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GE2120
Asian Values and
Managerial Practices

**AIS3544 Comparative
Management: China,
Japan and South Korea**

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A brief introduction into
the course syllabus and
assessment pattern
→ Master class schedule
(official syllabus)

The framework of the course:

Asian Values/Philosophies

The Yin-Yan, The Analects (Confucianism), Daoism (Roazi's wuwei/inaction), The Art of War (School of Military Strategy), Hanfeizi (Legalism)



Management
practices and
leadership behavior

Topic 1



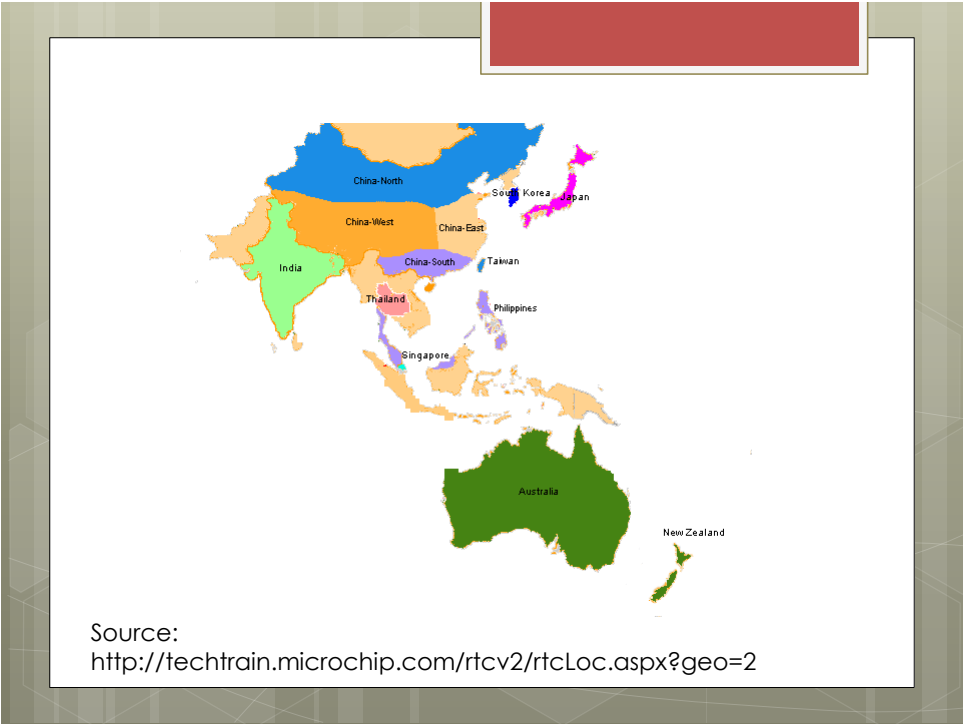
• Introduction: An Overview

1. Sub-regional categorisation
2. What is management/comparative management?
3. Major schools of thought in the study of comparative management (A brief introduction)
4. Confucianism and Asian management

From the Far East to Asia Pacific (the East Asia and Pacific)

- During the first decade of the 20th century, Asia was called the **Far East** (was seen as being far away?).
- And today **Asia Pacific** is used more frequently which mainly includes: **Mainland China, Hong Kong, Taiwan, S Korea, Japan, Singapore, Malaysia, Philippines, Vietnam, Thailand, Indonesia,**
- **High-performing Asian economies or The East Asian Miracle** (the World Bank).

