acterised by relatively stable relations between organisations. Key issues of how these relationships came into being, and more importantly, the prospects for change are dealt with only briefly. In India, for example, if we argue that the relative terms of trade between industry and agriculture are an outcome of network action between the Agriculture Price commission and trade union power with the state playing an intermediary role, the key issue of how such an institutional arrangement emerged, and what the proximate determinants of change are, would definitely be of interest to the academician and the policy maker. Alas, the network theory developed here does not offer a systematic framework for analysis.

Part II of the book contains articles on network dynamics and management. The most interesting article, that by Koppenjan and Termeer (chapter five) examines prospects for change within networks given that policy processes in networks are usually with fixed actors and perceptions. This chapter stresses the relationship between cognitive and social processes and the management strategies suited to influence these perceptions. Klijn and Telsman (chapter six) discuss how policy processes can be analysed in terms of strategies and games. The discussion ignores once again, the variables and characteristics that permit and hinder change. For example, do smaller networks with less collective action problems have greater capacity for moving away from past understandings between mem-

bers? In India would the IAS association be better equipped to deal with change than a union of construction workers? If so why, if not, why not?

For policy makers, chapter nine would be of most relevance. De Bruijn and Ringgeling examine the normative aspects of network management including the position of government actors in such a network. The discussion is largely pedantic and refers to the need for innovative approaches required by state actors. There is very little analysis on networking in government itself, the interactions between the generalists and the specialists, the permanent and the contract staff, and, finally between the elected political representatives and the bureaucracy at large.

To sum up, the book is unlikely to appeal to the interested citizen, as the specialised language gets in the way of the message. As for academicians from other disciplines such as economics, sociology and political science, who deal with these issues, albeit in a perfunctory manner, the extensive use of abstruse language and the inadequate recognition of contributions from these other disciplines to the subject matter would be a deterrent. As the foreword itself recognises, the study of governance needs its bestseller, probably with snappy aphorisms and vivid stories.

— Krishnaswamy Rajivan

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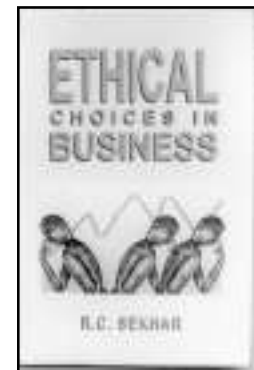


**Ethical Choices in Business**

*By R C Sekhar*

*Response Books, New Delhi, 1997. pp. 265, Price: Rs 225 (soft cover)*

It is a pleasure to welcome a contemporary business ethics text written by a senior professional with considerable experience in public and business administration and teaching; more so, since it is replete with Indian examples and has a distinctly Indian flavour. Unlike many other Indian texts, this book has also been produced well with a bright cover and clear (though not error-free) printing.

The book is divided into fifteen chapters with interesting titles such as "Satyam Shivam Sundaram: Evolving Ethical Values" and "The Joy of Living Together: The Indian Processes of Socialisation". The first two chapters are introductory in nature. In the first chapter there is a novel attempt to classify values into four categories: criteria for accepting (other) values; values which are required to be optimised; values in the nature

of rights where the stress is on minimum societal interference; and, means of institutionalising ethical implementation of values. The second chapter focuses on whether group decision-making dilutes or strengthens the ethical content of decisions and presents six models for ethical decision-making that can help organisations ensure that their decisions are taken after exploring the relevant ethical issues.

Chapters three – seven which form the core of the book look at ethical issues related to capitalism and market systems, legal systems, professional councils and codes, and the nature of modern organisations. The remaining chapters look at a variety of ethical issues in the functional areas of business (Human Resources, Marketing, Purchase, Finance) and broader societal issues such as corruption, environmental ethics, and gender-related issues. Thus this book has a fairly broad scope and touches on practically every issue that could be of interest in a course on Business Ethics.

Unfortunately though, there are also some aspects of the book which detract from its utility. There is little doubt about the author's scholarship and wide reading but the average reader, whether a student or teacher or a management practitioner for that matter, would have some difficulty keeping up with the wide range of examples and quotations, written in sometimes terse prose. It appears that some effort has been made to restrict the overall length of the book but this has been achieved at the

cost of clarity. The ethical positions of leading Western and Indian philosophers have been written in precis form, sometimes in no more than a sentence or a single quote. This is grossly inadequate. The models for ethical decision-making in chapter two are also insufficiently explained considering that many management teachers and students would not have access to the original papers or books from which the models have been drawn.

