

## Book reviews

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**K.E. Weick, *Sensemaking in Organizations***, Thousand Oaks, CA and Sage, London, 1995.

Often, we deconstruct many theories we do not like but then try to put Humpty Dumpty together again. It is intellectually exciting but at the end of the day if we want to demolish the main props of this and that theory, we cannot have it both ways and rebuild the less weak features of each into a more integrated theory of organizations. Difficult books, like the one to be reviewed here, that attack conventional theories almost wholesale, try hard to reconstitute the paradigm and are not an easy read. It is well worth the effort, at least, to persevere with them, whether you are eventually convinced or not by them. So, we must now turn to the work in question.

One of the most truly original writers on organizations is Karl Weick. He now holds a chair at Michigan, having been at *Cornell for a long time and even editor of the ASQ*. His new book *Sensemaking in Organizations* is an academic work as such but one which breaks the mould, as his previous works have frequently done. Weick seeks to understand 'process' rather than 'structure', a search that seems far distant from the Aston holy grail. Yet for a short period of time in the early 1970s, several colleagues and myself tried to synthesize the two approaches, with what I must confess was not a great degree of success. Perhaps these concepts will never be comfortable bed-fellows. In eight chapters, Weick tries to make sense of organizational life. He quotes Drucker's remark that 'decision making changes with locale'. The Western manager emphasizes the answer, whereas the Japanese equivalent thinks it more important to 'define the question' (p. 15). Weick sets out the properties of sense-making in organizations as ongoing, subtle and so on. He believes that organizational and sensemaking processes 'are cut from the same cloth' (p. 82). In doing both, one imposes order, counteracts deviations, simplifies and connects. Sense-making, he writes, is the 'enlargement of small cues' (p. 133). It helps you understand what, for example, is in case-studies as well as real-life situations. Again, 'every manager is an author' (p. 183). Frankly,

it is perhaps a little too diffuse for many readers but parts of the book are very insightful and if you think verbs ('managing' and so on) are more useful than nouns like 'environment' and 'organizations', you will embrace Weick's work with more enthusiasm than this reviewer.

What interesting books do have in common is a desire to draw the reader into the key ongoing debates in management theory. They have, of course, very different goals and potential audiences in mind. But that is all to the good; some will go for a wider readership, some for a narrower one. Academics in the management field should be interested in diffusing their message to as many potential converts as possible. This book will not turn very many, other than the ones already persuaded, I am afraid.

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**N. Campbell and F. Burton, eds, *Japanese Multinationals: Strategies and Management in the Global Kaisha***, Routledge, London, 1994.

**J. Morris, ed., *Japan and the Global Economy: Issues and Trends in the 1990's***, Routledge, London, 1991.

**T. Yuzawa, ed., *Japanese Business Success: The Evolution of a Strategy***, Routledge, London, 1994.

These three books, containing almost forty separate papers, provide an excellent, if sometimes quite contradictory, introduction to the state of the debate about Japanese exceptionalism in the era of globalization. The book edited by Morris provides three very useful background pieces on 'Globalization and global localization' (Morris), 'The changing geography of Japanese FDI' (Dicken) and, certainly the most radical and critical analysis of Japan's global situation in the three volumes, 'Structural origins of Japan's direct foreign investment' by Rob Steven. The remaining essays, generally informative and well-argued, fo-

cus on the experience of Japanese corporations in a variety of offshore locations (USA, Canada, South-East Asia, Australia, the EC as a whole and (West) Germany).

These country-level studies are usefully augmented by several other studies of Japanese corporations in the USA, Britain, Italy and the Mexican maquiladora industry in Mexico in the volume edited by Campbell and Burton. However, most of these chapters seem somewhat compressed, particularly Teramoto et al. on strategic alliances in the semiconductor industry, Kagono and Campbell on 'Organizational perestroika' and Pucik's 'Challenges of globalization', all of which are quite elaborate research projects stuffed into short chapters. Hopefully, all of these will appear before too long in a more extended format.

The Yuzawa volume is distinctive in that it consists almost entirely of the work of Japanese scholars writing about the histories of specific firms (Toyota, Fujitsu, Canon, Toray, NKK and others) and how they have coped with the changing demands of the global economy. The final chapter in this book by Nishizawa, is a fascinating study of overseas and local influences on the evolution of Tokyo University of Commerce (now the world-renowned Hitotsubashi University) which provides insights into contemporary problems of globalization for Japanese business.

Unsurprisingly, the upshot of all this reflection and empirical research is that the situation is very complex. Even those who posit opposition of 'Anglo-Saxon capitalism' and 'Japanese capitalism' (notably Dore in the Campbell collection and Yuzawa in his own book, but implicitly most of the rest to a greater or lesser extent) do so with varying degrees of conviction. Perhaps, it is globalization (whatever it means) that eventually tells us anything, it will tell us that there is as much ideology as reality in these formulations. The global corporation may turn out to be neither Japanese nor 'Western' nor hybrid, but a genuinely transnational enterprise that transcends the national stereotyping that underpins and undermines much useful research.

