



Book Reviews

Economics and Utopia: Why the Learning Economy is not the End of History

Geoffrey M. Hodgson

London, Routledge, 1999, xix + 337pp., £17.99, ISBN 0-415-19685-X (pbk)

This thought-provoking book, written by one of the leading contemporary institutional economists, is a tentative search for appropriate knowledge-economy futures. Hodgson counters the view that we have come to the 'end of history'. Instead, he argues that there are many possible futures beyond capitalism and socialism. However, we are only able to envisage them if we develop new economic theory that comes to terms with the processes of learning and innovation, and their cultural and institutional embeddedness. While normative issues are only discussed at the end of the book, the author does not hide his political beliefs and at the outset states his conviction that a modernised variant of social democracy is most appropriate for 21st century developed economies.

Chapter 1 briefly introduces the five major themes of the book:

1. The utopias of the traditional left and the neo-liberal right are both unfeasible, and partly for similar reasons. Central planning has failed, and neo-liberalism will fail, because both misunderstand the nature of learning and knowledge in the modern economy.
2. History is not pre-ordained. There is no necessary movement towards any particular future socio-economic system.
3. A possible scenario is explored which transcends the current capitalist system without being socialist. It is argued that this alternative socio-economic system is feasible, if not likely, because of the growth of knowledge-intensive production.
4. There is the possibility of a capitalist backlash which would lead to social dislocation and economic stagnation.
5. Current mainstream economic theory has little to say about propositions 1–4. Hodgson's search for an alternative economic theory takes him back to some of the major ideas of Marx, Veblen, Keynes, Schumpeter and Hayek.

Part I of the book focuses on the failings of socialism and of market individualism. In Chapter 2, the author emphasises the theoretical failures of the socialist project. More recent proposals for 'democratic planning' are also dismissed, for similar reasons. Hodgson's discussion of tacit versus codified knowledge is insightful. He points out that it cannot be assumed that all tacit knowledge can eventually be codified and made explicit, or that this would be desirable. A minor point of irritation is Hodgson's critique of Stiglitz (on pp. 36/7), which seems overdone.

The next chapter discusses at length the limitations of the treatment of learning in both Austrian and mainstream economics. Market individualism is rejected as unfeasible and undesirable. The mainstream responses to externalities (market failure and property rights literature) are found wanting, in particular because of their severe information and

enforcement problems. Hodgson criticises a long list of economists for their alleged failings in this regard. The notion of the market as an institution, requiring substantial cultural preconditions, is emphasised.

Part II of the book, entitled *The Blindness of Existing Theory*, contains three chapters that deepen some of the themes of Part I, in particular the almost universal neglect of variety of forms of capitalism by major schools of economic thought. Hodgson does not provide a survey of the literature on varieties of capitalism as such, but focuses on the limitations of mainstream and Austrian economics (Chapter 4), Marxian economics (Chapter 5) and institutional economics (Chapter 6) in this regard. Not surprisingly, the latter school is seen to provide a superior, though still underdeveloped, analytical approach.

Chapter 4 includes a discussion of some of the implications of information as a 'peculiar' commodity which does not fit the neoclassical notion of scarcity. Again, sometimes Hodgson's characterisation of economists, especially those not being explicitly 'institutionalist', seems questionable and off-balance. For example, Fritz Machlup is referred to as a 'prominent neoclassical theorist' (p. 110), while his major work on the production and distribution of knowledge in the US is only mentioned briefly in a footnote in Chapter 9 (p. 283).

In the following chapter, Hodgson introduces the 'impurity principle' as a yardstick to judge theories: every socio-economic system must rely on at least one structurally dissimilar subsystem to function. For example, there must always be a coexistent plurality of modes of production (e.g. capitalism depends on 'impurities' such as the family, household production and the state). Marx, as well as neoclassical and Austrian economists, are said to have failed to recognise this principle. A corollary is that there may be a multitude of forms of any given socio-economic system.

Chapter 6 focuses on the 'old' institutionalism, in particular Veblen and his theory of cumulative causation as an antidote to both neoclassical and Marxian economics. The chapter is somewhat repetitive, emphasising points from earlier chapters. The author provides a table that summarises some of the immense variety of possible forms of capitalism.

Part III of the book, entitled *Back to the Future*, is by far the longest, containing five chapters. Hodgson first focuses on the definition and analysis of capitalism. He sees the employment relationship as central and argues that if firms mainly use self-employed workers, they can no longer be called capitalist.

I found the last four chapters of the book the most interesting. In Chapter 8 the author finally begins to sketch his long-term scenarios. The main scenario is fairly optimistic, based on the well-known capital skill complementarity hypothesis, i.e. that skilled labour and capital, including IT capital, are complements. It is argued that it is very unlikely that increasingly sophisticated computers and advances in artificial intelligence will take over the functions of intelligent humans in the production process. Rather, more intelligent machines will lead to further growth in the number of highly skilled workers and therefore to a certain extent of upskilling of the workforce. The realisation of this possible future requires great changes to organisational structures and managerial authority, which are uncertain. This uncertainty creates the possibility of alternative scenarios.

Chapter 9 is the main chapter which discusses the variety of scenarios envisaged by the author. Hodgson produces a summary table that compares the main characteristics of no less than seven different scenarios, three of which are described as capitalist, two as socialist, and two beyond these two, reflecting various degrees and forms of transformation of ownership and contract. In the appendix to Chapter 9 the author tries to pre-empt mainstream criticism of his concept of knowledge worker co-operatives. He

provides a number of arguments why the neoclassical analysis of worker co-operatives is inappropriate and does not apply to knowledge-intensive production.

