Human Systems Management 30 (2011) 1–9
DOI 10.3233/HSM-2011-0734
IOS Press

Introduction

Management in China: Systems reform, human resources and emergent globalization

Malcolm Warner
Judge Business School, University of Cambridge, Cambridge, UK
E-mail: m.warner@jbs.cam.ac.uk

Abstract. This Symposium brings together a number of contributions which deal with China's emergence as an 'economic superpower', now second only to the US in the international league-tables in aggregate terms, if much less so in GDP per capita. Since *Deng Xiaoping's* economic reforms in 1978, the 'Middle Kingdom' has seen a 'sea-change' in how it manages its economy, its businesses and its human resources. As well as discussing its egregious economic development at the macro-level, they deal with how its firms are managed at the micro-level. The authors are internationally known experts who hail from a variety of universities in countries, such as Australia, China, New Zealand, South Korea, the UK and the USA. They cover a wide range of topics such as State-Owned Firms reforms, Human Resources, Small and Medium-sized Enterprises, Business Incubators, International Business, China-Plus-One strategy and last, China-India Comparisons. In this Symposium, we try to see how this remarkable transformation has come about and present a number of both analytical as well as empirical approaches to the study of Chinese management.

Keywords: China, globalization, human resources, India, management, PRC

Malcolm Warner is Professor and Fellow Emeritus, Wolfson College and Judge Business School, University of Cambridge, UK. His PhD is from the University of Cambridge. He was formerly Editor-in-chief of the *International Encyclopedia of Business and Management*, 8 Volumes (2002). He is currently Co-Editor of *Asia Pacific Business Review*. He has published extensively in the field of Asian management, particularly with respect to China. His most recent work is *Confucian HRM in Greater China: Theory and Practice* (2011).

1. Introduction

The Chinese economy has now changed dramatically since 1978. The state now runs much less of economic life than it did in the past. The share of state-owned enterprises (SOEs) in productive output has fallen from a majority share to a minority one in 1978, a veritable 'sea-change'. China moved from 'plan' (*jihua*) to 'market' (*shichang*), indeed from a centralized 'command economy' to a decentralized 'market socialist' one, in less than a decade, after the death of *Mao Zedong* in 1976. The demise of the Maoism was then to lead to a new leadership putting forward a bold reform (*gaige*) agenda, dramatically re-shaping the institutional and organizational environments in which Chinese enterprises operated [8]. While the planned economy had been an inheritance of the period of Soviet influence, the Chinese version was no way as extensive as that found in the USSR (see [4]). The 'Open Door' (*kaifang*) and 'Four Modernizations' (*sige xiandaihua)* policies were initiated by *Deng Xiaoping* after 1978. These were the first steps in breaking the mould – to promote 'socialism with Chinese characteristics' (*juyou Zhongguo tese de shehuizhuyi*). The so-called 'dinosaur' State-Owned Enterprises (SOEs), with their 'iron rice bowl' employment system (*tie fan wan*), no longer under-pin the economy, either by share of output or employment but still do have considerable leverage as the State has retained strategic holdings in many of the larger joint stock firms which have now appeared. Recent research suggests that the newly globalized 'Red-Chip' listed corporations, formerly SOEs, are still under the thumb of the State, according to a recent critic, *Huang* [3]. He believes that the heyday of the Chinese reforms was in the 1980s – when the entrepreneurial spirits were unleashed in especially the rural sector – but were compromised by the move in the 1990s to bring back urban-inspired, top-down state capitalism under Party control. The author contrasts what has been called the '*Zhejiang*' entrepreneurial model – with the '*Shanghai*' state capitalist variety.

In the late 1980s, – 'Linking up with the international track' *(yu guoji jiegui)* – had emerged in the PRC, a new idea at the time [12] – and may be regarded as an intrinsic part of how the PRC has tried to take on 'globalization', on the one hand, but at the same time stress 'Chinese characteristics' in order to be seen as retaining its own values, on the other. Given the impact of globalization and the membership of China in the World Trade Organisation (WTO) signed in 2001, the 'name of the game' in terms of economics, management and so on has changed immeasurably [8], as we shall soon see.

