



COURSE BOOK

Management and Organization of Asian Enterprises *SSC 3045*

Academic Year: 2017-2018

Course Period: 02

University College Maastricht

Bachelor

Master



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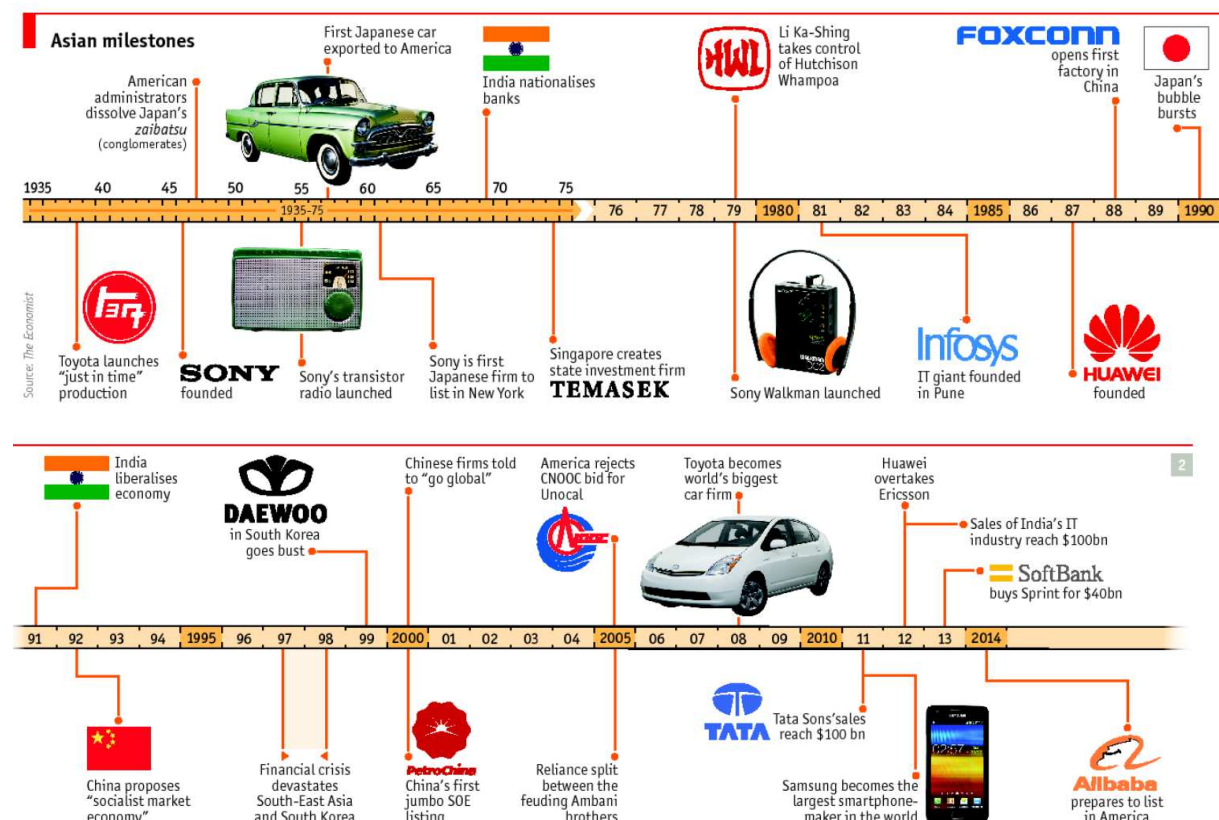
Introduction

Context

The economies of Asia occupy a specific place in recent history. During the 1980's and much of the 1990's they were among the most competitive exporters of manufactured products and able to maintain high levels of growth. The Asian crisis of 1997-98 seemed to put an end to their astonishing rise. However, the recovery of most of the Asian economies has been just as phenomenal. The improvement of existing institutions, the reinforcement of the market and the introduction of new technologies enabled this comeback. At the dawn of the new millennia, the contemporary industrial and economic dynamics of Asia once again challenge the players in the global market place. *What precisely is the role of Asia in the contemporary age of globalized and digitalized economy?*

To drive home the development of Asia's business and economy, take a look at the following illustration from the Economist's special report: *Business in Asia* (The Economist, 2014).

Exhibit 1: Asian milestones



Source: The Economist. 2014. Business in Asia: How to keep roaring, *The Economist*.

Parallel to these economic developments, Asia has modernized its society and step-by-step developed its industry during the past decades. Some countries, such as Japan, South Korea, and Singapore, have already reached the stage of industrial maturity. One of the characteristics of modern industrial society is the emergence of a knowledge-based economy. The new added value of the human endeavour is closely related to the creation, organization and application of science and technology. Competitiveness in the global market place is strongly linked to the generation and effective use (through innovation) of science and technology in industrial processes. *Can Asia match the American and European endeavours and meet the challenge?*

To address these and related questions, we have developed a specialized program: **Encountering Asia**. The program consists of two courses: 'Culture, Politics and Society in Contemporary Asia' and 'Management and Organization of Asian Enterprises'. In these courses we pay attention to societal, cultural, economic and political developments in Asia, and to the specifics of the management of Asian enterprises. This particular course on Asian management (SSC 3045) focuses on the Asian enterprise and its technological, organizational, and managerial setting. In particular we will pay attention to business policy, organizational structure and management processes, as well as the inter-linkages between enterprises and the environment. Among the issues and topics for analysis are:

- Business organization and management,
- Management of technology and quality,
- International competition and cooperation,
- Foreign direct investment and technology transfer,
- Intellectual property rights and corporate social responsibility,
- Role of the state and external environment.

Talking about Asia often boils down to a focus on the most prominent nations in contemporary discourse, namely China, Japan, (South) Korea and India. In this course, in addition, we will also address developments in the Asian-Pacific region as a whole, which entails consideration of countries in the South and South-East Asia as appropriate. The issues will be dealt with from a multidisciplinary and comparative perspective and discussed alternately in lectures and tutorials. In addition, students will also work as a small team on a special project in the form of a **Business Modelling Poster Assignment** which delves deeper into one particular Asian enterprise or multinational that is of specific interest to the team. In this manner, students will gain a broad understanding of the region as well as a deep insight in one particular Asian enterprise of your choice.

As already mentioned, this course is part of a specialize program entitled 'Encountering Asia'. This program aims to introduce students to the world of Asian economies, businesses, cultures, politics and societies. The program is designed for bachelor students, in particular students whose academic interests are in international business and economics or international relations. As usual, we are

very happy to welcome students from abroad (exchange students). Additionally, students will also find this course to be useful if they are considering an internship or study abroad in Asia. As such, this course and the specialized program have consistently attracted a variety of students through the years, resulting in a student cohort that is exceptionally multicultural, further contributing to make the course a lively learning platform.

Educational method

The educational method that we have selected for this course comprises **lectures, PBL sessions and a Business Model Poster assignment review, presentation and discussion**. This means that, in addition to active participation in the lectures and in the group sessions, during the course students will design, formulate and present a Business Model Poster that will be presented during the PBL session of the final week. At the end of the course there will be a written examination on the main topics of this course. The compulsory literature for the examination is discussed in more details in a later section of this course manual.

Approach and themes

This course adopts the “comparative analysis” approach and combine topical discussion and country focus to analyse and understand the relevant aspects of the management and organization of Asian enterprise. The schematic illustration on the following page depicts the approach and themes for this course.

Course overview

Country	Topic
East Asia <ul style="list-style-type: none"> China (including Taiwan & Hong Kong) Japan (South) Korea South Asia <ul style="list-style-type: none"> India South East Asia <ul style="list-style-type: none"> Singapore Malaysia Thailand Vietnam Indonesia The Philippines [Myanmar] [Cambodia] 	Organization & Enterprises <ul style="list-style-type: none"> Business system and its components Business philosophy & strategy Organization structure Internationalization Management <ul style="list-style-type: none"> Management style & process Leadership & HRM IPR & innovation management Production & quality management Environment & stakeholders <ul style="list-style-type: none"> CSR (corporate social responsibility) Role of the state Cultural influence Inter-linkages with external environment Negotiation

Comparative Analysis: relating country and topic in a comparative manner
(note: these are only examples → discussion & exam cover all topics and all countries and can be in any combination)

Within a single country

→ *comparing any of the topical issues within one country, e.g.*

- the four Chinese business systems
- HRM in different periods within one country (e.g. pre- and post- crisis/industrialization, etc.)
- SWOT analysis of a "stylized" business system

Among different Asian countries, e.g.

→ *comparing any of the topical issues between/among two or more countries, e.g.*

- Business system/management style/leadership/HRM/innovation/quality management CSR/Role role of state/negotiation style: *Japan v. China v. Korea*

Among different Asian Regions, e.g.

→ *comparing any of the topical issues between/among two or more regions, e.g.*

- Business system/management style/leadership/HRM/innovation/quality management CSR/Role role of state/negotiation style: *East v. South Asia v. SE Asia*

Asian v. Western/European/US

→ *comparing any of the topical issues between Asia and the West, e.g.*

- Business system/management style/leadership/HRM/innovation/quality management CSR/ role of state/negotiation style: *Asia v. Europe*

Debate: relating the above knowledge to current business and economic affairs.
(e.g. the current economic crisis, the green movement, product safety scandals, etc.)

Use of the portal

Course portal is set up at your appropriate faculty/school and will be used to facilitate course management as appropriate. Apart from that, we have not made any special provisions concerning ICT (information and communication technologies) in this course. However, note that you can find a lot of information related to this course on the Internet, particularly to aid in your preparation for the course Business Model Poster assignment. The university e-library is also a good place to conduct your research. With your student account, you can conduct dynamic search on a wide variety of academic and professional databases and search engines. The university library also subscribes to a large number of online databases and journals which allow you to easily retrieve electronic copies of relevant literature.

One important note about the Internet is that, like any source, it is explicitly forbidden to copy materials from the Internet without referencing. **This is considered plagiarism and if we discover it, your work will be graded with an insufficient mark (a "1") without any discussion and you will be excluded from taking the exam and the re-sit exam for this course.** Most importantly, note that the amount of such plagiarism does not matter, i.e. **even copying one sentence or a single image without proper referencing can be too much.** See also further note on plagiarism in a later section..

Staff

- Prof. Dr. Tom van Veen – Professor in Economics of International Education – Coordinator 'Encountering Asia';
- Dr. Nantawan Noi Kwanjai – Lecturer, department of economics, SBE – Course Coordinator;
- Drs. Juan Perilla Jimenez – Lecturer, department of economics, SBE – tutor.
- Drs. Sam Salsal – Lecturer, SBE – tutor.

If you have any questions about the course, please do not hesitate to contact Dr. Kwanjai, e-mail: n.kwanjai@maastrichtuniversity.nl.

Learning outcomes

The learning outcomes for this course are designed based on the Bloom taxonomy and the *EUA Bologna Handbook**. These are given in the following schematic table.

Domain	Learning Outcome	Activity
Cognitive	<ul style="list-style-type: none"> The ability to present and explain the pertinent characteristics of the Asian management system and management practice. 	<ul style="list-style-type: none"> Attend lectures. Study the literature. Engage in PBL discussion. Answer the conceptual questions in the exam.
	<ul style="list-style-type: none"> The ability to assess the implications of the Asian role in the world economic and business landscape. 	<ul style="list-style-type: none"> Engage in PBL discussion. Work on poster assignment. Present and discuss poster assignments. Answer the case analysis questions in the final exam.
	<ul style="list-style-type: none"> The ability to formulate strategic options that optimize the implications of the Asian business system and management practice in a wide variety of cross-cultural and international business relations. 	<ul style="list-style-type: none"> Peer review of poster assignments. Present and discuss poster assignments. Answer the case analysis questions in the final exam.
Affective	<ul style="list-style-type: none"> The ability and willingness to appreciate the challenges associated with cross-cultural and international social and professional interactions, particularly with the Asian counterparts. The willingness to value and display tolerance of different perspectives inherent in cross-cultural and international social and professional interactions, particularly with the Asian counterparts. 	<ul style="list-style-type: none"> Engage in the team work for poster assignment. React constructively and professionally during the lectures. Engage in PBL discussion. Engage in the peer review and poster discussion process.

* Source: Kennedy, D., Hyland, Á., & Ryan, N. (2006). Writing and using learning outcomes: a practical guide. In E. Froment, J. Kohler, L. Purser, & L. Wilson (Eds.), *EUA Bologna Handbook – Making Bologna Work*. Berlin: Raabe Verlag.

Course structure

We have planned five lectures, in the weeks 1, 3, 4, 5 and 6, to be given by several lecturers who are experts in the topics, as indicated in the schedule in a later section. Parallel to these lectures we have planned nine PBL sessions, with two PBL sessions in the second week, and one PBL session in weeks one and three to six. Parallel to the lectures and PBLs, students will also work on a Business Model Poster assignment, which is presented during week six.