Finally, in Chapter 10, the author introduces his main contribution to the development of a new economic theory. In my view his effort can be seen as an attempt to develop an alternative to mainstream productivity analysis. Neoclassical terminology (i.e. production function, human capital, depreciation) is carefully avoided and an alternative terminology is introduced. However, Hodgson makes some assumptions which sit uncomfortably with the rest of the arguments developed in the book which eschew optimality, accept path dependence etc. For example, his measure of skill assumes that training procedures have been optimal in allocating human abilities to jobs. To convey some of the flavour of the proposed theory, consider the basic definition of the measure of skill put forward:

The measure of a skill is the minimum amount of time that it takes the proportion of the population allocated to that skill to acquire that skill, given the currently optimal allocation of labour. This is measured on a per capita basis for each skill. For each person involved, the minimum amount of time required to acquire that skill will be calculated. The measure of a particular skill will be the mean value of these minima (p. 230, italics in the original).

In Hodgson's theory, the main measure of economic development is no longer material production (e.g. per capita GDP), but human knowledge and capabilities (embodied in individuals and institutions).

The author illustrates his new measures by drawing their hypothetical aggregate time series for two of the main scenarios. However, it is not clear how the new analytical framework could be operationalised, and whether that would lead to very different quantitative measures of human capabilities compared to those currently used by mainstream economists. This is an important task. We need to develop better indicators and measures appropriate to knowledge-intensive economies. It would be a major contribution of the book if it were able to stimulate such work.

The final chapter discusses normative issues. However, no specific policy prescriptions are advanced (something the author criticises Marx and Hayek for earlier in the book). The reader may become frustrated by the general conclusions put forward. For example, Hodgson states, 'An essential policy conclusion is the need for growing investment in education and training, at all stages and levels' (p. 247). There are appeals to develop a 'learning culture', that education should be neither narrow nor doctrinal, that we need to learn how to learn etc. One is tempted to ask: what else is new?

To sum up, I was left with mixed impressions of the book. It provides a fresh look at the history of economic thought and analysis from a modern institutionalist perspective which emphasises key features of the knowledge-based economy. It is a defence, not only of the continuing, but of the increasing, relevance of institutional economics. However, the style of writing might seem tedious to readers who are not connoisseurs of the 'history of economic thought', and there is some repetition of arguments.

While the author displays his vast knowledge of the institutional economics literature, he is very brief when discussing relevant literatures which lie outside 'traditional' institutional economics. For example, in Chapter 6, 'National Innovation Systems' are briefly mentioned, but only the seminal works of the early 1990s are referred to, not the considerable further developments of the approach in recent years. In Chapter 8, entitled 'Knowledge and Employment', it would have been nice to see some references to the extensive work done by the OECD. Similarly, only a very few of the seminal contributions to endogenous growth theory are mentioned. References to survey articles would

have been helpful. More disconcerting, many other writers have proposed utopias for knowledge-based economies. Hodgson largely neglects this literature.

As far as the development of a new economic theory is concerned, I probably approached the book with too great expectations. Development of an alternative economics is an immensely difficult task. The new theory put forward does not yet seem to be a viable alternative. It remains to be seen whether either Hodgson himself or others will be able to take up the pointers provided in this book and develop and operationalise a truly new economic theory.

Also, the discussion of scenarios seems somewhat limited in scope. In particular, there is little or no discussion of any international dimension. What happens if different scenarios are played out in different countries? How might they interact? What about the international mobility of skilled workers? Is it likely to limit some futures? What seems completely missing from the book is a utopia for currently less developed countries. We need a global vision for a knowledge-based world economy! Where is the scenario for a world without knowledge gaps?

However, despite these shortcomings, this is an important book. It should be on reading lists for history of economic thought and institutional economics courses. It is unlikely that it will have a large mainstream economics readership, but it is important that such a prominent institutional economist as Hodgson has drawn the attention of fellow institutional economists to the vital role of knowledge and information in the modern economy. Equally important, the book may show open-minded non-institutional economists why institutional analysis is relevant.

*Hans-Jürgen Engelbrecht
Massey University
Palmerston North, New Zealand*

Making Sense of Managing Culture

David Cray and Geoffrey R Mallory

London, International Thomson Business Press, 1998, xiv + 187 pp., ISBN 1-86152- 178-2 (paperback), 1-86152-177-4 (hardback)

The subject matter of this well-written book is comparative organisational behaviour and aims to achieve two purposes: first to orient the reader to this academic field as it now stands and second to suggest a framework to move the field forward. The authors, Cray and Mallory, go about their task through six chapters by identifying and evaluating major approaches and then suggesting what should be done next.

Chapter 1 sets the scene by drawing attention to the burgeoning academic interest in research into international business and the impact of culture on organisations, spurned in turn by the phenomenal increase in trade between nations and cross-border investment by multinational firms. The chapter then identifies relevant issues and points out some of the inherent methodological and conceptual problems involved in cross-cultural studies.

Chapter 2 concerns a critique of what the authors call traditional approaches to comparative research: (i) naive comparative, a term coined by the authors to discuss a body of research which is interested in discovering differences across cultures without having a theoretical framework as its foundation, (ii) culture-free, and (iii) culture-bound approaches.

Chapter 3 is devoted to the issue of strategy and culture, covering strategy formulation joint ventures, acquisitions and technology transfer. Culture and cognition, the topic of Chapter 4, is still a discussion of previous research but beginning to hint where the authors' proposed framework might spring from. Here we have a discussion on cognition in organisations and a model of cultural effects on behaviour modified by cognition.

