Theatrical Façades and Agents in a Synthesized Analysis From Enron Theatre: Implications to Transaction Cost and Agency Theories

by David M. Boje, Terry R. Adler & Janice A. Black

New Mexico State University, USA

ABSTRACT

The Enron collapse highlights the need to study how corporations implement strategy. How was Enron so successful in this age of free information? Our thesis is that Enron dramaturgically implemented strategy through associative delusion. Enron used theatre in three ways we term "Metatheatrical": (1) as a technology to persuade, or associate, (2) a façade to deceive, or delude, and (3) a metaphor in the important sense of Shakespeare's Life is Theatre. Their use of theatrical tools has implications for agency and transaction cost theories in how organizations can reduce transaction and production costs. Our synthesis contributes to the understanding of organizational boundaries through the development of winning scripts.

Our study of the Enron collapse examines how this corporation managed transactions through dramatic, or theatrical information. Enron used theatrical technology that ranged from simple dramatic presentations of accurate information to complex theatrical spectacles to affect how external decision-makers accurately or inaccurately interpreted that information. For example, when Enron's Executive Committee proposed that the new company motto be "The coolest company on Earth" then-Chairman Kenneth L. Lay suggested wrapping the headquarters building in a giant pair of sunglasses—an example of a dramatic presentation of the desired image. Jeffrey Skilling, when working for Enron, also acted with "showmanship," putting on public relations efforts to promote Enron's Gas Bank in ways that were spectacular. The day Peco filed its plan with regulators, Skilling got up at 4:30 a.m. and by 9:00 a.m. had done nine radio interviews. By noon, he had an airplane circling Peco's headquarters in Philadelphia with a banner bearing the message "Enron doubles Peco's rate cuts" (Durgin and Skinner, 2000). Whether true or not, this entire set of activities constituted a complex theatrical spectacle designed to convey a specific understanding to observers.

The strategic management literature has many theories to explain the competitive advantages companies achieve by manipulating information. When regarding duplicity, two pertinent theories address information adequacy and inadequacy: transaction cost economics and agency theories (Williamson, 1985; Donaldson, 1990; Hill, 1990; Masters and Miles, 2002; Miller, Wiseman and Gomez-Mejia, 2002). Many researchers have attempted to understand the ramifications that occur when organizations and individuals hide important information to manipulate governance structures (Lewicki, McAllister and Bies, 1998; Gomez-Mejia, Nunez-Nickel and Gutierrez, 2001; Dharwadkar, George and Brandes, 2002). What are the implications for transaction cost economics (TCE) theory and agency theory (AT) when an organization can successfully persuade decision-makers to adopt a particular interpretation when that interpretation doesn't match information presented in a more analytical fashion? Enron appears to have been initially successful using theatrical facades in such a way.

Our thesis is that the theatrical events and spectacles performed by Enron were not randomly produced but were the result of deliberate plans to reach specific goals by enacting or implementing strategies. Such a use, we propose, is a hybrid form of governance that allows lower relative transaction and production than other governance alternatives. Enron's use of theatrical tools, when considered dramaturgically, includes the design of preliminary scripts and stagings (metascript, Savall, 2001), the development of spectacles that can be analyzed with Septet dramaturgical elements, based on Aristotle and defined below, and the presentation of the spectacle's metatheatre (Boje, 2002a). Metatheatre effects can create conditions of information asymmetry because individuals follow scripts that may or may not be accurate. The complexity of this enactment implies that a corporation's dramaturgical implementation strategy requires a collective process not adequately explained in the academic literature. Specifically, we have integrated transaction cost, agency theory and post-modern interpretation in an attempt to make explicit the ways that principals and agents could use theatre to maximize agent wealth through the lowering of costs.

The explanation of Enron's theatrical events from a dramaturgical perspective has important implications for understanding governance and opportunism of strategists and leaders in corporations and industry. The resulting framework proposes a hybrid form of economic governance in addition to market and hierarchy (Eisenhardt, 1989; Williamson, 1975, 1991) and is distinctly different from clans (Ouchi, 1980). Thus, our contribution to the management literature is three-fold: (1) addresses the need for overlap and integration among theoretical perspectives in building a more complete understanding of organizational phenomena; (2) adds to the set of useful categories of audience-performer dialogs found in economic organizations; (3) adds to our understanding of governance mechanisms by presenting a potential distinct hybrid structure, Metatheatre, as a governance mechanism for achieving lower transaction and production costs.

Our test application of a new synthesized methodological approach is structured as follows. We will first discuss transaction cost economics and agency theories in general, and then conduct a pilot dramaturgical analysis of Enron. Our analysis of Enron shows our proposed chronological and plot linkages of the spectacles to illuminate how a corporation can mislead the public through the theatrical spectacle and how this adverse behavior misleading the targeted audiences eventually leads to performance declines when the façade is unmasked. We will end with implications for further research and improved practice into dramaturgical aspects of strategy implementation, transaction costs, and agency theory including the suggested hybrid governance form of Metatheatre.

TRANSACTION COST ECONOMICS AND AGENCY THEORIES

Williamson (1975) argued that as markets fail, hierarchies emerge as the more efficient way to govern transaction costs, in part, based on the possibility of opportunistic behavior on the part of the parties to the transaction. Strategists struggle with "what determines the relative efficiency of different structural arrangements that mediate transactions?" According to TCE theory, the most efficient governance structure depends on the dimensions of the transaction and a comparison of the costs of transacting under alternative structural forms (Gulati and Singh, 1998). Typical governance costs include the sum of the normal production costs of procurement, operations, marketing and support activities plus the transaction costs of running the economic institution that organizes the exchange such as negotiation, monitoring, and maladaptation. Bilateral exchanges obviously depend in part on the ability of parties to the exchange to gather and process information about the transaction. Hierarchical forms can hide information about costs especially if they are privately held. Obviously market forms of governance are the most open with regard to information exchange with 'arms length' transactions.

However, what happens when firms maintain control without having to pay for an infrastructure, or hierarchy, that inevitably leads to higher production costs? We suggest that TCE's opportunism fails to account for corporate leadership's intentional manipulation of stakeholder approval and market conditions that essentially a governance condition that affects firm boundaries in the pursuit of corporate goals.

Since agency theory focuses on the alignment of principal and agent goals, we next turn to agency theory for additional understanding. A brief overview of agency theory is presented, which we align with the market and hierarchy governance forms of TCE. This is followed by the dramaturgical analysis process and Enron examples.

AGENCY THEORY

Agency theory has its roots in the concept that agents have responsibility for completing a transaction based on what the principal wants done (Dharwadkar. George, and Brandes, 2002). For example, governing directors for most organizations want management to behave in a certain way or achieve specific outcomes (Eisenhardt, 1989). Agency theory considers aligning the goals and objectives of both principal and agent before the transaction starts and then assesses and verifies that certain behaviors and outcomes were completed (e.g., ex ante and ex post contract concerns; Williamson, 1985). Some have qualified this initial assertion of the need for alignment of goals and objectives with the assurance of alignment of values (Deckop, Mangel and Cirka, 1999), but the need for some alignment remains.

The issue of alignment is also an important concern in TCE theory. If a transaction has a perceived "uncertain future" associated with it, TCE theory would predict that the hierarchical governance structure would be the most appropriate structure to manage the transaction. While production costs would be greater than the market or hybrid alternative, transaction costs would be lower because haggling and monitoring would be relatively lower. Agency theory would also predict that principals would use behavior-based versus outcome-based forms of governance for higher risk transactions because outcomes would be more difficult to plan for and predict (Eisenhardt, 1989).

Table 1 summarizes the differences along critical transaction cost and agency dimensions. Notice that traditional governance forms of either markets or hierarchies are used. The appropriate conditions of information and appropriate levels for costs are shown. Although past scholars have addressed hybrid situations (Ouchi, 1980; Adler, Scherer, Barton and Katerberg, 1998), none of the literature considers the performance of a dramaturgical event as a governance structure.