Study process

For this course, students are to form **teams of minimum two and maximum three** and each team works on a Business Model Poster assignment for this course. Note that the skill needed to work as a team will be crucial in your future as professionals in a multicultural environment. Most relevant to this course, team work is the underlying skill for any successful international and intercultural interaction. In terms of content, the assignment aims to investigate in-depth a specific Asian enterprise of your choice and formulate a business model for the company to be delivered in the format of a poster presentation/pitching. The tutor will discuss the choice of company in order to ensure a balanced and non-repetitive coverage. **Note that the poster assignment must meet certain standards.** These standards and how your work will be evaluated are explained in details in Appendix 2.

Each team will present interim updates on the work for this assignment during the PBLs, as appropriate. During these updates the team will undergo a peer review, after which you will finalize your assignment and present the poster as well as pitch the business model during the PBL in the last lesson week.

It follows that, in addition to the attendance at and the preparation for the lectures and the PBL-sessions, **weeks 1–6 must be used to select your Asian enterprise for the poster, research the literature and work towards the final delivery.** This is a hard and intensive job, given the time frame and challenges of teamwork. Therefore, we advise you to start with your project as soon as possible. At the end of week 1, you must already form a team and choose a company for your assignment. During PBL 2 in the first week, your tutor will give feedback on your chosen company so your team is ready to start working on the poster. Use week 2 to start collecting the literature. In week 3 you start with a serious study of the literature for your poster. Start working on the design and formulation of your poster and pitch in week 4 and keep studying and working on the these. **At the end of week 4 you must have collected and studied all of the literature so by week 5 you will have a clear ideas for your poster and pitch to present for peer review.** Week 6 is the final delivery of your assignment, during which teams will set up their posters and pitch their business model formulation to the assessors.

Literature

Readings for each PBL task are listed at the end of each task. These comprise a collection of book chapters and articles related to the topic of each task. On average, the readings for each task amount to about 80-100 (A4) pages, thus you are well advised to plan your study well. It is your responsibility to time and pace your study effort to meet these requirements, **therefore you will want to start on your poster assignment and get it well progressed as early as possible.**

Most of the readings are available through the Maastricht University library, via the e-Journal section. The intention is to use this as a learning experience for students to exercise the skill of library search and retrieval, which is an important part of research competence. For a few readings that are not available through the e-Journal section, these will be provided via the course portal.

In addition to the required readings, we also advise you to search and investigate the abundant online interactive materials, which provide a dynamic and current perspective on the topic at hand. To this end, we provide you with a list of such online materials throughout this course manual. Naturally, inherent in the nature of such materials, you are well advised to also keep up with the current contents by conducting the online survey yourself, and better yet, share any such materials you deem to be interesting to your peers and tutors.

Please note well that the amount of required readings for this course is very intensive. Students are advised to take this requirement seriously and work to meet the mandatory requirement. Specifically, ALL readings for each task must be done BEFORE the post-discussion session of that task. You will NOT benefit much from the post-discussion if you do not meet this requirement. Your participation grades will duly reflect this fact.

Assessment

Your individual course assessment consists of two grades:

1. For **PPP: Presence, Participation, and Poster**.

- ◆ **Presence:** as a general rule, you must attend at least four of the five lectures and seven of the nine PBL sessions to have a *sufficient* presence grade without having to submit a course assignment. **If your attendance is insufficient, you will not be exempted from doing the "course assignment"**. In other words, only those with insufficient attendance will need to submit the course assignment to receive a sufficient presence grade; those with sufficient attendance will be exempted from having to submit the course assignment and will automatically receive a sufficient presence grade
- ◆ **Participation:** this is an evaluation of the quality of your participation in the PBL sessions 1 to 9. You will be graded for your participation individually on a scale of 1 to 10 and **the participation grade counts for 20% of your final grade for the course**. The criteria for the assessment of your participation are outline in the table 'Overall Assessment Scheme' below.
- ◆ **Poster:** this is an evaluation of the quality of your Business Model Poster assignment and your performance in the peer review and feedback sessions during the interim updates on the assignment. You will be graded for your Business Model Poster assignment **as a team** on a scale of 1 to 10 (so the team grade is the same for all individual members of the team) and **the poster grade will counts for 40% of your final individual grade for the course**. Please consult Appendix 2 on the exact evaluation criteria for the Business Model Poster assignment.

2. The **final exam** will consist of a number of open-ended essay-type questions relating to the topics discussed in the lectures and the PBLs. These questions will be related to a case which will be provided to the students during Week 4 or 5. The last PBL session will involve review and preparation for the exam, during which the case for the exam may be discussed and the exact format and structure of the exam will be explained. **The exam grade will count for 40% of your final individual grade for the course.**

The final grade is the weighted average of the three grades (i.e. participation, poster and exam). **However, there is one important restriction: neither the mark for your PPP, nor the mark for the exam can be lower than 5.5.**

Consequently, when you have a grade of 5.5 or lower (on a scale of 1-10) for your PPP or for your exam you must be re-evaluated. That is, if you have less than 5.5 for PPP, you must redo the poster or take an extra oral re-sit, depending on your grades and to be decided by your tutor. If you have less than 5.5 in the exam you must then re-sit the exam as appropriate. **Note further that you are only allowed to do the exam when you have submitted and defence the poster assignment.** The grade for the PPP and exam that you have passed will be valid for one year.

The following two tables summarize the evaluation scheme and criteria for the course.

Overall Assessment Scheme

Item of assessment	Evaluation criteria	Contribution to final grade	Objective & Resit Opportunity
Presence	<ul style="list-style-type: none"> At least 8 PBL sessions, AND At least 4 lectures. <p>OR</p> <ul style="list-style-type: none"> Submission of course assignment. 	must be sufficient	<p>To ensure a level of presence that is needed to gain adequate knowledge and understanding.</p> <p>In case students need to submit a course assignment to fulfil this assessment item, the course assignment will be given and evaluated by the tutor.</p>
Participation, (PBL sessions)	<ul style="list-style-type: none"> a grade of 1-10 must have at least 5.5 	20%	<p>To motivate contribution to the individual and group learning.</p> <p>In case of a fail, students must complete an extra assignment to be given and evaluated by the tutor.</p>
Poster, (poster, presentation & pitch)	<ul style="list-style-type: none"> a grade of 1-10 must have at least 5.5. 	40%	<p>To assess an integration of the following knowledge, understanding and skills:</p> <ul style="list-style-type: none"> Integration and concentration of selected topical issue; Academic research and reporting; Critical thinking; Academic collaboration, through effective team work, peer review and discussion of final reports. <p>In case of a fail, teams must revised and resubmit the poster.</p>
EXAM	<ul style="list-style-type: none"> a grade of 1-10 must have at least 5.5. 	40%	<p>To assess overall knowledge and understanding of the pertinent theoretical concepts and real world application and evaluation on issues studied during the course.</p> <p>In case of a fail, students must resist the exam during the re-sit period.</p>

Assessment criteria

Participation	Points on a scale of one to ten are given based on the quality of individual students' overall contribution to the problem-based learning sessions.	
	Points	Criteria
	1.0 – 5.0	Failed to participate regularly.
	5.5	Passed – participated but not always prepared.
	6.0 – 6.9	Made comments but not always related to course concepts.
	7.0 – 7.9	Well-prepared and made comments related to course concepts and tasks.
	8.0 – 8.9	Quality participation – listened to other people; added to their comments and related comments directly to the tasks.
	9.0 – 9.9	Always well-prepared; good insights; contributed effectively to the group's learning.
	10.0	All of the above in 9.0 – 9.9; only given to students who went out of their way to help the group, show honest respect for contrasting views; and always went the extra mile.
Poster	Criteria are outlined in the evaluation form (Appendix 3).	
Exam	Criteria will be stated explicitly in the exam instructions and questions.	

Notes regarding exam

Please read the rules of procedure for examinations (to be found on the portal) carefully. Particularly please take into account that it is not allowed to take any of the examination papers or your scrap paper home.

Validity of partial results

For this course, any partial result is valid for a period of one academic year.

Re-sit

Please consult the above table "Overall Assessment Scheme" for details regarding re-sit for each of the assessment items.

Fraud and Plagiarism

In order to protect the reputation of the degrees that you – as students – receive, instances of cheating or plagiarism are treated extremely seriously.

Fraud, including plagiarism, is understood as a student's act or failure to act that makes it partially or fully impossible to correctly assess his/her knowledge, insight and skills.

Plagiarism is understood as the presentation of one's own or other people's ideas or words without adequate reference to the source.

Any assignment is an individual piece of work, which means that plagiarism is strictly forbidden. Equally, the use of mobile phones, communication devices or any other information carrier (whether the phone or other device is turned on or off, used or not used, etc. is irrelevant) during an examination is also forbidden.

If the Board of Examiners concludes that anything has occurred in an examination that makes it partially or fully impossible to correctly assess his/her knowledge, insight and skills, they may impose a sanction in accordance with UCM's policy on fraud, including plagiarism.

More information can be found on the portal.

Complaints

If you do not agree with the examination or the results thereof, there are several procedures in place you can make use of. Please refer to the portal for more information.

Comment

Within five days after the examination date you can submit comments on the content and design of the examination (questions) to the course coordinator.

Inspection

Within ten working days of the publication of your examination results, you will be able to have a look at your assessed work.

The date and time of the inspection will be published on the portal and also stated on the front page of the examination sheet.

Complaint

Students can lodge a complaint during the inspection by using the complaint form.

Appeal

For information regarding an appeal procedure, please read the information on the portal carefully.

Course schedule

Schedule: UCM SSC 3045[†]

Management and organization of Asian enterprises

University College Maastricht, Maastricht University, period 2, 2017-2018

Week	Day	Time	Activity	Topic & Task
1 (30 Oct – 03 Nov)	Wed 01 Nov	13:30 – 15:30	Lecture 1	Dr. Nantawan Noi Kwanjai Mr. Steven Grevink Topic: Course Opening Business Modelling – A Primer
	Fri 03 Nov	Consult PORTAL	PBL 1	Introduction & poster assignment team formation Pre-discussion Task 1: <i>Business System</i>
2 (06 – 10 Nov)	Wed 08 Nov	Consult PORTAL	PBL 2	Post discussion Task 1: <i>Business System</i> Pre-discussion Task 2: <i>Business Philosophy & Strategy</i>
	Fri 10 Nov	Consult PORTAL	PBL 3	Post discussion Task 2: <i>Business Philosophy & Strategy</i> Pre-discussion Task 3: <i>Quality Management</i> ➔ Poster assignment: choice of companies for approval
3 (13 – 17 Nov)	Wed 15 Nov	Consult PORTAL	PBL 4	Post discussion Task 3: <i>Quality Management</i> Pre discussion Task 4: <i>Negotiation</i>
		13:30 – 15:30	Lecture 2	Ms. P. Vuntanadit, Commercial Strategy & Planning Director Coca-Cola, Western Europe Business Unit (WEBU) Topic: A View from within: Perspective of an Asian Executive of a Leading Global Multinational
	Fri 17 Nov	Consult PORTAL	PBL 5	Post discussion Task 4: <i>Negotiation</i> Pre-discussion Task 5: <i>CSR & the Role of the State</i>
4 (20 – 24 Nov)	Wed 22 Nov	13:30 – 15:30	Lecture 3	Drs. Alison Cathles Topic: Intellectual Property and Innovation in the Context of Asia and Global Dynamics Today
	Fri 24 Nov	Consult PORTAL	PBL 6	Post discussion Task 5: : <i>CSR & the Role of the State</i> Pre-discussion Task 6: <i>IPR & Innovation Management</i>
5 (27 Nov – 01 Dec)	Wed 29 Nov	13:30 – 15:30	Lecture 4	Prof. dr. Joop Stam Topic: Technological Development and Asia
	Fri 01 Dec	Consult PORTAL	PBL 7	Post discussion Task 6: <i>IPR & Innovation Management</i> Pre-discussion Task 7: <i>Technological Development & Asia</i>
6 (04 – 08 Dec)	Wed 06 Dec	16:00 – 18:00	Lecture 5	Prof. dr. Joop Stam Topic: Internationalization & Production Network
		Consult PORTAL	PBL 8	Post discussion Task 7: <i>Leadership & HRM</i> Pre-discussion Task 8: <i>Internationalization, Production Network, and Value Chain in the Digital age</i>
	Fri 08 Dec	Consult PORTAL	PBL 9	Post-discussion Task 8: <i>Internationalization, Production Network, Value Chain in the Digital age</i> Presentation of poster assignment
7 (11 Dec – 15 Dec)	EXAM – Please consult PORTAL for details.			

[†] Tentative – please consult ELEUM for accurate updates.