Chapter 5, people and culture, deals with human resource management and its international dimension, and transfer of working practices across cultural boundaries. Chapter 6 concerns a cognitive, presumably modern, approach to international management, as opposed to the three traditional approaches evaluated in previous chapters. Here we read a discussion of issues and approaches in cognitive research, such as cross-cultural negotiations, leadership across nations, strategic decisions in international business and the language of joint ventures. The discussions lead to a short, one and a half page section on building a cognitive theory of organisational behaviour, the climax of the book.

The structure of each chapter is very good indeed. Each starts with a scene-setting introduction and ends with an evaluation and conclusion.

I must emphasise again that the book is very well written and is totally jargon-free and unpretentious. It is, however, a critique of past research and not a discussion of the authors' own research findings to test the climatic theoretical framework to which the critique intends to lead. The authors bring in some of their own past research, by either referring to their publications or to anecdotal evidence, for example, what a manager told them over a business lunch regarding such and such issue, to clarify some of the points they make.

The book is in fact a huge analytical literature review, where some studies are scrutinised in detail and others are simply described. However, although the authors make their own views known about some of the works reviewed, the bulk of the criticisms levelled against both 'traditional' and cognitive approaches are by other researchers cited here approvingly by Mr Cray and Mr Mallory.

It is not clear what readership the authors had in mind, but old hands like myself will be indeed familiar with the studies covered in the book—their merits, their drawbacks, their precedents and their enthusiastic, or otherwise, reception by the academic world. I would imagine, therefore, that this book is aimed at, and is certainly a must for, young doctoral students and researchers and those who have just joined the comparative management field from a totally different discipline.

The book's coverage of major issues is extensive with only one or two obvious topics missing, notably the contingency (culture-free) theory of leadership, especially since the question of cross-cultural studies of leadership is taken up later in Chapter 6.

Also, research conducted by non Anglo-Saxon authors is unjustifiably under-represented. Misumi, who pioneered and conducted a series of in-depth studies in leadership styles in Japan (see for instance his 1985 book¹), has not been discussed at all. His work was later replicated in the UK, Hong Kong and the US with some interesting results.²

There are a lot of published studies by authors from India and many other developing nations which have contributed greatly to the field of comparative management, some of which would have merited a mention in the book.

A disappointing feature of the book is its all too short section devoted to the building of a cognitive theory of organisational behaviour. Chapter 6 is indeed, to borrow a phrase from Berlioz describing the second act of Spontini's opera *La Vestale*, a 'gigantic crescendo', but unlike in the opera, the book leads to an anti-climax. Moreover, like many other publications, the book leaves the really difficult bits to others—to undertake

research, come up with empirical evidence and give credence to the theoretical framework proposed here.

Having said that, this book is a real *tour de force* and hugely enjoyable to read, especially where no Gods of comparative management have been spared the authors' justifiably sharp-edged criticism.

Notes and References

1. J. Misumi, *The Behavioral Science of Leadership: An Interdisciplinary Japanese Research Program*, University of Michigan Press, Ann Arbor, 1985.
2. See P. B. Smith, J. Misumi, M. H. Tayeb, M. Peterson and M. Bond, 'On the generality of leadership style measures across cultures', *Journal of Occupational Psychology*, 62, 1989, pp. 97–109; and P. B. Smith, M. F. Peterson and M. H. Tayeb, 'Development and use of English versions of Japanese PM leadership measures in electronic plants', *Journal of Organizational Behavior*, 14, 1993, pp. 251–67.

Monir H Tayeb
Heriot-Watt University
Edinburgh, UK

Reflexive Methodology: New Vistas for Qualitative Research

Mats Alvesson and Kaj Sköldberg

London, Sage Publications, 2000, viii + 319 pp., ISBN 0-8039-7707-7 (pbk)

Given the diversity of approaches, methods and underlying methodological traditions that constitute 'qualitative research', developing a detailed practical and theoretical understanding of this mode of inquiry is no mean task. The difficulty of this task is further exacerbated by the controversies and arguments among proponents of different approaches within this genre, and between avowed qualitative researchers and other more 'objectivist' or quantitative researchers in the behavioural and social sciences. I have found two metaphors to be of particular value in making sense of the practice of qualitative research. The first is Wolcott's¹ use of a living tree to depict qualitative research strategies in educational research. In this depiction, the tree is rooted in 'everyday life', with visible roots labelled as 'experiencing', 'enquiring' and 'examining', and it has four major branches off the trunk ('archival strategies', 'interview strategies', 'non-participant observation strategies', and 'participant observation strategies') which further branch into distinctive approaches or methods. The second metaphor is Denzin and Lincoln's² description of qualitative research as *bricolage* ('... a pieced together, close-knit set of practices that provide solutions to a problem in a concrete situation') and the qualitative researcher as a *bricoleur* (citing Lévi-Strauss,³ as a 'Jack of all trades or a kind of professional do-it-yourself person'). But while these metaphors have helped me appreciate the approach and method of qualitative research, they shed little light on the methodology and philosophical bases of this important mode of social inquiry.

Reflexive Methodology is a timely book, both for me personally (as a qualitative research practitioner and educator in the relatively new discipline of management) and for the social sciences more generally. Despite the early importance of qualitative research methods in psychology, sociology and anthropology, by the mid-twentieth century these had become overshadowed by more standardised and quantitative research methods (such as surveys and experiments), which were considered to be more rigorous, produc-

ing 'hard' rather than 'soft' data. However, after a number of influential assaults on the bastion of these so-called 'hard' methods in the 1960s and 1970s, by the late-twentieth century qualitative research in the social sciences and psychology was again flourishing. This revived interest has been accompanied by a veritable deluge of texts, on the practical aspects of qualitative research,⁴ on the techniques of qualitative data analysis,⁵ and has included more ambitious synoptic tomes such as Denzin and Lincoln's landmark *Handbook of Qualitative Research*.⁶ *Reflexive Methodology* adds to this growing body of literature, and indeed takes it forward by advocating a more reflective approach to the practice of qualitative research.