A bigger shortcoming is the failure of the author to explain in detail what he means by "speaking ethics", a term he has used at different points in the text to describe where he stands on the question of business ethics. One also wishes he had been more discreet about some of the cases – stating at the commencement of the case that it is hypothetical or "modified" does not facilitate classroom teaching! In the contextual ethics of teaching a business ethics course to a group of sometimes cynical students, this transparency is dysfunctional.

At a more mundane level, the book has a good number of printing errors, and some paragraphs and sentences have been constructed in such a complicated manner that they have to be read many times to make sense.

Notwithstanding the above, this is a useful contribution to the teaching and practice of business ethics. There are good cases for classroom discussion and a number of smaller examples and "issues to ponder", useful for classroom teaching.

Some of the cases could however have been written in a more "open" way to allow the students to look at different alternatives rather than merely analyse the action already taken. The author appears to have given closure to these cases in an attempt to underline his own views. For example, a case titled "The Parable of the Dark Child of Narhi-La" in chapter seven is clearly inspired by the classic Harvard Business Review article "The Parable of the Sadhu". In the latter, a busy executive on a trek in the Himalayas reflects on the failure of himself and his colleagues to disturb their trek and rush to the aid of an extremely sick sadhu. Issues of personal goals and morality are brought squarely into focus in that thought-provoking piece. Sekhar's version however sees a group of trekkers somehow managing to work together to alleviate the suffering of a sick child. His message is that people working in groups can sometimes achieve what individuals cannot and that groups are not necessarily more unethical than individuals. From a classroom point of view though, his narration lacks punch and credibility.

In conclusion, this is an important book, heralding as it does an effort to make business ethics issues more intelligible and accessible to Indian readers. But this is just the first step. Improved teaching materials, innovative pedagogy and integration of business ethics issues with other managerial issues in the management education curriculum (as suggested by Sekhar himself in the preface) are

equally important if the teaching of business ethics is to have any impact. There is an urgent need to share experiences in this area so that business students can have the advantage of a more ethical base to their management education.

— Rishikesha T Krishnan

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### The Institutional Construction of Organizations: International and Longitudinal Studies

*Edited by W Richard Scott and Soren Christensen, Sage Publications, New Delhi, 1995. Price $ 52/- (cloth), $ 24.95 (paper)*

Institutional theory is one of the many theoretical perspectives in organisational studies that have emerged since the late 1970s to challenge earlier organisational theories, particularly the contingency theory and rational decision making. While many organisational theorists view institutional theory as just another perspective that draws attention to selective aspects of organisations, its proponents believe that it can provide a framework to integrate the other perspectives and thus provide a more complete understanding of organisational phenomena. The book, *The Institutional Construction of Organizations: International and Longitudinal Studies*, edited by W Richard Scott, one of institutional theory's strongest proponents, and Soren Christensen, provides a mix of theoretical and empirical papers that address some of the earlier criticisms of the perspective and also provide a more evolved form of the theory.

By distinguishing between two ideal types of environments - technical and institutional, institutional theory has conceptualised the external elements that impact on organisations and organisational processes. According to Scott's introduction in the book, "In contrast to most of the earlier perspectives, which emphasize the importance of materialist forces—technology, resources, production systems—institutionalists call attention to the role of ideational forces—of knowledge systems, beliefs, and the rules in the structure and operation of organizations."

In a technical environment the technologies of production of a product or service are well developed and organisations operating in these environments can be evaluated based on their outputs. On the other hand, the output of an organisation in an institutional environment cannot be easily evaluated so it acquires its necessary resources by conforming to the norms of institutions.

Institutions consist of regulative, normative, and cognitive elements that influence organisational phenomena through cultures, structures and routines. As a regulatory system, an institution may coerce an organisation into complying with its rules and laws that are enforced through elaborate governance mechanisms. The influence of this form of an institution is most explicitly observable. An example of such an institution is SEBI. As a normative system, an institution may drive organisations to conform to some norms of behavior that are valued in and expected from society. The effect of such an institution is not explicitly visible although individuals in organisations may be aware of the pressures. For example, there may be an expectation that large commercial organisations, in addition to doing their regular business, also support art and sports. As a cognitive system, an institution controls the "conception of what the world is and what kinds of actions can be taken by what types of actors". Cognitive institutions affect organisation behaviour without the people concerned being explicitly aware of the influence. For example, there may be a generally accepted belief, without explicit deliberations, that re-engi-