Lectures & Tutorials

Details of the lectures are outlined in the course schedule above. Please note that the lectures are designed to complement the PBL contents and discussions, and as such they will NOT be a reiteration or clarification of the required literature. In fact, the lectures should be incorporated as part of the materials to be discussed in the PBL, in combination with the required readings. The nine PBL sessions are structured according to the method of problem based learning (PBL). The aim of these PBL sessions is first to discuss the basics of the course. Second, they aim at clarifying parts of the compulsory literature and lecture contents, when necessary. Last, PBL sessions should also stimulate constructive and innovative debate on the topic at hand. Note that we assume that all students (and in particular exchange students) are familiar with the PBL method and procedures. Appendix 1 in this course manual provides a brief guide/review of the PBL learning environment for students who wish to refresh their knowledge of PBL and its procedures.

General rules for Business Model Poster Assignment

The aim of this section is to give you guidelines that you can use for the design, formulation and presentation/pitching of the Business Model Poster assignment which is the main assignment for this course. The assessment of the Business Model Poster assignment is based on these guidelines. Read them carefully and apply the advices when working on the assignment.

Aim of the Business Model Poster Assignment

- ◆ To gain insight into a specific Asian enterprise from one of the countries covered in the course.
- ◆ To gain experience in the practical application of concepts learned in the course to a specific business entity.
- ◆ To apply the business model canvas developed by Alexander Osterwalder to a specific company in an Asian country covered in this course.
- ◆ To gain experience in participating in a peer review process; giving and receiving feedback from fellow students in a professional manner.
- ◆ To gain experience in constructive team work, which constitutes a significant factor of your future success and a foundation for effective cross-cultural interaction.

Business Modelling

Business Modelling is an emerging conceptualizing and communication tool that is rapidly gaining momentum, both in the academic and practice communities. Formulated and introduced by Osterwalder, the concept of business modelling and its iconic Business Model Canvas have gained rapid appreciation as a more modernized conceptualization and crystallization of a contemporary business entity and its practice.

For further insights and concepts on business modelling, you are advised to consult the following literature.

- ♣ Business Model Canvas with Examples:
http://www.slideshare.net/KIRENZ_CONSULTING/business-model-canvas-53698872
- ♣ Osterwalder explaining the Business Model Canvas:
<https://www.youtube.com/watch?v=RzkdJiax6Tw>
- ♣ From Idea to Business – Animated series:
 - <http://www.youtube.com/playlist?list=PLBh9h0LWoawphbpUvC1DofjagNqG1Qdf3>
- ♣ Harvard Business Review:
 - <https://hbr.org/2011/01/how-to-design-a-winning-business-model>
 - <https://hbr.org/2013/05/a-better-way-to-think-about-yo>
- ♣ Value proposition definition:
 - <http://www.investopedia.com/terms/v/valueproposition.asp>
- ♣ Business Models and the Theory of the Firm:
 - http://www.vises.org.au/documents/pharma/32-Business_Models_Rasmussen.pdf

These are, of course, only suggested resources. You are free to select information from any resource that helps you to develop a thorough and reliable Business Model Canvas of your chosen Asian enterprise. If in doubt, consult your tutor.

Poster and pitching

Globalization and digitalization have continued to challenge and change all aspects of communication. One emerging trend in public discord is the combined use of poster, in place of a long report or a full article, AND pitching, in place of an extended presentation. This emerging medium is well-suited for a succinct “selling” of an idea under the constraint of condensed time and fast-paced speed. It is becoming a legitimate and popular medium of the 21st century.

This course thus adopts the poster and pitching format in order to help students develop both the competence in and familiarity with this contemporary medium.

For further information and guidelines on poster presentation, you are advised to search the web where there are an abundance of sites explaining the principles of this medium and providing practical guidelines on how to research, create and pitch an academic poster. You can consult the following web-pages for starters.

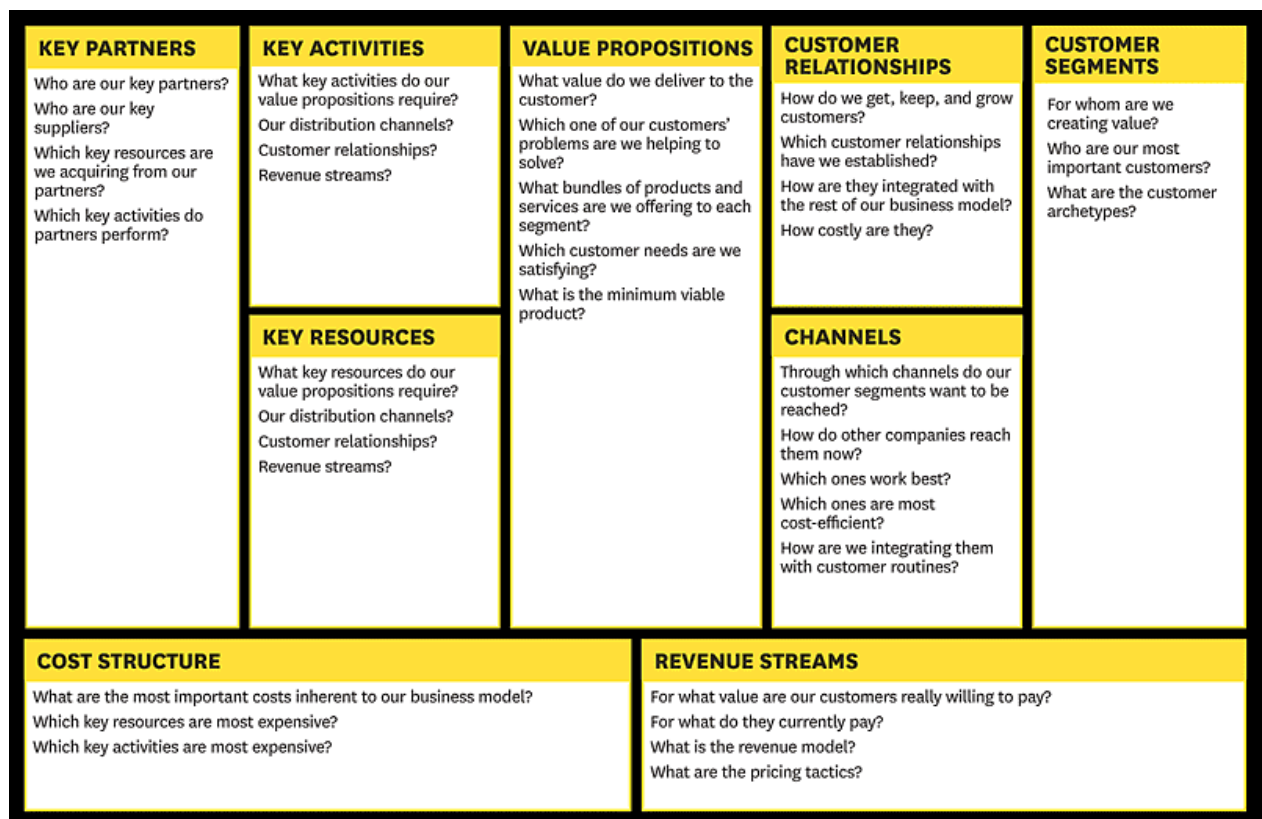
- Northern Arizona University. ***Making an academic poster presentation***,
<http://nau.edu/undergraduate-research/poster-presentation-tips/>.
- CIRT. ***Effective Poster Presentations***,
https://cirt.gcu.edu/research/publication_presentation/presentations/poster

Business Model Poster Session

The ultimate product for the Business Model Poster assignment comprises three elements:

1. **The Modelling:** This is an analytical exercise, during which teams research, analyse and synthesize their knowledge and understanding of the Asian enterprise of their choice in order to identify the concepts for each of the nine interrelated elements of the Business Model Canvas as depicted below.

Generic Business Model Canvas

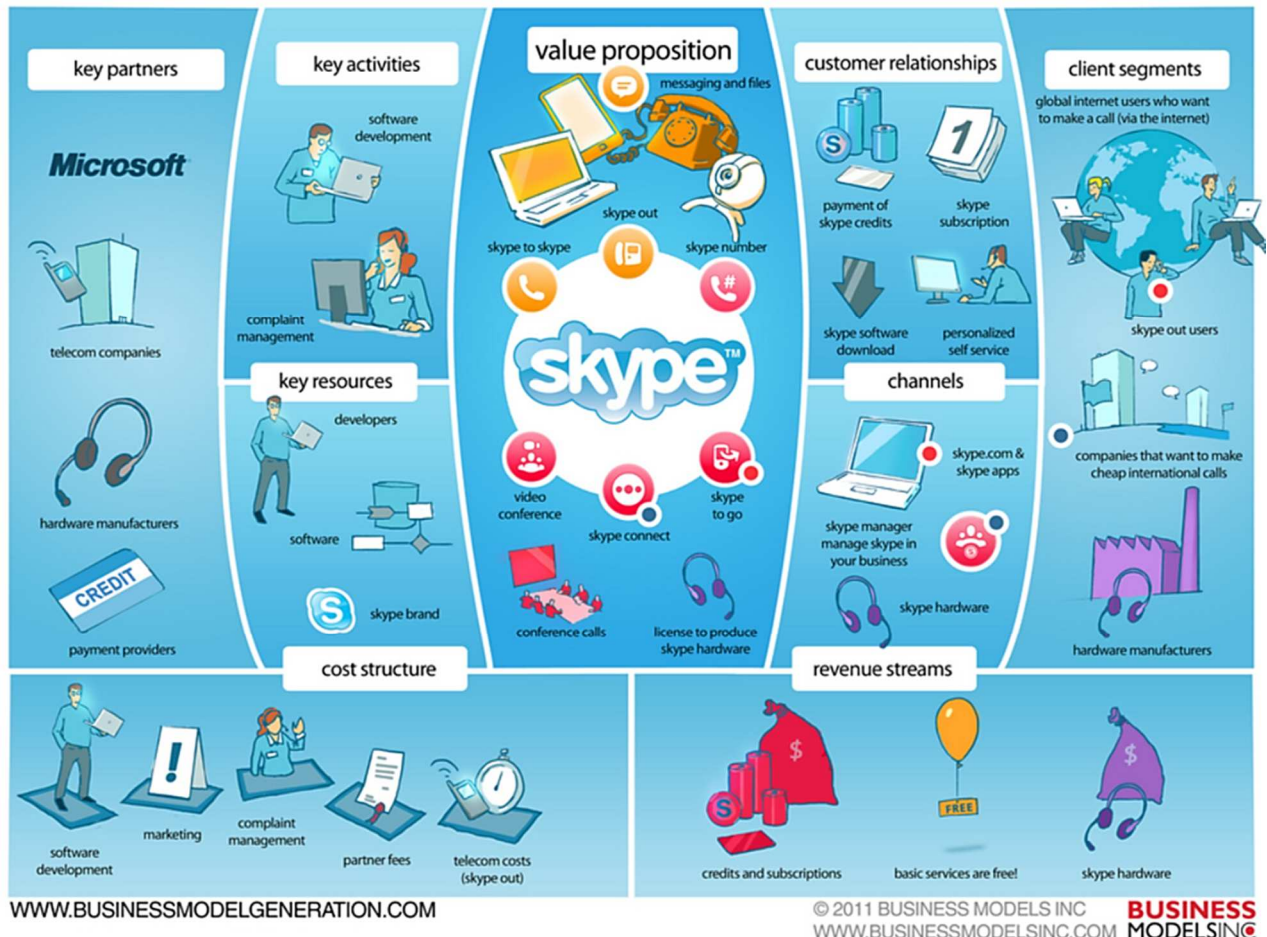


Source: Harvard Business Review -

https://hbr.org/resources/images/article_assets/2013/10/canvas1.gif

2. **The Poster:** This is a formulation and design exercise that results in an attractive and informative poster which depicts the integrated results of the modelling in 1, as in the example below.

Business Model Canvas for Skype



Source: Businessmodelgeneration.com - <https://www.flickr.com/photos/businessmodelsinc/5898989366/>

3. **The Pitch:** This is a communication exercise, during which teams present a logical and convincing explanation and justification of their Business Model Canvas.

During the PBL in the last lesson week of the course, teams will present the Poster depicting the Business Model Canvas of the team's chosen Asian enterprise. Your tutor will act as the assessor, to assess your posters.

Details of the Poster Session will be announced around week 4 of the course.

Details of the requirements and evaluation criteria are given in Appendix 2. You are advised to study the rubric carefully and prepare your poster and pitch accordingly.

Acknowledgement

This version of the Course Manual has undergone a substantial revision and update work carried out by N. Kwanjai, E. Calza and A. Cathles, with the main objective of ensuring that the academic content and didactical style stay in tune with contemporary development in education and world affairs.

We would like to acknowledge the work of V. Prochazka, P. Theunissen and M. Johnson – former lecturers, department of economics, SBE in the planning of this course in previous years. Their input formed a significant part of the course development.

We also would like to acknowledge the feedback from all former students of this course, which has helped us improve it continuously.

We are highly grateful to Mrs. N. Sabharwal, Former Indian Ambassador to the Netherlands, whose enthusiastic and expert involvement in this course for the past years has breathed valuable life into its quality. We hope for her continuing contribution in the future.