So, what do Alvesson and Sköldböck seek to do in this book? Their boldly stated aim (p. vii) is an attempt to 'raise the level of qualitative research'. They do this by drawing on recent developments in the philosophy of science to help inform and understand empirically based qualitative research methods in the social and behavioural sciences (an approach they term as 'the intellectualisation of qualitative method'). Their starting point is to articulate the straw man generally posed as the 'conventional' (i.e. realist, objectivist, empiricist) account of scientific method through which it is claimed 'true, objective knowledge' is produced: 'From what appears or is presented as data, facts, the unequivocal imprints of "reality", it is possible to acquire a reasonably adequate basis for empirically grounded conclusions and, as a next step, for generalisations and theory-building' (p. 1). They then note that this account has been widely criticised on a number of different grounds, which leads them to the observation that there is a fundamental tension in the social sciences. This is a tension between those social scientists who more or less uncritically pursue empirical research (this encompasses the practitioners of quantitative methods as well as mainstream qualitative researchers) and various critics of 'empiricism' who emphasise the problematic nature of the relationship between what is considered 'reality' and research results. Those who take a more critical view of empiricism point out (and in some cases demonstrate) that scientific research is a social activity conducted within specific contexts and so culture, language, cognition, politics, ideology and power inform or permeate that activity in various complex ways. The findings of social research are social constructs and as such are the result of particular interpretations (i.e. of a specific community of practitioners), so the relation between the 'reality' studied and the research product (usually in the form of formalised and highly stylised text) is uncertain and possibly even arbitrary. This tension is also reflected in research methodology/methods texts which focus either on the methods of empirical data collection and analysis (often taking a 'methods cook-book' approach), or on the theoretical and philosophical underpinnings of social science (the latter often leading to a position where empirical research is seen as too qualified to be taken seriously).

Alvesson and Sköldböck agree with the critics of empiricism, but they do not throw the baby out with the bathwater. As they note, social research methodology can be over-problematised and its difficulties over-rated thereby leading to a nihilism in which empirical research is seen as either too hard or as having little point. To counter this extreme reaction they seek a middle path by, on the one hand, taking into account the objections against empiricism and, on the other, advocating the necessity and value of empirically based research. Adopting an explicitly realist ontology they: '... stubbornly claim that it is pragmatically fruitful to assume the existence of a reality beyond the researcher's egocentricity and the ethnocentricity of the research community ... , and that we as researchers should be able to say something insightful about this reality' (p. 3). So then, how does this unique approach relate to the practice of qualitative social inquiry? This is where the notion of reflexivity comes in, introduced initially in a discussion of reflective/reflexive empirical research (pp. 4–9) and later in the explication

of a framework 'for inspiring and structuring reflection' which they call 'reflexive interpretation' (pp. 247–71).

While much ink has been spilt in discussions on the role of reflexivity in the social sciences, Alvesson and Sköldbërg argue that reflective research has two basic features. The first is careful interpretation, which simply means all discussions of research findings should explicitly acknowledge that empirical data are not 'raw' ('... there is no such thing as unmediated data or facts', p. 9) but are rather the results of interpretation. In making sense of a study, therefore, the reflective researcher sceptically rejects any notion that there is an unproblematic relationship between the data and any putative 'reality' from which it was considered to have been derived, and instead focuses more on the theoretical assumptions which have informed the research as well as on the social processes through which the interpretations have been formed. The second element of reflective research is systematic reflection ('the interpretation of interpretation') on the research process and what has informed it, so that a more critical understanding of how the findings have been construed and interpreted can be achieved: 'Reflection means thinking about the conditions for what one is doing, investigating the way in which the theoretical, cultural and political context of individual and intellectual involvement affects interaction with whatever is being researched, often in ways difficult to become conscious of' (p. 245).

To guide this 'reflexive methodology', Alvesson and Sköldbërg identify four methodological 'currents' which they see as important areas for reflection in social research: (a) a concern with systematic data collection procedures and rigorous data analysis methods as a basis for empirical research (as exemplified by grounded theory); (b) an emphasis on research as a fundamentally interpretive act (as typified by hermeneutics approaches to achieving understanding); (c) an awareness that research is a social phenomenon embedded in a specific socio-cultural context and so has political and ideological dimensions (as emphasised by the tradition of critical theory); and (d) postmodern perspectives emphasising pluralism (rather than a single voice dominating a text), multiple realities (rather than a single privileged reality) and ambiguity (rather than certainty) which undermine both the researcher's claim to authority and the research text's claim to represent some objective reality. These four areas are addressed in separate chapters, where each chapter provides a historical background and a critical analysis (following a narrative structure of thesis, antithesis, and synthesis) of the thematic areas. Thus, successive chapters address: grounded theory as a distinctive empiricist approach to qualitative research data collection and analysis methods; hermeneutics as a means of attaining insight and understanding; critical theory as a means of surfacing the ideological-political dimensions of social research; and post-structuralism/postmodernism as approaches which reveal the problematic nature of representation in research and which question the authority of research texts. Another chapter complements the consideration of these four thematic areas with a discussion of discourse analysis, feminism and Foucaultian genealogy as approaches to research which help open up three fundamental dimensions of social existence: language, gender and power. The final chapter brings the themes together in an elaboration of 'reflexive interpretation' as a guiding framework for reflective research. According to this, reflection in, and on, research should be carried out in conjunction with four levels of interpretation: data construction—interaction with empirical material; interpretation—seeing research as an interpretive act through which meanings are ascribed to the data; critical interpretation—gaining an understanding of the political and ideological dimensions of research; and reflection on the use of language and the production of text to address issues of representation and authority. The interpretation process so posed is 'reflexive' in that

none of the levels is privileged over the others and 'the levels are reflected in one another' (p. 248). By considering the relationships and interfaces between different levels, themes for reflection can be generated ('reflexivity arises when the different ... levels are played off against each other', p. 249).