As the Western economies stay in the doldrums, China continues to grow apace, as indeed does India and all of the BRICs set (Brazil, Russia, India, China). This phenomenon is changing the global economic landscape, as the West flakes. While Japan has been in economic *stasis* over the last 'lost decade', the PRC has gained an average of ten percent growth per annum plus or minus over the period 1990–2004, has fallen back a little, then rebounded since then. There has been a steady expansion in economic output over three decades. The PRC's position has become very strong; indeed, China has now moved up to be the second biggest economy overall in 2010 – after the US – in nominal GDP terms. It has also become a major global financial hub; it operates the third largest stock-market in Asia after Hong Kong and Tokyo but aspires to be first in a half a decade's time. China has become not only the workshop of the world but intends to go beyond this, up the value-added chain in both goods and services. Exports continue to expand but imports exceeded the former recently; its trade surplus expanded to well over US$ 20 billion. A contest of wills between the US and Chinese governments focuses on the unwillingness of the latter's leadership to appreciate their currency, the RMB. While there is no immediate possibility of a 'trade war' between the two countries, the US government is under pressure to take a protectionist stance – from both its trade union and business lobbies. There is a strong feeling in many US business, economic and political circles that the *renminbi/yuan* is still substantially undervalued.

Pole-positions in industrial prominence in Asia have changed in recent years. Japan's companies once topped the higher ranks of the *World's List of Largest Companies*. It was hard to see how they could be dislodged. The Chinese, however, now top the table and the Japanese ones now lay much further down in list. An increasing number of large MNCs of Chinese origin figure centrally in the tables. China is now making the running. In the 14th annual ranking of the *FT Global 500*, showing the yearly snapshot of the world's largest companies, a Chinese company, *PetroChina*, has passed *Exxon Mobil* as the world's most valuable corporation. The PRC now dominates the listing; China has three firms in the top dozen. Japan only ranks in the list at 32nd, with *Toyota;* China has three (the above, the *Industrial and Commercial Bank of China* and *China Construction Bank*) and Hong Kong (*China Mobile*) one-out of the top twelve MNCs in the world [2]. This shift represents a significant change of fortune for China's top firms. The PRC also has the fifth largest pension funds in the world. Its exports dominate many sectors of world trade and its sucks in more and more of the world's energy and mineral resources.

However, although Chinese citizens have benefitted from the rapid growth of the economy, GDP per capita is still much smaller that of Japan's, even in purchasing power parity (PPP) terms, about one sixth (*vis a vis* the US, it is about one-eighth). Having said that, most Chinese have seen an improvement in their standard of living over the last three decades and the number of 'winners' has exceeded 'losers', even if many tens of millions workers lost their jobs in state-owned firms over recent years [10]. Between 1993 and 2006, over 60 million posts were sacrificed. The economic reform policy clearly improved productivity but the human cost was for some, considerable. The old 'iron rice bowl' employment system in its work-units (*danwei*) with entrenched job security was to be more or less phased out and the enterprise-based mini-welfare state virtually dismantled. For many workers and even more peasants, social protection went by the board. The present leadership is, however, intent on building a nationwide health service in the coming decade, to promote greater social harmony.

The PRC has thus now become an 'economic superpower', so to speak. In this Symposium, we try to see how this has come about and present a number of in-depth studies of Chinese management. The authors are internationally known academics and work in a variety of business schools and universities in countries, such as *Australia, China, New Zealand, South Korea*, the *UK* and the *USA*. They will cover a wide range of topics such as *State-Owned Firms, Human Resources, Small and Medium-sized Enterprises, Business Incubators, International Business, China-Plus-One strategy* and last, *China-India Comparisons*. While this is only a selection of possible areas of interest and is in no way a statistically strictly valid sample of Chinese industrial concerns *per se*, it does cover a broad range of topics central to understanding Chinese business and management. Additionally, the collection is interdisciplinary, with studies by experts in economics, HRM, international business, management, and so on.