Finally, we greatly appreciate the comments and suggestions made by Drs. Jeannette Hommes, Assistant Professor, Department of Educational Research and Development, SBE, on the contents of the previous year's course manual. Many improvements and revisions have been the result of her kind and constructive comments.

PBL Tasks

Asia

The continent of Asia encompasses 17,333,732 square miles. Its highest point is Mount Everest in Nepal and **China**, at 29,028 feet above sea level. Its lowest point is the Dead Sea in Israel and Jordan, at 1,312 feet below sea level. Mount Everest is the highest mountain on planet Earth, and the Dead Sea's surface is the lowest place on Earth. Asia's approximate population in 2002 was 3,797,857,500. Asia, the largest part of the Eurasian land mass, consists of over 40 countries, including **Russia**, the largest country in the world. It is bounded on the east by the Pacific Ocean, on the southeast by Australia, on the south by the Indian Ocean, on the southwest by the Red Sea, on the west by Europe, and on the north by the Arctic Ocean.

Three of Asia's leading countries, **Japan**, Indonesia, and the Philippines, are island nations. The longest river in Asia is the Yangtze, which runs through China for 3,964 miles. Asia's largest lake is the Caspian Sea, which is located in Central Asia. At 143,243 square miles, the Caspian Sea is the largest inland lake in the world. For a relief map of Asia, please visit **Asia** from the CIA World Factbook publication. For maps and statistics of individual Asian countries, the **Asia Profiles** site is quite useful.



Asia contains the world's highest and lowest points and some remarkable physical features and landscapes. Here you will find the Himalaya, Hindu Kush and Karakoram mountain ranges as well as well-known rivers such as the Yangtze, Tigris-Euphrates, Ganges, Indus and Mekong. Asia also features the dry Gobi Desert and Arabian Peninsula deserts as well as frigid Arctic Ocean islands and tropical Indonesian islands.

The largest city in Asia is Tokyo, Japan; other leading cities include Beijing, Shanghai, Delhi, Seoul, Manila and Tehran. Popular travel destinations include Singapore, Hong Kong, and Thailand. United States travelers often fly to Asia via **United Airlines** or **Continental**. Other choices include **Singapore Airlines**, **Japan Airlines**, **Air India**, and **Korean Air**. Two excellent sources of Asian news and analysis are CNN's **Asia News** and BBC's focused **Asia-Pacific**, **South Asia**, and **Middle East** sub-sites.

Source: <http://www.map-of-asia.us/>

Task 1: "All the world's a stage"

The following excerpt (Exhibit 1) from the Economist's 2014 Special Report: "*Business in Asia*" raises some curious observations on the rise of Asian business and its relation to the world's business system.

Exhibit 2: Business in Asia: One world

Convergence

One world

Asian and Western business will become more alike

May 31st 2014 | From the print edition

Timekeeper

Like 2.7K

Tweet



Come rain or shine, the future is global

Reuters

ASIA PROSPERED OVER the past two decades by following a different economic model from the West's. But if it wants to continue to do well over the next 20 years, it will have to reform. What that involves will vary from place to place. Myanmar, a big country with a difficult past, is beginning to pull itself out of the mire. India and Indonesia, two chaotic democracies, have to create enough order to attract factories and industrial jobs. In China the government needs to ease its grip on the economy. Japan is embarking on the world's biggest experiment to see whether a society can shrink and still remain prosperous.

The task for Asia's companies is similarly varied. Selling shampoo sachets in rural Java is quite a different undertaking from making smartphones in South Korea or writing computer code in Bangalore. But as this special report has argued, all Asian firms will be affected by a range of important trends: the impact of higher labour costs in China and ageing in East Asia; higher consumer expectations; the disruptive power of the internet; and the rising barriers to entry in many global

industries as they become ever more concentrated. Rising military tensions in the region will also play a part.

...

Asia Inc is not about to become America Inc, but big Asian firms will increasingly come to look like global multinationals. No one has yet invented a better model for the company. At the same time Western multinationals will become more Asian, with a large chunk of their sales generated by the region's huge consumer markets and their ranks increasingly populated by Asians. They should inculcate some Asian business values, from restraint on executive pay to longer planning horizons.

...

Asia Inc's next two decades will create losers as well as winners. As China's firms become more sophisticated, more Western rivals that have so far had the field to themselves will face competition. The shift in basic manufacturing away from China and the automation of factories across the region will destroy jobs. If South Korea and Japan get better at services and creative industries, Hollywood screenwriters, French designers and Australian pop stars might be in trouble. But more competition and more innovation is good for consumers everywhere. If China successfully rebalances its economy, it will buy a lot more from the rest of the world. And more global Asian firms should also create more jobs outside their own countries.

Seize the opportunities

Twenty years ago it was almost unimaginable that a South Korean firm would be a global car giant, that an Indian firm would be one of the world's largest technology outfits or that a Chinese internet colossus would list on an American stock exchange. Today those things are facts of life. If it proves flexible enough, Asian business will continue to power ahead. Perhaps in 20 years' time Unilever will be run from Singapore and report its results in renminbi, and McDonald's will sell Maharaja Macs in New York as well as Mumbai. A new global digital-entertainment empire for the elderly may be based in Tokyo, and the world's biggest bank may be China Mobile. Even The Economist might be Asian-owned—and written beautifully by machines.

Source: The Economist. 2014. Business in Asia: How to keep roaring, *The Economist*.

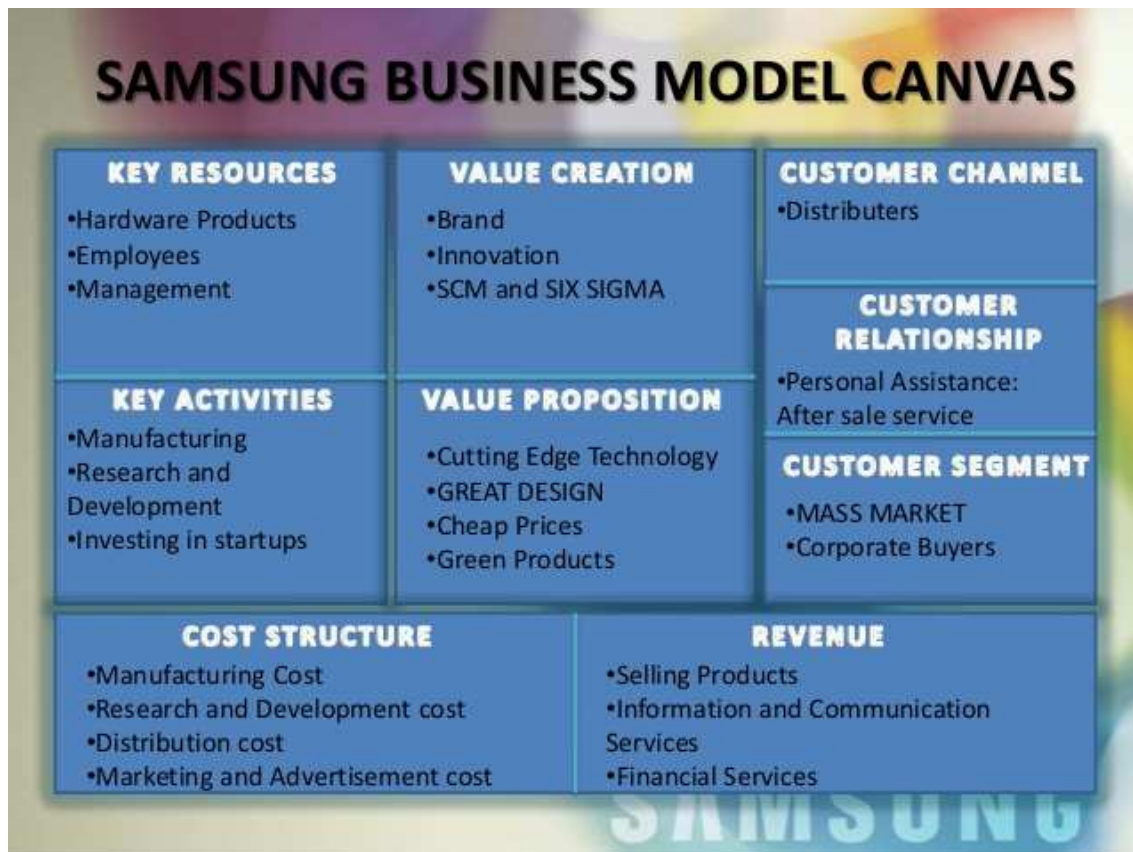
Now, just to check how well you know about Asia Inc. – can you identify the three Asian firms in the last paragraph of the above excerpt: *the **South Korean firm** that is a global car giant; the **Indian firm** that is one of the world's largest technology outfit, and the **Chinese internet colossus** that lists on an American stock exchange?*

More important than the identification of these contemporary Asian giants, how can you go about analyzing their very business existence, especially if you need to compare them to the counterparts from the Western hemisphere? Surely, you are well aware that a company does not operate in a vacuum, and the influence of

social, institutional and cultural factors are as important as its internal managerial and organizational aspects. The study and formulation of “**business system**” and “**business model**” come in handy for the task to analyse diverse business systems as well as the context these systems operate in. There are competing view of how to “formulate” a company’s business system, or to “capture” its business model. On the one hand, the general model of business system such as proposed by Witt & Redding (2013) provides a meticulous framework to identify major internal and external components of a business and, just as significantly, how these components interlink. On the other hand, Osterwalder’s more modern “*Business Model Canvas*” may be more appealing to some.

Whichever approach you prefer, you can certainly apply it to analyse whether Asia Inc. is converging or diverging with its counterparts in the West, and what the implications are of this trend.

Exhibit 3: Samsung Business Model Canvas



Source: <http://image.slidesharecdn.com/samsung033-130315110928-phpapp02/95/samsung-case-study-8-638.jpg?cb=1363404016>

Required readings task 1:

1. Chen, M. (2004). *Asian Management System: Chinese, Japanese and Korean Style of Business*. Thomson Learning.
Chapter 1. Major Comparative Management Models.
Chapter 2. Understanding National Competitiveness: East-West Comparison
Chapter 22. Conclusion.
2. Witt, M. A., & Redding, G. (2013). Asian business systems: institutional comparison, clusters and implications for varieties of capitalism and business systems theory. *Socio-Economic Review*, 11(2), 265-300.
doi:10.1093/ser/mwt002
3. Zott, C., Amit, R., & Massa, L. (2011). The Business Model: Recent Developments and Future Research. *Journal of Management*, 37(4), 1019-1042.

Video and other material

Business Model Canvas (required)

- ◆ As explained by Osterwalder:
<https://www.youtube.com/watch?v=RzkdJiax6Tw>

Task 2: Laying the groundwork

June 2016 – a short but vivid video footage of a Chinese bank manager literally spanking his employees on stage went viral and sparked outrage across global media.

Exhibit 4: China bank employees being spanked (from BBC website)

Video shows China bank employees being spanked

21 June 2016 | China

Share



There are at least four rounds of spanking in the video with one woman (far right) recoiling each time

A video has surfaced online showing staff at a Chinese bank being publicly spanked for poor performance during a training session, sparking outrage.

The video, first posted by the People's Daily, shows a trainer asking eight employees why they did not "exceed themselves" at training.

He then spanks them with what looks like a stick. Reports say he later also cut and shaved their hair.

Two executives at the bank have been suspended.

The incident took place at a training session for more than 200 employees at Changzhi Zhangze Rural Commercial Bank in northern China on Saturday.

The trainer, Jiang Yang, has issued an apology, saying the spanking was "a training model I have tried for years" and had not been instigated by executives at the bank.

'Hair cutting punishment'

The video, which first surfaced on Monday, appears to have been taken by someone in the audience on a smartphone.

Mr Jiang is seen reprimanding eight bank employees on stage, asking them why they received the lowest scores in a training exercise.

The employees give answers including "I did not exceed myself", "I did not co-ordinate with my team" and "I lacked courage".

Mr Jiang then says "get your butts ready" and proceeds to spank them with what appears to be a thick piece of wood.

It shows at least four rounds of spanking, with one woman recoiling each time, apparently in pain.

At one point, that woman places her hands over her behind, but is told to "take your hand off".

The spanking was followed by a "hair cutting punishment", a statement (in Chinese) by the Changzhi local government said.

Chinese media reports said the men had their heads shaved, while the women had their hair cut.

'What sort of logic is this?'

According to the statement, the Shanxi Rural Credit Co-operatives Union, which regulates the bank, has set up a group to investigate the incident.

The bank's chairman and deputy governor had been suspended for "failing to strictly check the content of the course", the regulator said, while the bank would help the employees seek compensation from the training company.

Mr Jiang has issued a video apology, and said the spanking had "nothing to do" with the leaders at the bank. Such rumours "had severely harmed his clients and the leaders" at the bank, he added.

People online have been expressing outrage over the treatment of staff.

"Since when does beating employees become a way of raising performance?" one user asked on Sina Weibo, a Twitter-like microblog used in China.