(Lasserre & Schutte, 1999)



Sub-regional label(s)



Japan	The leading country for foreign exports (over 30% of the total export, IMF, 1997)
NIEs (New Industrialized Economies)	S. Korea, Taiwan, Hong Kong and Singapore 1950-1990
ASEAN (formed 1967, Association of South-East Asian Nations)	Indonesian, Thailand, Malaysia, Philippines, Singapore, Brunei, Vietnam
APEC (formed 1989, Asia-Pacific Economic Cooperation)	APEC's 21 member economies are: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.*
Mainland China	1970s Open policy – Greater China (Mainland, Hong Kong, Taiwan)

*Source: <http://www.apec.org/FAQ.aspx> Retrieved 09 Jan 2013

Das (2013)



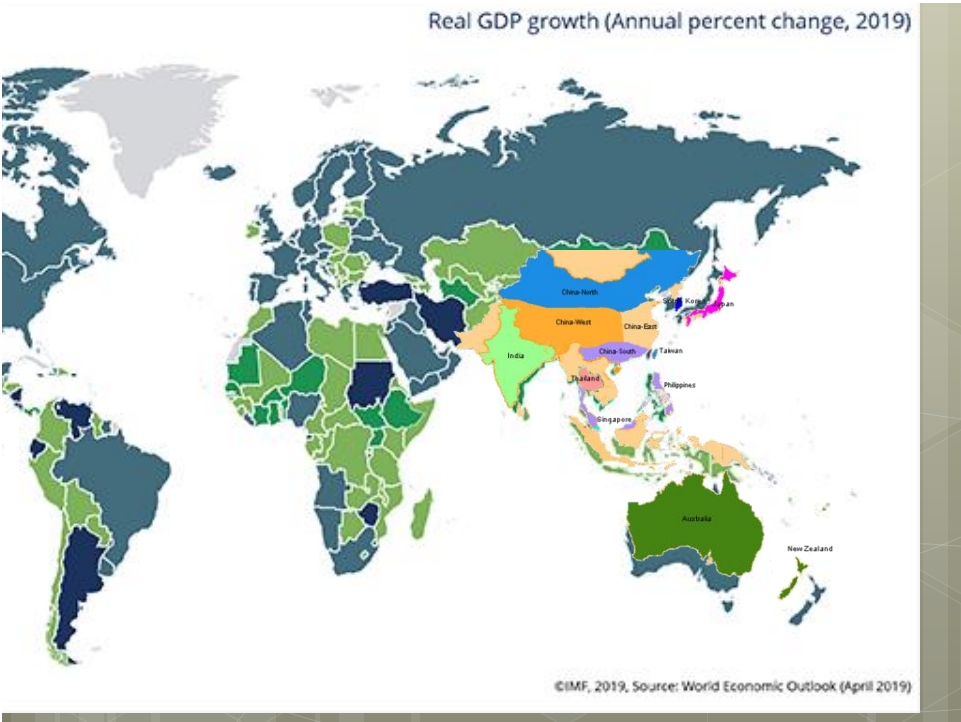
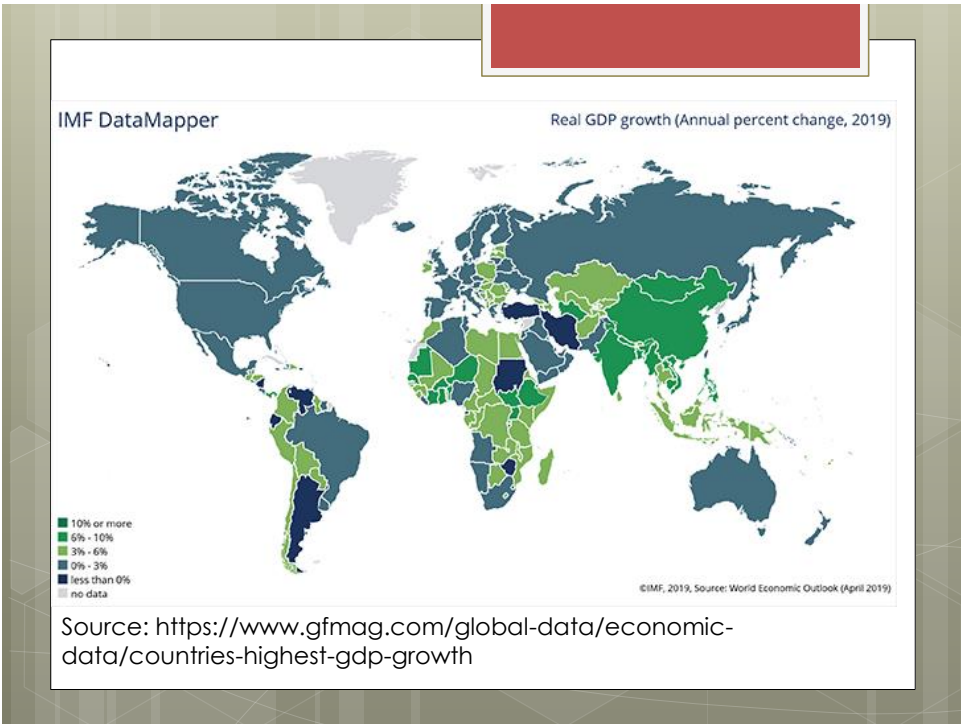
- Asian economies (EMEs/Emerging-market economies, e.g., brics, NIEs) well known for being successful traders
- Total world trade increased much faster than that of North America and the EU
- Asian economies → GDP Growth (The world bank, 2011)
- 74.65% (1985)
- 138.16% (2005)
- 129.48% (2009)