Is Chinese management particularly *special*, even *unique*? To answer this question, we need to see how far Chinese management is *context-specific* or *context-bounded* [1] in order to better speculate about the phenomenon (see [7]). The Chinese 'context' suggests that there are possibly unique values and ideological setting present in its management. Child (2009:60) [1] for one, places stress on what calls Chinese 'substantive rationality'. He sees this as expressed in Confucianism, or later, in the Protestant Ethic or much later, in Communism. This author claims that the argument for allowing a distinctively China hysteria of management largely hinges on the assumption that China's context is moulded by its very own unique values and ideology. He places great emphasis on the interplay between both the growth of Chinese management and its specific 'context', indeed what he calls its 'co-evolution' (including the transfer of Western management practices) as well as its 'contextual evolution' (2009:69) [1]. Child, however, concedes that the complexity and range of organizations and environment in China is making it most unlikely that just one all embracing Chinese theory of management will prove sufficient [1]. The challenge is for Chinese scholars to make the running in terms of developing their own school of management theory and practice. The current Western paradigm in this field remains dominant and there is little evidence of anything else replacing it at the moment. Chinese management education also remains very much in the Western mould (see [9]). There are, as yet, no clear answers to the question initially posed above.

Other writers (for example, Lamond and Zheng, 2010:8) [5] for example argue that the principles of people management are 'strikingly' similar worldwide. Yet, '*[d]ifferences are, however, seen to be in the emphasis on specific contents of HRM, subject to the organisational strategy, structure and culture, rather than on the principles per se. For example, Chinese firms may focus more on relationship instead of resources management as they see the latter could be expanded and enlarged as a result of better human relationship management. Chinese firms are probably better known for their effective utilisation of cost-reduction strategies, rather than an emphasis on selective hiring, ensuring the right people in the right position at the right time, or on performance management, ensuring rewards and recognition tied closely with performance, or on heavy investment in training and capability building for long-term development. At the same time, the principles of impartiality, equity, fairness/justice, organisational/employee wellbeing and participation are embedded in the ancient Chinese texts we have explored'* [italics added] (Lamond and Zheng, 2010:8) [5].

How far this debate will run is another matter. There are clearly some specifically Chinese characteristics, on the one hand; but there also some which are shared with management from other cultures or indeed which are universal, on the other. In other words, there is an overlap. The synthesis of these two strands will unquestionably define the new entity which emerges and which is apparent in the accounts of the research which follows.

2. Contributions to this symposium

In this Symposium, *Ying Zhu*, *Malcolm Warner* and *Wei Zhao* note in their contribution 'Economic Reform, Ownership Change and Human Resource Management in Formerly State-Owned Enterprises in the People's Republic of China: A Case-Study Approach' that at the macro-level, economic reforms in the PRC since 1978 have led to the implementation of a multi-ownership system. The consequent transformation of Chinese formerly State-Owned Enterprises (SOEs) with their formerly lifetime employment regimes has been a major way of improving efficiency and increasing competition. However, the restructuring process has been almost always accompanied by controversy, particularly *vis a vis* a balance between improving efficiency and competitiveness of businesses on the one hand and developing harmonious labour-management relations on the other. Their contribution exemplifies the evolution of SOEs from a human resource management (HRM) perspective by using a case-study approach with three illustrative examples of SOE transformation.

The first case examined was transformed from a SOE into a Joint-Venture (JV) and then a Wholly-Owned Foreign Enterprise (WOFE), representing the example of privatization by foreign owners. The second case was transformed from a SOE into a 'joint stock company' (JSC), representing the example of 'corporatization' process. The third case was transformed from a SOE into a domestic private enterprise (DPE), representing the example of privatization by domestic owners. The outcome of this research demonstrates that the transformation of SOEs into different systems has clearly brought a higher degree of dynamism, such as in the adoption of market-driven management systems and developing new products and markets. The interconnection between changing ownership systems and adopting new management systems is thus relatively clear among companies we studied. Such changes are likely to lead to better performance outcomes. In return, a better level of rewards may thus be achieved for both managers and employees, although the 'income-gap' remains a challenging issue. The main finding is that there was no 'one-size-fits-all' solution to SOE reform and that there were alternative 'strategic choices' at hand *vis a vis* both ownership form, as well as HRM.