Another user said he was dissatisfied because he felt Mr Jiang had focused on apologising to the banking executives.

"In his video apology, he kept emphasising that he had hurt the leadership at Changzhi Zhangze Rural Commercial Bank! He spanked the employees, but apologised to the leadership? What sort of logic is this?"

Source: <http://www.bbc.com/news/world-asia-china-36583486>.

You can watch the video at: <https://www.youtube.com/watch?v=cGQMcBGZrIw>

To go beyond public outrage and form a deeper understanding of what could influence such practices, though, you need to have some knowledge not only of China, but also of the fundamentals of economies and businesses, at the core of which is the concept of management philosophy and corporate strategy, which entails many important issues such as human resource management, quality management, portfolio management, alliance development, resource allocation, and internationalization. Underlying overall management philosophy and corporate strategy, moreover, is a firm's business philosophy which certainly influences not only its management practices and strategic choices but also the manner in which these practices and choices are carried out. Obviously, MNCs from different cultures differ in their business philosophy and hence their management practice and business strategy. Undoubtedly, there are obvious differences between a stylized Western corporation and a stylized Asian one. Yet, it has been observed that even among corporations from diverse Asian cultures, their business philosophy and strategy do differ, no matter how subtly that may be.

Take culture, for example, Geert Hofstede was among the first social scientists that noticed the importance of business culture and intercultural differences for management and performance of the firm. In particular, if firms want to co-operate at the international level, intercultural differences do matter. There are many and large cultural differences between Europe/the US and Asia. In fact, Hofstede's cultural dimensions, among many such dimensional models, can be applied to explain differences in culture between a stylized western country and a stylized Asian country. In addition, such philosophical influences as Confucianism, Hinduism, Islam and Buddhism, have been used to illuminate these differences.

Since Geert Hofstede's landmark work, study in the consequences and interrelatedness of culture, society and business has provided further insights into the issue. These insights, when applied effectively, could help us understand better how the Asian organization and management operate and, better yet, how best to comprehend the possibility of such "spanking" and "hair-cutting" practices that may seem so obviously unthinkable to many.

Not until this deeper understanding is achieved, can we begin to foster productive co-operation with such systems.

Required readings task 2:

- 1) Hofstede, G. (2007). Asian Management in the 21st Century. *Asia Pacific Journal of Management*, 24, 411-420
- 2) Hofstede, G., & Bond, M. H. (1988). The Confucius Connection: From Cultural Roots to Economic Growth. *Organizational Dynamics*, 16(4), 5-21.
- 3) Schneider, S. C. (1989). Strategy Formulation: The Impact of National Culture. *Organization Studies*, 10(2), 149-168.
- 4) Whitley, R. (1991). The social construction of business systems in East Asia. *Organization Studies*, 12(1), 1-28.

Video and other material

About culture

- ◆ Interview with Geert Hofstede on Culture (32' (Long, but very clear and didactical)):
<https://www.youtube.com/watch?v=wdh40kgyYOY>
- ◆ Map visualization of Hofstede's cultural dimensions (it is a 'mute video' but provide a good idea of the different cultural dimensions across the world):
<https://www.youtube.com/watch?v=U-XdlbgFxZo>

Task 3: "Serious disasters come from small causes." (Japanese proverb ~ "Daiji wa shōji kara")

During past decade, China has gained a prominent position in news headlines, but not always due to its extraordinary economic growth and manufacturing expansion. Chinese producers have been involved in various scandals about unsafe and poisoned products, and 'Made in China' has become associated with increasingly negative features instead of a positive ones. The following videos and article present a couple of famous examples which have turned into international cases.

Exhibit 5: China's milk scandal spreads



Source: <https://www.youtube.com/watch?v=xtTey7-3Zuk>

Exhibit 6: Mattel recalls 1.5 million toys



Source: <https://www.youtube.com/watch?v=NlsvfXAQ5v8>

Exhibit 7: China's toxic toymaker

The Economist

World politics

Business & finance

Economics

Science & techn

Face value

Print edition

China's toxic toymaker

The death of Zhang Shuhong could herald the demise of China's many anonymous subcontractors

Aug 16th 2007 | From the print edition

Timekeeper

Like 2

Tweet

UNTIL a brief notice appeared in China's state-run *People's Daily* on August 14th announcing that Zhang Shuhong had hanged himself, almost no one had ever heard of him. *The Economist* could not find a picture of him. Even in Foshan, a manufacturing centre in southern China where he owned part of a factory that produced dolls for Mattel, a big American toy-maker, he was an obscure figure.

That is not unusual. There are legions of equally faceless subcontractors, who are collectively responsible for much of the astonishing growth in Chinese exports. But when Mattel announced a recall of the flawed toys Mr Zhang had made, and especially after he took his own life in response, he became one of China's most famous businessmen—and the embodiment of all the world's misgivings about what comes out of its factories.

The same day that he died, Mattel recalled 436,000 cars daubed with lead-based paint and more than 18m toys containing small magnets which could come loose and be swallowed by children, with dire medical consequences. The recall was Mattel's second of the month. Earlier, the company's Fisher-Price unit had found lead paint on its toys, at least some of which came from Mr Zhang's factory. All of the flawed items were made in China, where 65% of Mattel's products are sourced. The first recall will cost the firm about \$30m, and the second might prove more expensive still.

The consequences might have been worse still were it not for the fact that Mattel is hardly the only company to have been caught selling sub-standard Chinese goods of late. Pet food, lorry tyres and toothpaste have all suffered recent product recalls. Nokia has just warned that some of its mobile-phone batteries made in China are prone to overheating, although the factory at fault belonged to Japan's Matsushita.

Some of America's more populist politicians are taking this list as proof that anonymous Chinese subcontractors are not to be trusted, that America needs much more elaborate safeguards against tainted goods and that firms that had outsourced manufacturing to faraway lands would have done better to keep their factories closer to home. Charles Schumer, a tub-thumping senator from New York, has called for the creation of an "import tsar" to police foreign goods.

No doubt many importers will examine their supply chains more carefully, if only for fear that they will be sued by customers who have bought poisonous furniture or explosive mobile telephones, and shunned by others who hear about such fiascos. This sudden scrutiny will probably bring other scandals to light. Mr Zhang's problems, after all, appear to have stemmed from the contaminated paint he bought from another, as yet unidentified, local industrialist. On the assumption that Mr Zhang was not the local industrialist's only customer, there must be other firms that have not yet disclosed their own shortcomings, or are not yet aware of them.

There are several ironies in this. One is that in China, it is often said that subcontractors making electronics or trainers or toys are not the worst violators when it comes to safety and labour standards. Their products are typically bought by big firms, like Mattel, and the order is large enough for the purchaser to set standards and carry out regular inspections. Smaller foreign firms ordering smaller lots, in luxury goods for example, have a far weaker negotiating position.

Monitoring contract manufacturers from abroad is not easy. Visits to factories are hard to arrange, are often cancelled, and, when they do occur, are sometimes elaborately stage-managed. Reporters are particularly unwelcome, but even customers do not always know what is going on. Mattel, for example, had done business with Mr Zhang for 15 years.

The other irony is that, broadly speaking, quality is improving (something that worries the Japanese). The Chinese authorities are aware of and embarrassed by the recent string of scare stories, and are anxious to revive China's faltering reputation. They have started a high-profile campaign to raise standards and punish slapdash manufacturers.

Getting to know you

What Chinese manufacturing lacks is not so much quality control as accountability. Foreign firms feel obliged to use contractors like Mr Zhang to cope with capricious and corrupt local officials, and the arbitrary justice they mete out. Yet firms like Mr Zhang's are inscrutable and transient, with no brand or reputation to speak of. When Japan was industrialising, ambitious companies did some contract manufacturing, but they also worked hard to build their own brands, as Matsushita did with Panasonic. In South Korea Samsung has prospered by keeping both production and marketing in house. Yet in China, firms like Mr Zhang's eschew brands of their own, and keep a low profile, in order to win contracts from several competing foreign firms.

Until now, this anonymous arrangement suited both the contractors and their clients. It would undermine the brands that Adidas, Puma and Nike have spent so much to promote if their customers knew that a

Taiwanese contractor called Yue Yuen produced shoes for all of them in China. Likewise, Hewlett Packard, Dell and Apple do not advertise that they all make use of a firm called Hon Hai. Conversely, it is only by keeping the lowest of low profiles that the likes of Yue Yuen and Hon Hai can sell to several competitors.

But this whole system might founder on the question of quality control. To distinguish themselves from their dodgier rivals, Chinese contractors will have to become better known. In that sense, the suicide of a faceless figure like Mr Zhang, and the furore it has prompted, might prove the death-knell of all China's anonymous industrialists.

Source: The Economist: <http://www.economist.com/node/9645770> .

The article in the *Economist* (Exhibit 6) relates the lack of quality to the sub-contracting process and to the lack of accountability. Also other countries in Asia with differing business quality management practices experience a wide range of quality reputation, from the well-regarded Singapore to a still dubious Vietnam, India, Malaysia or Thailand. However, Japan and Korea managed to produce high quality products while using similar supply chains, and the Japanese principles of *Kaizen* have been influential in affecting lean manufacturing well outside national borders. Thus, how do Asians actually perceive the concept of quality, and to what extent is the famed Japanese quality management a standard practice in the Asian-wide region?



Required readings task 3:

1. Brunet, A. P., & New, S. (2003). Kaizen in Japan: an empirical study. *International Journal of Operations & Production Management*, 23(12), 1426-1446. doi:doi:10.1108/01443570310506704
2. Jagadeesh, R. (1999). Total quality management in India – perspective and analysis. *The TQM Magazine*, 11(5): 321 – 327.
3. Korukonda, A. R. (1998). Management of quality vis-a-vis quality of management in the Asia-Pacific region: a conceptual analysis. *International Journal of Quality & Reliability Management*, 15(8/9): 892-906.
4. Kull, T. J., & Wacker, J. G. (2010). Quality management effectiveness in Asia: The influence of culture. *Journal of Operations Management*, 28(3), 223-239. doi:http://dx.doi.org/10.1016/j.jom.2009.11.003
5. Zhang, Zhihai (2000). Quality management approach in China. *The TQM Magazine*, 12(2), 92-105.

Video and other material

Kaizen

- ◆ What is Kaizen (5' 01''): <https://www.youtube.com/watch?v=og6j761NyQ0>

Continuous improvement:

Watch and deliberate these two videos about continuous improvement in the light of different cultural values and perceptions?

- ◆ Steve Jobs on continuous improvement (1' 36''): <https://www.youtube.com/watch?v=Wc6bI16xuko>
- ◆ Explanation of the meaning of Kaizen (4' 30''): <https://www.youtube.com/watch?v=txOeJQCMT8s>

Task 4: Shall we dance?

For a long period, the musical show and film *The King and I* was banned by the Thai authority. The production was a dramatic adaptation of the memoir *Anna and the King of Siam* by an English teacher (Margaret Landon) who was commissioned by the Thai King Rama IV to school his Children. Even today, many Thais find this memoir and its contents to be offensive and inaccurate, and its theoretical rendition an insult that only shows extreme arrogant misinterpretation of the Thai culture. For one thing, a foreigner – and a female nanny at that – would never be allowed to be so intimate with the King, let alone to “dance” with him as portrayed in the musical. For many Westerners, the Thais are simply making a mountain out of a molehill – the show is simply entertainment, after all.

The following video clip presents some more examples of possible issues related to cross-cultural encounter and differences in interpretation and reinterpretation of thoughts, feelings and acts - especially between ‘Western’ and ‘Asian’ cultures.

Exhibit 8: HSBC advertisements



Source: <https://www.youtube.com/watch?v=GOHvMz7dl2A>

But can cultural sensitivity and cross-cultural difference become such a relevant issue even in a business context?

These potential diverse interpretations manifest themselves most vividly in a particular form of interpersonal act – *negotiation*. Negotiation entails a need to come to a mutual agreement, an objective difficult enough when the parties involved share some cultural and social backgrounds. When those backgrounds differ significantly, as is often the case in any cross-cultural encounter (see Exhibit 8, for example), the process and outcome of a negotiation can be even more challenging.

Exhibit 9: Negotiation – West v. East

Characteristic		Negotiating Style	
West	East	West	East
Importance on the deal and less on the relationship	High importance on relationship	<ul style="list-style-type: none"> Direct & efficient Straight to business 	<ul style="list-style-type: none"> Lengthy build up Lengthy discussion Social aspect
Shorter time orientation	Long time orientation	<ul style="list-style-type: none"> Will want an outcome 	<ul style="list-style-type: none"> Slower process
Low Context	High Context	<ul style="list-style-type: none"> Unacceptable offers will be rejected outright Comfortable with differences and disagreements 	<ul style="list-style-type: none"> Will not reject a proposal outright but will offer an alternative or circle back to a previous suggestion Avoid disagreements, by, for example, change of topic
Individualistic	Collective and hierarchical	<ul style="list-style-type: none"> More outside of the box direct suggestions 	<ul style="list-style-type: none"> Repeat of the standard party line

Source: Fells, R.E. 2010. *Effective Negotiation From Research To Results*. Cambridge University Press, Melbourne

Thus, if you are considering doing business in Asia or working with the Asians, you need to learn how to negotiate successfully with them. Of course, this means you need to know your own negotiating style and that of your counterparts. But before that, you also need to know the dynamics of a negotiation process.

