

Teams, Markets and Systems: Business Innovation and Information Technology by Claudio U. Ciborra (University of Cambridge Press, Cambridge, 1993), pp. ix + 250, \$99.00, ISBN 0 521 40463 0.

In sharp contrast to the great bulk of books on information technology that are no more than cook-books, this important work is, in the author's words, "the fruit of a long learning and research itinerary" over some ten years. And unlike those cook-books, this volume has a useful blurb: "There is presently a gap between the pace of technological change and the progress of organisational transformation in business. New information technologies offer an increasing variety of application, but the application of new computer technology has lagged behind the latest business methods".

Ciborra, who teaches organization at the University of Bologna and is Director, Information Systems and Organisation Department, Institute Theseus, Sophia Antipolis, France, draws on transaction cost analysis and team concepts in the context of the new institutional economics to redesign organisations, giving a different mix of the three control mechanisms: teams, markets and hierarchies.

Designing organisations should be viewed as a central part of modern technology. However, we frequently meet the contrast between creating good new technology and eliminating bad organisational slack. As a colleague remarked, there are patents for "methods of manufacture" but not for designing organisations. (This statement calls for some qualification as software is given patents in some countries, even though the boundary between software and organisation is a fuzzy one).

Organisations exist to manage information and provide coordination. Their continued presence shows us the limits of markets – limits so significant that Herbert Simon has argued that what happens in organisations is more important than what happens in markets. But neither markets nor organisations, nor any mixture of the two, has the solution to all problems of informational efficiency. Incomplete knowledge runs up against the limits of affordability.

Whatever management and IT experts would have us believe, the best practice of today has to give way to new ways as technology – both production and organization technology – and economic conditions change. The simple truth is that organisation becomes obsolete and it is unhelpful to respond by assigning blame as accountants, industry councils and even the Prime Minister have been inclined to do in recent times. In analytical terms, organisations must be treated as a variable.

Ciborra is on the right track, even if he is a bit too optimistic about our ability to design lasting organisational forms, Industrial economists and management and IT teachers would do well to draw on his insights; and nationally we might achieve the competitive edge Ciborra seeks if funding agencies could realise that design of organisations is a fit and proper research objective.

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