Characteristics and Dimensions	**Markets**	**Hierarchies**
Transaction Cost Economics		
Information	Free Flow	Limited
Production Costs	Low	High
Transaction Costs	High	Low
Possibility of Opportunism	Low	High
Asset Specificity	Low	High
Uncertain Future	Low	High
Bounded Rationality	Low	High
Agency Theory		
Governance Criteria	Outcome-based	Behavior-based

Table 1 Critical Characteristics and Dimensions of Transaction Cost Economics and Agency Theory In Terms of Information Availability

The study of collective groups of principals and agents should include the board of directors and management as collective agents and investors and government regulators as collective principals. Neither transaction cost economies nor agency theories address how groups of investors, countries, governments, and other firms make concessions that consistently lower transaction and production costs for a benefactor firm or why this occurs. We suggest that principals and agents co-develop strategy through the enactment of multiple scripts written by management and, possibly, the board of directors. One orientation that does address this issue explicitly is the theatre literature and in particular the post modern understanding of theatre. We next present an overview of this perspective.

DRAMATURGICAL ANALYSIS

A complete review of corporate theatre research and theory is beyond the scope of this paper. The interested reader is directed to Oswick, Keenoy, and Grant (2001), whose special issue provides an excellent review of differences between Goffman and Burke approaches to corporate theatre. Briefly, followers of Goffman (1974) take a metaphoric approach (e.g., Rosen, 1985; Mangham and Overington, 1987; Clark and Mangham, 2001; Harvey, 2001; Meisiek, 2002) while followers of Burke (1937, 1945, 1972) take a more literal approach—theatre is not a metaphor (Mangham and Overington, 1987; Pine and Gilmour, 1999; Kärreman, 2001: 106; Somerset, Weiss, Fahey, and Mears, 2001). In Goffman's metaphoric approach, the processes of the theatre are implied while relationships between those processes are used; that is, a public presentation differs from a private backstage presentation. This public presentation may or may not reveal the private motives and actions of the principals and agents. In Burke's "life is the theatre/theatre is life" approach—also suggested by Shakespeare, the actual processes of the theatre are incorporated into daily life (see for example the literature on improvisation in organizations: Preston, 1991; Eisenhardt and Tabrizi, 1995; Hatch, 1997; Moorman and Minor, 1998a, 1998b; Weick, 1998; Miner, Bassoff, and Moorman, 2001, among others).

There is also a third perspective: theatre is a technology used by management to persuade and control employees (Schreyogg and Noss, 2000; Meisiek, 2001; Schreyogg, 2001). In Germany, France, and the U.S. for example, firms hire consultants who employ professional actors and playwrights to enact theatre as a technology of change. In the theatre technology approach, executives and consultants hire professional actors to recreate conflict situations and craft object lessons to address problems identified by senior executives. Following these theatric events, performances would typically be discussed and processed by managers and employees, sometimes using focus groups. We view this as a managerial use (Alvesson and Willmott, 1996; Clark, 2001) of theatric technology, employing theatre professionals to aid expert consultants and top managers in their strategy to control organizations.

Rather than pit Goffman's, Burke's, or Schreyogg's approaches to corporate theatre against one another, we believe all three are important contributions and can be used in a dramaturgical analysis. Figure 1 presents our dramaturgical view of strategy implementation. In dramaturgy, the Metascript is followed by the creation of the Septet then by the presentation of Theatre or Metatheatre and, finally, by the Audience Response. We will first define the four components— Metascript, Septet, Metatheatre, and Audience Response—then explain each form of theatre use.

Metascript is defined as the multiplicity of scripts that define a field of action where strategies are plotted, characters get trained in their lines, and employees feel conscripted or imprisoned in their character roles (Savall, 2001). Each script is part of a network of scripts, collectively written, that constitutes a metascript performed as part of corporate and institutional social practices that specify what employees say and do. Improvisation occurs at the scripts' margins. We assume most of us will work in McDonaldized and Disneyfied organizations whose theatres are tightly scripted. Characters are trained in their scripts and punished by the script police, when they improvise. Metascripts are networks of 'little' scripts that suspend employees in "panoptic surveillance," part of panoptic society (Foucault, 1979). In other words, a metascript is an all-inclusive view of an organization's intended actions and projected results that also applies equally to executives and managers. The organization is a "carceral network" of scripts or little disciplinary mechanisms (Foucault, 1979: 298) in the organization's system of governance.

Theatrical scripts identify character categories, provide minimal staging description, and set out the dialogues for characters and their actions on stage. Scripts need to be produced, and the process of creating the production is called the Septet. Septet refers to seven elements of metatheatre methodology. The seven elements are (1) Frames, (2) Themes, (3) Plots, (4) Characters, (5) Dialogs, (6) Rhythms, and (7) Spectacles. The Septet we propose builds from Aristotle's (350 BCE) Poetics by incorporating more recent critical postmodern terms (Best and Kellner, 1997, 2001). We propose a postmodern reinvention of Aristotle's (350 BCE) dramatic elements of Poetics. We are not the first to redefine Aristotle's terms. For example, Burke's Pentad dramaturgy corresponds to Aristotle's Poetics elements as follows (Burke, 1945: 231): plot = act; character = agent; spectacle = scene; theme = purpose; dialog and rhythm = agency.

Aristotle's Poetics elements are also the root of the Boal (1979) theatric method, Theatre of the Oppressed. Boal (1979) builds upon Freire's (1970) Pedagogy of the Oppressed (1969) and reinterprets Aristotle's Poetics to fashion a postmodern Poetics of theatre. Table 2 summarizes the interrelation between Poetics, Pentad, and Septet approaches to dramaturgy dimensions. Ours is a postmodern re-reading of Aristotle (350 BCE) and Burke (1945) which draws upon Debord (1967), Boal (1979), and Freire (1970), to set out the synthesized and revised Septet definitions. Without this more critical and postmodern dramaturgy perspective, we contend a one-sided dramaturgy is likely to end in the kinds of undetectable "till- mega-scandal-erupts" theatre that Best and Kellner (2001) call "megaspectacle."

Metatheatre refers to the multiple presentations of Theatre is Life as well as across theatre uses of the produced scripts and their interactions with each other. Presentations and interactions are both mentioned because such presentations are not done in isolation,

Poetics **(Aristotle, 350 BCE)**	*Pentad* **(Burke, 1945)**	**Septet**
* Frame of spectator's mind	* Frames of acceptance/rejection	1. **Frames** –Ideologies that are in dialectic contest, resisting each other, and refusing to synthesize.
1. Theme (or thought)	1. Purpose	2. **Themes** – themes of oppression fan out in rhizomatic weaves, and are met by themes of resistance.
2. Plot (or fable)	2. Act	3. **Plots** – have become inter-plots, interconnecting pre-plots in networks, in the middle of being worked out.
3. Character (or agent)	3. Agent	4. **Characters** – the cast of characters is in the middle of being enrolled, and characters morph their personae in schizophrenic ways.
4. Dialog (or diction)	4. Agency	5. **Dialogs** – obfuscating language and double-speak mixed with euphoric testimonials and bland reassurances that attain and shed meanings.
5. Rhythm (or melody)		6. **Rhythms** – rhythmic resonances self-organize in chaotic patterns that refuse to freeze, often disintegrating what was just integrated.
6. Spectacle	5. Scene	7. **Spectacles** – spectacles are intertextual to other spectacles; they embed in socio-economic contexts by decontextualizing and recontextualizing.

* = Discussed, but not one of their main dramaturgical elements.