The show must go on. So, shall we dance? – What is your view?

Required readings task 4:

1. Lee, S., Brett, J., & Park, J. H. (2012). East Asians' Social Heterogeneity: Differences in Norms among Chinese, Japanese, and Korean Negotiators. *Negotiation Journal*, 28(4), 429-452. doi:10.1111/j.1571-9979.2012.00350.x
2. Paik, Y. and Tung, R. L. (1999). Negotiating with East Asians: How to attain 'win-win' outcome. *Management International Review*, 39(2), 103-22.
3. Salacuse, J.W. (1999). Intercultural Negotiation in International Business. *Group Decision and. Negotiation*, 8, 217-236.
4. Vieregge, M., & Quick, S. (2011). Cross-cultural negotiations revisited Cross-cultural negotiations revisited: Are Asian generations X and Y members negotiating like their elders. *Cross Cultural Management: An International Journal*, 18(3), 313-326.

Video and other material

- ♦ Definition of negotiation (1' 47''):
<https://www.youtube.com/watch?v=XW4y6kbCloM>

Task 5: Big brother v. The good, the bad and the ugly

Recently, businesses around the world have been pressed by the wider community to balance their concerns for accounting bottom lines with social accountabilities. CSR – corporate social responsibility – has become the “buzzword”. Big businesses start to include a section on their CSR “bottom lines” in the annual reports; consulting firms specialized in CSR are gaining visibility; CSR has become an established academic discipline. For starters, let’s watch a short video clip on CSR and read an excerpt from a business guru’s blog (Exhibit 9 and Exhibit 10).

Exhibit 10: What is Corporate Social Responsibility (CSR)?



Source: https://www.youtube.com/watch?v=E0NkGtNU_9w

Exhibit 11: jembendell’s blog on CSR

« Asia Pacific CSR Partnerships
What will success look like for the CSR Movement? »

Asian CSR set to reshape the global business environment, according to Lifeworth review.

Posted by **jembendell** on May 25, 2009

Press release, 25th May 00.01 GMT, Lifeworth, Manila.

Asia is becoming a leading region for corporate social responsibility (CSR), as its businesses gain international influence, according to some leading CSR academics and practitioners, writing in the eighth global review from a CSR consulting firm. “Diverse Asian approaches to responsible enterprise will increasingly affect business practices around the globe. Not only can this trend be welcomed, it is essential to achieve a fair and sustainable world,” argues lead author of the review, Dr Jem Bendell.

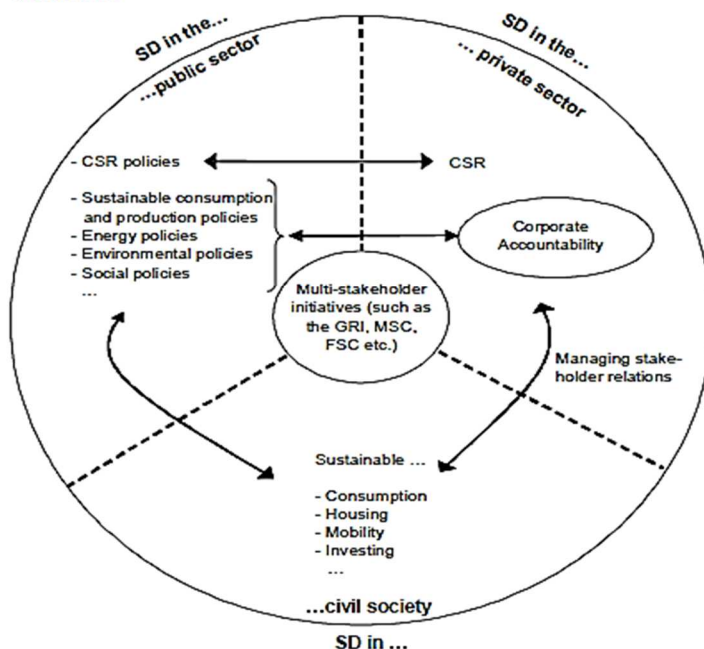
The Eastern Turn In Responsible Enterprise describes the rise of Asian business and finance that was hastened by events during 2008. It argues that although expanding economic power generates difficult social and environmental challenges, the world needs Asian business and society to help innovate the technologies, processes and concepts that will help us meet the critical challenges of our time, such as climate change and poverty eradication. It explores some initial implications of this global shift, and some characteristics of Asian forms of corporate social responsibility (CSR). “In order for executives to respond to the global challenges of our time, we must recognise and learn from sustainable innovations that are occurring everywhere, including across Asia, not just in one region,” concludes Dr Bendell, director of Lifeworth.

Source: <http://jembendell.wordpress.com/2009/05/25/asian-csr-set-to-reshape-the-global-business-environment-according-to-lifeworth-review/>.

If you recall what you have discussed so far in this course, you may observe that the concept of social responsibility is nothing new to many Asian cultures. Collectivist spirit is evident in many of the Asian ways of conducting businesses. Taking this further, we may even say that the sense of social responsibility could be the reason why the role of the state in business life is much stronger in the East than in the West. Some say this is how it should be, while others argue that this “Big Brother” style of governance in Asia can undermine the invisible hand of capitalism. Consider using the following figure (Exhibit 11) to help you frame your pre-discussion.

Exhibit 12: Sustainable Development (SD) within, and across, the three societal domains

Figure 1: Sustainable development (SD) within, and across, the three societal domains



Source: Steurer, R. 2010. The Role of Governments in Corporate Social Responsibility: Characterising Public Policies on CSR in Europe. InFER (Institute of Forest, Environmental and Natural Resource Policy, Discussion Paper 2-2010. Vienna.

Required readings task 5:

1. Bendell, J. & Ng, C. (2009). Characteristics of Asian CSR. *Social Space. CSR Rethink*, Lien Centre for Social Innovation.
2. Fukukawa, K., & Moon, J. (2004). A Japanese Model of Corporate Social Responsibility? *Journal of Corporate Citizenship*, 16(October), 45-59.
3. ILO (International Labor Organization). 2014. Wages in Asia and the Pacific: Dynamic but uneven progress. *Global Wage Report 2014/15*. Asia and the Pacific Supplement.
4. Ip, P. K. (2009). Is Confucianism Good for Business Ethics in China? *Journal of Business Ethics*, 88(3), 463-476. doi:10.1007/s10551-009-0120-2
5. Kim, R. C., & Moon, J. (2015). Dynamics of corporate social responsibility in Asia: Knowledge and norms. *Asian Business & Management*, 14(5), 339-382.

Video and other material

CSR-Asia website

- ◆ Start from this page and look around:
http://www.csr-asia.com/weekly_news_detail.php?id=12006

Task 6: "The secret to creativity is knowing how to hide your sources." (Albert Einstein)

In 2007, DSM, a major Dutch chemical industry giant, announced that it would not produce a specific product in China, but it would produce this product in the Netherlands, although producing it in China would have been cheaper. The argument for this strategy was that the product was a very innovative product and advanced production techniques had to be used. DSM was afraid that Chinese firms would simply copy these techniques and offer this product against very low prices. Of course this would hamper investment in innovation at DSM.

Exhibit 13: Imitation versus innovation

<p>Of all the fallacies circulating about the Japanese these days, perhaps none is more injurious to our global competitiveness than the notion that the Japanese are cookie-cutter imitators who are unable to innovate. Such a posture is outdated, erroneous, and self-serving. Consider just one crude index of inventive ability. Between 1978 and 1988, the Japanese share of U.S. patents catapulted to nearly 40 percent of the total for both countries. Moreover, Japanese researchers no longer just attend scientific and professional conferences, soaking up what others are presenting. They increasingly present (and subsequently publish) their own work, ultimately introducing important new products and processes in a variety of emergent and mature industries—from robotics, bioceramics, high-definition TV, and superconductivity to consumer electronics, video equipment, and architecture.</p> <p>Endless debate about whether the Japanese collectively possess the necessary creative juices to innovate sidesteps a more fundamental issue, one we would like to address in this paper: the <i>wisdom of imitating</i>, as compared with the much more heralded strategy of innovation.</p> <p>U.S. attitudes toward imitation tend to reflect a pronounced cultural bias in this regard. Eleanor Westney, a leading Japan scholar, expressed this bias by remarking, "Copying is less estimable than inventing; imitation is less honorable than innovation." We pejoratively label imitators as "borrowers" at best and "copycats," "counterfeits," "clones," "knock-offs," "pirates," and "bandits" at worst. Managers are quick to excoriate illegal imitation of</p>	<p>U.S. goods by Asian manufacturers. And rightly so. Unfortunately, in the same breath, they also deride legal imitation involving neither patent infringement nor wrongful usurpation of trade secrets and proprietary know-how. Actually, imitation can be an astute competitive strategy in its own right, involving substantial investment, creativity, and expertise.</p> <p>Where does our cultural disdain for imitation originate? At a minimum, we should probably confess that it stems from ignorance—an unwillingness to examine what is involved in imitation. As a nation, we have historically cast entrepreneurs and mavericks as virtual folk heroes, overemphasizing the relative importance of "The Golden Moment" of discovery. Innovation has become a prestigious end in itself, rather than the road to a better bottom line. Along the way, we seem to have conveniently forgotten that we were once great borrowers ourselves, following a technological trail blazed by Great Britain in the nineteenth century. Our earliest industrial successes stemmed directly from our ability to exploit Britain's knowledge in basic technologies such as metallurgy and steam engines.</p> <p>...</p>
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Source: Bolton, K. M. (1993). Imitation versus innovation: lessons to be learned from the Japanese. *Organization Dynamics*, 21(3), pp.30-46.

Westerners would call this copying simply plagiarism and considered it an infringement of intellectual property rights (IPR) or the rights on knowledge and this cannot be tolerated, let alone allowed. Asians have a different view and do not consider such copying a negative act because, in their eyes, knowledge is not a private but a public good.

This issue seems as much a cultural as it is a legal issue. Innovation and intellectual property right are two tightly knitted issues. Companies need to innovate and the going "urban legend" has it that Western firms are more innovative than their Eastern counterparts. Bolton's introduction to the paper on this issue (Exhibit 12) provocatively sums up such a sentiment.

It is commonly acknowledge that the East and the West may not see eye to eye on the matters of innovation and IPR. Indeed innovation management styles of Asian firms differ significantly from that of their Western counterparts. That may be so, yet, does internationalization change business models and the approach to management of companies, particularly in relation to their innovation management and view on IPR, and if so, how? Read the two contrasting views (Exhibit 13) on counterfeiting and discuss your prior knowledge of the topic.

Exhibit 14: A Tale of Two Cities of Fakes

Alibaba's Jack Ma: Fake goods often better than originals	Museum of Fakes for a City of Fakes
<p>"Jack Ma, pictured in 2015, said Alibaba could handle the problem of counterfeits 'better than any government, any organization, any people in the world', but that a continued market for cheap knock-offs was unavoidable (AFP Photo/Eric Feferberg)</p>  <p>BEIJING (AFP) - China's unbranded goods are often better than the branded originals they imitate, founder of e-commerce giant Alibaba Jack Ma has said, posing an additional challenge to the battle against sales of counterfeits.</p> <p>"The problem is that the fake products today, they make better quality, better price than the real product, than the real names," he said in a speech at Alibaba's investor's day in the southern city of Hangzhou Tuesday.</p> <p>"They're the exact factories, the exact raw materials, but they do not use that name," he added.</p> <p>China's factories have traditionally churned out products for branded companies at low cost, but with the rise of e-commerce platforms such as Alibaba, they are</p>	<p>"You may think buying a fake is no big deal, but a new exhibit at the Crime Museum in D.C. shows how counterfeit goods, from luxury bags to medicine, can cause serious—even deadly—harm.</p> <p>Exploding airbags turning dashboards into shrapnel. Pills purporting to be Viagra filled with printer ink and rat poison. U.S. submarines filled with fake electrical circuits.</p> <p>These are just a few of the consequences of the international counterfeit industry displayed at a sobering new exhibit, <i>Counterfeit Crimes: Are You Part of the Black Market?</i> at the popular <i>Crime Museum</i> in Washington, D.C.</p> <p>Most people think of counterfeiting as the fake bags and sunglasses displayed in the streets of cities all around the world, or the bootleg versions of games and movies downloaded for little to no cost from shady websites. In those instances, the companies that make the real products—the Louis Vuitton bags and blockbuster movies—seem to be the losers. The money they spent on researching, designing, and marketing their goods is lost to a cheaper knockoff. (And, indeed, some of the companies who are often being ripped off in these counterfeiting</p>

