Advancing Technologies for Asian Business and Economics:
Information Management Developments

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Preface

Section 1
Chinese Cultural Values and Industry

Chapter 1
Local Milieu in Developing China’s Cultural and Creative Industry: The Case of Nanluoguxiang in Beijing
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This paper examines the role of creative milieu and cultural heritages in the development of Chinese cultural industry. Through case study of Beijing’s Nanluoguxiang, where several arts institutions and theaters concentrate, it depicts the birth and growth of a creative place for free artists in the institutional changing of Chinese cultural setting. Based on field survey data from artists, managers and visitors, it shows the spouting and growth of local creativities in a transitional economy needs atmosphere of tolerant and frequent social gathering, especially in spaces like cafes and bars. It also suggests that making a good use of local cultural and creative resources like heritages and folk customs enables the superiority of localization standing out in the wave of globalization. The key findings indicate that the newly-built creative parks might be useful to breed the creative products, but not necessary.

Chapter 2
Australian Businesses in China: Strategies to Overcome the Cultural Gap
Mona Chung, Deakin University, Australia
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This paper identifies a main barrier when doing business with China, the cultural gap, and provides the strategies that companies can use when entering the Chinese market. This empirical study examined 40 Australian organisations in their activities when entering the Chinese market. Alarmingly after 30 years of attempting to do business in China, companies are still not addressing the issue of cultural differences. Companies are also caught by surprises due to lack of preparation how large the cultural gap is between Australian and Chinese business culture. The findings of the study have important implications for businesses considering entry to China, and for Australian businesses already doing business in China. The strategies investigated include human resource strategies, dealing with Chinese staff, relationship building, getting outside support (employing consultants), learning about the culture, and adapting to the culture.
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Balakrishnan Muniapan, Swinburne University of Technology - Sarawak Campus, Malaysia
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Transformational leadership has received a great significance in the leadership literature during the past two decades. However, this research is dominated by Western traditions and scant attention is paid to Asian traditions. Therefore, in this paper, the authors explore the relevance of Confucianism, an Asian tradition, and its significance in transformational leadership development. For this purpose, the authors have selected the Analects, which provide the essence of Confucianism to explore the relevant transformational leadership concepts. This paper is based on hermeneutics, a qualitative research methodology that involves study, understanding and interpretation of ancient text. Confucianism provides an inside-out approach to transformational leadership development, which is self leadership first, before leadership of others. This inside-out perspective is also similar to other Asian traditions, such as ancient Indian wisdom. The prospects of analysis of Confucianism in other areas of leadership and management can be considered for future research.

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Yuhong Li, Beijing Union University, China
Jingyuan Zhao, Beijing Union University, China
Han Weixi, Beijing Union University, China

This paper demonstrates the commercializing trend and phenomenon of the contemporary culture, arguing that as an intangible commodity, culture has special and limited commercialization that it’s only a superficial homogeneity brought by cultural commercialization. Cultural commercialization is the release of cultural intensity and connotation. This paper illustrates the industrialization process of Chinese culture, probes into the cultural consumption demand and structure in contemporary China, and analyzes the cultural consumption phenomenon of the Chinese public. This paper draws a conclusion on the destined cultural commercialization and the development trend of cultural consumption in China.

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Valerie (C. Y.) Zhu, Xi’an Jiaotong University, China
Linyan Sun, Xi’an Jiaotong University, China

In the knowledge economy era, increasing attention has been on the myths and secrets of knowledge management (KM). Being the core of the intangible assets of organizations, proper and effective KM is an inimitable and sustainable competitive advantage in today’s competitive world. Taking this into consideration, this paper probes the dynamic relationship and impact mechanism between corporate culture, leadership styles and knowledge management in organizations based on literature review in this field. This research shows that corporate culture can serve as a propeller or inhibitor in KM. Knowledge-supportive and knowledge-sharing corporate culture has a positive influence on KM, while hierarchical and paternalistic corporate culture has a negative influence. Leadership style has a direct and indirect impact on KM through the formation and components of corporate culture. Leaders impact the organization’s KM in various ways.
Chapter 6
Interactive Strategies for Cultural Heritage Tourism and Macau City Development:
The Tourists’ Perspectives

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This paper examines the cultural heritage resources of Macau in tandem with the city’s development. The investigation encompasses the actual condition of Macau’s cultural heritage tourism and the challenges and opportunities for its future development. Based on the experiences of other countries, the authors set strategic goals, provide an overall path and developmental strategies, and create a scientific structure with a framework built on theory and practice. The necessity and viability of cultural heritage tourism in cultivating and enhancing the city’s competitiveness as a tourism destination is argued. Based on a survey of visitors to Macau, the researchers gain an understanding of the tourists’ behavior, awareness and evaluation of scenic spots that are part of the cultural heritage tour.

