

A study on Sun Pin's art of business management strategies matching the MBNQA criteria for business competitiveness

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Abstract

The recent growth of interests in applying the Chinese art of warfare to complement the Western style of management process suggested that an integrated business model that combined the Western scientific management and ancient Chinese wisdom could be an effective tool for gaining strategic advantages, especially for companies that want to share the newly opened markets in mainland China. Among all, Sun Tzu's *The Art of War* has been widely adopted and applied in various business areas. However, there are few presentations with strategic models. Moreover, works on his successor, Sun Pin, are limited particularly to the area of applying his art of warfare in gaining strategic advantages and transforming business crisis into opportunities. While various business and quality management models at national level have been established by various countries to emphasise their differences in economic development and culture, models of similar type that make use of the ancient Chinese wisdom are not available either in Hong Kong or in China. As China has become a member of the WTO, a national model that framed both the Chinese management philosophy and Western management wisdom would certainly help in driving local and international enterprises for business competitiveness. This paper is therefore a first attempt to investigate the applicability of Sun Pin's *The Art of Warfare* for business management strategies by amalgamating the Western wisdom and the Chinese art of warfare.



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Introduction

Literature surveys reveal that substantial researches on strategic management have been performed over decades with various focuses on devising critical factors for strategic success or how to adapt those well-developed strategic models, including the implementation of the quality management models as a corporate strategy for global competitive advantage. Different approaches for gaining strategic advantages exist, and there is no perfect model for all organisations. Among all, the use of quality management models has become one of the major focuses recently for organisations to gain performance excellence within the strategic management process. Nevertheless, they have the common characteristics of the establishment of a quality system as an integral part of total quality management for strategic advantage (Ma, 1995). It seems that the reduction of variation, continuous improvement of products and services to meet the customers' needs with the lowest costs become one of the major trends for today's organisations, especially after the economic crisis recently.

While the western approach mainly relies on continuous improvement and total quality management as the engine to drive the organisation to the point where they are more competitive against their competitors, there is not too much discussion on how managers should deal with the various external environmental situations (Pruett and Thomas, 1996; Courtney *et al.*, 1998). In other words, different managers have different perspectives and thus approaches to deal with the same situational crisis, and the results might vary from organisation to organisation.

According to Puay *et al.* (1998), at least nine major quality awards are being developed at national level. However, Garvin (1991) mentioned that most companies adopt the Malcolm Baldrige National Quality Award model (MBNQA) as a total quality

management blueprint to improve the product quality and organisation performance, since it codifies the principles of quality management in accessible language and provides organisations with a framework for assessing their progress towards the new knowledge economy.

MBNQA model

Although the MBNQA has been widely adopted by most companies, it has less emphasis on people satisfaction, and how the organisations manipulate their operation strategies to level the impact on society. In other words, the entire model aims at achieving quality and operation excellence for customer satisfaction, and hence overall business success, through an integrated system, which consists of the management of process quality, human resource management, strategic quality planning as well as information analysis. While Tummala and Tang (1996) pointed out that the major purpose of the MBNQA is to promote awareness of quality to increase competitiveness, Courtney *et al.* (1998) claimed that it fails to predict a company's competitiveness, since such traditional approach to performance excellence holds the assumption that management can predict the future of the business accurately enough to allow them to choose a clear strategic direction by applying a set of powerful analytical tools, "but what happens when the environment is so uncertain that no amount of analysis will allow us to predict the future?"

Managing for the future with uncertainties requires a new way of thinking about strategy (Courtney *et al.*, 1998; Parnell *et al.*, 2000). Frigo and Litman (2001) thus suggested that an ongoing re-evaluation and redesign of executable business strategies to both international and external environments are important for organisations, and that the superior strategies of the Chinese art of war could be applied to gain performance excellence for organisations striving to keep abreast of turbulent environments.

Recent reviews of the literature also suggested that the Chinese art of warfare has been applied in various business areas for

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strategic advantages. However, there are few presentations with strategic models (Lee *et al.*, 1998).

Chinese art of warfare for business excellence

Low and Sirpal (1995) pointed out that the modern-day Western business and corporate strategies with ancient Chinese classical strategies of war have considerable overlap in concepts, and that the Chinese people have already faced and dealt with the same problems more than 2,000 years ago (Low, 2001). While Frigo and Litman (2001) believed that we could seek out the long-standing elements of superior business and execution with Sun Tzu's *The Art of War* rather than the latest Internet business model, Low and Lee (1997) stressed that "more could be gained, if Western management wisdom could be cross-fertilised with oriental thinking and philosophies".

