

School of Management

MGMT 2105 **East Asia Business Enterprise**

Course Outline **Semester 2, 2017**

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Dr. Xiaoli Sang
Room ASB 570
Email: xiaoli.sang@unsw.edu.au
Consultation Times –by appointment

Tutor names: Dr. Xiaoli Sang Consultation Times-by appointment

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures start in Week 1(to Week 13): The Time and Location are:
Lecture: Wed 4pm-6pm ChemSc M10

Tutorials start in Week 2 (to Week 13). The Groups and Times are:
Tutorial: Wed 2pm-3pm Law 388
Tutorial: Wed 3pm-4pm Law 302

2.2 Units of Credit

The course is worth 6 units of credit.

2.3 Summary of Course

This course provides a thematic and strategic perspective on management practices in East Asia, as a key region in global business. It pays critical attention to the management practices of corporations and organisations in Japan, Korea, and China and analyses how firms outside the regions can deal with East Asian corporations. The course focuses on comparative analyses of business systems and international corporate strategies and management styles. The course provides students with the conceptual tools and cases to understand managerial systems and performance; comparative analyses of business systems in Japanese Keiretsu, Korean business groups and Chinese business enterprises; corporate governance and human resource management practices; globalisation of East Asian firms and their foreign direct investment; impact of culture on management styles and decision making; organisational structures including subsidiary control; and foreign corporations operating in East Asia.

2.4 Course Aims and Relationship to Other Courses

East Asian Business Enterprise (MGMT 2105) provides a strategic perspective on comparative business systems and corporate strategy in East Asia. It pays critical attention to the corporate strategies adopted by firms in Japan, Korea, China and overseas Chinese firms. It provides a comparative analysis of both management systems and business strategies of the four distinct groups in East Asia, and analyses how firms outside the regions can deal with East Asian corporations.

Although MGMT3102 Asia-Pacific Business covers East Asian countries, this course differs from MGMT3102 as it deals with firm-level strategies of companies competing in

East Asia (Japan, Korea and China), while MGMT3102 covers the entire Asian Region, with a focus on the institutional and policy factors.

2.5 Student Learning Outcomes

The key focus of this course is on comparative analyses of business systems, corporate strategies, and management styles in East Asia (Japan, Korea, and China). By the end of this course students should be able to:

1. Explain organisational structures and forms of business enterprises in East Asia including sub-contracting and buyer-supplier networks, just-in-time management and quality control;
2. Explain the globalisation patterns and strategies of Korean, Japanese and Chinese firms, including headquarter-subsidary relations and foreign direct investment;
3. Analyse business systems, government-business relations, corporate governance and human resource management practices in Japanese Keiretsu, Korean *Chaebol* and Overseas Chinese Business and State enterprises in China;
4. Apply tools, techniques, and frameworks to analyse business cases and actual business situations in the area of East Asian business;
5. Build up a good foundation for further study in international business; and
6. Collaborate effectively to research contemporary East Asian business topic issues and communicate in a professional report, group discussions and presentations.

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. 'be an effective team player'). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. 'participate collaboratively and responsibly in teams').

For more information on Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at <https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

Program Learning Goals and Outcomes	Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following</i>	<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the</i>

<i>learning goals for all Business undergraduate students:</i>			<i>following items:</i>
1	Knowledge	Appreciate and explain the differences in the business systems, corporate strategies and management styles in the three leading economies in Asia.	<ul style="list-style-type: none"> • Case discussion and presentation • Report • quiz and final exam
2	Critical thinking and problem solving	Use the knowledge and comparative perspective developed in class to assess (1) the changing business contexts in Japan, Korea and China and (2) the internationalisation of corporations from these countries.	<ul style="list-style-type: none"> • Case discussion and presentation • Report • quiz and final exam
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • Report • quiz and final exam
3b	Oral communication	Communicate ideas in a succinct and clear manner.	Case discussion and presentation
4	Teamwork	Work collaboratively to complete a task.	Group report and case discussion and presentation
5a.	Ethical, social and environmental responsibility	Identify and assess environmental and sustainability considerations in problems in international macroeconomics.	
5b.	Social and cultural awareness	Appreciate the diversity of cultural, political and social traditions that give rise to different business systems and management styles.	<ul style="list-style-type: none"> • Case discussion and presentation • Report • quiz and final exam

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

This course consists of lectures and tutorials. During the lecture, theories and other relevant information will be expounded by the lecturer. As the course emphasises interactive learning, students are encouraged to ask questions and express feedbacks during the lectures. However, major discussions take place during the tutorials, where students will also present their research outcomes.

3.2 Learning Activities and Teaching Strategies

Study groups comprising 2-3 students are formed in the first tutorial, and students work and react within and across the groups in the tutorials throughout the session. These study groups take turns to present case study, and provide joint comments on other group's presentations. Students should explain how the material relates to the theory discussed in the text. All students are required to take active part in the discussions in

class. In order to gain the most from the lectures and tutorial activities, the assigned text/reading should be read before the lecture to participate in the discussions.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).