On the one hand, due to the ownership changes, diverse employees' participation schemes have been developed through stock options and profit-sharing, enhancing worker rights in this dimension. Distinctly HR-related reforms, such as increasing the development of skills, linking performance with incentives and emphasizing both accountability and responsibility, provide initiatives for employees to achieve higher performance levels and better commitment and motivation towards the organization. All these may be said to 'empower' workers in a number of varying ways.

On the other hand, due to the increasing power-shift towards management, workers' collective 'voice' has been gradually diminished. Workers' rights thus have become increasingly reliant on management discretion, not on union-representation. As the research findings indicate that senior management could not discern between the different functions of trade unions and HR in reality. Therefore, the authors conclude that the remit of protecting workers' rights in China was not yet successfully achieve at the grass-roots level and further reform on this is needed. It also points to an uncertain future for China to fully develop *harmonious labour-management relations* in the so-called 'Harmonious Society' (*hexie shehui*).

Next, the contribution on Human Resources by *Shuming Zhao* and *Juan Du*, 'The Application of Competency-based Talent Assessment Systems in China' sets out a holistic literature review related to competency and discusses competency-based Talent Assessment. This contribution by these two Mainland Chinese academics is a comparative analysis of Chinese and American top sales-management competency, based on selected sample data from the *Caliper Human Strategies China Company*. One hundred and eighty top sales managers' profiles were selected from the US and Chinese data respectively according to their individual performance rank. Fifteen traits as different scale items were picked up to conduct this research. This data analysis draws three conclusions: (1) Chinese top sales managers' profiles analysis shows that Assertiveness, Gregariousness, Aggressiveness and Risk-taking standout as their typical traits. (2) US top sales managers' profile analysis illustrates that Urgency, Cautiousness, Resilience, Assertiveness and Gregariousness standout as their typical characteristics. (3) The comparative analysis tells us that US and Chinese top sales managers have no obvious differences in the traits of Self-Structure, Urgency, Resilience, Creative Idea and Accommodation, but own significant differences in the traits of External Structure, Sociability and Cautiousness, Aggressiveness, Skepticism, Risk-taking, Assertiveness, Gregariousness, Thoroughness, Sociability and Cautiousness. The assessment model that the authors introduce in the case aims to help the understanding of the personality and capability testing methods for organizational human resources and offer propositions to guide future theory and practice development.

After setting-out the literature review and case analysis, this contribution also elaborates on talent assessment' application and competency characteristic's development. There are three approaches to competency characteristics' development offered, including motivation, training and assessment. This contribution proposes that, first, a fair motivation system based on individual competency characteristics should be set out including a reasonable and fair performance management system, meanwhile, the value management system which matched the needs of knowledge employees should be constructed. Second, the authors suggest that a training system based on competency characteristics should be established.

This training system could assist companies to provide key competency training for certain positions with the purpose of enhancing employees' performance, accommodating them to the future environment and realizing their potential ability. Finally, as for competency assessment, different assessment methods in combination will provide future competency assessments. Just take sales managers' assessment for example, here personality assessment and situational assessment can be applied to competency evaluation. Thus, a new pattern of human resource management based on competency characteristic theory will be able to make companies standout in the fierce competition of today's economy and further strengthen their core competencies.

Next, *Xie Li Cunningham* in her contribution – 'SMEs as Motor of Growth: A review of China's SMEs development in thirty years (1978–2008)' argues that China's economic and enterprise reforms since 1978 have dramatically altered the structure and dynamics of its enterprises. One of the most remarkable changes during the entire reform process is the rapid growth of small and medium-sized enterprises (SMEs). While SMEs have played an increasingly important role in China's economy, nevertheless, they are facing problems such as difficult access to credit and poor technological and managerial capabilities. Moreover, evidence shows that SMEs received less help from the Chinese government compared with state-owned enterprises, although they were the most vulnerable in the global financial crisis. With China's wider and deeper integration into the world economy, therefore, the purpose of this contribution is to examine the vital role of SMEs in China's economy.

