

Contents

Preface to the second edition xiii

Preface to the first edition xvii

Introduction 1

Comparative management 1

Asian management systems and their importance 3

The general layout of the book 5

Questions for discussion 7

Further reading 7

I Conceptual framework 9

1 Major comparative management models 10

Introduction 10

Four major models of comparative management 10

Role of culture in comparative management 14

The issue on management transfer 16

Conceptual model for comparing management systems 18

Summary / conclusion 19

Questions for discussion 19

Further reading 20

2 Understanding national competitiveness: East–West comparisons 21

Introduction 21

Max Weber's study of the Protestant ethic and the rise of capitalism 21

Ideology and national competitiveness 25

Summary / conclusion 31

Questions for discussion 32

Further reading 32

3 Sun-Tzu's strategic thinking and contemporary business 33

Introduction 33

Military strategies and business competitions 33

The principles of strategies 35

Moral influence 36

The ability of generals 37

Climate and terrain 38
Strength 39
Doctrine and training 41
Discipline 41
Summary / conclusion 42
Questions for discussion 42
Further reading 43

4 Guanxi dynamics and network building 44

Introduction 44
Defining *guanxi*, *face*, *renqing* 45
Five basic Confucian relationships and *guanxi* 47
Guanxi network-building and *guanxi* evasion 50
The interactions between *guanxi* and *face* 52
Summary / conclusion 54
Questions for discussion 55
Further reading 55

II Comparative Chinese management systems 57

5 The overseas Chinese: their origins and operational environment 58

Introduction 58
The origins of the overseas Chinese 58
Operational environment of the overseas Chinese 61
The diversities and commonalities of the overseas Chinese 65
Summary / conclusion 68
Questions for discussion 69
Further reading 69

6 The Chinese family business: organizational challenges and competitive edge 70

Introduction 70
Organizational structure 71
Management process 73
Inherent weaknesses and comparative strengths 76
Summary / conclusion 78
Questions for discussion 79
Further reading 79

7 Competitive Chinese business strategies in ASEAN 80

Introduction 80
The Chinese competitive strategies in the marketplace 80
Riding the wave of development and industrialization 83
Expanding against unfavourable political environments 86

Deal-making skills: a Chinese competitive advantage 89
Summary / conclusion 92
Questions for discussion 92
Further reading 93

8 The evolving environment of the Chinese state enterprises (CSEs) 94

Introduction 94
Pre-1979 operational environment of the CSEs 94
Post-1979 changing operational environment 99
The future trends of the CSEs' operational environment 102
Summary / conclusion 104
Questions for discussion 105
Further reading 105

9 Reforming managerial mechanisms of Chinese state enterprises 106

Introduction 106
Structural and managerial problems of the CSEs 106
Major reform measures and existing problems of the CSEs 109
Governmental measures of reforming the CSEs and their likely impacts 113
Summary / conclusion 117
Further reading 118

10 Comparative Chinese managerial systems 119

Introduction 119
Organizational structure 119
Management process 120
Competitive strategies and tactics 121
Summary / conclusion 122

 **Comparative Japanese and Korean management systems 125**

11 Government–business relations in Japan and South Korea 126

Introduction 126
Historical perspective of business–government relations 127
Government–business relations in Japan 129
Government–business relations in South Korea 134
Summary / conclusion 136
Questions for discussion 137
Further reading 137