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**Chinese Business Enterprise in Asia**, edited by Rajeswary Ampalavanar Brown, London, Routledge, 1995, ISBN 0 415 11487 X, Hardback, £40.00.

In recent years, there has been a growth of interest in managerial institutional theory [2-4]. According to this theory, enterprises are constructed like social organizations and are forced to accept rules and regulations imposed by the state, government and professional organizations, as well as social and cultural norms. It argues that under such institutional pressures, enterprises are not free to pursue their task-related goals but have to conform with requirements and obligations that result in economic gains being sacrificed. This view is a powerful tool to explain relationships between organisations and their environments. Only a handful of scholars have applied this theory to the study of Asian business [1, 5]. Therefore the book: *Chinese Business Enterprise in Asia* is a new and important publication.

This book is a collection of twelve chapters by different authors, which explores Chinese business history and practice in Asia. Compared with other studies on the subject, the book makes two important contributions to the understanding of how Chinese business enterprises developed from the mid-19th century to the present. The first contribution is its provision of detailed empirical evidence which makes the argument presented most convincing. A majority of the authors prefer examining macro- and micro-environments through systematic analyses of historical records and other data. A few such as Wellington K. K. Chan (Chapter 5) and Choi Chi-cheung (Chapter 6) use case study methods to analyse specific business organisations. Chapters 10 and 12 by Braadbaart and Van Den Bulcke and Zhang Hai-yan, respectively, examine ethnic issues and the internationalisation of Chinese business in Asia through surveys and/or quantitative analysis to test their hypotheses.

The second contribution is the broad scope of subjects discussed. The topics not only include traditional Chinese family-business systems and personal relations, but also cover issues such as state-business relations, cultural values, ethics and even historical accounting systems. For example, Douw in Chapter 7 focuses on relationships between Overseas Chinese enterprises and the Chinese state. His study shows that Overseas Chinese aid was used to boost economic development in mainland China during the first half of this century. This tradition has implications for China's Open Door policy, as more than 80% of foreign direct investment is derived from Overseas Chinese in Hong Kong, Macau, Taiwan, and other countries. Another example is in Chapter 3 where Gardella notes that complex accounting systems were well developed

during the period of the late Ming to the early Republic.

As a result of defeats in wars with western countries during the last century, China was forced to open up, and its economy was transformed in the early attempt to industrialise. The feature of this transformation process was a mixture of reforms and crises associated with disorder and change and new institutional structures replacing the old. This can be seen in Chapter 2 where McElderry describes how China's old banks – *qianzhuang* – were forced to close during this period and new financial infrastructure to cope with the requirements of international business.

The book will not only be useful to students of China, but also to those interested in management theory, particularly institutional theory. In an institutional environment, firms are expected to passively adopt similar organizational structures and processes as a result of external pressures. However, this book reminds the reader that enterprises are also responsive and create their own networks. The authors of this book note that Chinese enterprises adopt strong family and community networks. Such links play a crucial role in protecting these enterprises in times of upheaval or disorder. This is particularly observed by Post in Chapter 9 and Braadbaart in Chapter 11. Both imply that Chinese enterprises derive advantages from their ethnic and social links. However, these traditional ties are being challenged as Chinese family-business firms start to operate internationally, as pointed out by Van Den Bulcke and Zhang Hai-yan in Chapter 12.

Needless to say, in an era of globalization, many Chinese firms will have to become international and explore markets in alien countries. An interesting question arises as to whether or not their family links can continue to act as a competitive advantage, or will they be a constraint and disadvantage. More and more research is needed on this topic.

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**P.N. Rastogi, Management of Technology and Innovation**, Sage, New Delhi, 1995, 301 pp.

Several years ago Irving Wallace wrote a popular best seller *The Book of Lists*. Rastogi's *Management of Technology and Innovation* is a business counterpart. It contains lists totalling over 1300 entries, in 252 pages.

No time is wasted in immersing the reader in lists. On the second page, "Changes in World industry" begins with four short sentences and moves into a list of 17 "important observable changes". There are no descriptions of the changes and no discussion follows the list. The coverage moves to "Dominant Trends", with lists of five trends and seven factors. This is the dominant structure of the book, making it difficult to read with interest or understanding.

The book's structural shortcomings are often compounded by its content. Cliches and exhortations, abound. The reader is told that "An enterprise must have a technology road map for continuous improvement related to the strategic variables of its business" (p. 32). The pursuit of productivity is characterized as requiring "... an optimal organization and management of all relevant direct and indirect factors of production" (p. 44), as well as "Optimal plant location, optimal plant capacity, optimal plant layout, full utilization of capacity, optimal scheduling of work, optimal scheduling of materials handling, optimal planning of inventory levels, and optimal maintenance ...", among a list of 15 determinants (p. 45).

Much of the material is a non-critical collection of published material. No fewer than "five sets of guiding principles" for Productivity Programs are listed: Agarwal's Approach (9 steps), Deming's Directions (14 steps), Edosomwan's Enunciations (15 steps), Stewart's Strategy (12 steps), and Suri and Kumar's Suggestions (9 steps). No attempt is made to critique the approaches.