By looking at its 30-year development, the contribution provides a thorough review of China's SMEs since 1978. The role of SMEs in China's transformation from Communist isolation to global superpower is assessed. Key factors influencing the development of SMEs in China are highlighted. The opportunities and challenges for SMEs in the new economic environment with special focus on their integration in the global economy are discussed. The issues of management development in SMEs are examined generally and in the Chinese context. The contribution underlines the importance of SMEs in China's economy. It confirms that SMEs' development is critical in both China's economic growth and its transition to modernization and industrialization. The contribution also illustrates that China's SMEs have become a significant economic force not only domestically but also internationally. Further, the contribution demonstrates that the development path of SMEs in China followed a principle of pragmatism, as it is apparent that the emergence and expansion of SMEs are closely linked with social and economic problems that occurred during economic transitions and institutional changes. While the study concludes that the influences of cultural and institutional factors do persist in the development of SMEs in China, it reveals that the progress of SMEs' development has been strongly affected by government policies and regulations. Moreover, it addresses that the relationship between SMEs' development and those two factors is mutual and interactive rather than one direction only.

In the face of a rapidly globalizing economy, overall, the contribution calls for more policy assistance and financial support to encourage development of SMEs, as they are the mainstay of the Chinese economy. With their problem-solving and adaptable way of doing business, moreover, the contribution suggests that SMEs in China may in future be part of the solution rather than the problem.

Following on, *Aruna Chandra* and *Chia-An Chao* in their contribution on 'Growth and evolution of high-technology business incubators in China' argue that China leads one of the most successful business incubation movements in Asia and is second only to the United States in the number of such phenomena. The government in China clearly views business incubators as an effective means for fostering new ventures in the high technology sector as witnessed by its plural forms of support for this business creation mechanism. Chinese incubator models tend to be monolithic in form due to the heavy influence of government in their creation and operation; however local demands, such as the need to attract well educated Chinese students back to the homeland have led to innovative incubation approaches within these broad parameters. These local models of incubation, such as the Returned Student Incubator, State Owned Enterprise incubator or the International Business Incubator are variants on a global or generic model of incubation that China has adapted to suit its environment, and are of particular interest since they tend to better reflect and respond to local needs. In addition, the approaches to incubation tend to vary geographically in China with incubators in the more entrepreneurial coastal regions of the South exhibiting more entrepreneurial tendencies relative to the ones in the north that are solely government controlled. Hence, Chinese models developed and adapted under unforgiving economic conditions and paucity of market institutions may have lessons for global incubation practice for other developing countries that are attempting to develop incubation approaches under hostile market conditions.

This contribution traces the growth and evolution of the top-down government mandated, high technology focused business incubator movement in China that has shown tremendous growth paralleling its economic ascendancy in just the past two decades. Determinants of incubator success, such as the importance of strong and diverse sponsors, adequate funding and quality services along with the role of government, the macro-environment for 'new venture creation', 'incubator' and 'incubatee' level dimensions, are discussed in the context of the various indigenous genres of incubators that have evolved in China in response to local needs. The general models as well indigenous models of incubation in China are described in some depth using data collected from in-depth, structured interviews and archival data. While it is clear that the incubator movement in China has resulted in explosive growth in number of incubators in a relatively short period of time, it is arguable if the quality of incubation efforts has been an unalloyed success. The incubation approach in China is still very much run under a 'command and control' manner for the most part, with a 'social mission' and unclear outcome or performance measures. The question remains whether these agents of entrepreneurship are self sustainable without government funds. The study includes an critical assessment of the successes and the challenges that lay ahead of the incubator movement in China. Policy and managerial implications that follow from the assessment are put forth at the conclusion of study.

