacy by new technology. Prior generations, of course, would argue that the phone destroyed the magical intimacy of face-to-face conversations. But his critical insight is the observation that new modes of technology are always underpinned by nostalgic substratum of how we have lost another small aspect of being human and how that can be reclaimed by attending to the arational. This is, of course, the core claim of magical realism in fiction – that the hyper rationality of modernity has largely suppressed our humanity, but it re-appears with the episodic appearance of supernatural or magical events in everyday life.

Magical thinking acknowledges the animism inherent in material objects, such as the speed bump, known in the UK as “sleeping policemen” with the power to “calm traffic” (Pinch, 2008), or the algorithms used to trade financial derivatives (MacKenzie, 2006) and to curate newsfeeds to social media users (Bashky, Messing, & Adamic, 2015). Social media and its ability to curate ideology and meaning of the self is the essence of animism – i.e. that material objects may, through processes of human signification, acquire agency.

Collectively the constructs of authenticity, reflexivity, mimesis and incantation offer promising alternatives to the increasingly rationalized and disenchanted concepts of legitimacy, institutional embeddedness, isomorphism and diffusion. Their enchantment arises from the degree to which they reflect and reinforce the phenomenological foundations of institutions. Institutions only exist to the degree that we believe they exist. But mere faith in institutions need not deny human reflection, agency or the cathartic power of myth.

We cannot deny the power and influence of the ongoing expansion of rationality. Nor can we deny its associated sense of disenchantment. But, by the same reasoning, we cannot ignore the tenacious persistence of myth, magic and enchantment in human beliefs, social practices and institutions. Our intent is to sketch out the possibility of institutions as Janus-like social structures, looking forward to an increasingly rational future dominated by the exte
riority of the social structures we have imposed on ourselves, while, simultaneously, and perhaps somewhat nostalgically, embracing a still unexplored interior world of memory and reflection on the character, essence and authenticity of those social structures. An enchanted view of institutions is simply an acknowledgement that there is more in the dark corners of the universe, and organizations, than either science or rationality will admit.