

Book reviews

Organizations and Technical Change by David Preece, Routledge, London, 1995, 284 pp.

David Preece describes his book as 'a study of the adoption of new technology by business organizations', focusing on what he defines as the phase preceding the physical introduction of the technology into the firm. The issues and decisions that influence the adoption process are addressed within the areas of strategy development, objective setting, employee involvement, and management of the adoption process.

Preece employs an effective structure. The first section of the book discusses the issues of technology adoption in the light of empirical findings. This broad coverage is supplemented by four UK case-studies, in service and manufacturing firms. The longitudinal nature of the case-studies provides insight into the evolution of the adoption process in a firm.

The introductory chapter is an unfortunate exception to the overall quality of the writing. It contains long and hard-to-follow sentences, starting with an 84 word giant on page 2 and closing with 83 and 62 word efforts on the final two pages. This lapse in editing should not, however, deter the reader. Better writing and worthwhile material await in chapter 2 and beyond.

The integrative nature of new technology, and its organizational-wide impact call for an effective managerial strategy. Chapter 2, however, describes a prevailing environment where the classic textbook formulation and execution of a strategy is very much the exception. Strategy is often initiated by default at the 'grass roots level', and implemented in a piecemeal manner. At times, new technology is employed as a 'sophisticated set of tools for carrying out the same tasks' – the situation chronicled by Hammer in his Reengineering writings. The chapter very effectively paints a picture of the high opportunity costs caused by the failure of top management to provide effective strategic leadership for an organization.

Chapter 3 examines the reasons for introducing new technology. As expected, there is a broad range of objectives, consistent with the wide range of opportunities and the frequent lack of effective strategic constraints. There is an admirably balanced discussion of the use of technology to increase managerial control, ranging from the Braverman viewpoint

to the 'managerial choice' perspective; and revealing coverage of the new realities of justifying technology investments. The increasing significance of hard-to-quantify 'strategic' objectives clashes with traditional financial investment criteria, tending to promote efforts to 'make the numbers work out' in order to meet the financial criteria.

Employee and managerial involvement in the adoption process are covered in chapter 4. The prevailing absence of UK management specialists such as personnel managers, engineers, and accountants, in the process is linked to their "absence at corporate levels of decision making and strategy formulation". The factors influencing the involvement of clerical and shop floor employees through trade unions, consultation schemes, and job redesign are addressed in an excellent, wide-ranging discussion. The gap between the potential benefits of employee involvement and the scarcity of 'responsible autonomy' strategies to promote this involvement is emphasized in the coverage.

The lessons of the four case studies tend to mirror the empirical results. The initiatives for significant technological change often occur at lower management levels with subsequent approval and funding by top management. Continuing top management involvement, however, is uneven. As a result, implementation of new technology is often less than desirable due to the lack of a cohesive, integrated, top management-driven program. The cases do provide insights beyond the cited empirical results. For example, the 'Don Ltd.' case discusses optimal levels of multi-skilling, and illustrates the effectiveness of a 'low key', non-confrontational strategy for dealing with a trade union in new technology introduction.

The book is an effective overview of an important and complex topic, and would be a valuable resource for anyone interested in the introduction of new technology. The overview of the critical elements of new technology adoption is complemented by the extensive notes and bibliography, providing sources for more detailed study of individual topics.

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The Management of Human Resources in Chinese Industry by Malcolm Warner, Macmillan, London, 1995.

Malcolm Warner's book gives us an insight into China's progress in reforming labour management, based upon a comprehensive literature review and the author's well-established research findings. The book is divided into three parts. The first part briefly chronicles the historic path of labour management in Chinese industries and then introduces the current reform programmes. The author has noted that prior to the reform China's employment model resulted from a mixture of the remaining influence of Japanese occupation and methods transferred from the former Soviet Union. China's traditional model had some distinguishing features. It was conceived to be rigid in terms of bureaucratic control of recruitment, wage-determination and reward policy-making, and the role of the Trade Unions was set as a 'transmission-belt' subordinated to the Communist Party. Industrial organisations, particularly state-owned enterprises, were obliged to undertake political and social functions, as well as production tasks. In such a circumstance, labour management was beyond an organisation's control. It became an institutional matter, subject to intervention imposed by the state and its central planning systems. During the reform, as the author noted, while state-owned enterprises remained confined by the traditional labour management, other forms of labour management were emerging, as seen in collectively and privately owned enterprises and foreign invested firms.

Part two of the book presents the author's field study in ten large and medium-sized state enterprises. Except one in Beijing, the others were located in the north-east of China, which is usually regarded as a strategic industrial basis. Reform progress in these enterprises differed from one case to another. For instance, Beijing Capital Iron and Steel Corporation appeared to have less extensive labour contracts but conducted a wage system reform earlier than other enterprises. It became evident, through an examination of change in these enterprises, that the reform in labour management only achieved partial success. Constraints were embedded in both organizational and institutional settings, and a reform in wider social contexts and institutional frameworks was necessary for completion of change in enterprises. For instance, social insurance reform was initiated and administered by national and local governments. Enterprise had

little authority in determining reform schemes in this area.

Part three compares the Chinese model to western and Japanese ones. It is concluded that Chinese human resource management was a kind of 'path-dependence', embedded in history and institutional structures. The author's study implies that Chinese management of human resource, or HRM in China, is an institutionalisation process in a web of complex relations embedded in regulatory rules and state control, as well as traditions and cultures.

This book will be of interest to both students as well as managers dealing with Chinese management. It offers an insight into the management systems, as well as policy issues.

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East Asia and the World Economy by Alvin Y. So and Stephen W.K. Chiu, Sage Publications, Thousand Oaks (CA), London and Delhi, 1995, 307 pp., hardback.

East Asia is now moving centre-stage in the domain of international business. The 'Big Dragons' and 'Little Dragons' alike are growing faster than their Western counterparts. Why in this the case? Alvin So and Stephen Chiu, who, respectively, teach at the University of Hawaii, Manoa and the Chinese University of Hong Kong, have now produced a monograph on 'East Asia and the World Economy'. They examine the emergence of the region using a 'world systems' perspective. It concentrates on three paths of economic development (the 'corisation' of Japan, the 'socialist transformation of China' and the 'capitalist industrialisation of Hong Kong, South Korea and Taiwan'). Empirical, as well as historical, data are used to discuss each of these areas in turn. While the authors use relatively up-to-date material to extend their argument, the theoretical framework used is, in parts, derivative. This is not to say that the economic analysis is not frequently relevant and interesting, even robust in parts. The book may be of interest to students of economic and social development, but it may be of less use to MBA candidates. The conclusions reached do not live up to the expectations of at least this reviewer that we now have "a new mode of thinking that stresses long-scale, long-term and holistic... methodology" (p. 268). Specu-

lation on the question of whether we are moving towards an "East Asian hegemony" (p. 273) is rather left hanging; the conclusions to this potentially exciting set of themes merit further discussion. The prospects for the Pacific Rim economies also depend on growth in the G7 member-states as a whole, given the heavy reliance on their export-markets by East Asian producers. This theme could have been even more fully

explored in a so-called systems-approach. The future of the Asia-Pacific Rim deserves a sharper focus.

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