

Conceptualizing Indian Business System based on Redding's Framework: Setting Agenda for further Research¹

Rajen K. Gupta²
Abinash Panda³

We live in a 'world of organizations', which are socio-economic 'organic' entities, in the sense that they continuously evolve within in a socio-cultural context and operate for a set of espoused 'economic' goals. Organization theorists have attempted to understand organization from varied perspectives. Economists sought for exploring economic rationality behind organization and organizing, which they believed to be universal. They argue like "formalists" (Granovetter, 1993; Polanyi, 1944) who hold that the categories of economics are universally applicable. On the other hand, sociologists, who like "substantivists" (Granovetter, 1993; Polanyi, 1944), argue that economic analysis is of no use whatsoever for the analysis of societies that are not Western market societies. They sought for sociological basis for a particular form of organization and organizing in a societal context. Their rationality for organizing and the evolution of various forms of organizations are context specific and indigenious.

The primary purpose of this paper is to create awareness among the academic intellectuals about the utility of business system framework, based on 'integrated culturist-institutionalist' perspective. Institutional system is viewed as a cultural artifact of a society. Business system perspective is argued to be more holistic, evolutionary and comprehensive than 'universalistic' approach based on economic rationalism, 'culturist' approach emphasizing societal beliefs, values and norms, or 'institutionalist' approach emphasizing institutional arrangement within which an organization is embedded.

Secondly, a conceptual framework, though tentative framework of Indian business system has been presented hopefully to provide a 'new' direction for future research in the field of organization studies.

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² Professor, Human Behaviour and Organizational Development Area, Management Development Institute, Gurgaon.

³ Assistant Professor, OB Area, XLRI, Jamshedpur.