<p>increasingly finding opportunities to market their own goods online directly to consumers.</p> <p>More than IP problems or fake products, it was this shift to a new business model that was "destroying" traditional brands and "revolutionizing the whole world", Ma said, noting: "The way of doing business has changed."</p> <p>Alibaba has come under fire in recent years for the ease at which knock-off goods are available to consumers on its online Taobao marketplace.</p> <p>Taobao is estimated to hold more than 90 percent of the domestic consumer-to-consumer market, while the company's Tmall platform is believed to have over half of China's business-to-consumer transactions.</p> <p>As the leading force in China's e-commerce industry, Ma said Alibaba could handle the problem of counterfeits "better than any government, any organization, any people in the world", but that a continued market for cheap knock-offs was unavoidable.</p> <p>"We cannot solve the problem 100 percent, because it's fighting against human instinct," he said.</p> <p>Yet the company's efforts to date have been the subject of increasing scrutiny.</p> <p>"It's inappropriate for a person of Jack Ma's status to say something like this," Cao Lei, director of the China E-Commerce Research Center in Hangzhou, told Bloomberg News.</p> <p>"For some individual cases what he's saying might be true, but it's wrong to generalise the phenomenon.""</p>	<p>scams are sponsors of the exhibition, including Pfizer, Microsoft, Underwriters Laboratories, Entertainment Software Association, Oakley, and the IPR Center, a division of the U.S. Immigration and Customs Enforcement.)</p> <p>"Companies aren't the only ones threatened by counterfeit goods," declares Bob Barchiesi of the International Anti-Counterfeiting Coalition, which partnered with the museum for the exhibition. "There's a public safety aspect that poses a real and present danger."</p> <p>The impact on public safety is wide-ranging. On a personal level there are drugs and toys that are extremely unsafe. Pfizer's Viagra, for instance, is one of the most counterfeited drugs in the world. The reason is obvious: If you order the drug off of a website, there is no shame factor. However, the labs used to make these pills aren't inspected, and the pills themselves are filled with unknown chemicals. INTERPOL reported finding rat poison in counterfeits, while Pfizer in its own tests has found floor wax. To give Viagra its iconic blue color, the counterfeiters often use printer ink. For Cialis, it's lead highway paint. Potentially just as dangerous, a significant portion of the counterfeit drugs (32.1%, according to the WHO) have no active ingredients, which can have serious consequences for patients using these drugs to treat life-threatening illnesses. In 2008, the drug heparin was tied to dozens of deaths after most of the active ingredient was swapped with a counterfeit. According to the FDA website, counterfeit medicines have been linked to everything from Tamiflu, Altuzan (a cancer drug), Adderall, weight-loss drugs, and Vicodin."</p>
<p>Source: https://www.yahoo.com/news/alibabas-jack-ma-fake-goods-often-better-originals-131711112--finance.html</p>	<p>Source: https://www.yahoo.com/news/alibabas-jack-ma-fake-goods-often-better-originals-131711112--finance.html</p>

Required readings task 6:

1. Deng, S., Townsend, P., Robert, M. & Quesnel. (1996). A guide to intellectual property rights in Southeast Asia and China. *Business Horizons*, 39(6), 43-51.
2. Endeshaw, A. (2007). Do Asian Nations Take Intellectual Property Rights Seriously? *SCRIPTed*, 4(2), 166-179. Downloadable from: <http://www.law.ed.ac.uk/ahrc/script-ed/vol4-2/endeshaw.asp>
3. Hu, A. G. (2015). Innovation and Economic Growth in East Asia: An Overview. *Asian Economic Policy Review*, 10(1), 19-37.
4. Lee, N., Nystén-Haarala, S. & L. Huhtilainen. (2010). Interfacing Intellectual Property Rights and Open Innovation. Lappeenranta University of Technology, Department of Industrial Management Research Report No. 225. Available at SSRN: <http://ssrn.com/abstract=1674365>
5. Lehman, J. A. (2006). Intellectual Property Rights and Chinese Tradition Section: Philosophical Foundations. *Journal of Business Ethics*, 69(1), 1-9.

Task 7: People, people who need people ...

Among the different domains of management, Leadership and Human Resource Management (HRM) are the two issues easiest to relate to the social institutions and local culture of a country. When compared to the West, Asian management styles have been observed to be starkly different, as summarized in a table from a management text book reproduced below. Many of the noted differences indeed relate directly to the subject matters in Leadership and HRM. Notably, the table below deals only with East Asian, which may make you ponder even further how such comparative analysis of leadership and HRM issues can be applied to other Asian management models.

Exhibit 15: Comparison of Western and East Asian management styles

Western	East Asian	Table 22.1
1. Hierarchical, egalitarian command, segmented concern	Free-form command, roles loosely defined, holistic concern	Comparison of Western and East Asian management styles
2. Professional managers, position related to function	Social leaders often with high-sounding titles for low-ranking jobs	
3. Particularism, specialized career path possibly with rapid evaluation and promotion, individually oriented	Non-specialized career paths, slow evaluation, regimented promotion, socially oriented	
4. Decentralization of power	Centralization of power	
5. Mobility	Stability	
6. Diversity	Unity	
7. Direct approach	Indirect approach	
8. Systematic analysis, standardization, categorization, classification, conceptualization, precision	Ambiguity, reaction, adaptation	
9. Long-term set planning	Often lack of formal set planning, high flexibility in adjustment	
10. Explicit control mechanisms	Implicit control mechanisms	
11. Organizations and systems adapt to change	Leaders/managers adapt to change	
Source: Waters 1991: 106		

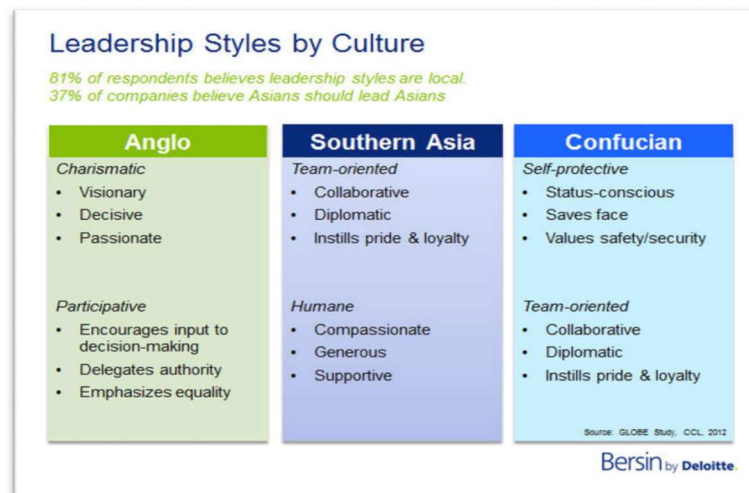
Source: Chen, M. (2004). *Asian Management Systems*, 2nd ed., London: Thompson, 267.

One of the most comprehensive and on-going leadership studies is the GLOBE project. Using a uniform survey, based on specific cultural dimensions theorized to be pertinent to the theories of leadership, GLOBE tracks and analyzes leadership concepts across countries and continents. GLOBE findings on "leadership" – which should not be confused with "leader" – provide interesting insights into how "cultural clusters" differ in their views of what constitute outstanding leadership attributes.

GLOBE research takes the perspective that the effectiveness of leadership is contextual and therefore embedded in societal and organizational values, beliefs

and norms (GLOBE, 2011). Josh Bersin, who analyzes corporate HR, talent management and leadership and is the Founder and Principal at Bersin by Deloitte, recently travelled to Asia and met with dozens of HR and business leaders. He reports that although there may be differences, companies in Asia face some of the same challenges as in many other countries and that HR executives are dealing with leadership issues (Forbes/leadership, November 21, 2014).

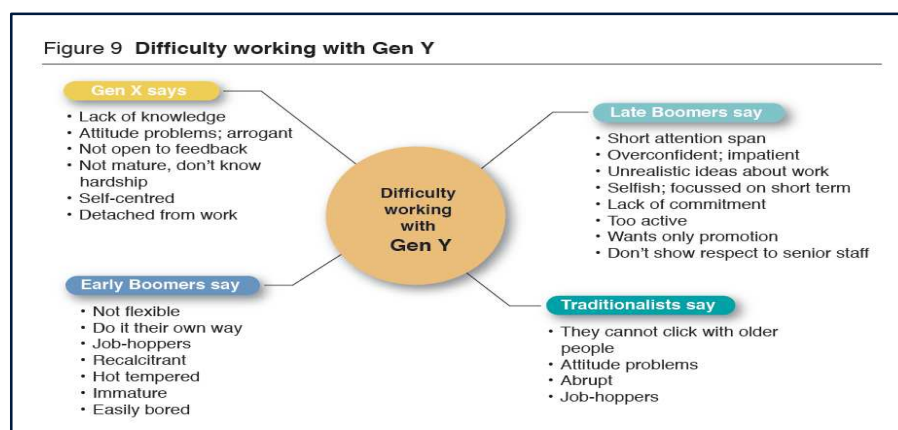
Exhibit 16: Leadership Styles by Culture



Source: Forbes/leadership, November 21, 2014.

Other common issues faced by HR and the business world in many countries include, but are not necessarily limited to: (a) generational differences – younger generations are redefining the concept of work, (b) attracting and retaining talent, (c) skills match between employers and employees, (d) IQ versus EQ in a digital information age.

Exhibit 17: Difficulty working with Gen Y



Source: <https://www.tafep.sg/publication/harnessing-potential-singapore-s-multi-generational-workforce> 2014.

Required readings task 7:

1. Froese, F. J. (2013). Work values of the next generation of business leaders in Shanghai, Tokyo, and Seoul. *Asia Pacific Journal of Management*, 30(1), 297-315. doi:10.1007/s10490-011-9271-7
2. Gill, C. (2012). The role of leadership in successful international mergers and acquisitions: Why Renault-Nissan succeeded and DaimlerChrysler-Mitsubishi failed. *Human Resource Management*, 51(3), 433-456. doi:10.1002/hrm.21475
3. Ko, C., Ma, J., Kang, M., English, A. S., & Haney, M. H. (2016). How ethical leadership cultivates healthy guanxi to enhance OCB in China. *Asia Pacific Journal of Human Resources*, (4). doi:10.1111/1744-7941.12120
4. Kramar, R., & Parry, E. (2014). Strategic human resource management in the Asia Pacific region: similarities and differences? *Asia Pacific Journal of Human Resources*, 52(4), 400-419. doi:10.1111/1744-7941.12042
5. PWC. (2011). *Millennials at Work: Reshaping the Workforce*. Accessible at: <https://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf>
6. Zhu, Y., Warner, M., & Rowley, C. (2007). Human resource management with 'Asian' characteristics: a hybrid people-management system in East Asia. *International Journal of Human Resource Management*, 18(5), 745-768.

Video and other material

The GLOBE Study

- ◆ Leader Effectiveness and Culture: The GLOBE Study: <http://www.ccl.org/leadership/pdf/assessments/globestudy.pdf>

Article from Forbes Online

- ◆ Leadership and Talent Challenges In Asia. It's Different: <http://www.forbes.com/sites/joshbersin/2014/11/21/talent-strategies-in-asia-leadership-retention-growth/print/>

Task 8: To boldly go where no man has gone before

In this age of globalization, business and economic development relates heavily to the issue of foreign investment and the internationalization process of firms. Take China as a case in point, up until recently, foreign investors could only enter China as part of a joint venture with a Chinese partner. The first to enter were the overseas Chinese, either from Hong Kong, Taiwan or other Asian countries. Multinational corporations (MNCs) started to invest in China by the mid-1980's but only came in large numbers after 1990. Among these, Japanese firms, despite being Asian, were particularly late and prudent in comparison with American or European companies. In general, joint venture equity participation varied substantially depending on the country of origin of the foreign investor.

In addition to the specific perspective of inward FDI, as discussed above, the reverse view, that is, that of outward FDI of Asian firms, is also of importance. Japanese firms were among the first Asian companies to venture abroad – *to boldly go where no Japanese has gone before*, a well-known fact that the excerpt below (Exhibit 17) alludes to.

Firm's internationalization process entails many important topics – from internal issues such as production and process management to external and inter-linkage aspects such as regional production network and technology transfer. No wonder, beside the "flying geese" model, there are a few other competing models of internationalization process. The most well-established models from a Western perspective are of course the famous OLI or Dunning's eclectic paradigm and *Vernon's product life-cycle* model. A lesser known, though quite well-respected model, was conceived by a Korean scholar Lin Su Kim in his effort to explain Korean technological upgrading pattern that aptly exploits the so-called "*imitation to innovation*" strategy. Taken together, these theoretical models could assist us in our study of Asian firms' internationalization, their technology transfer behavior and production networks. Of course, some models are better at explaining certain aspects than others; and some may be more powerful when applied to the specific case of Asian firms.