In a further contribution, by *Dilip K. Das*, entitled 'China in the Domain of International Business' the author argues that he first decade of the 21st century saw dramatic transformations in both international economy and international business. Influence of China in these domains is now increasingly being felt. A relatively new actor on this stage, China emerged as an unprecedented driving force accountable for substantive transformations in international economy, business and finance. Its heft and importance in global business went on soaring. In mid-2010, China became the second largest economy in the world and its growth momentum in multilateral trade was unprecedented. It also became a significant base for cross-border production networks. Chinese economy not only remained resilient during the global economic crisis, it also rebounded from it rapidly. In the process it contributed meaningfully to recovery from recession in the region as well as globally.

Over the last two decades China integrated exceedingly well into the globalized economy and financial markets. Conversely, international businesses and financial institutions have gained significant ground in China. This trend strengthened since China's WTO accession. China enjoyed ready access to international capital and equity markets since the early 1990s. A number of Initial attempts to internationalize the *renminbi/yuan* were made by the People's Bank of China. The economy is also emerging rapidly as a large FDI making entity. Its huge reservoir of 'forex' has also helped it create its sovereign wealth fund, which in turn enhanced China's presence in the global financial markets.

Presently, it is one of the most important economies for international business firms and multilateral corporations. They not only buy and sell from their Chinese counterparts but have set up operations in large number in China. The WTO accession gave an impetus to this phenomenon. Indubitably there are numerous challenges in doing business in China as well as setting up operations in there. This contribution analyzes them. Negotiating with the Chinese firms is one area which is regarded as inscrutable by firms from the Western world. Many Chinese business corporations have also acquired conspicuous positions in the international business arena – in a matter of only two decades. Being new entrants into the arena of international business they valued competitiveness and were resolute in cultivating and augmenting it. They consciously focused on technological advancement by importing technology and thereby enhancing their competitiveness *vis a vis* the globalization process. As competitiveness of Chinese business corporations in the domestic and international market place improved, they have begun to challenge the veteran international firms already dominant in the world economy.

Next, Peter Enderwick in his contribution 'China-Plus-One Strategy: The Best of Both Worlds?' offers a provocative new view of MNCs in China, using a conceptual analysis of the widely discussed idea of a China-Plus-One strategy. This notion refers to the practice of international businesses active in China coupling their investments with a second facility, usually to be found elsewhere in another Asian economy. The upshot of the study is that a China-Plus-One strategy appears to be a 'win-win' to both firms that seek it for reasons of risk diversification, cost reduction or avoidance of over-reliance on China, for China in that it frees up resources which can be applied to other higher value activities, and also for the Plus-One host economies which obtain the rewards of inward investment. For many businesses China's growing appeal as a market for goods and services offsets any declining attractiveness as primarily a low-cost production location, and the majority of international businesses are likely to wish to retain a strong presence there. The author develops testable propositions regarding the characteristics of firms more likely to pursue a China-Plus-One strategy. The contribution of the study is in integrating a fragmented business literature, providing a coherent academic framework, in isolating direct and indirect impacts, in identifying the costs of a China-Plus-One strategy, and in integrating company examples.

Last, *Alan R Nankervis* and *Samir R Chatterjee* in their contribution 'The resurgence of China and India: Collaboration or competition?' argue that there has been considerable speculation in recent years about the possibility of closer economic and political ties between China and India, most dramatically encapsulated in the (contested) notion of '*Chindia*' as an integrated entity posing a significant challenge to the predominance of Western powers in regional and global geopolitics. This contribution compares the rhetoric of these claims with the realities of economic, ideological, socio-cultural and labour-market issues in both countries and provides a more complex analysis of the contemporary and future scenarios in the Asian region.

The authors suggest that, rather than being new and unexpected developments, the current successes of China and India reflect a resurgence of these Asian giants, in response to their respective recoveries from their historical legacies and the consequences of their present governmental and private sector imperatives. Thus, China's impressive and comparatively rapid economic development can be attributed both to its outward-looking and ideologically flexible governmental strategies together with its overarching global objectives. On the other hand, India's growth is impelled by its desire to overcome its colonial heritage, leveraged on its enhanced expertise in both information technology software design and 'back office' services. The synergy between China and India has been characterized as 'economic complementarity' – 'China, through its burgeoning factories, is the world's workshop. India, with its fast-growing IT and outsourcing firms, is becoming the world's back office'.