Recent reports by the World Bank

East Asia & Pacific

- East Asia and Pacific remains one of the main drivers of the world economy, accounting for nearly **two-fifths of global economic growth**.
- Growth in Developing East Asia and Pacific has remained resilient and is expected to **ease only modestly**, from 6.5% in 2015 to 6.3% in 2016 and 6.2% in 2017-18.
- The forecast reflects **China's gradual shift to slower**, more sustainable growth, expected to be 6.7% in 2016 and 6.5% in 2017, compared with 6.9% in 2015.
- The **Philippines and Vietnam have the strongest growth prospects**, both expected to grow by more than 6% in 2016. In Indonesia, growth is forecast at 5.1% in 2016 and 5.3% in 2017, contingent on the success of recent reforms and implementation of an ambitious public investment program.

- Source: <http://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update> Retrieved 26 Aug 2016
- <https://www.gfmag.com/global-data/economic-data/countries-highest-gdp-growth> (2017 - to show)



Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Avg Change
China	10.6	9.5	7.9	7.8	7.3	6.9	6.7	6.8	6.6	6.3	7.6
India	8.0	8.0	7.8	8.0	7.6	7.3	7.0	6.8	6.5	6.7	7.4
Philippines	7.6	7.7	6.7	7.1	6.1	6.0	6.9	6.7	6.3	6.5	6.8
Myanmar	5.3	5.6	7.3	8.4	8.0	7.0	5.9	6.8	2.1	6.4	6.3
Vietnam	6.4	6.2	5.2	5.4	6.0	6.7	6.2	6.8	7.1	6.5	6.3
Macao SAR	25.3	21.7	9.2	11.2	-1.2	-21.6	-0.9	9.7	4.7	4.3	6.2
Indonesia	6.4	6.2	6.0	5.6	5.0	4.9	5.0	5.1	5.2	5.2	5.5
Malaysia	7.5	5.3	5.5	4.7	6.0	5.1	4.2	5.9	4.7	4.7	5.4
Singapore	15.2	6.5	1.3	5.0	4.1	2.5	3.8	3.9	3.2	2.3	5.0
Thailand	7.5	0.8	7.2	2.7	1.0	3.1	3.4	4.0	4.1	3.5	3.7
Hong Kong SAR	6.8	4.8	1.7	3.1	2.8	2.4	2.2	3.8	3.0	2.7	3.3
Taiwan Province of China	10.6	3.8	2.1	2.2	4.0	0.8	1.5	3.1	2.6	2.5	3.3
South Korea	6.5	3.7	2.3	2.9	3.3	2.8	2.9	3.1	2.7	2.6	3.3
United States	2.6	1.6	2.2	1.8	2.5	2.9	1.6	2.2	2.9	2.3	2.3
Canada	3.1	3.1	1.8	2.3	2.9	0.7	1.1	3.0	1.8	1.5	2.1
Germany	3.9	3.7	0.7	0.6	2.2	1.5	2.2	2.5	1.5	0.8	1.9
Russia	4.5	5.1	3.7	1.8	0.7	-2.5	0.3	1.6	2.3	1.6	1.9
United Kingdom	1.7	1.6	1.4	2.0	2.9	2.3	1.8	1.8	1.4	3.5	1.8
South Africa	3.0	3.3	2.2	2.5	1.8	1.2	0.4	1.4	0.8	1.2	1.8
Brazil	7.5	4.0	1.9	3.0	0.5	-3.5	-3.3	1.1	1.1	2.1	1.4
Japan	4.2	-0.1	1.5	2.0	0.4	1.2	0.6	1.9	0.8	1.0	1.3
France	1.9	2.2	0.3	0.6	1.0	1.1	1.2	2.2	1.5	1.3	1.3
Spain	0.0	-1.0	-2.9	-1.7	1.4	3.7	3.2	3.0	2.5	2.1	1.0
Portugal	1.9	-1.8	-4.0	-1.1	0.9	1.8	1.9	2.8	2.1	1.7	0.6
Brunei Darussalam	2.7	3.7	0.9	2.1	2.5	0.4	2.5	1.3	0.2	4.8	0.6
Italy	1.7	0.6	-2.8	-1.7	0.1	0.9	1.1	1.6	0.9	0.1	0.2
Greece	-5.5	-9.1	-7.3	-3.2	0.7	-0.4	-0.2	1.5	2.1	2.4	1.9