4.2 Assessment Details

Assessment Task	Weighting	Due Date
Lecture (5%) and tutorial (5%) attendance	10%	Weekly
Tutorial Participation	10%	Weekly
Quiz	15 %	In-class; Week 9
Group Presentation & Discussion	15%	Tutorial
Group Project	15%	Tutorials in Week 12
Exam	35 %	TBA
Total	100%	

Lecture and Tutorial Attendance (10%)

You need to attend at least 80% of scheduled lectures and tutorials in order to pass the course. I will conduct random attendance checks (3 or 4 times) in the course of the semester starting in Week 2. Absence from more than three classes during the semester will result in a zero participation grade.

Tutorial Participation (10%)

Students will be assessed on their participation and quality of contribution towards class discussion in the weekly tutorials.

Presentation and discussion facilitation (15%)

Groups of two to three students will be formed in Week 1. The exact size of groups will depend on the number of students in each tutorial. Each group will be responsible for a presentation of a case analysis. The full presentation should be approximately 20 minutes and will be followed by class discussion. Groups will be rated on their presentation style, ability to facilitate and lead class discussion and answer questions from other class members, and effectiveness of their own solution to the question(s). The course coordinator may adjust the marks of individual group members if there is

substantial evidence that they did not contribute to the presentation. Please refer to the group oral presentation assessment sheet. Each presentation group will also be responsible for facilitating a class discussion. Discussion facilitation is an important skill to have. Formulating stimulating and relevant discussion questions and engaging other students are essential to successful discussion facilitation. Please refer to the discussion facilitation assessment sheet.

Group Project (15%)

You are required to submit a project report in groups of two or three. You are required to find a topic that interests your group members. Your project should involve some comparative dimension. You can choose to compare two or more countries, industries, and/or companies. You need to define a clear question that you would like to address in your report and how you go about answering your question.

Length and Style: Maximum 3000 words excluding footnotes, figures and references. The format for assignments is to be double spaced with 2.54 cm margins and font size of 12 cpi. Please show the word count, along with all other details on the cover sheet. Be as concise as possible, avoid verbosity. Your project will be assessed for analytical content and presentation. All work must be original and must not have been submitted for any other subject or course here or elsewhere. Copying or plagiarising works of other authors, including your fellow students or cutting and pasting from the Internet and other sources is an offence and will attract heavy penalty. Follow Harvard Reference Format. <https://www.business.unsw.edu.au/Students-Site/Documents/Harvardreferenceguide.pdf>

Due Date: Your final project report is due in Week 12. Please submit your proposal and final project report to your tutor at the beginning of your tutorial.

Quiz (15%) and Final Exam (35%)

Quiz will be given in Week 9. Final exam will be held during exam period (TBA). Extensions will only be granted on medical or compassionate grounds under extreme circumstances, and will not be granted because of work and other commitments. Requests for extensions must be made in writing to the Course Coordinator **prior** to the due date. Medical certificates or other evidence of extreme misfortune must be attached and must contain information that justifies the extension sought. Late assignments, which have not been granted an extension, will incur a penalty of 10 per cent of the assigned mark per day.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

5 COURSE RESOURCES

Students are required to purchase the book of readings and cases for the MGMT 2105 course, in addition to the textbook. Please note that it is very important to gain familiarity with the subject matter in the readings and cases prior to attendance in classes.

Study Kit

Students are advised to purchase a study kit which includes additional. The study kit is available at the bookshop.

Articles and Cases NOT in Study Kit

You can download articles and cases not found in Study Kit through the UNSW library website. I will also post links for the Harvard Business School cases in the course website.

The website for this course is on Moodle at:
<http://moodle.telt.unsw.edu.au>

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6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through CATEI evaluations.

7 COURSE SCHEDULE

Note:

1. The links for the Rakuten, LG and Daewoo cases will be provided in the course website.
2. Readings indicated by # are in the course study kit and all other readings can be downloaded through the UNSW library system.

Week 1 Lecture (26 July): Introduction No tutorials

#Chen, Min. 2004. Chapter 1 from *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*. 2nd Edition.

Forming groups and how to prepare case presentations

Week 2 Lecture (2 August): Japanese Management Style

#Chen, Min. 2004. Chapter 13 from *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*. 2nd Edition.

McGuire, J., & Dow, S. 2008. "Japanese keiretsu: Past, present, future." *Asia Pacific Journal of Management* 26(2): 333-351.

Week 2 Tutorial (2 August)

Case: #Allison, R (1993), "Nissan Motor Manufacturing (UK): A successful mixed marriage" in Preston, J (ed.) *International Business: Text & Case*. London: Pittman publishing pp.194 – 204.