Following a comprehensive discussion of the diverse ideological, political, economic and socio-cultural and labour-market contexts of China and India, this contribution critically explores the challenges and opportunities faced by each country and then provides an informed argument as to the possibilities for their present and future collaboration or competition, and the implications for the Asian region and more globally. Issues canvassed include the similarities and differences between the two countries with respect to ideology, infrastructure development, rural-urban divides, industrial diversity, poverty reduction, educational reform, technological innovation, cultural characteristics and reflective legislative developments.

The differences between China and India are not only immense but also with considerable similarities. While China has been more successful than India with respect to such aspects as infrastructure development, poverty reduction, educational reform and industrial diversification (both internally and externally), India has triumphed with respect to its levels of IT research and development and its efficiency in back office services. However, the prevailing political tensions between China and India, exemplified in such events as the 1962 Sino-Indian war, China's vote against India's desire to join the US Security Council, and China's ties to Pakistan, amongst other issues, need to be factored into the somewhat overly optimistic projections of an integrated China-India economic zone.

In conclusion, this contribution to the Symposium suggests that while there are considerable synergies between China and India in their economic resurgence, there are also significant differences which might hinder potentially desirable closer integration. The study provides a conceptual prism through which the present and future alignment of the two countries might be further analyzed.

3. Discussion

The range of contributions included in this Symposium approach the subject from a number of angles. Some deal cover macro-economic issues and others micro-economic ones. The former sub-set certainly include the studies by Das (on international trade) and Enderwick (on China-Plus-One strategy); the latter sub-set would link to those by Cunningham (on SMEs), as well as Chandra and *Chao* (on Business Incubators). Following this, the subject of Human Resource Management is dealt with by authors such as *Ying et al.* (on SOE reform), *Zhao* and *Du* (comparing Chinese and US managers), among others. Last, Nankervis and Chatterjee employ a cross-national approach in their comparison of China and India. In short, many of the contributions are empirical; others, analytic, as well;

yet others discursive. There is a good degree of discussion, even speculation, we have encouraged. In this way, the reader will gain extra insights into what is going on in China right now – which they might not find in many social-scientific journals dealing with contemporary China.

The main thrust of all these contributions remains essentially optimistic concerning the future development of China's economy, management and society. Given the past history of the last three decades, this reflects the general consensus of academic 'China-watchers' and what is found in the majority of Western China-oriented journal articles and books. Economists hold mixed opinions as to whether Chinese economic growth will run and run at the same speed for the next decade. China has, however, coped quite well with the recent international financial crisis. The future is not without a total pitfalls and the prospect of a 'property bubble' undermining the gains are recent years cannot be entirely excluded. There have also been a number of other problems, such as labour issues, such as the recent wave of strikes in southern China, leading to wage concessions, inevitably involving higher costs.

China's spectacular rise in recent years has brought costs as well as benefits. The wealth and indeed income gap between rich and poor has grown dramatically such that the PRC now has a *Gini*-coefficient more than twice what it was in Maoist times, at around 0.47 [10]. If the environmental cost has also been considerable, with some economists estimating it at around 3% which would have to be subtracted from the approximately nominal 10% GDP growth per annum experienced in recent years.

The current Chinese leadership has responded to be about state of affairs by introducing the concept of the 'Harmonious Society' (*hexie shehui*). This notion incorporates the values of the 'fourth generation' of CCP leaders and came to light at the beginning of the current decade. It was formally introduced at the fourth plenary session of the party in 2004. The new president, *Hu Jintao*, set out the task of building a 'socialist harmonious society' over the last half decade. The emphasis on social harmony and stability represents a breakaway from the class struggles of the past and links Marxist ideology with traditional values such as Confucian ones.