Source:
International
Monetary Fund,
World
Economic
Outlook April
2019.
<https://www.imf.org/publications/external/press/2019/04/01/190401>
ql:
data/economi
c-
data/countries-
highest-gdp-
growth

What is Management (Managerial Practices)?

- Follett (1868–1933) defines management as
- "the art of getting things done through people"
- describes management as philosophy

see Fox & Urwick, 1982

Other definitions:

- An act, art or manner of managing, or handling, controlling, directing, etc.
- Skill in managing
- Executive ability
- Its activities include: planning, organizing, staffing, coordinating, motivating, leading and controlling, getting results effectively through other people by process of delegation

Montana & Charnov, 2000

Basic functions of management (Yukl, 2002)

- **Planning:** Deciding what needs to happen in the future (today, next week, next month, next year, over the next 5 years, etc.) and generating plans for action.
- **Organizing:** (Implementation) making optimum use of the resources required to enable the successful carrying out of plans.
- **Staffing:** Job Analyzing, recruitment, and hiring individuals for appropriate jobs.
- **Leading:** Determining what needs to be done in a situation and getting people to do it.
- **Controlling / Monitoring:** checking progress against plans, which may need modification based on feedback.
- **Motivating:** the process of stimulating an individual to take action that will accomplish a desired goal.

The human side of management (Teal, 1996)

- Managing is not a series of mechanical tasks but a set of **human interactions**
- Great management has to involve the kind of **respect showed for his subordinates**, and it must also involve **empowerment**

Diversified management systems

- Nowadays, management came to consist of many separate branches, namely:
 - *Human resource management
 - *Operations management or production management
 - Strategic management
 - Marketing management
 - Financial management
 - Information technology management
- With more recently, management is also divided into many specific areas such as knowledge management, change management, conflict management, time management, cultural management, etc.

Comparative management

- When these management systems and practices are compared between different countries, it is called cross-cultural management, intercultural management or comparative management.
- Definition: Comparative management, analyzes the similarities and differences between various management and business systems from one country or different countries.
 1. These comparisons can be made on large vs. small organizations or amongst various industries (within one country).
 2. Normally, comparative management refers to the comparisons of organizations and general aspects of management from different countries and cultures (Nath, 1988, see Chen, 2004).



1947/Sweden




1949/Japan



1969/United States



1975/Spain



Bosinni – 1987/HK



Giordano -- 1981/HK

Why study comparative management?