Table 2 Poetics, Pentad, and Septet Grammar of Dramatis Personae nor are they done sequentially; rather the presentations are the joint and concurrent interactions of the characters involved in the full set of metascripts. Thus, metatheatre is defined as the networking of simultaneous stage-crafted performances seeking to instruct and control spectators and actors. When the set of characters has differing goals and preferred processes, disintegration will result. The rate of time for that disintegration may depend upon other power relationships among those involved with the various metascripts. Thus, metatheatre displays evolution and revolution in dialectic cycles of theatric integration and disintegration. Subterfuge and covert behavior may result in metatheatre; for a time it may seem that rapid progress is being made, but ultimately disintegration ensues and leaves many of the hoodwinked members looking around in bemusement and wondering what happened.

We see each of the three uses of theatre in drama—metaphor, life, tool— influencing a dramaturgical implementation of strategy (See Figure 1). Figure 1 illustrates three boxes which correspond to the three ways theatre can be used by a firm. The four major components of theatre—Metascript, Septet, Metatheatre and Audience Response—spanning across each of the three boxes.

- The Theatre as Metaphor box has only one focal script—to persuade the audience of the reality of the staged performance. The Septet is the gathering of components to operationalize that one script. The performance is the public enactment of the script. While contextualized, this performance may or may not be dramatical. The successful outcome is the acceptance by the audience of the performance as reality.
- The Theatre is Life box illustrates the processes of the theatre being put into organizational practice. Multiple, simultaneous sets of scripts compete for organizational prominence. There are multiple operationalizations of those scripts, each using the Septet, and there are simultaneous performances of produced scripts. In this instance, the contextualized performances may or may not be dramatic. Dramatic roles convey an element of pathos and are recognized as symbolic by the audience. Non-dramatic presentations are accepted as real; however, how the set of dramatized or non-dramatized scripts are perceived is not necessarily uniform. They may be perceived as either cohesive or fragmented. If the collective performance is accepted and integrated by the audience, there can be a cohesive pursuit of goals. If the collective performance is seen as fragmented by the audience, there is the potential for audience disintegration into each fragmented part and, ultimately, disintegration of the governance system.
- The last box illustrates Theatre as Tool. There is one goal to present, but multiple dramatic ways of presenting it. The Septet box is the gathering of which presentation method to use and the selection of scripts. The performance is theatrically based and typically dramatic. The outcome, or Audience Reaction, is not to persuade the audience of the reality of the presentation, but to persuade the audience to accept the concept with its associated pathos as performed.

In summary, note that in the Theatre is Life and Theatre as Tool segments, initially many more potential scripts can be produced. Some scripts move to production. Of those produced, some scripts move to performance in the Theatre is Life while only one script moves to performance in the Theatre as Tool segment. Those which are performed in the Theatre is Life segment result in either a consolidated goal and complementary approaches to lower transaction and production costs as a center stage goal. Theatre as Life has subsequent rounds of metascripting produced through the Septet and of presentation through metatheatre. The one Theatre as Tool script was simply evaluated on whether it created the desired response in the audience in the same manner as the lone

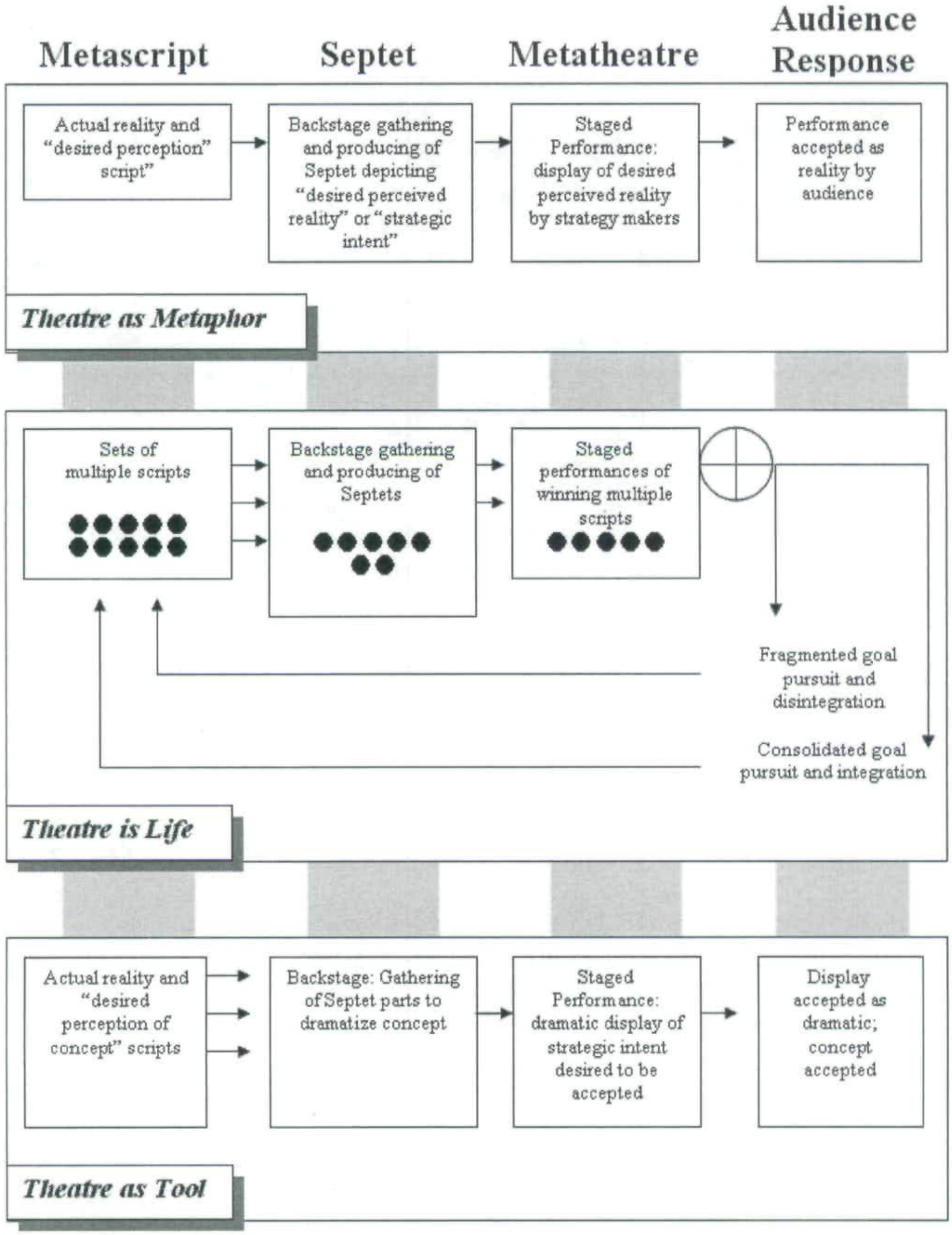

Figure 1 Dramaturgical Strategy Implementation Model

script, production, and performance in Theatre as Metaphor.

We believe that reduction of the number scripts from Metascript to Septet to production and the interjection of pathos is explained by the management and the board of director's desire to control agents. In the next section we provide a synthesis of Enron. This is not meant to be a complete analysis, but a test analysis of one approach to dramaturgical analysis, which we hope will invite more intensive research.

A SYNTHESIS OF ENRON'S DRAMATURGICAL IMPLEMENTATION STRATEGY

A dramaturgical analysis of Enron requires analysis across all three theatrical applications. *Theatre as Tool* is the simplest form to begin with. We will then evaluate whether there are processes that correspond to *Theatre as Metaphor*. Our last review will be a *Theatre is Life* analysis of the processes used. Notice, from the earlier description of Theatre as Metaphor, the implicit use of façade and illusion.