Case questions:

- [1] To what extent has Nissan adapted 'traditional' Japanese management practices to cater for the British cultural environment?
- [2] Should/could European carmakers adopt the Nissan philosophy and manufacturing techniques?
- [3] What lessons can be drawn from Nissan's experience in the UK?

Week 3 Lecture (9 August): Recent Changes in the Japanese Business System

Aoki, Katsuki, and Thomas Taro Lennerfors. 2012. "Wither Japanese keiretsu? The transformation of vertical keiretsu in Toyota, Nissan and Honda 1991-2011. *Asia Pacific Business Review*: 1-15.

Ahmadjian, C. L., & Robinson, P. (2001). Safety in numbers: Downsizing and the deinstitutionalization of permanent employment in Japan. *Administrative Science Quarterly* 46(4), 622-654.

Week 3 Tutorial (9 August)

Case: Tezuka, H. (1997) "Success as a source of failure? Competition and cooperation in the Japanese economy." *Sloan Management Review*, 38(2): 83-93

Case questions:

- [1] How did Japanese firms create competitiveness through cooperation?
- [2] What are the author's main counterarguments to the frequently cited criticisms of Japanese business system as a fundamentally 'closed' collusive system?
- [3] What challenges have Japanese companies been facing since the 1990s?
- [4] What would you suggest to Japanese firms to overcome their increasingly declining profitability?

Week 4 Lecture (16 August): Internationalisation Strategy of Japanese Firms

Delios, A., & Henisz, W. J. 2003. Political hazards, experience, and sequential entry strategies: the international expansion of Japanese firms, 1980–1998. *Strategic Management Journal* 24(11): 1153-1164.

Collinson, Simon, and Alan M. Rugman. 2008. "The regional nature of Japanese multinational business." *Journal of International Business Studies* 39: 215-230.

Week 4 Tutorial (16 August)

Case: McFarlan, F. Warren, Andrew P. McAfee, Thomas Eisenmann, and Masako Egawa. 2005. Rakuten. Harvard Business Case 9-305-050.

Case questions:

- [1] What distinguishes Rakuten from other major Japanese corporations?
- [2] What are the factors that contributed to Rakuten's early success?
- [3] What is Rakuten's business Model? Is it sustainable?
- [4] What are the challenges facing Rakuten and how would you advise Hiroshi Mikatani?

Week 5 Lecture (23 August): Korean Management System

#Chen, Min. 2004. Chapter 15 in *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*. 2nd Edition

Lee, Jangho, Thomas W. Roehl, and Soonkyoo Choe. 2000. "What makes management style similar and distinct across borders? Growth, experience and culture in Korean and Japanese firms." *Journal of International Business Studies* 31(4): 631-652.

Rowley, Chris, and Johnngseok Bae. 2004. "Big Business in South Korea: The Reconfiguration Process." *Asia Pacific Business Review* 10(3/4): 302-323.

Week 5 Tutorial (23 August)

Case: Enright, M., E. Tran, J. Newton. 2001. Daewoo and the Korean Chaebol. (HKU143-PDF-ENG)

Case questions:

- [1] How has the role of chaebol groups changed over the years?
- [2] How did Daewoo's strategies change over the course of its history? How did its strategies contribute to its success and also to its ultimate demise?
- [3] What were the factors that created the crisis of chaebol?
- [4] What would you recommend to FSC Chairman Lee? Nationalize or not? What would be the consequences of each option for the reform and for the Korean economy?

Week 6 Lecture (30 August): Business Strategy of Korean Companies

Chang, S. J., & Hong, J. 2000. Economic Performance of Group-Affiliated Companies in Korea: Intragroup Resource Sharing and Internal Business Transactions. *Academy of Management Journal*, 43(3): 429-448.

Rugman, Alan M. and Chang Hoon Oh. 2008. "Korea's multinational in a regional world." *Journal of World Business* 43: 5-15.

Khanna, Tarun, Jaeyong Song, and Kyungmook Lee. 2011. The Paradox of Samsung's Rise. *Harvard Business Review*, July-August 2011.

Week 6 Tutorial (30 August)

Case: Ramasway, Kannan. 2007. LG Electronics: Global Strategy in Emerging Markets. (TB0073-PDF-ENG)

Case questions:

- [1] What were the key strengths of the Korean electronics industry during the formative years? How did firms leverage these advantages to enter developed-country markets?

- [2] Trace the strategic growth of LG Electronic. Were there any distinct patterns in terms of the company's approach to emerging markets? Trace the commonalities across its strategies in the BRIC countries.
- [3] What are the critical points of learning that can be distilled from its success in emerging markets? How may these advantages be leveraged to compete in developed countries? Are the advantages transferable?