- To design the most effective organizational strategy and structure possible and make the most effective use of human resources in different cultures.
- A large portion of international business is conducted by multinational corporations that maintain operations in various countries (e.g., Uniqlo, Samsung). Managers must think and plan in global context.
- Expand the knowledge base by widening the range of variables over which a particular management or organizational issue can be understood.
- Improve the understanding of one's own culture, helping develop sensitivity toward and an appreciation of diversity in different cultural environments.

• Chen, 2004

The three approaches

- **According to Robinson (1978), there are three basic approaches to comparative management.**

1. The universalist approach
2. The economic cluster approach
3. The cultural cluster approach

see Chen, 2004

The Universalist

- Suggests that few major differences exist among managers from different social and cultural backgrounds
- Management theories and practices can be easily transferred from one culture to another



The Economic Cluster

- Contends that the **economic similarities** and differences among nations, or among groups of nations, constitute the most important basis for managerial tasks.



Hong Kong
Taiwan
South Korea
Singapore

Mainland China

India

US

UK

France

<http://www.isc.hbs.edu/competitiveness-economic-development/frameworks-and-key-concepts/Pages/default.aspx>

The Cultural Cluster

- Puts emphasis on how attitudinal and behavioral differences among cultures determine management tasks.



Confucian societies

Mainland China, Taiwan, Hong Kong, Macau, Korea, Japan, Vietnam, Singapore etc.

http://www.tlu.ee/~sirvir/IKM/Leadership%20Dimensions/clusters_of_world_culture.html



Values

- In the context of sociology, Rezsóhazy points out:
- “everything social actors appreciate, appraise, wish to obtain, recommend, set up or propose as an ideal, can be considered as a value.”
- “A system of values also varies from one culture to another” (Rezsóhazy, 2001: 16153)

Asian values (Confucianism) & management

- Asian management systems have been influenced to varying degrees by Confucianism and have developed under very different social and historical environments (Chen, 2004).
 - Korean *chaebol* – strong family values
 - Japanese *keiretsu* – trust, loyalty to business partners
 - Chinese business network – *guanxi*, face
 - Asian people – strong work ethic, pragmatic, thriftiness

Confucianism

- The Lun-yü (Analects) was compiled by the second generation of Confucius' disciples based primarily on the Master's sayings, preserved in both oral and written transmissions.
- Achieved its present form in the Sung dynasty under the direction of Chu Hsi (1130-1200). It consists of the Five Classics and the Four Books.

❖ The Four Books are:

1. Lun Yu (Analects) of Confucius
2. Chung Yung (Doctrine of the Mean)
3. Ta Hsueh (Great Learning)
4. Meng Tzu (Mencius)



❖ The Five Classics are:

1. Shu Ching (Classic of History) - collection of documents and speeches dating from the Later Han Dynasty (23-220 CE)
2. Shih Ching (Classic of Odes) - collection of 300 poems and songs from the early Chou Dynasty (1027-402 BC)
3. I Ching (Classic of Changes) - collection of texts on divination based on a set of hexagrams that reflect the relationship between Yin and Yang in nature and society
4. Ch'un Ching (Spring and Autumn Annals) - extracts from the history of the state of Lu 722-484, said to be compiled by Confucius
5. Li Ching (Classic of Rites) - consists of three books on the Li (Rites of Propriety)

Confucianism



- The five virtues: Ren (仁, Benevolence or Humaneness), Yi (義, Righteousness or Justice), Li (禮, Propriety or Etiquette), Zhi (智, Knowledge or wisdom), Xin (信, Integrity or trust).
- The four virtues: Zhong (忠, Loyalty), Xiao (孝, Filial piety), Jie (節, Contenance), Yi (義, Righteousness).
- Other components: 誠, honesty), Shu (恕, kindness and forgiveness), Lian (廉, honesty and cleanness), Chi (恥, shame, judge and sense of right and wrong), Yong (勇, bravery), Wen (溫, kind and gentle), Liang (良, good, kindhearted), Gong (恭, respectful, reverent), Jian (儉, frugal), Rang (讓, modestly, self-effacing).