This is an important text, and I fear I have not really done it justice in this somewhat brief review. *Reflexive Methodology* provides rich insights into a reflexive approach to qualitative social inquiry, insights which are grounded in a thorough analysis of key strands in the methodological and philosophical literatures. Furthermore, in that the book seeks to re-couple a consideration of methodology and its underlying philosophical base with the practice of empirical research, it represents a brave attempt to steer between what are too often polar opposites in this area; i.e. empirically oriented research methods texts (mostly emphasising techniques and procedures) versus texts which prioritise the theoretical and philosophical issues of methodology (mostly emphasising the problematic and contingent nature of knowledge claims arising from social research). I would go so far as to argue that this book should be on the reading list of all social scientists and philosophers with an interest in the theory and practice of research. I would, however, note that this is not an introductory text as it requires prior knowledge and indeed some engagement with the diverse literatures drawn on in the development of the approach proposed. The text is mostly dry and often dense, although it is not without the odd touch of humour. For example, in the final chapter the four central themes are summarised in 'slightly ironic terms' using a metaphor of religion, and there is a delicious postscript which interprets the picture on the cover, J. W. Turner's classic 1838 painting 'The Fighting Téméraire Tugged to Her Last Berth to be Broken Up', in terms of these themes and as symbolising the book: '... an energetic effort by the two authors to pull the big ship to the final destination, opening the sea for other sailors'.

Notes and References

1. Harry F. Wolcott, 'Posturing in qualitative research', in M. D. LeCompte, W. L. Millroy and J. Preissle (eds), *The Handbook of Qualitative Research in Education*, Academic Press, San Diego, CA, 1992, pp. 3–52.
2. Norman K. Denzin and Yvonna S. Lincoln, 'Introduction: entering the field of qualitative research', in N. K. Denzin and Y. S. Lincoln (eds), *The Landscape of Qualitative Research—Theories and Issues*, Sage, Thousand Oaks, CA, 1998, pp. 1–34.
3. C. Levi-Straus, *The Savage Mind* (2nd edition), University of Chicago Press, Chicago, 1966.
4. For example, Uwe Flick, *An Introduction to Qualitative Research*, Sage, London, 1998; and John W. Cresswell, *Qualitative Inquiry and Research Design: Choosing Among Five Traditions*, Sage, Thousand Oaks, CA, 1998.
5. For example, Alan Bryman and Robert G. Burgess (eds), *Analyzing Qualitative Data*, Routledge, London, 1994; and M. B. Miles and A. M. Huberman, *Qualitative Data Analysis: A Sourcebook of New Methods* (2nd edition), Sage, Newbury Park, CA, 1994.
6. Norman K. Denzin and Yvonna S. Lincoln (eds), *Handbook of Qualitative Research*, Sage, Thousand Oaks, CA, 1994.

Paul K. Couchman
University of Wollongong
Australia

The Reengineering Revolution: Critical Studies of Corporate Change

David Knights and Hugh Willmott (Eds)

London, Sage, 2000, viii + 196 pp., ISBN 0 7619 6292 1 (pbk)

BPR was a supernova that shot across the mid-1990s corporate skies. The rhetoric

intensive nature of BPR was such that managers were left with little doubt that there was no alternative. Indeed most of the BPR canon¹ made declarations that the alternative to BPR was for 'corporate America to shut down'. BPR, akin to other programmed change initiatives, saw the emergence of an influential actor-network of management consultants, managerialist academics and media pundits who declared for and then diffused the ideology and concomitant tools and techniques associated with BPR. Five years on, there is little corporate interest in BPR; along with many other initiatives it now rests prostrate in the managerialist mausoleum. The selection of obituary writers brought together in *The Reengineering Revolution* edited by David Knights, of Keele University, and Hugh Willmott, of UMIST, ensures that the BPR coda will not be marked by an obsequious hagiography.

Knights and Willmott commence the volume by revisiting BPR and highlighting the master concepts of BPR that, inter alia, include organising through process, top-down change, a Tsarist leader, and empowerment. This chapter alerts the reader to the way in which such terms are far from neutral, but rather are pregnant with Orwellian connotations. Such a critique raises doubts about the algebra for corporate success represented by BPR ([process + empowerment + IT] – [existing structure] = reduced costs + increased customer satisfaction = corporate success). Knights and Willmott make the point that they are not interested in reproducing either a 'paradise found' or a 'dystopic' vision of BPR. Rather, given the inevitably variegated experiences of the implementation of BPR across a range of sectoral contexts, they seek to engage with the empirical experiences of BPR.