First, was *Theatre as Tool* in use at Enron? Yes, Kenneth Lay's initial suggestion to wrap the Enron building in a giant pair of sunglasses indicates this usage. Furthermore, several times each year, Enron's divisions hired professional choreographers and dramatists. Jeff Gray, a former economist at Enron Energy Services says, "It was important for employees to believe the hype just as it was important for analysts and investors to believe it" (Banerjee, 2002: 1). The Enron divisions rehearsed their skits for weeks, relying upon professional dramatists to make the skits persuasive and entertaining. Two years in a row, Rebecca Mark had a subordinate wearing a mask of her boss's face ride an elephant at Enron events to promote Enron's power project in India. Mark also entered Enron events riding a Harley Davidson motorcycle to the thundering applause of employees and spouses. Other Enron extravaganzas involved Enron executives and managers dressing in Star Wars costumes[1]. The celebrations were recognized as dramatic symbolic representations, but the audience of employees accepted the image and the associated pathos as reflecting Enron corporate culture.

Next, was *Theatre as Metaphor* in use at Enron? Did Enron set out to persuade an interpretation of reality using façade and illusion? Yes, published news articles indicate that this was the case. For example[2], each year between 1998 and 2001, an elaborate theatre stage was constructed on Enron's sixth floor to simulate a real trading floor. It's expensive theatre—$500 to set up each desk and more for phones, 36-inch flat panel screens, and teleconference rooms for this stage-crafted spectacle. The entire set was wired by computer technicians who fed fake statistics to the screens. On the big day, several hundred employees, including secretaries, played their rehearsed character roles, pretending to be "Energy Services" traders doing mega deals. Jeffrey Skilling and Kenneth Lay were key showmen in Enron metatheatre. Skilling and Lay played their starring roles in the Enron *Dramatis Personae* to a target audience of invited Wall Street analysts, who could not tell *real* from *fake*[3]. Former employee Carol Elkin said that it was all an act, and that no trades were actually made there: the people on the phones were just talking to each other appearing to be making trades. This provided the illusion of a hierarchy without the accompanying bureaucracy and production costs of a hierarchy. Both TCE and AT frameworks can provide a basis for understanding how information was used to frame Enron's image and all-encompassing boundaries as a powerful trader in the petroleum industry. Enron's delusion through theatre, where a delusion is the act of deceiving that leads to frustration and disappointment (Webster, 1970), was bought into by investors and regulators as these investors and regulators associated potency, power, and control with the company.

Finally, did Enron use the much more important sense of Shakespeare's *Life is theatre*? Again, there are instances of spectacles in use as part of daily business for Enron. For example, Rebecca Mark's globetrotting visits on the Enron jet became a road show complete with an entourage of World Bank, World Trade Organization, International Monetary Fund, and CIA agents, mixed along with Mark's hair dresser, make-up artist, and a flock of assistants. Rebecca Mark was a performer acting out her role in the Enron drama. When Mark landed, the force of the White House landed with her. While Mark courted the World Bank for support of her $2.4 billion liquefied natural gas power plant in Dabhol, India, Kenneth Lay treated government politicians to gala events and Jeffrey Skilling revved up the Storm Trooper force to make aggressive energy trading deals. Clearly, this was another example of delusion through the use of imagery and influence to frame transaction conditions in managing the spectacle of Enron strategy (Gedajlovic and Shapiro, 1998).

Through dramaturgy, Enron was able to govern transactions with relatively lower production and transaction costs than would normally be the case in either the market or hierarchical alternatives. The aggressive and powerful metatheatre of Enron instilled a pathos that the audience of those trading Enron stock and overseeing their activities accepted. The winning scripts, thus, not only affected audience behavior, but also used appropriate pathos-inducing images to achieve desired outcomes.

Furthermore, there are many examples of the dramaturgical cycles of Enron's use of Theatre is Life. For instance, on October 12, 2001, Enron crafted a script of its soon-to-be-announced down-writing to partners at Arthur Anderson, who say they "strongly objected to the 'non-recurring' phrasing as misleading" (Witt and Behr, 2002: A01). The October 16, 2001, news release is described as a masterpiece of modern business spin:

The company emphasized that setting aside the $1 billion in 'one-time' losses, its profits had actually risen by 26 percent compared with the year before. The company was very confident in our strong earnings outlook, Lay said in the release. (Witt and Behr, 2002: A01)

A subsequent example of metascripting is the way Enron's lawyers drafted scripts that were used by Enron's Board of Directors to interrogate executives. For example, as October 2001 Wall Street Journal articles (e.g., Emshwiller, 2001) circulated, Charles A. LeMaistre—President Emeritus, University of Texas—decided to question Andrew Fastow about conflicts of interest in being both Enron's executive and CEO of Enron's LJM. LeMaistre was reportedly "timid about confronting the young executive about how much money he'd made from LJM, and asked Enron's general counsel, James V. Derrick, to 'prepare a polite script' that was 'just the right tone'"(Witt and Behr, 2002: A01):

"We very much appreciate your willingness to visit with us." Armed with the script, LeMaistre telephoned Fastow and posed the question, "How much?" It was "$45 million," Fastow said.

LeMaistre wrote in the margin of his script: "incredible."

Another example of metascripting combined with metatheatre is the early morning preparations on Tuesday, October 23 2001. Lay was huddled with a small group of advisors in a conference room adjoining his 50th-floor office suite rehearsing "a carefully worded script" prepared by Enron's publicists and several executives (Witt and Behr, 2002: A01). Lay was to preside over a live webcast chat with security analysts in an effort to quench the media firestorm about Fastow's role in the LJM partnerships. The script "suggested that no one at Enron was responsible for the LJM partnerships. Failure it would seem, was an orphan" (Witt and Behr, 2002).

With minutes to spare before the conference, Ronald T. Astin, a lawyer with Enron's outside law firm, Vinson and Elkins LLP, was asked to help fix the script. He rewrote it to say that it was Fastow who presented the LJM proposal to the board.

Fastow read Astin's changes and exploded, Astin later told investigators. Fastow yelled that Astin was wrong about who was responsible for LJM. *"It was Skilling!"* he shouted.

At 8:30 a.m. Houston time, financial analysts from Boston to San Francisco joined the conference by phone and Internet.

"There has been a lot of recent attention to transactions Enron previously entered into with LJM, a private equity partnership," Lay said, addressing LJM and Fastow head on. *"Let me reiterate a couple of things. We clearly heard investor concerns earlier this year, and Andy Fastow, Enron's chief financial officer, ceased all affiliations with LJM."*

Lay added that Fastow was doing *"an outstanding job."*

"We're very concerned the way Andy's character has been kind of loosely thrown about over the last few days in certain articles," Lay said. Fastow's role at LJM had been monitored rigorously so that Enron's interests would never be compromised, he said. (Witt and Behr, 2002: A01)

This LJM performance represented an attempt to delude actors and spectators through image management. Enron's partnerships, while legal according to the letter of the law, continuously revised the boundaries of Enron's empire. The use of Star Wars characters and other Theatre as Tool events reinforced the boundaries sought by Enron's collective group of principals and agents (see Figure 1).

The next example of metascripting came too late for Enron's metatheatre as several of the proposed script changes had already been tried. Sherron Watkins, who became America's hero for confronting her boss Ken Lay with a prophetic memo on August 14, 2001, decided on October 30th to sit down and rewrite Enron's script in ways she believed would save the day. She sent a memo to Lay outlining Enron's new metascript which Witt and Behr (2002: A01) reassembled as follows:

For herself, she made a bid for a big new job. She was available *"ASAP"* to become Lay's personal *"devil's advocate,"* unraveling knotty accounting and unmasking employees who were lying out of self-preservation.

For Lay and Enron, she plotted a course of damage-control to *"rebuild investor confidence."*

Step 1: Blame subordinates. The *"culprits are Skilling, Fastow, Glisan and Causey."*

"Lay to be open about his involvement or more importantly, his lack thereof," her memo said. *"Lay to admit that he trusted the wrong people."*

Step 2: Blame the lawyers and accountants. *"Mistake #2: he relied on VandE and Arthur Andersen to opine on their own work."*

Lay should now fire both firms.