Yao, 2000

- 『3-19』 定公問：「君使臣、臣事君、如之何」孔子對曰。「君使臣以禮、臣事君以忠。」
- [3:19] Duke Ding asked how a ruler should employ his ministers and how a minister should serve his ruler. Confucius replied, saying: "The prince employs his ministers with **propriety**; the ministers serve their prince with **good faith**."

Muller, 2011

- 『1-6』 子曰。「弟子、入則孝、出則弟、謹而信、凡愛衆、而親仁。行有餘力、則以學文。」
- [1:6] Confucius said: "A young man should **serve his parents** at home and be **respectful** to elders outside his home. He should be **earnest and truthful**, loving all, but become intimate with *ren* (*associate with the virtuous*). After doing this, if he has energy to spare, he can study literature and the arts."

Muller, 2011

- 『2-20』季康子問：「使民敬、忠以勤、如之何」子曰。「臨之以莊、則敬；孝慈、則忠；舉善而教不能、則勤。」
- [2:20] Jikangzi asked: "How can I make the people **reverent and loyal**, so they will work positively for me?" Confucius said, "Approach them with **dignity**, and they will be reverent. **Be filial and compassionate** and they will be loyal. Promote the able and teach the incompetent, and they will work positively for you."

Muller, 2011



Stay Humble!
We're just ordinary people...
Ethical leadership (Western) / Moral and Benevolent leadership (Chinese)
利人利己 (Helping others Helping yourself)



Chong, W. C.
Former CEO of
YATA
(supermarket)

Video in Chinese: <https://www.youtube.com/watch?v=39Y59XzGybs>

Click the following link to online Analects:

<http://www.acmuller.net/con-dao/analects.html#div-2> (Muller)

Or

http://www.camcc.org/_media/reading-group/lunyu/lunyu-en.pdf
(Legge)

English translations of the Classics by James Legge or A. Charles Muller

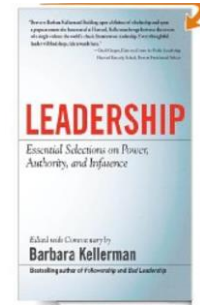
Source: <http://www.acmuller.net/con-dao/analects.html#div-2> or
http://www.camcc.org/_media/reading-group/lunyu/lunyu-en.pdf

Reading "Confucius Analects"...
Select one verse in which you find it relates to "Asian Management Philosophy" or you may base on your work experience to share your ideas on how to be a good leader/follower.

Online Task 1 – coming soon!

- Don't worry if you cannot join the in-class participation this time!!
- You can also join next time, with equal opportunities to all students!
- You can also do the online task 1 – to be posted with other questions in week 3/4.

Barbara Kellerman (2010)



- Comments on Confucius Analects (pp. 14-16)
- Kellerman, B. (2010). Leadership: Essential Selections on Power, Authority and Influences. NY: McGraw Hill.

Vission

- 『2-15』 子曰。「學而不思則罔、思而不學則殆。」
- [2:15] Confucius said: "To study and not think is a waste. To think and not study is dangerous."

Muller, 2011

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- Yao, X. (2000). *Introduction to Confucianism*, Cambridge: Cambridge University Press.

Weekly Online Readings

- Core reading
- **The Analects of Confucius 論語 (n.d.)**. (A. Charles Muller, Tran.). Retrieved from <http://www.acmuller.net/condao/analects.html#div-2>
- Further reading
- Ventura, L. (2020, June). Countries with Highest GDP Growth 2020: Developing Asian and African countries lead with fastest GDP growth in the world. *Global Finance*. Retrieved from [Countries with Highest GDP Growth 2020 | Global Finance Magazine \(gfmag.com\)](https://www.gfmag.com/countries-with-highest-gdp-growth-2020/)