This is followed by a chapter from Grint and Case, for whom BPR offers an interesting case of corporate amnesia. In short they argue that BPR is in part about removing from the organisation 'unconstructive' memory, while retaining 'constructive memory'. They offer up an immanent critique that suggests that in practice it is less easy to bifurcate unconstructive from constructive memories. Moreover, they question the consequences of attempting to create a tabula rasa, suggesting that one of the consequences is that 'amnesiacs forget not just who they are, but how they have come to be here and what purpose they have in life' (p. 45). This chapter also highlights BPR as being a very American story, understanding its emergence as being, in part, in response to competition from East Asia. Its appeal is, however, that it draws upon supposedly timeless (and transcendental) American qualities, which when re-animated will, according to BPR's progenitors, lead to an industrial renaissance.

Jones and Thwaites present a chapter that highlights the fashion cycle experienced by BPR. Following a fairly standard bibliometric analysis of the citations for BPR, they discuss the lifecycle of a fashion from 'the perceived failure of a previous solution' through to the 'search for the next solution' (p. 57). They present new empirical data from a study of the Canadian public sector to further illustrate their point. From their data, they argue that BPR should be understood as a fad that will be followed by another initiative that will be either cumulative or reactive (p. 61). This chapter is a useful application of Abrahamsonesque-style thinking.² However, given the title of 'Dedicated Followers of Fashion', the reader is told very little about the managers following fashion. Accepting the limitations of a book chapter, an alternative, in my view, would be to open up the question of why managers were so ready to 'consume' the simulacrum of BPR. This would possibly lead to a recasting of Descartes to: I consume therefore I am. Therefore, in the phantasmagoria of management ideas, it would be useful to know why particular signs are consumed in a given time, and the role that such signs play in both individual and organisational identity projects.

Chapter Four sees Darren Macabe and David Knights outline work from their

studies of restructuring in the financial services industry. They present a finely grained account of the implementation of BPR in Probank (a pseudonym). They cogently demonstrate that when the nostrums of BPR are translated into a work context, that far from being a Staknovite process, an initiative is instead subject to all the usual short-term expediencies and pressures that are an immanent part of organisational life. They point to the paradox of BPR, namely, that 'BPR produces many of the problems that it is supposed to eradicate' (p. 82). Their empirical findings, whilst not making claims for generalisability, highlight that the practicalities of running an organisation—answering phones and the like—mitigate against the 'revolution' so dear to Hammer and Champy³ and their interlocutors.

Attention is turned to the food sector in the UK by Frances and Garnsey. They draw from work that resembles BPR in all but name. This is interesting, as it might indicate the confidence of large supermarkets that they can appropriate ideas from the contemporary canon of managerial ideas, without feeling the need to have to legitimate themselves externally through consuming and proclaiming the sign of BPR. In short, Frances and Garnsey argue persuasively that BPR has led to more effective management of supermarket supply chains which may well result in benefits for both suppliers and consumers. That said, the corollary of this is to produce a powerful hegemony that in effect controls the UK food system. Over a generation there has been a massive shift in the power relations between food producers and the large supermarkets, their argument being that tools such as BPR have provided the technology through which the supermarkets have been able to further cement their supremacy. The authors point with some irony at the way in which this has been achieved whilst invoking the language of the free market: the UK food sector being anything but a free market.

Soren Gunge addresses BPR from the perspective of to what extent it represents a new or postmodern form of organisation, which he takes as meaning anti-bureaucratic. He asks the question of whether bureaucracy is escapable, suggesting instead that BPR, through the use of IT, represents an extension of bureaucracy: something that situates him within the reflexive modernity of Antony Giddens or Ulrich Beck. In this chapter, however, the treatment of postmodernism is problematic: there is no distinction between epochal or epistemological postmodernity. As such, the invocation of BPR as 'new', when it quite obviously draws on many previously promulgated initiatives, and as amounting to a revolution, could be read as a sense of irony and play.

Gregor Gall asks the question 'what about the workers?' He then argues for a close examination for what happens when BPR is implemented on the shopfloor. Gall sets out his case by arguing that BPR is fundamentally an assault on workers in spite of the seductive 'newspeak' that is used through terms such as empowerment, trust, commitment etc. Gall then proceeds to highlight the ineluctable links between the mantra of the New Right and BPR. This sense of political economy contributes much to this book; it highlights, beyond any doubt, that BPR was introduced and caught the imagination of a generation of managers at a time when labour, especially in the UK, was experiencing the chill wind of Thatcherite restructuring. The crux of Gall's argument is that BPR is injurious to the interests of workers. At this point, it is clear that he is arguing from an essentialist position. That said, he goes on to marshal a powerful array of data to illustrate his argument. In short he argues that BPR amounts to a recasting of management-labour relations through a substantive extension of managerial prerogative. Moreover, he documents the relative failure of combating of BPR by Trade Unions at a national level, whilst noting that localised (and unofficial) resistance has proved more fruitful. He ends his piece by noting that nothing is inevitable and that Trade Unions need to mobilise in order to defeat such initiatives.

The next chapter by Keleman, Forrester and Hassard seeks to explore the relationship between TQM and BPR. Put simply, it is commonly argued that BPR marks a break with TQM in the sense that it advocates among other things radical change (versus incremental), a top-down Tsar type leader (as opposed to a facilitative leader). They devote a good deal of attention to chronicling the abstractions of TQM and BPR, pointing out the key differences. Moving to the level of the organisation, through their studies of Mailcom (a pseudonym), they suggest that this notion of incommensurability is perhaps not all it seems. They argue that in fact BPR programmes may well be appended to existing TQM programmes and that rather than displacing TQM, the two programmes can coexist. This contribution, looking at implementation rather than diffusion, is worthwhile. It is noteworthy that while differences may well exist between the initiatives, they can be considered as being 'intertextual' in that they both share a modernising zeal and the idea of a journey towards a (better) future. In my own empirical work⁴ in the Electricity Supply Industry, BPR was represented as the contiguous, natural development of TQM; in no way was it oppositional.