Step 3: Lay should be a statesman and work the system.

"This is a problem we must all address and fix for corporate America as a whole. Ken Lay and his board were duped by a COO who wanted (earnings) targets met no matter what the consequences, a CFO motivated by personal greed and 2 of the most respected firms, AAandCo and VandE, who had both grown too wealthy off Enron's yearly business and no longer performed their roles."

The bad news, Watkins concluded, was that Enron's sins had been *"horrific."*

The good news, she wrote, was that *"Nobody wants Ken Lay's head. He's very well respected in the community."*

The metascript changes arrived too late. On Wednesday, November 28, 2001, the deathblow came: the Big Three credit agencies—Moody's, Standard and Poor, and Dunn and Bradstreet—downgraded Enron stock to "junk" status. Dynergy, who Enron courted in a last ditch effort, immediately terminated its agreement to buy Enron. That very day, Enron temporarily suspended all payments other than those necessary to maintain core operations: Enron's shares fell 85%.

From the above we can tentatively conclude that Enron engaged in dramaturgical strategy implementation using all three theatre methods. Enron used (1) theatre as metaphor as a Goffmanesque façade to deceive in acts of image management (Dutton and Dukerich, 1991), (2) theatre is life as a technology to persuade acceptance of a truth, and (3) in the Burkean literal sense of Shakespeare's Life is Theatre. As a superstar of the energy markets, Enron dominated, its theatre held power, but the TAMARA-esque (Boje, 1995) dynamics self-organized and veered Enron into mega-scandal. Enron enjoyed the benefits of market control through legal partnerships established through metatheatre and metascripting. However, Enron's interplay of multiple scripts and its simultaneous theatres and stages disintegrated while its players tried to integrate and control the unraveling dramatis personae of Enron in terms of its metatheatre and metascripting behaviors. Until this disintegration, Enron enjoyed abnormally lower transaction and production costs that gave them a powerful competitive position.

IMPLICATIONS FOR TCE AND AGENCY THEORY FROM DRAMATURGICAL ANALYSES

Dramaturgical analysis provides useful information about the means by which organizations implement their strategies. It may also reveal how an organization might attempt to control and metascript transaction costs. Strategies are theatrically realized as narratives are conveyed through the collective interactions of multiple principals and agents. Barry and Elmes (1997: 440) state that "Many strategic narratives seem to follow a simplified variation of the epic Hero's Journey." Enron, after the Valhalla trading rogues scandal of 1987 (Boje, 2002b), enacts a romantic plot portraying itself as Barry and Elmes (1997: 445) said, "as recovering from a fall from grace, stemming perhaps from excessive growth or divergence from the founder's vision."

As Enron became increasingly more competitive, success was measured by the staged performances of key corporate officials. Because of changes in the industry, however, performance outcomes were difficult to assess, so principals accepted the theatric assurances of Enron officials. Unfortunately, the high-risk behaviors and excessive delusion by Enron's officers laid a foundation of failure atypical of firms in the corporate death spiral (Hambrick and D'Aveni, 1988). The opportunistic behavior of Enron ownership and management affected stakeholders as information asymmetries limited government regulation and investors from adequately perceiving downward performance signals. Not only limited, but also false information was presented as real and was accepted as real in successful use of Theatre as Metaphor.

While the strategy literature suggests that decision-makers cull an official strategic vision and implement that vision through corporate resources, the Enron example suggests that management's clandestine agenda may be predictive of a special case of delusional strategic intent. Not since the trusts of the late 1800s (i.e., Standard Oil and U.S. Steel) (Fetter, 1931) has a firm attempted to misrepresent costs on the scale of Enron. Blatant opportunism on Enron's part was masked under the guise of many initiatives, practices, and stories as part of the growing Enron empire from 1985 to 2001.

Based on the Enron example and the collective obfuscating of blatant opportunism by ownership and management in positions of trust, we propose that the agents at Enron, ownership and management, concealed and distorted information regarding the magnitude of Enron's hierarchy through metatheatre, essentially obfuscating objective analysis by principals, investors and regulators, of Enron's behavior and performance. Eisenhardt (1989) contends that when the principal has information to verify agent behavior, the agent is more likely to behave in the interests of the principal. From our analysis, pathos-inducing metascripts combined desired behaviors and outcomes in an efficient way by creating favorable market conditions to maximize wealth generation by the agents. Principals, as observers, relinquished their objectivity when they became caught up in the pathos of the metatheatre drama provided by the performers, or agents.

Figure 2 displays a modification to TCE theory based on favorable cost positions brought about by the collective of principals' and agents' use of dramaturgy. The use of numerous and complex partnerships resulted in a structural hybrid between both market and hierarchical alternatives that allowed Enron to maintain the appearance and advantage of private, unregulated monopolistic trading in the free market. While officially operating in the commodity market of oil, the company controlled much more than what their official organizational chart revealed. Thus, Enron shifted market conditions of economies of scale and scope by implying control as supplier of gas and refinery resources that was not apparent to the outside investor or government regulator. Enron maintained low production and transaction costs through the use of script-based dialogs to present either true and false information that favored Enron. Enron subsequently reduced

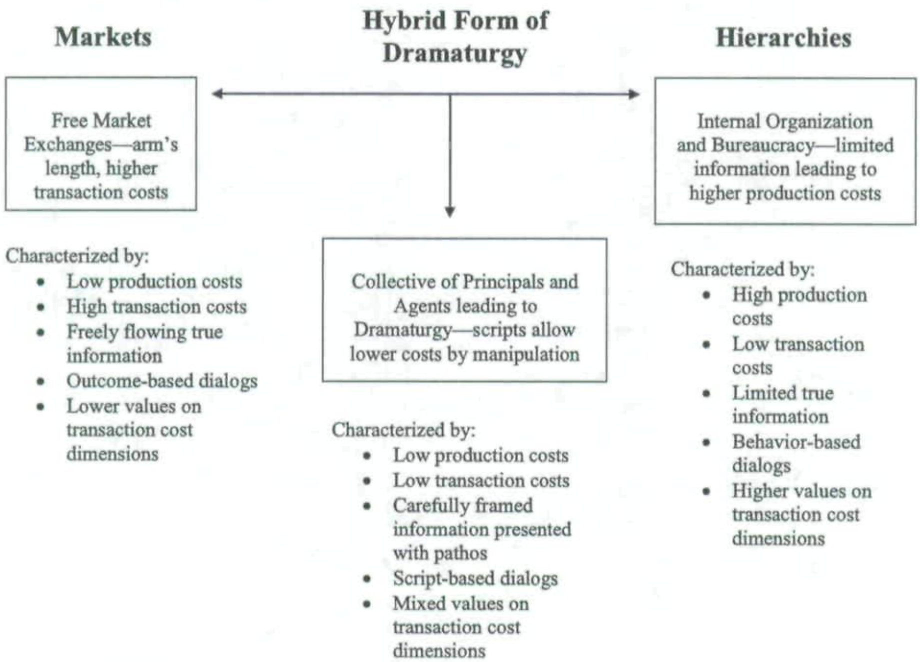

Figure 2 A Dramaturlogical Strategy Model

market uncertainty by employing opportunistic strategic plots to acquire, or control, assets specific for the petroleum industry without actually having to purchase these assets. Thus, Enron had an implied asset specificity because of these scripts that gave them leverage in the petroleum industry.

Regulating control of the petroleum industry has always been a difficult task for government regulators (Williamson, 1985). What is new is the degree of control and deceit Enron was allowed to display when any insider, or knowledgeable investor, could have exposed or deduced through an objective analysis of their financial data. Even traders and analysts assigned to the Enron stock were fooled by the collective's Theatre as Metaphor. For instance, ten out of fifteen analysts following Enron recommended a "strong buy" or "buy" position up to 38 days before Enron collapsed (Gordon, 2002).

