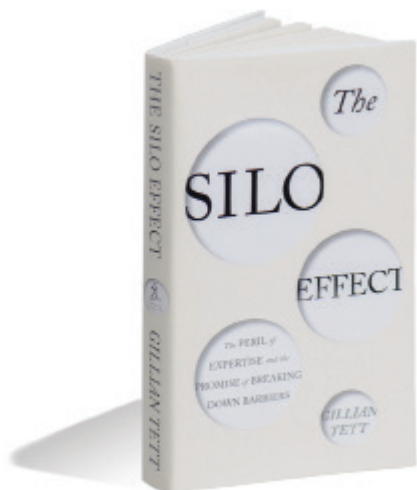# Kick the Buckets

Gillian Tett

The Silo Effect
Simon & Schuster, New York, 2015, 304 pp., $28.00 (cloth).

Gillian Tett was one of the few journalists to gain credibility from the global economic crisis that began in 2008. Her forensic analyses of the risky end of finance were helped by vivid writing and the unusual perspective she'd gained from a background in cultural anthropology.

In this book the *Financial Times* journalist applies those skills to one of the universal problems of big organizations: how to reap the great advantages of a division of labor without the costs of poor coordination, miscommunication, and endless turf battles that come from organizing in silos.

The diagnosis is clear, if hardly original. All big organizations create silos, or buckets: separate product divisions and departments, whether built around a specialization or a client group.

It's hard not to. Unless tasks are broken up into chunks, there is a risk of a sprawling mass. Chunking leads to clearer accountability, a more manageable organization, and a stronger sense of staff identity.

But the virtues come with vices that anyone who has worked in a large organization knows well. Units de-velop their own language and beliefs and, usually, a fair amount of mutual suspicion, which leads not just to incoherence but also to inflexibility.

The book provides plenty of cautionary tales. One is Sony in the 2000s, whose successful PlayStation department jealously guarded its independence as the new CEO, Howard Stringer, tried to break down silos. As a result, Sony failed to capitalize on a series of technology shifts—such as the rise of digital music devices—that it was well placed to use to dominate.

There are also inspiring examples of success, like New York City's fire department, which learned to gather data from other departments to predict where fires would erupt and shift its resources from cure to prevention.

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In a few of the examples Tett cites, the jury is still out. Facebook, for example, continues to struggle not to become as siloed as Microsoft, using many familiar tools in the antisilo arsenal, such as temporary project teams, moving people around the organization, and sharing information.

There is plenty of good sense here and much that will be unfamiliar to many readers. But three fundamental weaknesses keep this from being a really important book rather than just an interesting one.

The first is the lack of an adequate theory or framework to assess silos. Tett is good at explaining anthropology's insights into how people create boundaries and separate categories. But what's really needed is a theory to explain when more horizontal structures are preferable to vertical ones—because a world without silos has its own vices, such as blurred responsibility or the replacement of too many vertical boundaries with just as many horizontal ones. This issue has been debated in management theory for at least a century and has spawned many alternatives, such as matrix- and project-based management. Yet Tett appears unaware of either the theory or the practice.

The second weakness is a lack of sufficiently telling cases. For example, big disasters—terrorist attacks and oil spills—often result from silos failing to communicate with each other and would have made compelling case studies. At a more mundane level, although the New York fire-fighting example is interesting, many governments have gone far further in combining budgets, teams, targets, and activities. In the United Kingdom, for example, outdoor sleeping by homeless people was cut by 90 percent through antisilo methods (which were copied a few years later in New York and elsewhere).

The third crucial missing element is technology. The big institutions of the late 19th and early 20th centuries opted for vertical hierarchy and silos because communication was so expensive. But cheaper communication makes it easier to use flatter structures, with temporary project teams held together by pooled knowledge and data and a strong common culture. It would have been good to hear more about how far this can go. The Googles and Facebooks are hierarchical, but also able to reconfigure much more quickly than in the past.

This is a well-written book, full of engaging descriptions. Each chapter works well on its own. But like the organizations the author describes, the whole is rather less than the sum of its parts.

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a nonprofit organization that
fosters innovation in the
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