Some of the material is misleading or inaccurate. Two examples follow.

The outdated concepts of Peters and Waterman, on the culture of 'excellent' companies, are included. Their 1982 book, *In Search of Excellence* was a huge success, but the subsequent problems encountered by several of the cited 'excellent' companies led even the authors to concede that their seven shared values are neither necessary nor sufficient conditions for long term excellent performance.

The Kanban system of replenishing components is a major Just-in-Time (JIT) production technique. It is mistaken, however, for the entire JIT system in the book's coverage of 'waste' (p. 25). A significant conceptual error follows, when it is claimed that "none (of the forms of waste) is obviously more or less desirable". This is not so. Small inventory buffers between work stations can be viewed as waste but they have been shown to increase the value added per unit of production time by improving the continuity and consistency of flow. Small quantities of other wastes such as set ups, maintenance, and materials handling offer no such redeeming value.

The shortcomings in content and interpretation, combined with the paucity of text and the interminable lists, make this a book that adds little that is new to the understanding of an important and timely topic.

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**Anil Verma, Thomas A. Kochan and Russell D. Lansbury, eds, *Employment Relations in the Growing Asian Economies*, London and New York: Routledge, 1995, 368 pp. + xiv.**

This collection of papers is the Asian version of the book *Employment Relation in a Changing Global Economy* edited by Richard Locke, Thomas Kochan and Michael Piore (MIT Press, 1995). Like the advanced country-version, this book consists of country-based chapters and analyzes eight Asian countries (namely Korea, Singapore, Taiwan, Hong Kong, Malaysia, Philippines, India and China). Each chapter is written by researchers with in-depth local knowledge. As the product of a leading internationally collaborative research project, all chapters share the same common framework, with a focus on firm-level practices in the areas of work organisation, skill formation, compensation, employment security and corpo-

rate governance. These aspects were chosen as the outcomes of changing global competition in the advanced countries, but they are woven into a dynamic model of economic development in this book on Asia.

The book has two aims, first to create an information base about developments in Asia, and second to develop 'a theoretical framework in which the causes and consequences of economic growth as it relates to human resources can be understood' (p. 21). The first aim is achieved very well in so far as a one-country-per-chapter book of this sort allows, and up-to-date information in English, since it is scarce, is always welcome. The second aim is more ambitious and is only partially achieved in the book.

The analytical framework which Chapters 1 and 10 (the first and the last chapters of the book written by the editors) introduce is a model of economic growth and human resources. Put simply, low wages (associated with weak unions) is an initial basis for investment and growth in Asian countries. Economic growth, however, eventually leads to rising wages and workers' demand for voice, for instance in the form of union organisation. This may be handled by the state by suppressing unions, which perpetuates the vicious circle of a low wage and low value-added economy. Alternatively, both the firm and the state may respond by investing in human resources, which creates the condition for a virtuous circle of high skills, high investment and high value-added industries.

The editors of the book argue quite rightly that the suppression route had been emphasized by other researchers and that it is analytically important to identify the other high human resource investment route. But they also argue that the two routes are not necessarily mutually exclusive and cite Korea, Singapore and Malaysia as the case in which the state 'choose to follow a bit of both' (p. 354). This is where this model reveals the greatest inadequacy. The model is economic and lacks a theory of the state. The editors dismiss the corporatist model applied to Singapore or the authoritarian model applied to Korea because (i) 'pure types' seem to be breaking down, and (ii) they are macro-models which miss many of the most important micro-level developments (p. 19).

To the first criticism (i), theoretical constructs are necessarily 'ideal types', and if none adequately explains real world phenomena, an alternative model of the state should be offered, and the book fails to do so, sticking mainly to economic (and not political) linkages. The book concludes that there is no single Asian model of economic growth, and that there are

various types of state which are consistent with the virtuous circle of high human resource investment. But the book does not show theoretically whether the state suppression route and the high HR investment routes, or even 'a bit of both', are equally stable and viable. More seriously, 'a bit of both' appears to conflate a broad set of state roles, ranging from neo-liberal deregulation policies (e.g., Thatcherite policies aimed to lower wages in Britain) to tripartite consultation for wage restraint (e.g., the German alliance for jobs). It would have been helpful to have these different categories separated in the model.

To the other point (ii), the model takes account of micro- and macro-level responses, but does not offer a conceptual framework linking the two levels. Forexample, investment in skills may be undertaken by the firm or the state or both. Each of the eightcountry chapters describe what the government and firms do

in this area, but one cannot gauge the effectiveness of each country's arrangement. This is because the model does not spell out the conditions under which training efforts at the state and firm levels may be complementary rather than substitutes. Moreover, arguing for state-business partnership and concertation (pp. 355, 356), with no labour involvement, is lopsided particularly when the range of countries studied include those (e.g., Singapore, India) with established tripartite arrangements.

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