The book is brought to a close with a chapter by Robin Fincham. His chapter 'Management as Magic: Reengineering and the Search for Business Salvation' seeks to draw an analogy between reengineering and magic. He argues, contrary to rational views of management, that the rituals, rhetoric, tools and techniques key to BPR imbue the technique with an aura of magic in that it somehow has unmasked the secrets of organisational life. Allied to this he draws attention to the rite of passage whereby organisations purify and reanimate themselves through the initiative. The case studies used to legitimate BPR are, Fincham argues, methodologically valueless, but symbolically important in the sense that they are highly stylised, formulaic and make direct connections between means and ends. Fincham's contribution is to situate BPR as a social phenomenon, the metaphor of magic being a useful means to highlight the social constructedness of initiatives such as BPR.

All of the contributions in this book highlight interesting questions regarding BPR. There is however, with the exception of Gall's chapter, an absence of linkages between BPR and the New Right. Moreover, there is little sense that one of the objectives of BPR may well have been a Schumpeterian creative destruction. For instance, from my own empirical work, BPR amounted to the ablation of sections of a workforce. This is a point not lost on Grey and Mitev⁵—one of the most cited pieces in the references—and I think it required further exploration. A further criticism is that while many of the authors allude to actor-networks, there is a need for a discussion that highlights the existence of a powerful consulting complex that produces and disseminates, black-boxed, programmed change initiatives. That they do not realise their rhetoric intensive claims is hardly surprising, but of greater interest is trying to understand *why* such initiatives continue to have such an appeal, being *consumed* throughout the corporate world.

The Keele/UMIST axis has become synonymous with critical engagements in management. This book is an important collection and would be a useful addition to the bookshelves of academics and post-graduate students alike. In many respects it is an invitation to be reflexive—to ask difficult questions of seemingly unstoppable, irrefutable initiatives. It is in this sense that, by way of the production of a history of the present, the authors in this collection go beyond an obituary of BPR. Rather they raise questions that can be used to probe contemporary initiatives, such as knowledge management, not to mention those in the future (2005: BTB—Back to Bureaucracy?!).

Notes and References

1. M. Hammer and J. Champy, *Reengineering the Corporation: A Manifesto for Business Revolution*, Nicholas Brealey, London, 1993.
2. E. Abrahamson, 'Managerial fads and fashions: the diffusion and rejection of innovations', *Academy of Management Review*, 16, 3, 1991, pp. 586–612; E. Abrahamson, 'Management fashion', *Academy of Management Review*, 21, 1996, pp. 254–85.
3. Hammer and Champy, *op. cit.*
4. C. Carter and D. Crowther, 'Unravelling a profession: the case of engineers in a British regional electricity company', *Critical Perspectives on Accounting*, 11, 2000, pp. 23–49.
5. C. Grey and N. Mitev, 1995. 'Re-engineering organizations: a critical appraisal', *Personnel Review*, 24, 1, 1995, pp. 6–18.

Chris Carter
The Management Centre
University of Leicester, UK

Walking on the Other Side of The Information Highway: Communication Culture and Development in the 21st Century

Jan Servaes (Ed.)

Penang, Southbound, 2000, 190 pp., US\$20.00, ISBN 983-9054-23-6 (pbk)

The 'other side of the highway' refers both to the peripheral dimension of the situations described in this volume, and to the two sides of the information highway which is replacing the 'dirt roads' of pre-electronic communication. The editor argues that Asia, containing half the world's population and several of its most dynamic economies, is both a producer and consumer of the information and communication technologies (ICTs) that are transforming the world economy. However, the strategies for economic growth adopted by the governments in the region reflect the views of international organisations such as the World Bank and IMF. As a consequence, ICTs are seen as primarily of economic significance. Their impact on political organisation and on socio-cultural value systems is less likely to be considered.

This book presents 13 chapters in four sections by contributors drawn from South East Asia, Africa, Australia and Europe. The book itself is produced in Malaysia, whose engagement in the global information economy is seen by the government as the key to national development. The Malaysian multi-media super-corridor is the means to this end and in the aftermath of the dramatic East Asian economic downturn of the 1990s the government pursued alternatives to the IMF's prescriptions for recovery. In this context the editor argues that the processes which constitute 'globalisation' need to be examined in specific locally defined public spheres in order to understand the nature of the simultaneous cultural globalisation and localisation which the contributors identify.

The first section entitled 'Back to the Future' provides general observations on the theme of communication, culture and development. Arnold contributes a chapter which argues that differences of ethnic origin, cultural values or religious beliefs provide the potential for cultural implosion. This process is hastened by the globalising effect and immediacy of electronic media, in particular television. However, it is seen as containing both positive and negative aspects, with the possibility of broader public debate being supported by editorially independent media committed to a more comprehensive understanding of events.

Sinclair echoes this view with an analysis of notions of cultural imperialism, promulgated through a US-dominated international television industry. Sinclair demon-

strates that such a view neglects the significant counter development of indigenous industries, what he terms the 'decentering of cultural imperialism'. He describes how Televisa in Mexico and TV Globo in Brazil have dominated their domestic markets, traded across Latin America and entered Europe and the United States itself, as Televisa takes advantage of a Spanish language television industry within that country. Despite the growing role of English as a global language, as elucidated by Crystal,¹ it is clear that culture and language of origin can still provide comparative advantage.