Exhibit 18: More Asian Geese Ready to Fly

More Asian Geese Ready to Fly

Posted on March 22, 2010 by iMFdirect

By [Anoop Singh](#)

(Version in 日本語)

Like geese flying in formation, the successive waves of Asian countries achieving economic takeoff and emerging or developed market status, has been likened to those migratory birds in flight. If this model is accurate, more Asian geese are set to join the flock of economically successful nations.

The "Flying Geese Paradigm" or *ganko keitai* was first conceived of by Japanese economist, Kaname Akamatsu in the 1930s as a way of explaining East Asian industrial development. According to Akamatsu, the lead goose in the formation, was Japan. The second tier consisted of newly industrialized economies—South Korea, Taiwan Province of China, Singapore, and Hong Kong SAR. Following hot on their tails were the ASEAN countries, such as Indonesia, Malaysia, the Philippines and Thailand. More recent additions to the flock are China and India

As the "lead goose" lost its comparative advantage, it would shift further away from labor-intensive production to more capital intensive activities. Meanwhile, those labor intensive activities would move to nations further down the hierarchy. To take a simple example, the textile industry was abandoned in Japan as labor costs rose, but also, at a later stage, by countries in the second tier, South Korean and Taiwan.

According to this model, as each goose ahead in the formation trades and invests with neighboring countries, those latter countries, in their turn take off to become the next growth driver.

But the emergence of successive waves of new growth drivers not only benefits Asia, through the creation of trade and investment linkages and greater Asian integration, the formation of North-South economic linkages means wider benefits accrue.

Akamatsu's model is little known in the West, despite its fame in the economist's home country, perhaps because it later became used as intellectual underpinning for Japanese imperialism during the war.

But advocates for the model might point to the current pattern of economic growth for validation. Despite the sharp downturn globally in 2008, for most of 2009, Asia as a whole recorded higher growth than the rest of the world and the region is currently leading the global recovery. This trend is expected to continue this year and into the next, with the International Monetary Fund predicting that Asia will grow about 7 percent annually.

...

We, at the IMF would take great pleasure in seeing another goose fly.

Source: iMFdirect: The International Monetary Fund global economy forum (2010) URL: <http://www.winadvisorygroup.com/MysteryofJapaneseManagement.html>

The issue of firm's internationalization is tightly linked to other related management and organization themes: those of 1) production network; and 2) global supply and value chain management; and perhaps increasingly 3) the emergence of e-commerce (buying and selling online) as a means of expanding market reach and as an opportunity for small and large entrepreneurs to tap into the global market.

Exhibit 19: The Case of Dongfeng Village in Jiangsu Province

(a) The case of Dongfeng village in Jiangsu Province

In the village of Dongfeng, under the administration of Shaji Town in Jiangsu Province, inhabitants have traditionally made a living by farming and migrant labour. Villagers have cooperated to specialize in livestock raising and recycling of waste plastic, but with little success. In 2006, a young man from the village, inspired by the home furnishings of the Swedish company IKEA, set up Dongfeng's first online shop to sell simple assembled furniture. Today, furniture assembled in this village is sold online all over the country and also exported.

Before the introduction of online retailing, there was no furniture industry in Shaji Town, let alone other advantages such as capital, logistics or accessible geography. However, when some villagers started selling assembled furniture through the Internet, several farmers decided to follow their example. As a result, a furniture assembly and manufacturing industry started to emerge. At the same time, other related industries derived benefits from the development of online retailing, including wood processing, logistics, hardware accessories and packaging. By the end of 2010, the village had three hardware accessories factories, 15 logistics and express delivery companies, and seven computer stores. There are now over 400 online shops with combined annual revenue of over \$50 million (Kan, 2010), and Dongfeng has been named the top "Taobao village".⁵¹

To conclude, the online shopping phenomenon originated from the grassroots, without preferential government policies or financial support. Its growth has had various effects. Not only has the income of villagers increased, unemployment has been almost eliminated. On average, six workers are estimated to be employed by every online retailer (World Bank, 2014).

Source: UNCTAD (2015). Unlocking the Potential of E-commerce for Developing Countries. *Information Economy Report*. United Nations Publication, 2015.

Required readings task 8:

1. Kasahara, S. (2004). The Flying Geese paradigm: a critical study of its application to East Asian regional development. UNCTAD. Discussion Paper No. 169.
2. Stam, J.A. (2006). The 'Asian' path to industrial development: the interlinkage between Japan and China. Valedictory address, Erasmus University Rotterdam, May 16.
3. Suder, G., Liesch, P. W., Inomata, S., Mihailova, I., & Meng, B. (2015). The evolving geography of production hubs and regional value chains across East Asia: Trade in value-added. *Journal of World Business*, 50(3), 404-416. doi:http://dx.doi.org/10.1016/j.jwb.2014.05.003
4. UNCTAD. (2015). Unlocking the Potential of E-commerce for Developing Countries. *Information Economy Report*. United Nations Publication. [Read Pages 1-30 and 53-58].

Videos and other materials

- ◆ Global Value Chains in East Asia (World Trade Organization):
<https://www.youtube.com/watch?v=9-1ht2OrG2Y>
- ◆ Philippines can become Southeast Asia's production hub (December, 2015):
<https://www.youtube.com/watch?v=rf0Dk7APzB4>

Appendices

Appendix 1: A quick guide to PBL[‡]

This section is intended as a quick guide/reminder to students about problem based learning (PBL) process. For detailed information, we suggest that students consult the materials provided to them during the official training session at the beginning of their academic experience with the Maastricht University. More materials on PBL are also available in the university library, in case students wish to gain further insights.

1. What is PBL?

In what way does problem based learning (PBL) differ from more traditional systems of learning? What characterizes Problem Based Learning?

Possible answers are:

- ◆ Two way communication instead of one way communication like lectures.
- ◆ Student centered instead of teacher centered.
- ◆ Working in small groups, this can be motivating while students can test their knowledge.
- ◆ Improving problem solving skills, asking questions, cooperative learning.
- ◆ Possibility of acquiring communicative skills.
- ◆ Possibility to learn how to collaborate with others.
- ◆ Activating prior knowledge.
- ◆ Problem based learning is a cyclical process in which the discussion in the tutorial group is both a starting point of new learning activities and an end-point where control and integration of what is learned take place.
- ◆ Different roles: the student, the discussion leader, secretary, tutor.
- ◆ Function of the tutor differs from a traditional teacher. The tutor is a stimulator of the learning process and the group process of the tutorial group.
- ◆ Curriculum is built up in themes.

2. Seven jump learning process

In problem based learning, group discussions are based on the "Seven Jump" method. As you may recall from the training session, these seven steps that are used systematically deal with a specific task. The subsequent explanation of each of these seven steps will make use of the following illustrative task.

[‡] The content of Appendix 2 is based and revised from materials kindly provided by Drs Jeannette Hommes, Assistant Professor, Department of Educational Research and Development, School of Business and Economics, Maastricht University.

Task: An accident.

On a friendly day two sailing boats engaged each other on one of the lakes in Friesland, a Dutch province. One of the boats, a rather big one, carried its sails on starboard. The other, smaller, boat carried its sails on backboard. Both captains were rather stubborn and didn't want to give free way to each other, and kept their course. Finally, the boat closest to the shore tried to avoid the accident but it was too late. Both boats collided and there was a lot of damage. About half an hour later the water police arrived and started questioning both captains. After some weeks the captain of the boat with the sails on starboard was fined.

Step 1: Clarification of Terms. Identification and definition of terms and concepts in the task which have to be clarified to have a basis for a group discussion. For example, the term "Starboard" will not be clear to all students. It is not necessary to have a complete definition; just a working definition will do for the session.

Step 2: Problem Definition. This step shows how much knowledge is already there in the group. A problem definition shows the first way of solving the problem. The closer defined the problem, the more scientific terms are used, the better the follow up discussion. Questions are in this context: *What is the central most critical problem encountered in the task. What are secondary problems that have to be identified?* In the task of the accident a possible problem could be "Does the size of a boat determine the priority? What are the priority rules when sailing? What is the reasoning behind the priority rules?" To make the question more familiar to you, you could ask the following question: "Who would you give priority?" (Note: Problem definitions always have a question mark at the end.)

Step 3: Problem Analysis/brainstorming. In the third step you try to answer the problem statement, by using prior knowledge or your own judgment. Stimulate each other in generating ideas. Do not discuss, this disturbs the brainstorming. Use the blackboard to write down the suggestions. Possible answers could be: priority to the biggest boat, priority to the boat closest to the shore.

Step 4: Systematic Inventory. In this step the different explanations found in the problem analysis should be catalogued in a systematic order. Furthermore the validity of the answers could be questioned.

Step 5: Learning Goals. Probably, you are satisfied with the brainstorm. To test the answers, ask yourself: Do I have enough information if I go sailing? Probably you are uncertain about your answer. So, you should collectively formulate learning goals for their individual study. A possible learning goal is: How does the position of the sails influence the priority?

Criteria: Both problem statements and learning goals should be clear and related to the task. Other criteria could be: is there a need for question that asked for an explanation, are concepts related?, is it not too broad?, and is it not too elaborated.

Step 6: Study. Additional information outside the group on the basis of the learning goals should be collected and studied at this stage. A lot of sources are available. To limit your search use the literature listed in the course manual.

Step 7: Report/application to the task (next session). The newly acquired information and the findings should be reported to the group. The new knowledge each individual has brought to the discussion should be combined with suggestions that lead to solutions of the task problems. Make sure that you mention your source when you report. So, other group members can check your information if necessary. First discuss the priority rules in general on the water. The priority rule on a lake is starboard gives way to backboard. Next apply the theory to the tasks. So, the captain of the big boat should have given way to the small boat.

Of course, the above seven steps provide a general framework for a PBL meeting. In practice, each tutorial group, with guidance from the tutor, should apply this framework in a flexible manner, with appropriate adjustment to fit the specific content of the course and task at hand.

3. Roles in tutorial meeting

Discussion leader: positive factors (*when formulated the other way round it are negative factors*).

- ♦ is prepared, gives an agenda,
- ♦ summarizes regularly,
- ♦ controls time and subject,
- ♦ clear decision making,
- ♦ facilitates participation of all the group members,
- ♦ stimulates verbally and non-verbally,
- ♦ takes initiatives,
- ♦ goals of the discussion are clarified: information given, opinion seeking or decision making.

Group members: positive factors (*when formulated the other way round it are negative factors*).

- ♦ are prepared, have done their homework,
- ♦ active participation,
- ♦ listen to each other,
- ♦ give and receive feedback,
- ♦ give information,
- ♦ ask for information,
- ♦ want to be cooperative,
- ♦ clear decision making.

Appendix 2: Assessment rubric for Business Model Poster assignment

TUTORIAL GROUP: UCM–		ASSESSOR :	
COMPANY:		DATE:	
STUDENT NAMES:			
DELIVERY – THE “PITCH”			
Criteria	Max	Awarded	Comments
You provide a 90-second overview (the “ <i>pitch</i> ”) that contextualizes your business model so that it is accessible to non-experts but conforms to the expectations of experts. You have obviously rehearsed your overview and deliver it in a conversational style , which suggests that you are comfortable and rhetorically savvy.	10		
You appear enthusiastic about the company and its business model, partly by adopting open non-verbal gestures and appearing at ease. You give the impression of confidence in your research . You are comfortable recognizing shortcomings or problematic components of your work when answering questions from judges or the audience.	10		
When presenting or answering questions, you speak clearly . Your vocal volume is appropriate given the background noise in the setting. You may glance at your poster but your eye contact remains with your audience. You also dress appropriately for this semi-formal but professional occasion.	10		
RESEARCH CONTENT – THE “MODELLING”			
Criteria	Max	Awarded	Comments
You clearly demonstrate familiarity not only with your company and its business model but also with how they relate to current disciplinary, theoretical, scientific and commercial developments in the contemporary global context.	15		
You clearly stated your hypothesis in regard to the company value proposition and the other eight components compellingly and timely . You provide important reasons to support why this hypothesis is worth considering or why your modelling is worth a serious attention from your audience . You inject a sense of originality or uniqueness to your modelling.	15		
Your modelling are based on a thorough analysis of results obtained through a reliable investigative methodology . Because your analysis is carefully considered and systematically executed, your modelling seems credible and appealing . Hence, your general argument or approach is conceived as well supported.	20		
DESIGN AND FORMAT – THE “POSTER”			
Criteria	Max	Awarded	Comments
The representation of your research is logically arranged ; headings and subheadings, textboxes and columns, and the placement of graphics present your information so that it can be easily perceived and assessed by viewers. Your text is “chunked” into readable passages with font size large enough to be read from 2 meters away. It was carefully edited and proofread for quality academic English.	10		
Your poster is a visually engaging composition, revealing attention to design features such as color, font, images and data visualization; all of these features indicate an attempt to be aesthetically appealing . Your poster suggests that you invested time and effort into its production; it has an overall professional appearance .	10		
TOTAL MAX	100		Total Awarded