Chapter 7
Embracing Guanxi: The Literature Review

Jilong Zhang, RMIT University, Australia
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Guanxi is deeply ingrained in Chinese society and business etiquette; therefore, it is critical to understand and appreciate it to gain a commercial foothold in China. This paper explores the fundamental differences between Chinese and Western approaches to business dealings, to identify the factors that make it difficult for Western managerial practices to adopt guanxi. The authors identify the differences in the perception of trust in both societies and how this ultimately leads to clashes in cultures. However, there is also a need for Western practices to be more flexible and appreciate guanxi and its implications if multinational corporations are to succeed in China. The paper concludes by suggesting a possibility for both approaches to co-operate well, given the relative success of each approach in their respective cultures.

Section 2
Marketing in Asia

Chapter 8
A Study of Customer Satisfaction of an Automotive Company in Malaysia

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This paper was conducted to present an analysis of the current level of customer satisfaction on the services offered by an automotive outlet in Malaysia. In an effort to make the company more effective, many have targeted various change programmes to meet customer satisfaction. Customer satisfaction is one of the most important factors in the organization's success, and an important determinant of customer satisfaction is how well the product performs. The objective of this study is to help the organization to improve their customer level of satisfaction through providing continuous efforts to improve their level of service and product productivity.
Chapter 9
Creating a Chinese “Miele”? Asymmetries in the Consumer Perception of Chinese and German Brands

Cora F. Jungbluth, Heidelberg University, Germany

This paper analyzes the country-of-origin effects of Chinese brands going international. To approach this topic, the author uses a comparative case study, in which a Chinese manufacturer of white goods, Haier, and a German manufacturer, Miele, serve as examples. Fueled by “China trash” reports in EU and US media, the image of China as country of origin still has a negative connotation. The Chinese government and Chinese companies are working to change this image, since they both regard branding as important means for corporate internationalization. This paper argues that Chinese brands could achieve a similar development as did Japanese and Korean brands in the second half of the last century.

Section 3
Economic Development and Investments

Chapter 10
Chinese Investments in Italy: Is the Wave Arriving?

Francesca Spigarelli, University of Macerata, Italy

This paper focuses on the effects of the Go Global policy in Italy. The main type of Chinese investments, their strategic motivations, as well as the role of ethnic networks are analyzed. The phenomenon is still not significant in quantitative terms, but trends are impressive. Italy can provide an access to western markets and strategic logistic services, as well as to a wide array of distinctive skills/intangible assets in manufacturing industries. At the moment, there is a prevalence of greenfield initiatives, but acquisitions are rising sharply. In geographical terms, the locations chosen by Chinese investors favor areas that offer a wealth of distinctive skills (typically, but not only, district areas), but are not limited to industries in which Chinese ethnic groups are involved.

Chapter 11
Entry Strategies into the P.R.C. for Post Recession Wealth Management Service

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Trillions of dollars were evaporated worldwide as a result of the financial tsunami that shocked the world in 2007 (Soros, 2008). This paper argues that in a time of global recession, banks seeking to expand wealth management service in the People’s Republic of China (P.R.C.) need to evaluate their entry strategies thoroughly to gain a competitive edge. Through applying the theory of planned behavior, a sequential mixed methods study was conducted post recession with the aim to identify wealth management service entry strategies into the P.R.C. A sample of 227 Taiwanese nationals based in the P.R.C. indicated three managerial implications consisting of the bank entry identity, deployment of expatriates, and brand-image position.

Chapter 12
Chinese Outward Foreign Direct Investment: In Search of a New Theory

Fernanda Ilhéu, ISEG/Technical Universal of Lisbon, Portugal

In past years, China recorded a fast sustainable economic growth with an estimated average GDP growth rate of 9.7% in the period of 1980-2008, turning China into the world’s second largest economy. With
an export oriented economic model, China is the most attractive developing country for FDI flows, both short and long term. In this regard, China has been able to achieve a foreign exchange reserve of US$ 2.2 trillion, the world’s largest reserve currency. Around 50% of this huge reserve is being applied in American bonds, while the remaining supports Chinese health and social security systems, bank solvability, internationalization of their economy, investment in geostrategic positioning, and making foreign aid available to other developing countries. During the 2008 global crisis, China was able to resist better than other major world economies, benefitting from this downturn to implement policies to reduce its economic imbalances. One of these imbalances is the gap between Chinese FDI and OFDI, which is now progressively narrowing. In the near future, OFDI is expected to be larger than FDI, and in this paper, the authors research whether Chinese OFDI can be explained by existing theories or if a new theory is required.