12 Comparative large Japanese and Korean business groups 139

Introduction 139

Definitions of large business groups in Japan and Korea 139

Key features of large Japanese groups 140

Key features of large Korean business groups 144

Summary / conclusion 148

Questions for discussion 149

Further reading 149

13 Japanese management style 151

Introduction 151

Managerial autonomy in Japanese companies 152

Leadership and decision-making 154

Human resources management 157

Summary / conclusion 162

Questions for discussion 163

Further reading 164

14 Developing competitive advantages of Japanese companies 165

Introduction 165

Strategic planning and Japanese competitive advantages 166

Developing competitive advantages in the world market 168

Breathtaking growth and aggressive financial strategies 170

Endless drive for high quality and low cost 173

Advantages and the economic dual structure 174

Summary / conclusion 176

Questions for discussion 177

Further reading 177

15 Managerial styles of Korean companies 178

Introduction 178

Organizational structure 179

Managerial processes 181

Human resource management 184

Competitive strategies 186

Summary / conclusion 188

Questions for discussion 189

Further reading 189

16 Comparative Japanese and Korean management systems 190

Introduction 190

Comparative organizational structures 191

Comparative managerial processes 191

Comparative human resources management 192

Comparative competitive strategies 193

Summary / conclusion 194

- 17 Post-crisis trends in Asian management 196**
Introduction 196
Japanese *keiretsus*: opening up to foreigners 197
Korean *chaebols*: farewell to the good old days 200
Overseas Chinese business: polarized responses 203
China's state-owned enterprises: dividing in the long march 208
Summary / conclusion 210
Questions for discussion 211
Further reading 211
- 18 Made-in-China and implications for China's Asian neighbours 213**
Introduction 213
Made-in-China: reality versus fallacy 213
Chinese export powerhouses in transition: from Wenzhou and Dongguan models to MNCs' ventures in China 216
Made-in-Japan: mighty *kaisha* moving to China or perishing? 219
Made-in-China and Asian tigers: greater Asia co-prosperity? 222
Summary / conclusion 225
Questions for discussion 225
Further reading 226
- 19 The Japanese distribution system in transition 227**
Introduction 227
Historical, social and cultural sources 227
Wholesale structure and practice 230
Retail structure and process 233
Major changes since the early 1990s 235
Comparative importing channels 237
Summary / conclusion 239
Questions for discussion 240
Further reading 240
- 20 Unlocking joint venture potentials in China 241**
Introduction 241
Finding a good partner at a right location 241
Negotiating a feasible contract 243
Creating a cohesive leadership 245
Striving for foreign exchange balance 246
Keeping up with the changes in accounting and tax systems 247
Overcoming difficulties in human resources management 248
Managing suppliers: reducing costs and upgrading quality 250

Summary / conclusion 251
Questions for discussion 252
Further reading 252

21 Understanding Chinese and Japanese negotiating styles 253

Introduction 253
Unique perceptions on negotiations 253
Negotiating teams 254
Negotiating process 256
Comparative Chinese and Japanese negotiating tactics 257
Conflict management 259
Summary / conclusion 260
Questions for discussion 261
Further reading 262

22 Conclusion 263

Similarities and differences among the Asian management systems 263
Comparison between the Western and Eastern management systems 265
The trends of the Asian management systems 267
Questions for discussion 269
Further reading 269

Index 271

List of figures

- Figure 1.1** Farmer and Richman Model
- Figure 1.2** Negandhi and Prasad Model
- Figure 1.3** Influence of culture on behaviour
- Figure 1.4** Adapted comparative model
- Figure 4.1** Model on *guanxi* and face interactions
- Figure 5.1** Historical migration patterns
- Figure 5.2** Overseas Chinese identity
- Figure 7.1** Comparative financial performance
- Figure 7.2** Cash generation cycle
- Figure 8.1** Industrial management and planning hierarchy in China
- Figure 8.2** Pre-reform CSE operational model
- Figure 8.3** Post-reform CSE operational model
- Figure 9.1** The line-function system of management
- Figure 11.1** Triangular relationships among the leading players in government–industry relations
- Figure 12.1** *Zaibatsu* pyramidal structure
- Figure 12.2** *Keiretsu* star structure
- Figure 12.3** Ownership structure of *chaebols*
- Figure 13.1** Japanese company structure
- Figure 13.2** *Ringi* system of decision making
- Figure 14.1** Long-range planning process model
- Figure 14.2** Large multi-machine manning crankshaft line
- Figure 14.3** Cost passing chart
- Figure 18.1** Cell production to be combined with automation: production-system change – a new management revolution
- Figure 18.2** ASEAN trade surplus to China
- Figure 19.1** Variety of distribution alternatives
- Figure 19.2** Traditional and alternative forms of distribution
- Figure 19.3** Import distribution alternatives

List of tables

- Table 2.1** Contents of religious world view
- Table 2.2** World attitudes
- Table 2.3** Rationalization potential
- Table 5.1** Major reasons for emigrating from Swatow areas, 1934
- Table 5.2** Population distribution of overseas Chinese
- Table 7.1** Salim Group's Indonesian companies
- Table 7.2** Relative position of Chinese capital
- Table 8.1** Supply of rationed goods 1957–60 (in units of 10,000)
- Table 15.1** Backgrounds of *chaebol* executives in the 1980s
- Table 15.2** Growth strategies of *chaebols*
- Table 17.1** Mazda Motor Corporation's reform programme
- Table 17.2** Hyundai's mess
- Table 17.3** Strengths and weaknesses of traditional Chinese management values
- Table 17.4** Father and son: generational differences
- Table 22.1** Comparison of Western and East Asian management styles