How was Enron able to co-opt, or delude, these analysts? A dramaturgical view of strategy implementation across all theatre applications allowed Enron to maximize their facade, minimize transaction costs, and manage spectacles in determining the winning strategy or script. Gedajlovic's and Shapiro's (1998) negative spiral of opportunism was in play, but was deliberately kept backstage while business as usual, or at least as legal, was presented on stage.

Table 3 presents a suggested extension of TCE and agency theoretical attributes derived from the Enron analysis. While dramaturgy may be used in unethical fashions, as illustrated by our Enron synthesis and suggested by Williamson (1991), other examples of positive occurrence, such as virtual organizations, have been suggested by Black and Edwards (2001) as well as by Brown and Eisenhardt (1998). Other hybrid forms do exist. For instance, clans have extensive social networks that replace hierarchical forms of governance through strong kinship ties (Ouchi, 1980). Dramaturgy is similar to clans in their collective representation of members, but differs from clans in that they lack the codevelopment of scripts between principals and agents. In addition, clan-like decision-making processes, such as those made by Fastow and others inside Enron, tend to favor single individuals acting as leaders of the clan. In dramaturgy, the winning scripts come from several individuals in the codevelopment of strategy by principals and agents.

Characteristics and Dimensions	Markets	Hierarchies	Hybrid – Dramaturgy
Transaction Cost Economies			
Production Costs	Low	High	Low
Information	Free Flow	Limited	Framed and Injected with Pathos
Transaction Costs	High	Low	Low
Possibility of Opportunism	Low	High	High
Asset Specificity	Low	High	Implied
Uncertain Future	Low	High	Low
Bounded Rationality	Low	High	*
Agency Theory			
Governance Criteria	Outcome-based	Behavior-based	Script-based

*Determinable based on the degree of the facade between principals (investors and regulators) and agents (ownership and management).

Table 3 Revised Characteristics and Dimensions of Transaction Cost Economies and Agency Theories

Also, dramaturgy differs from long-term relational contracts or agreements that are intentionally incomplete so that the contract partners have room to maneuver (MacNeil, 1978). Metatheatre scripts are much more spontaneous and not intentionally left blank as the Enron example illustrates. Instead, winning metatheatre scripts go beyond mere behavioral and outcome-based forms of dialog to add pathos in manipulating desired outcomes. Ring and Van de Ven (1992) add that relational contracting works because trust between trading partners is enforced through the legal system. A dramaturgical view of Enron suggests that financial and legal systems favored unethical behavior and poor outcomes because analysts and investors were deluded due to observing compelling drama through pathos-riddled scripts.

STRATEGIC MANAGEMENT IMPLICATIONS

We know from past studies that corporate theatre is replete with public presentation and audience response (Oswick, *et al.*, 2001). The study of Enron metatheatre adds to our knowledge of how organizations present principal-agent relationships in terms of audience-performers linkages. Our pilot dramaturgical results suggest that dialog is even more important in understanding organizations as more than economic and social entities. Traditional views of corporate governance have been based on the fundamental financial economic goal of balancing owner and investor interests. Berle and Means (1932) state that owner's legitimate interests are threefold: (1) earn maximum profit that is compatible with the risk of the decision, (2) distribute profit generously and equitably among owners, and (3) maintain market conditions favorable to the investor. Past frameworks have investigated the alignment of owner's behavior and outcomes with the goals of the firm's ownership in fulfilling these three objectives (Williamson, 1979; Eisenhardt, 1989; Walsh and Seward, 1990; Gedajlovic and Shapiro, 1998; Dharwadkar and Brandes, 2002). The inability to align management and ownership interests has been highlighted for various reasons in Table 4.

Key Concept	Meaning	Source
Moral Hazard (or Shirking)	Lack of agent effort in principal-agent relationship	Eisenhardt (1989) Jensen and Meckling (1976), Fama (1980)
Adverse Selection	Agent misrepresentation of ability in principal-agent relationship	Eisenhardt (1989)
Entrenchment	Management actions that reduce the effectiveness of control mechanisms to regulate management behavior	Walsh and Seward (1990)
Perquisite Consumption	Short-run cost-augmenting by management designed to enhance non-salary income	Gedajlovic and Shapiro (1998)

Table 4 Traditional Risk Areas Between Management and Ownership

Regulation of management's behaviors, like shirking, adverse selection, perquisite consumption, and entrenchment, that indicate maladaptation is clearly warranted and has been discussed in much detail in the studies listed. Enron's management and ownership, however, highlight something much more sinister—how the collective ownership and management of Enron acted out drama of corporate power while simultaneously maximizing their own wealth at the expense of investors and market regulators. Enron owners and management were able to minimize transaction costs, thus improving their own profitability, by decreasing haggling and monitoring costs in establishing and maintaining gas and oil transactions.

Metascripts, as evidenced in the Enron case, contained deceptive language that framed audience responses and outcomes from both investor and regulator perspectives. The entrenchment concept introduced by Walsh and Seward (1990) begins to question how management can limit internal and external control to regulate management behavior but entrenchment does not answer how management and ownership collude to garner investor and regulator approval to maintain favorable market conditions. Entrenchment also is framed from a financial economic perspective that limits the affects of social context on audience-performer linkages in the dramaturgical sense. The relationship between principal and agent needs extension when ownership and management are considered as a collective acting on behalf of investors and regulators as a collective. The social dynamic between ownership, management, investors and regulators is much more complex and script-based than discussed in previous models (see Table 4).

Audience response, thus, needs to be reconsidered not from a moral hazard, adverse selection, perquisite consumption, or entrenchment framework, but from the performer's persuasive ability to incorporate observers into the corporate delusion. Delusion in the Enron case is pertinent to understanding the purpose of the drama being performed by ownership and management. The winning scripts that best lowered transaction and production costs simultaneously were the agent's primary mechanism for creating delusion. We refer to this kind of delusion as associate delusion since the winning scripts tended to be powerful providing control and direction at the expense of protecting principal interests. The Enron example also indicates that associate delusion evolves based on when and how winning scripts are accepted by the audience as performed by management and ownership. We would, thus, define associate delusion as ownership and management's use of metascripts to garner ownership and management's unethical accumulation of favorable market conditions and competitive position. Associate delusion describes the principle-agent relationship from an audience-performer perspective when the performer intentionally misleads the audience through metatheatre to gain favorable outcomes and market approval.

The metatheatre charade and façade would have ended "if one man or woman who knew or suspected the truth had stood up and said no, I will not be Enroned into silence" (Beatty, 2002). The cast was distracted from truth seeking, however, by the fruits of economic manipulation and information asymmetry regarding the truth. Enron's collapse was more than inefficient strategy making and implementation as discussed by Maitlis and Lawrence (2003). Enron collapsed into bankruptcy on December 3, 2001, exposing a metatheatre façade emptied of assets: the shock of the debacle erupted into a megaspectacle set of scandals that still unfolds. We now know that even afterward, investment houses were advising their customers to buy more Enron stock—the metatheatre had been that powerful and successful. The relationships between principal and agents as an associative group produced convincing metatheatre, and this collective group functioned as a unique form of governance that was moderated by the winning script of unabashed competitive arrogance. The ramifications of this drama are just beginning to be understood.

LIMITATIONS

This synthesized analysis is not intended to be the last word on applying a dramaturgical framework to organizations but to invoke more discussion. Several elements of our sensemaking need additional investigation. We found secondary data on Enron in the popular press and not as the result of scholarly research. Thus, to the degree that this secondary data misrepresents Enron, our use of the data as examples is weakened. Further research that directly investigates Enron-type metatheatre is needed. We used only the one case to illustrate the usefulness of combining dramaturgical analysis with economic theories to better understand organizational topics. This one case may not be representative of how theatrical tools are in use by organizations.