Week 7 Lecture (6 September): Great Chinese Transformation

Redding, Gordon and Michael Witt. 2007. Chapter 6. The state-owned enterprises, In *The Future of Chinese Capitalism: Choices and Chances*. Oxford: Oxford University Press.

Garnaut, Ross, Ligang Song, and Yang Yao. 2006. "Impact and Significance of State-Owned Enterprise Restructuring in China." *The China Journal* 55: 35-63.

Week 7 Tutorial (6 September)

Case: #Chang, Sea-Jin. 2006. Chapters 1 and 5. *SONY VS. SAMSUNG: The Inside Story of the Electronics Giants' Battle for Global Supremacy*. New York: Wiley.

Case questions:

- [1] Describe and discuss the similarities and differences between Sony and Samsung.
- [2] How did the differences in strategies between the two companies contribute to the performance difference between the two?
- [3] What lessons would you draw from these two cases?

Week 8 Lecture (13 September): Strategies for Foreign Firms in China

Pu, Hualin, and Ying Que. 2004. "Why Have Some Transnational Corporations Failed in China?" *China & World Economy* 12 (5): 67-79.

Luo, Yadong. 2007. "From foreign investors to strategic insiders: Shifting parameters, prescriptions and paradigms for MNCs in China." *Journal of World Business* 42: 14-34.

#Wank, David. 2002. "Business-state Clientalism in China: Decline or Evolution?" In Gold, Guthrie, and Wank (eds.) *Social Connections in China*. Cambridge: Cambridge University Press.

Week 8 Tutorial (13 September)

Case: #L. Heracleous. 2010. "The Chinese Beer Industry (A & B): The demise of foreign competitors in the Chinese Beer Industry." Pp. 119-32 in Singh, K., Pangakar, N. and L. Heracleous (eds.), *Business Strategy in Asia: A Casebook*, 3rd edition. Singapore: Cengage.

Case questions:

- [1] Describe the characteristics of China's beer industry.
- [2] What are the opportunities and challenges facing foreign companies operating in this industry in China?

- [3] What strategies did South African Breweries (SAB) adopt in China to outperform other foreign brewers?
- [4] Do you think SAB's strategies will give them sustainable competitive advantage in China? And why? What are the lessons for other foreign companies operating in the same industry and also in other industries in China?

Week 9 No lecture and tutorial

Week 10 Mid-term Recess (23 September- 2 October)

Week 11 Lecture (4 October): Strategies Chinese Private Firms

Li, Hongbin, Lingsheng Mengs, Qian Wang, and Li-An Zhou. 2008. "Political Connections, financing and firm performance: Evidence from Chinese private firms." *Journal of Development Economics* 87: 283-299.

Deng, Ping. 2007. "Outward investment by Chinese MNCs: Motivations and implications." *Business Horizons* 47(3): 8-16.

Week 11 Tutorial (4 October)

Case: Wei, L., & Zou, X. (2007), "IKEA in China: Facing dilemmas in an emerging economy." *Asian Case Research Journal* 11(1): 1-21.

Case questions:

- [1] What are IKEA's competitive advantages? Why are these advantages not sustainable in China?
- [2] Describe IKEA's expansion plan. Would a more aggressive expansion in China help IKEA?
- [3] How would you suggest IKEA to respond to the China market?

Week 12 (11 October): Strategies for Overseas Chinese Firms

Yeung, H.W.C. 2006. "Change and Continuity in Southeast Asian Ethnic Chinese Businesses." *Asia Pacific Journal of Management* 23: 229-254.

Week 12 Tutorial (11 October)

Case: Liu, Hong. 2002. "Strategic Implications of Emerging Chinese Multinational: The Haier Case Study." *European Management Journal* 20(6): 699-706.

Liu, Chuan Zhi. 2007. "Lenovo: An Example of Globalization of Chinese Enterprises." *Journal of International Business Studies* 38(4): 573-577.

Case questions:

- [1] Compare and contrast Haier's internationalisation and Lonovo's (e.g., motivation, strategy, process, etc.)
- [2] Describe the major challenges and opportunities associated with their internationalisation efforts.
- [3] How did they overcome the challenges while exploiting the opportunities?

- [4] What are the lessons drawn from these cases regarding internationalisation of Chinese firms?

Week 13 (18 October) : Course Review

Week 13 Tutorial (18 October)

Case: #Panand, P. (2005) 'The changing dynamics of Thailand CP Group's international expansion' in L. Suryadinata (ed.) *Southeast Asia's Chinese Businesses in an era of globalization*. Singapore: ISEAS, pp. 321-363.

Case questions:

- [1] What features of the CP Group resemble a typical Overseas Chinese firm?
- [2] How did the CP Group seize opportunities for its growth before the Financial Crisis?
- [3] What are the main reforms that CP group has taken after the Financial Crisis? Do you think these reforms are effective?