As Sole-Farras [6] points out, however:

> *'To speak of harmony in a context in which unequal economic development makes social relations ever more tense, by increasing differences within the population, may seem ingenuous. However, the concept of harmony is not conjunctural in Chinese culture. In medium – and long-term processes, it is not irrelevant to make clear what the underlying cultural currents are. That the CCP has placed the concept of "harmonious society" as a key point in its political project, apart from other considerations that may well be conjunctural, is a recognition and a reminder that harmony is an essential part of Chinese culture. At the same time, this gesture converts the CCP into a transmission channel for traditional Chinese thought, in mild competition at present with New Confucianism. Therefore, it is important to monitor and analyze the evolution of elements of traditional Chinese thought, such as harmony, in Chinese society's transition process' [6:23].*

4. Conclusions

To sum up, in this Symposium we have attempted to set out a 'birds-eye view' of Chinese management. In the selection of contributions we have presented, it is clear that Chinese management has come a long way since *Deng* introduced the economic reforms in 1978. This Symposium has been interdisciplinary as far as possible covering a wide range of academic disciplines and is intended to show how far the system has changed from one which was primarily based on a command economy to one which is now increasingly market-driven.

While the change in the People's Republic has not been necessarily uni-linear in all its dimensions, it is clear that there has been a shift in the underlying management paradigm. While we cannot say unambiguously that there has been the creation of a specifically *Chinese* theory of management, it is apparent that there has been an overall sea-change in the system's characteristics. In the past three decades, China has experienced rapid economic growth which has brought about in its turn changes in different spheres of its social life. How to cope with these new problems is a daunting task facing China's leaders and its citizens in the new millennium (see [10]). Whatever the turn of events found, there is now 'no going back' on the Maoist past. Even so, the synthesis between traditional and modern is leading to a new *status quo*, not without its problems, with the apparent contradictions of the particular blending of Confucianism, Marxism and Capitalism, now found in China, under the banner of the 'Harmonious Society' (*hexie sehui*) [11].

Acknowledgements

I should like to thank the following colleagues and collaborators for their advice and help in the development of the ideas in this overview: Syed Akhtar, John Benson, John Child, *Ngan* Collins, Daniel Z. *Ding*, Vince Edwards, Keith Goodall, Grace *Lee*, *Sek-Hong Ng*, Jane Nolan, Peter Nolan, Riccardo Peccei, Michael Poole, Chris Rowley, Peter Sheldon, *Shuming Zhao*, Ying Zhu, and many others. I must also thank Kim Willems for her most helpful editorial assistance.

References

[1] J. Child, Context, Comparison and methodology in Chinese management research, *Management and Organization Review* **5** (2009), 57–73.

[2] FT 'FT Global 500', *Financial Times*, Weekend Magazine, 29/30 May (2010), 31–39.

[3] Y. Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State*, Cambridge University Press, Cambridge, 2008.

[4] D. Kaple, *Dream of a Red Factory: The Legacy of High Stalinism in China*, Oxford University Press, Oxford, 1994.

[5] D. Lamond and C. Zheng, HRM research in China: Looking back and looking forward, *Chinese Human Resource Management* **1** (2010), 6–16.

[6] J. Sole-Farras, Harmony in contemporary new confucianism and in socialism with Chinese characteristics, *China Media Research* **4** (2008), 14–30.

[7] A.S. Tsui, Editor's Introduction – Autonomy of inquiry: Shaping the future of emerging scientific communities, in: *Editor's Forum: The Future of Chinese Management Research, Special Issue*, A.S. Tsui, ed., *Management and Organization Review* **5** (2009), 1–14.

[8] M. Warner, V. Edwards, G. Polansky, D. Pucko and Y. Zhu, *Management in Transitional Economies: From the Berlin Wall to the Great Wall of China*, London and New York, Routledge-Curzon, NY, 2005.

[9] M. Warner and K. Goodall, eds, *Management Training and Development in China: Educating Managers in a Globalized Economy*, London and New York, Routledge, NY, 2009.

[10] M. Warner, ed., *Human Resource Management with Chinese Characteristics*, London and New York, Routledge, NY, 2009.

[11] M. Warner, ed., *Making sense of Chinese HRM*, London and New York, Routledge, 2010.

[12] H. Wang, Linking up with the international track: What's in a slogan, *The China Quarterly* **189** (2007 March), 1–24.