Chapter 13
No Strategy is an Island to Itself: China First-Mover and Other FDI Strategies’ Interaction Effects

Bradley J. Koch, Grand Valley State University, USA

The first-mover strategy for foreign investment is examined to determine under what conditions a significant effect exists when it is combined with other foreign investment strategies like partner selection, geographical market focus, joint-venture control, and resource commitment strategies. Using official audited data and survey data from Sichuan, the results reveal that there are significant interaction effects. The interaction effects can eliminate first-mover advantage, create a first-mover effect that previously didn’t exist, or change the direction of the effect. Consequently, the author argues that it is better to analyze strategies as a set that is formed by a series of strategic decisions made by managers as they establish foreign joint ventures and wholly owned subsidiaries.

Chapter 14
Study on the New Tendency of the International Industry Shifts and Chinese Enterprise Implementation Tactics

Jing Sun, Shenyang University, China
Mingyou Wang, Shenyang University, China

At the beginning of 21st century, the Multinational Corporation take globalization strategy as the foundation and the starting point, accelerate the industry restructure greatly, the industrial shift presented the depth and breadth tendency day by day, how does China hold this opportunity, attracted the foreign capital vigorously, promotion industrial structure, will be the next economic development strategic mission. This article analysis multinational corporation international industry shift new tendency and analysis China uses the international industrial shift’s present situation and the superiority, proposed the development countermeasure.

Chapter 15
Blue Ocean Strategy: A Vehicle for Entrepreneurship Development and Economic Growth in Rural Areas

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This paper emphasizes on the role of entrepreneurship in economic development of a society with the perspective of Blue Ocean strategy used by organizations across the globe and especially in the context
of Indian rural markets. The paper also utilizes live examples of organizations going towards untested rural markets and is suggestive of the crux and the core definition of entrepreneurship in correlation to the core philosophy of Blue Ocean strategy. In addition, the paper emphasizes that the soul of entrepreneurship lies within the development of rural markets, which can be done through the effective utilization of Blue Ocean strategy.

Chapter 16
Study on Environmental Tax: A Case of China ................................................................. 207
Huifeng Li, Beijing Union University, China
Xuanwei Zhang, Beijing Union University, China

Since the industrial age, along with the promotion of economic development, problems of ecological destruction and environmental pollution are becoming more serious. To solve this problem, the implementation of environmental tax is an effective measure. Based on the analysis of the theoretical foundation of environmental taxes, international practice and experience in environmental tax system, in this paper, the authors describe the status quo of China's environmental tax system, and frames the further step strategy in building China's environmental tax system.

Chapter 17
Study on Chinese Low Carbon Economic Model......................................................... 220
Huifeng Li, Beijing Union University, China
Xiaofang Wang, Beijing Union University, China

Global warming, which is caused by over consumption of fossil energy during economic development in human society, threatens global ecological balance, tampers social and economic development, imperils energy security, ecological safety, water and food safety, and endangers the entire human race. Low carbon economy is a new economic development model based on low energy consumption, low pollution, and low-emission-based. This paper analyzes the Status quo and Limits of the Chinese Low Carbon Economy, making deep research on Design and Implementation Strategy of Chinese Low Carbon Economic model.

Section 4
Managerial Issues in China

Chapter 18
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Mutual guarantee systems (MGS) of small and medium enterprises (SMEs) are complex system mainly serving the SMEs, including the mutual guarantee institutions formed by SMEs, financial institutions, industry associations and credit re-guarantee institutions. From the perspective of system theory, this paper illuminates the self-organization mechanisms and the self-organization characteristics of openness, far-from-equilibrium, nonlinearity and fluctuation of mutual guarantee systems of SMEs. The implication of self-organization theory is that under some conditions, mutual guarantee systems have the internal tendencies of autopoietic, self-evolution and evolution from disorder to order and from low level to high
level to solve SMEs' financing problems. Using self-organization theory, this paper proposes suggestions and measures to improve the operation efficiency of mutual guarantee systems in China.

Chapter 19
A Trilogy of Unfortunate Events in China: Reflecting on the Management of Crises

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John A. Parnell, University of North Carolina at Pembroke, USA

In this paper, the authors address three recent organizational crises that have occurred in China; the SK-II cosmetic incident, the Sharon Stone comment on the May 2008 earthquake in China, and the melamine milk contamination crisis. Each held significant notoriety due to the crises involving major companies and an assortment of negative outcomes. After presenting an overview of each case, the authors outline their reflections on the management of these crises in relation to their cultural context.

Chapter 20
Implementation Concerns of Scholar-Practitioners: A Pilot Study of the Link between Research and Practice

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The challenge of combining research and practice in HRD has led to continuing debate on who are scholar-practitioners and how they integrate research and practice in the workplace. This qualitative collective case study provides insights from seven scholar-practitioners to help HRD professionals and researchers understand implementation concerns of scholar-practitioners. The findings reveal scholar-practitioners' perceptions of their roles, the link between research and practice, and actions they took to overcome barriers and challenges related to integrating research and practice. This pilot study can serve as a benchmark for future studies regarding successful integration of research and practice in HRD.

Compilation of References

About the Contributors

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