

Management and Organization in the Chinese Context

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The present volume compiles scholarly and practical conference papers and invited essays on contextually-embedded management in China, joint-venture management and negotiation, Chinese organizational behavior, and managerial perspectives on Chinese business. It is written by some of the most out- standing China experts of today, serving at leading universities and companies around the globe. The book offers an excellent summary mainly of past writings on Chinese management and confirms again how stimulating this emerging field is, which becomes increasingly recognized in professional journals. It com- bines different perspectives and methods and thus offers a kaleidoscope of possibilities in the field. The strongest parts are those that tie developments in China back to research in other countries (see, for example, A.G. Walder\'s insightful chapter). Let me distill some key themes:

Value of contextualization vs. universalism. Contingency theory is out of favor in the modern research world, but disguised versions abound. Studies of Chinese companies need to ground their research design in the local culture, ensuring for example, that measures are valid and reliable in the Chinese context, and that phenomena also are viewed with indigenous lenses to make sense out of them. Unlike the editors, I believe that Westerners, too, can adopt such new perspectives independently, especially if they master Chinese. This realm of embedded research is not only the prerogative of Chinese scholars, who need to be co-opted. The mental model and intellectual approach chosen is more a question of the direction of inquiry, not of the ethnicity of the inquirer himself. The volume again demonstrates the strength of academic observers, who differentiate their recommendations ac-cording to various contingencies and are not afraid of staying conservative when they have good reasons to do so. This distinguishes them from the monolithic best practice of "revolutionary" management gurus and trendy consultants. For example, instead of indiscriminately heralding wholly foreign-owned enterprises (WFOE),J. Child notes that joint- ventures *(JV)*still are valuable in certain contexts (depending, for example, on the industry, experience, and strategic thrust).

Distinctive style. Another important contribution of China research is to discover new organizational approaches. For example, J.-L. Farh and B.-S. Cheng synthesize a "paternalistic leadership" style. Grounded in Chinese culture, it combines authoritarianism, benevolence, and morality. The scholars aptly trace the roots of these styles by referring to Chinese Confucian classics. M.W. Meyer\'s case studies show that a distinctive traditional corporate culture is more efficient in Hong Kong\'s banking industry than a "modern," globally standardized approach. However, these scholars pro- duce in-depth insights at the expense of broader coverage. A more comprehensive development of Chinese management theory can be found in Schlevogt (1999; 2002).

Sources and direction of change. An interesting line of inquiry is what caused particular reforms and their success. A.G. Walder suggests that government officials need to be conceptualized as economic actors. Changed incentives in the wake of fiscal reforms meant that local officials had an interest in making the market work, since this increased their tax revenues. What may be termed "incremental opportunism" attenuates some of the traditional problems of planning economies and explains the success of reforms that did not follow the shock therapies forced on other transitional economies. However, I believe that it is too early to call the economic reforms a long-term success. In many areas, China has not yet implemented pivotal changes that countries like Russia have realized. Instead, a new force, the private sector, created growth while the "organizational legacy structure" is still maintained, with which it is incompatible. In my view, an important question is whether the state sector can reform itself from within or whether it will simply been taken or destroyed over by private enterprises. I also ask myself how the newly created wealth can be fairly distributed and essential social services that were previously delivered by the state sector maintained and financed.

Tensions from diversity. There are various conflicting forces at work in China, which need to be resolved. One question is which traditional practices can be maintained in a globally competitive environment, and which need to be modernized, perhaps resulting in hybrid structures. Multinationals need to consider carefully how to manage their partners who originate from an- other culture, what to localize and which management functions to adapt to China. Global companies need to learn to manage expatriates and locals at the same time with different policies, without creating envy, for example. The Western emphasis on legal systems and property rights is at odds with the more personal style, ubiquitous connections, and (petty) corruption in China.

Even though the critic of an edited book runs the danger of turning a whole network of researchers against himself, some limitations need to be pointed out. They flow mainly from the self-set objectives and framing of the solution space. While contributions have been skillfully selected to offer intellectual richness and diversity, there is no overarching theoretical framework, leitmotif, or red thread that pulls the disparate contributions together. Instead, the contributions are piecemeal. The editors do not identify and at the same time prioritize key issues. The literature review appears limited and one-sided. For example, with a focus on mainstream journals (mainly published in the US), leading regionally focused journals have been neglected. An example is the *Asia Pacific Journal of Management*, the official journal of the Asia Academy of Management. which selects articles often reaching the same quality as those published by the best general journals. Earlier works, which have covered many of the contents, have not been adequately referenced (see Schlevogt, 1999). Among other things, those works had already identified many of the "future" research issues and addressed them. The editors do not clarify their rationale for the se- lection of functional areas, contributions, and scholars. In fact, leading re- searchers are missing, such as Warner, Redding, and Lardy. The selection seems to have been ad hoc, based on convenience.

In general, the contributors ask more questions than they answer and often do not specify their limitations clearly. Many papers are merely conceptual and descriptive, and summarize past work in an eclectic fashion. They lack a cutting edge and look backward, partly because many contributors were invited to summarize their past works (some of which, as in Walder\'s (1996) case, were published under the same title). The volume overlooks exciting new developments and focuses on classical (and often somewhat outdated or saturated themes), including: SOE re- form (instead of what I call the "private entrepreneurial revolution"), guanxi (instead of more complex, multilevel interindustry clusters and interorganizational trust-based networks, which I summarized in "web-based Chinese management" theory), entry modes for foreign companies (instead of JV re- structuring, given that most leading companies have already entered China), and JVs in general (instead of the recently more popular WFOEs). Private and state enterprises are not compared in one study. The volume does not identify distinctive developments in mainland china (compared to other countries and jurisdictions with Chinese businesses), and especially different subcultures on the mainland, which are explained by what I call the "theory of geoeconomics". It misses important future issues, such as the changes brought about by China\'s ac- cession to the WTO, which was imminent at the time the volume was published.

The quality of contributions is not consistent. Some of the quantitative studies are methodologically weak. For example, in the new millennium, ad hoc surveys of "managers attending part- time management training workshops" (p. 288) in one city should not be published any more in serious outlets be- cause they lack representativeness. Such convenience sampling was acceptable earlier when comprehensive sampling frames did not exist and access proved difficulty. But recently, random sampling has been successfully applied in China (see Schlevogt, 1999). Besides, the statistical methods of analysis used for this volume do not leverage powerful approaches such as structural equation modeling. There are quite a few reductionist studies that focus on a limited number of variables, simple linear relationships, and, because of their narrow scope, produce limited and commonsensical insights. The contributions of practitioners do not match the quality of the scholarly contributions and are not meaningfully linked to the rest of the book. They lack structure and method, often stating the obvious ("corporate culture is a very important factor of building employee loyalty," p. 340) without pro- viding facts other than "experience." Some offer doubtful wisdom and advice that may backfire ("As for corruption, we let our Chinese partners handle this aspect . . . It is something that you have to accept if you want to do business in China," p. 342). Despite these weaknesses in selected spots, the volume overall offers solid, insightful, and stimulating research. As regards interested readers and benefits, serious scholars will profit most, while general managers will find the contents less "actionable" because of the idiosyncratic language, style, and issues. In the practitioner segment, the book will mostly appeal to the rare species of "thinking executives." It is a good entry point and road map for catching up with past writings on Chinese management. PhD candidates and researchers interested in starting work on China will find a wealth of impulses and research topics that they can pursue.

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