Analysis that incorporates both positively perceived uses of theatre as well as negatively perceived uses is also needed.

CONCLUSIONS

Improvisational theatre has been used to illustrate the on-the-spot types of learning that may occur in organizations (Moorman and Miner, 1998a,b; Miner, *et al.*, 2001); however, in this pilot dramaturgical analysis, we argue, also reveals insight into organizational life. Specifically, we believe that an expanded dramaturgical analysis, such as we illustrated with Enron, that uses archival research, stories from company employees, and evolving public reports, can lead to a better understanding of audience-performer linkages between corporate decision-makers and strategic implementation. Given the apparent widespread use of Theatre as Metaphor and its attendant staging of framed information, a rigorous application of dramaturgical analysis is necessary to understand metascript changes and the overall metatheatre of Enron especially with regard to how associative delusion develops.

We explored how Enron is dramaturgy in three interpenetrating metatheatric ways: Theatre as Metaphor (the façade of the sixth-floor Hollywood trading-floor theatre where employees pretended to be trading on the phones), Theatre is Life (the globetrotting road-show theatre of Mark the Shark), and Theatre as Tool (the dramatic presentations of Enron's celebratory events). Another suggested area of investigation might be the unconscious theatre where people perform their day-to-day character roles without dramaturgical awareness. In our view, metatheatre is quite powerful; the Enron metascripts controlled not only the impressions of employees and Wall Street analysts, but also the expectations of executive-stars: all of the outsiders were in essence conscripted into the produced scripts of Enron's clan of top executives that gave them favorable trading terms and competitive position.

While in this paper we used Enron as an illustration for dramaturgical analysis, from a critical postmodern venue we might assert that Enron happened because Enron is metatheatre. Enron metatheatre played scenes for the "Good Old Boys'" new economy by grasping together a series of plots for global conquest, with Machiavellian characters as players, while shrouding themes of oppression in "free market" and "deregulation" Star Wars dialog, and beating out rhythms of predation within frames of tragedy and comedy until the integrated spectacles disintegrated into megaspectacles. It is possible that we all live and work in metatheatre, sometimes consciously as producers, distributors, and consumers and, at other times unconsciously, as conscripted characters in others' scripted metatheatres. The world is a stage; it is our job to critically analyze the dramaturgy in all its forms.

REFERENCES

Adler, T., Scherer, R., Barton, S. and R. Katerberg. (1998) 'An empirical test of transaction cost theory: Validating contract typology'. Journal of Applied Management Studies, 7(2), 185-200.

Alvesson, M., and Willmott, H. (1996). Making Sense of Management: A Critical Introduction. London: Sage.

Aristotle. (350 BCE E.g. (1954). Translation Aristotle: 'Rhetoric and Poetics'. Intro by Friedrich Solmsen; Rhetoric translated by W. Rhys Roberts; Poetics translated by Ingram Bywater. NY: The Modern Library (Random House). Poetics was written 350 BCE.

Banerjee, N. (2002). 'At Enron, Lavish Excess Often Came Before Success'. New York Times. February 25, 2002. On line http://www.nytimes.com/2002/02/26/business/26EXCE.html

Barry, D., and Elmes, M. (1997). 'Strategy retold: Toward a narrative view of strategic discourse'. Academy of Management Review, 22(2): 429-452.

Beatty, J. (2002). 'The Enron Ponzi scheme'. Atlantic Unbound. March 13. On line at http://www.theatlantic.com/unbound/polipro/pp2002-03-13.htm

Berle, A., and Means, C. (1932). The modern corporation and private property. New York: Commerce Clearing House.

Best, S., and Kellner, D. (1997). The Postmodern Turn. NY/London: The Guilford Press.

Best, S., and Kellner, D. (2001). Postmodern Adventure. NY/London: The Guilford Press.

Black, J., and Edwards, S. (2001). 'Virtual Teams and organizations: Using complex systems logic to understand emerging organizational forms'. In M. M. Beyerlein, D. A. Johnson and S. T. Beyerlein (Eds.) Advances in Interdisciplinary Studies of Work Teams: Volume 8 Virtual Teams; New York: JAI

Boal, A. (1979). Theatre of the Oppressed. Translation by Charles A. and Maria-Odillia Leal McBride. Originally published in Spanish as Teatro de Oprimido in 1974. NY: Theatre Communications Group.

Boje, D. (1995). 'Storytelling Organization: A postmodern analysis of Disney as "Tamara-Land'. Academy of Management Journal. 38(4): 997-1035.

Boje, D. (2002a). Critical Dramaturgical Analysis of Enron Antenarratives and Metatheatre. Plenary presentation to 5th International Conference on Organizational Discourse: From Micro-Utterances to Macro-Inferences, Wednesday 24th - Friday 26th July (London).

Boje, D. (2002b). 'Enron Metatheatre: A Critical Dramaturgy Analysis of Enron's Quasi-Objects'. Paper presented at the Networks, Quasi-Objects, and Identity: Reintegrating Humans, Technology, and Nature session of Denver Academy of Management Meetings. Tuesday, August 13, 2002.

Brown, S., and Eisenhardt, K. (1998). Competing on the Edge: Strategy as Structured Chaos. Boston, MA: Harvard Business School Press.

Burke, K. (1937). Attitudes Toward History. Las Altos, CA: Hermes Publications.

Burke, K. (1945). A Grammar of Motives. Berkeley, CA: University of California Press.

Burke, K. (1972). Dramatism and Development. Barre, MA: Clark University Press with Barre Publishers.

Clark, T. and Mangham, I. (2001). 'From dramaturgy to theatre as technology: The case of corporate theatre'. Unpublished paper The Management Centre, King's College, University of London.

Clark, T. (2001). 'Management Research on Fashion: A Review and Evaluation'. Human Relations, 54(12): 1650-1661.

Cron, T. (2002). 'W's Biggest Enron Liability: The Case Against Thomas White Grows" on Enron. The Nation. On line at http://www.thenation.com/capitalgames/index.mhtml?bid=3andpid=41

Debord, G. (1967). Society of the Spectacle. La Société du Spectacle was first published in 1967 by Editions, Buchet-Chastel (Paris); it was reprinted in 1971 by Champ Libre (Paris). It is customary to refer to paragraph numbers in citing this work.

Deckop, J., Mangel, R. and Cirka, C. (1999). 'Getting more than you pay for: Organizational citizenship behavior and pay-for-performance plans'. Academy of Management Journal, 42(4): 420–428.

Dharwadkar, R., George, G. and Brandes, P. (2002). 'Privatization in emerging economies: An agency theory perspective'. Academy of Management Review, 27(3): 650-670.

Donaldson, L. (1990). 'The ethereal hand: Organizational economics and management theory'. Academy of Management Review, 15: 369-381.

Durgin, H., and Skinner, R. (2000). 'The guru of decentralization: Jeff Skilling'. Financial Times London. June 26, London Edition, Pg. 14

Dutton, J., and Dukerich, J. (1991). 'Keeping an eye on the mirror: Image and identity in organizational adaptation'. Academy of Management Journal, 34 (3): 517-554.

Eisenhardt, K. (1989). 'Agency theory: An assessment and review'. Academy of Management Review, 14: 57-74.

Eisenhardt, K., and Tabrizi, B. (1995). 'Accelerating Adaptive processes: Product innovation in the global computer Industry'. Administrative Science Quarterly, 40: 84 – 110.

Emshwiller, J. (2001). 'Enron jolt: Investments, assets generate big loss LJM'. Wall Street Journal. October 17, 2001, Wednesday, Section C; Page 1, Column 3 (68 words).