Chin contributes an overview of the situation across Asia, noting a widespread concern among governments with the representation of domestic situations by global media, and examining the models of development that have informed policy in the region. Issues of new forms of poverty—the information poor and the paradox of concentration on the newest forms of infrastructure—may have hindered progress on the broader front.

In the second section, 'Top-down or Bottom-up', the editor provides a chapter which addresses the implications of diffusion/mechanistic and participatory/organic models of communication. These are used to analyse the policies of national, international governmental and non-governmental agencies. Each of the models enjoys support and the notion of underdevelopment as an internal problem amenable to external 'aid' coexists with efforts to adopt a participatory approach. Concluding suggestions for practice centre on three perspectives. The first regards communication as process, so that the reception, evaluation and use of media messages become as important as production and transmission. The second sees communications media as a mixed system of mass communication and interpersonal channels, implying that mass media should not be considered in isolation. The third perspective is intersectoral and inter-agency, acknowledging the significance of mechanisms for integration and communication.

The next two chapters, by Hancock and Symonidesz, respectively, concentrate on the United Nations' Educational, Scientific and Cultural Organisation (UNESCO) to further develop Servaes' observations. Hancock argues that UNESCO demonstrates a holistic approach to communication which may have contributed to past controversies. Symonidesz is concerned with the impact of cultural globalisation on human rights. The adoption of common values and behaviour may impact negatively on minorities whose cultural practices become regarded as discriminatory. The debates around the nature of 'Asian values', for example, suggest that universal human rights as a long-term goal require an educational system which operates in conjunction with the communication media.

The final chapter in this section, by Sunderaj, explains the viewpoint of Unda, the International Catholic Association for Radio and Television. This organisation seeks an active contribution to policies in communication and interaction with media professionals in order to address a wide range of issues of social and ethical concern.

Under the heading 'Pull or Push?' the third section examines different communication approaches and media strategies. The editor Servaes again illustrates top-down and bottom-up approaches, by characterising them respectively as decision-making and decision reaching. In dealing with advocacy strategies for development of communication a range of practical examples are provided. The next chapter by Goonasekera reveals considerable disparities in available resources across Asia, and the lack of basic data on media consumption necessary for the prosecution of effective mass-media campaigns for development. Media are placed in their context as a subsystem within a system that also involves markets, bureaucracies and a socio-political environment. In contrast, Decock contributes a chapter which starts at the village level and demonstrates the effectiveness

of traditional performers as an educational resource. Nevertheless, she raises the question of whether such a resource can withstand the 'lure of the wires'.

Following on from Decock's examples from African experience, the final three chapters form a section which addresses the situation in that continent under the positive heading 'Africa has a Future'. Masilela reassesses the contribution of Paulo Friere, and his views of pedagogy in analysing the role of culture and communication in liberation and development. This is used to present the potential role of alternative media in promoting political change via a set of prepositional questions that should determine their contribution to the achievement of genuinely popular forms of development. The counterexample of the role of the non-government Radio-Television Libre des Mille Collines (RTL) in orchestrating genocide in Rwanda contrasts with the overall optimism of this chapter and Arnaldo's opening chapter, but attests to the power of modern media and the need to engage with them.

Nyamnjoh argues for a domesticated perspective to redress the failures of both development communication research and development itself in order to make a sustained impact in Africa. A combination of externally determined agendas and externally developed research methods has allowed a simple psychologism focussed on individuals to dominate discourse at the expense of indigenous perspectives.

In the concluding chapter Raymaekers presents a complementary argument that the superficially laudable target of universal primary education within a short timeframe adopted by most countries in sub-Saharan Africa has allowed a preoccupation with quantitative expansion to reform and adaptation of the educational system as a whole to local needs.

This volume presents a range of arguments from often-neglected participants in the emerging global economy, a welcome contribution to a discourse often driven from the technical core. It provides a valuable link between the literature of communications in the non-technical sense, and the debates on the significance of information technology for social and economic development which are often conducted without reference to this broader framework. Just as the Internet has led to networking being regarded as primarily an on-line activity, so our understanding of the breadth of human communication has been confused since the appearance of Shannon and Weaver's technical analysis of signal processing.² In linking a cultural view of communication to issues of technical change the collection counteracts the use of 'culture' as a simple explanation of difference that places key complexities beyond discussion. The work of UNESCO described in several chapters also extends to sponsorship of IFIP, the International Federation for Information Processing, whose Technical Committee 9 and Working Group 9.4 in particular seek to take the debates in this book to the technical arena.³

There is already evidence on the World Wide Web that ICTs are creating a more diversified cultural and political space rather than flattening tastes and interests into a uniform and common convergence.⁴ The key to this process is the reduction of transaction costs in both mobilisation and diversification delivered by the technologies. The Malaysian Government has demonstrated an awareness of the socio-cultural implications of access to broadband media by seeking to control and monitor access to the Internet. However, the contestation around recent political events there has been taken up in hyperspace, and has produced pressures from both inward investors and local interests for an acknowledgement of the political and social dimensions of key economic decisions. This book offers a number of useful routes into this debate.

Notes and References

1. D. Crystal, *English as a Global Language*, Cambridge University Press, Cambridge, 1997.
2. C. Shannon and W. Weaver, *The Mathematical Theory of Communication*, University of Illinois, Urbana, 1949.
3. For example, C. Avgerou and G. Walsham, *Information Technology in Context: Implementing Systems in the Developing World*, Ashgate, Aldershot, 2000.
4. See L. Holmes and M. Grieco, 'The power of transparency: the Internet, e-mail, and the Malaysian political crisis', <http://legacy.unl.ac.uk/relational/papers/malaysia.htm>, 1999.

S. E. Little
Open University Business School, UK