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findings highlight the need for additional research on African Americans, Asian Americans, and other minorities. Those interested in mentoring and/or developmental relationships in organizations should buy this book, as should those interested in diversity and how developmental experiences vary for dissimilar groups.

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Business Strategies in Transition Economies.

Michael W. Peng, Thousand Oaks, CA: Sage, 2000. 322 pp. \$37.95, cloth; \$29.95, paper.

In the opening sentence of this book, Peng establishes the work's tone by writing, "strategy is about competing and winning" (p. 1). Peng's book is very much written from the perspective of an author focused on the practical nuances of strategic management. For this reason it may not appeal to everyone, particularly to those without at least a slight functionalist bent. And yet, for the individual seeking an empirically rich introduction to the many ways in which strategic management might be applied to firms situated in economies undergoing transition, the work has many winning qualities. The book's interdisciplinary, focused integration of strategic management concepts and current theoretical movements in the social sciences, most notably institutional economics, organization theory, and economic sociology, is particularly impressive. So, too, is the book's successful conveyance of how this linked set of knowledge pertains to firms situated in economies undergoing transformations to market-based systems. In fact, *Business Strategies in Transition Economies* is the first comprehensive analysis examining the role of strategic management for firms in transition economies.

Peng structures his book around five questions: Why do firms differ? How do firms behave? How are strategy outcomes affected by strategy processes? What determines the scope of the firm? and What determines the international success and failure of firms? He examines these questions from the strategic perspectives of four types of enterprises: state-owned firms, privatized and reformed firms, entrepreneurial start-ups, and foreign companies. By emphasizing firms as his subject, Peng largely discounts the role of the state. He provides two main reasons to support this approach. First, he posits that reform movements lead to a weakening of state power, thus minimizing the impact of state policies. Second, he asserts that all state-implemented reforms are directed toward the promotion of economic

growth. Thus, according to Peng, rather than focusing on state policies themselves, it is preferable to focus on how firms most effectively respond to the differing sets of changes they face. Peng offers up numerous, in-depth empirical examples throughout the book to illustrate his positions.

A case in point is his reference to the revamping of the Szczecin Shipyard, a Polish state-owned enterprise (pp. 89–90). In the early 1990s, shocks to Szczecin's environment nearly caused the company to become insolvent. Peng focuses on the firm's experiences to highlight how a new management team's three-pronged, institutionally apt approach, emphasizing profit maximization, new product strategies, and efforts to court Western business, brought it success. This example is quite typical of others throughout the book, wherein Peng provides credence to the idea that managers who design and implement institutionally well-grounded policies can achieve the goals they desire.

Peng's institutional focus is firmly grounded in economic concepts. Institutions are defined, in accordance with the writings of Douglass North, to be functionally predicated and intentionally patterned so as to reduce the uncertainty involved in social and economic transactions. Likewise, Peng assumes firms are naturally motivated to grow and also unceasingly focused on the generation of profits. His concept of strategy is founded on these above-cited assumptions, as well as on the idea that top managers seemingly always possess the means by which to map out, and implement successfully, workable plans to attain their goals. All of the arguments are overwhelmingly pro-market, and Peng spends considerable energy in detailing a set of faults inherent in socialist-based economies.

While the empirical emphasis of Peng's focus is on China-based firms, he also spends a great deal of time discussing the situations of firms in other nations, most notably those in Russia and Eastern Europe. Here, he reaches a number of interesting conclusions. One such conclusion questions the adequacy of culturalist perspectives to account for the developmental characteristics of a particular nation. Peng instead emphasizes that a number of attributes often considered to be unique to a specific transitional economy are in fact similar across transition-involved nations. Hence, arguing against a reliance on culturalist arguments, Peng stresses the efficacy of institutional perspectives in dealing with such issues.

Minor criticisms of Peng's work relate to his tendency to utilize an intensely assertive yet somewhat one-sided approach. Patterns of action and their consequences are unilaterally framed in terms of strategy, with successes related to well-thought-out and adroitly implemented policies, and failures arising due to managerial inadequacies. The ability of managers consciously and purposely to influence their environments is assumed, while unintended outcomes resulting from the environment, such as state policies or the unexpected actions of actors, are minimized. The rationalistic flavor of Peng's approach is strong.

Even so, *Business Strategies in Transition Economies* is a valuable resource, especially for those seeking a book that

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combines a broad overview of recent sociologically based organization theory with insights related to applied business approaches. Peng, relying on empirically based examples and topic differentiation, does an effective job of connecting theory to the everyday situations faced by transition-economy-based firms. By focusing on the five-question structure mentioned above, he is able, even when dealing with such a broad range of information, to maintain a strong sense of continuity and concludes his work in the same manner he used throughout, by competently merging theory with real-world applications.

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Moral Imagination and Management Decision Making.

Patricia H. Werhane. New York: Oxford University Press, 1999. 146 pages. \$35.00.

The most recent addition to the Ruffin Series in Business Ethics, edited by R. Edward Freeman, is this significant contribution on moral imagination by Patricia Werhane, who is the Peter and Adele Ruffin Professor of Business Ethics at the Darden Graduate School of Business, University of Virginia. She is uniquely suited to write on this topic, as she has served as editor of *Business Ethics Quarterly* for ten years, authored many books on business ethics, and has had extensive experience in theory building and research in the area of ethical decision making. Books in this series are aimed at three audiences: management scholars, business ethicists, and business executives. Through a judicious balance of concepts, theory, and examples, Werhane writes in a way that reaches each of the audiences, especially the academic audience. The book strikes me as primarily targeted at scholars who are concerned with the ethics education of managers and executives, which is consistent with the other books in the Ruffin Series. As a result, the book is extremely useful to scholars in management and business ethics who are seeking a more thorough, theory-based look at ethics concepts. Since the book is laced with recent and relevant examples, it is useful from both a theoretical and applied perspective.

Werhane states her objective to be an exploration of the role of moral imagination in management and corporate decision making. In particular, she aims to provide some fresh insights on two important questions: Why do ordinary, decent managers engage in questionable behavior? and Why do successful companies ignore the ethical dimensions of their processes, decisions, and actions? Her basic argument is that the phenomenon of moral imagination holds the answers to these questions, and she follows others in writing on moral imagination. I first became aware of the concept, as it applies to business ethics, in a book by Powers and Vogel (1980), and I adopted and adapted some of their ideas in an article aiming to identify some directions in which the business ethics field needs to move in transitioning from amoral to moral management (Carroll, 1987). In that context, moral