Fama, E. (1980). 'Agency problems and the theory of the firm'. Journal of Political Economy, 88: 286-307.

Fetter, F. (1931). 'The Masquerade of Monopoly.' First edition 1931, NY: Sentry Press. Reprinted.

Fetter, F. (1971). Augustus M. Kelley Publishers (NY). Quotes are from the 1971 reprinted edition.

Foucault, M. (1979). ' Discipline And Punish: The Birth of the Prison'. Translated from the French by Alan Scheridan. NY: Vitage Books (A Division of Random House).

Freire, P. (1970). Pedagogy of the Oppressed. Translated by Myra Bergman Ramos. NY: The Seabury Press (A Continuum Book).

Gaber, N. (2002). 'Creative analysis puts a new spin on Enron'. March 16 NY Times http://www.theage.com.au/articles/2002/03/15/1015909903745.html

Gedajlovic, E., and Shapiro, D. (1998). 'Management and ownership effects: Evidence from five countries'. Strategic Management Journal, 19: 533-553.

Goffman, E. (1974). Frame analysis. New York, NY: Harper Colophon Books.

Gomez-Mejia, L., Nunez-Nickel, M. and Gutierrez,

I. (2001). 'The role of family ties in agency contracts'. Academy of Management Journal, 44: 81-96.
Gordon, M. (2002). 'House panel approves bill to tighten accounting industry oversight, corporate disclosure rules'. Associated Press, April 16: 21:28.
Gulati, R., and Singh, H. (1998). 'The architecture of cooperation: Managing coordination costs and appropriation concerns in strategic alliances'. Administrative Science Quarterly, 43:781-814.
Hambrick, D., and D'Aveni, R. (1988). 'Large corporate failures as downward spirals.' Administrative Science Quarterly, 33: 1-23.
Harvey, A. (2001). 'A dramaturgical analysis of charismatic leader discourse'. Journal of Organizational Change Management, 14 (3), 253-266.
Hatch, M. (1997). Jazzing up the theory of organizational improvisation. In J. P. Walsh and A. S. Huff (eds.), Advances in Strategic Management, 14: 181-191. Greenwich, CT: JAI Press
Hill, C. (1990). 'Cooperation, opportunism, and the invisible hand: Implications for transaction cost theory'. Academy of Management Review, 15: 500-513.
Jensen, M., and Meckling, W. (1976). 'Theory of the firm: Managerial behavior, agency costs, and ownership structure." Journal of Financial Economics, 3: 305-360.
Kärreman, D. (2001). 'The Scripted Organization: Dramaturgy from Burke to Baudrillard'. In R. Westwood and S. Linstead (Eds.) The language of organization. London: Sage Publications.
Lewicki, R., McAllister, D. and Bies, R. (1998). 'Trust and distrust: New relationships and realities'. Academy of Management Review, 23: 438-458.
MacNeil, I. (1978). 'Contracts: Adjustments of long-term economic relations under classical, neoclassical and relational contract law'. Northwestern University Law Review, 72: 854-906.
Maitlis, S., and Lawrence, T. (2003). 'Orchestral manoeuvres in the dark: Understanding failure in organizational Strategizing'. Journal of Management Studies, 40 (1): 109-122.
Mangham, I., and Overington, M. (1987). Organizations as Theatre. Chichester, NY: Wiley.
Masters, and Miles, G. (2002). 'Predicting the use of external labor arrangements: A test of the transaction costs perspective'. Academy of Management Journal, 45(2): 431-442.
Meisiek, S. (2002). 'Situation drama in change management: Types and effects of a new managerial tool'. International Journal of Arts Management.
Miller, J., Wiseman, R. and Gomez-Mejia, L. (2002). 'The fit between CEO compensation design and firm risk'. Academy of Management Journal, 45(4): 745-756.
Miner, A., Bassoff, P. and Moorman, C. (2001). 'Organizational Improvisation and Learning: A Field Study'. Administrative Science Quarterly, 46: 304-337.
Moorman, C., and Miner, A. (1998a). 'The convergence of planning and execution: Improvisation in new product Development'. Journal of Marketing Research, 34: 91 – 107.
Moorman, C., and Miner, A. (1998b). 'Organizational improvisation and organizational memory'. Academy of Management Review, 23: 698 – 723.
Oswick, C., Keenoy, T. and Grant, D. (2001). 'Dramatizing and organizing: acting and being'. Journal of Organizational Change Management, 14 (3), 218-224.
Ouchi, W. (1980). 'Markets, Bureaucracies and Clans'. Administrative Science Quarterly, 25: 129-141.
Pine, B., and Gilmour, J. (1999). The Experience Economy: Work is Theatre and Every Business a Stage. Boston, MA: Harvard Business School Press.
Preston, A. (1991). 'Improvising order'. In I. L. Mangham (ed.) Organization Analysis and Development: 81–102. New York: Wiley.
Ring, P., and Van de Ven, A. (1992) 'Structuring cooperative relationships between organizations'. Strategic Management Journal, 13(7): 483-503.
Rosen, M. (1985). 'Breakfast at Spiro's: Dramaturgy and dominance'. Journal of Management, 11, 31-48.
Savall, H. (2001). 'Interview of SEAM faculty Henri Saval, Marc Bonnett, Veronique Zardet, and Michel Peron'. Conducted by Grace Ann Rosile and David M. Boje, taped and transcribed, from 2 July 2001 Lyon, at the EGOS conference ; transcriptions available from the authors.
Schreyogg, G. (2001). 'Organization Theatre and Organization Change'. Presentation to Academy of Management Conference, Washington D.C.
Schreyogg, G., and Noss, C. (2000). 'Reframing change in organizations: The Equilibrium logic and beyond'. Academy of Management: Best Paper Proceedings, Toronto.
Somerset, M., Weiss, M., Fahey, T. and Mears, R. (2001). 'Dramaturgical study of meetings between general practitioners and representatives of pharmaceutical companies.'.

British Medical Journal, 323 (7327), 1481-1484.

Walsh, J., and Seward, J. (1990). 'On the efficiency of internal and external corporate control mechanisms'. Academy of Management Review, 15: 421-458.

Webster's Dictionary. (1970). New Twentieth Century Dictionary, Second Edition. Cleveland, OH: World Publishing Company.

Weick, K. (1998). 'Improvisation as a mindset for organizational analysis'. Organization Science, 9(5): 543 – 555.

Williamson, O. (1975). Markets and Hierarchies: Analysis and Antitrust Implications. New York: Free Press.

Williamson, O. (1985). The Economic Institutions of Capitalism. New York: Free Press.

Williamson, O. (1991). 'Comparative economic organizations: The analysis of discrete structural Alternatives'. Administrative Science Quarterly, 36: 269-296.

Witt, A., and Behr, P. (2002). 'Losses, Conflicts Threaten Survival: CFO Fastow Ousted In Probe of Profits'. The Washington Post, July 31: A01.

NOTES

[1] See Schreyogg (2001), Schreyogg and Noss (2000) and Meisiek (2002) - who see theatre as a more or less "managerialist" technology to be used by management. They focus on how corporations employ professional actors, directors, and stage hands to set up theatre events to dramatize object lessons for employees, followed by focus groups facilitated by consultants.

[2] Banerjee (2002) presents one version with 100 secretaries. Another is Gaber (2002) with 75 secretaries and other employees pretending to make trades. A third is Cron (2002) who says dozens of employees took part in the masquerade. We conclude that different numbers of Enron employees were recruited as cast members in different years between 1998 and 2001. See also 'Click2Houston' web report: Enron Designed Fake Trading Floor. Posted: 1:22 p.m. CST February 22, 2002, Assessed August 30 2002 at http://www.click2houston.com/hou/news/stories/news-124836820020222-130220.html

[3] The Washington Post. August 3rd, 20002 Editorial, p. A18.