With China joining the WTO, the growth of interest in applying the Chinese philosophy of the art of war to complement or enhance the Western style of management process has increased. Taking all into consideration, Sun Tzu's *The Art of War* has been widely adopted and applied in the areas of marketing, business management, quality management, project management and strategic thinking (Tan and Low, 1996; Ho and Choi, 1997; Lee *et al.*, 1998; Lo *et al.*, 1998; Pang *et al.*, 1998). However, works on his successor Sun Pin are limited, particularly in the area of applying his philosophy in gaining strategic advantage and transforming business crisis into opportunities. It is therefore a first attempt to investigate the applicability of Sun Pin's philosophy of the art of warfare for business management strategies by amalgamating Western and Eastern thinking for performance excellence.

History of Sun Pin

Sun Pin (ca. 380-316 BC) (Lau and Ames, 1996) was the key adviser of King Wei, the ruler of the state of Ch'i during the mid-fourth century BC. This period in China's history was known as the warring states era with unprecedented violence.

Sun Pin was a direct descendant of the distinguished military theorist Sun Tzu. Sun Pin's *The Art of Warfare* has been lost for some 2,000 years and was rediscovered only by chance in April 1972 from a Han dynasty tomb in Shantung Province dating from between 134 and 118 BC. It is believed that Sun Pin's philosophy on warfare took up where

Sun Tzu's *The Art of War* left off, and it "is an integral phase in the Sun Tzu lineage with military wisdom that was passed on, edited and refined in a process extending from generation to generation over the turbulent centuries leading to the unification of China in 221 BC" (Lau and Ames, 1996).

Sun Pin drew on battles he had fought as well as examples from earlier history to explore the nature, purpose, and effective conduct of war. According to Lau and Ames (1996), the key concepts he raised include good leadership, the importance of strategy and morale, and the advantages to be gained from adaptability, display and discretion.

Sun Pin's *The Art of Warfare*

To examine the works of Sun Pin's *The Art of Warfare*, the authors studied the original translations of each chapter based on Lau and Ames' book *Sun Pin: The Art of Warfare*. This book was selected for study, since the two authors were "two of the world's foremost interpreters of early Chinese philosophy ... [and present] ... a sophisticated analysis that deepens our understanding and appreciation of the wide scope of philosophical discourse in ancient China" (Robin (1996) in Lau and Ames (1996)).

With Lau and Ames' book, all the translated scripts of Sun Pin's *The Art of Warfare* were examined. Scripts that are considered to be relevant to the MBNQA criteria or current business management strategies were identified. Eighty-seven translated scripts were selected and considered to be relevant to the categories of leadership, strategic planning, customer/people, information and analysis, human resources, process management, and business results.

These scripts were then grouped systematically and logically under each of these seven categories, where appropriate. In order to facilitate reading and understanding Sun Pin's *The Art of Warfare* in relation to modern business management, the authors also established the associated modern annotation for these 87 scripts. They are presented in Tables I to VII.

Each of these Tables thus contains three columns. The first column annotates the sources of the selected scripts. The second column lists the original translation of Sun Pin's scripts that are considered to be relevant in accordance with the defined category. The third column provides each of these corresponding scripts with a modern annotation to business management strategies.

Table I

Sun Pin's *The Art of Warfare* and modern annotation – leadership

1 Leadership

Translations from the Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The questions of King Wei of Ch'i Chapter 3, p. 138	The level (<i>Ch'uan</i>) is a means of pulling the troops together	1 Authority can strengthen the cohesion of all staff
On selecting the troops Chapter 5, p. 150	If he is not loyal to his king, he dare not deploy the king's troops	2 One who is not loyal to his boss cannot manage his subordinates with audacity
On selecting the troops Chapter 5, p. 149	For the ruler to keep the commanders under his control will lead to defeat	3 It is difficult for a manager without the authority of decision making to succeed in management
On selecting the troops Chapter 5, p. 150	To be at odds with your commanders will lead to defeat	4 It is difficult to succeed in management, if one refuses to accept the ideas of subordinates
(The real nature of the military) Chapter 10, p. 167	If one desires to know the reality of the military, it is through using the crossbow and bolt as a model. The bolt corresponds to the troops, the crossbow is the commander, and the archer is the ruler	5 The relationship of the boss, the manager and the staff is like that of the archer, the bow and the arrow
(The real nature of the military) Chapter 10, p. 168	Even where the strength of the troops is properly distributed and they have been appropriately deployed front [and rear, and where a <i>harmony of purpose</i> exists between commander and troops, if the policies or directives of the ruler himself are ineffective,] he will still be unable to triumph over his enemy	6 If the manager is not brilliant, he will fail, even if the conditions are favourable
Raising and keeping morale high Chapter 13, p. 177	In assembling the armies and mobilizing the population for war ... [make every effort to rouse their morale]	7 Encouragement is the essential element of management
The excellence (<i>te</i>) of the commander Chapter 25, p. 235	For the ruler's orders not to be allowed entry into the headquarters of the high command, this constitutes the <i>immutable constant</i> principle for the commander	8 The boss should grant the manager the authority of decision making
On selecting the troops Chapter 5, p. 150	If he does not dare to get rid of the incompetent, the people will not hold him in awe	9 Employees will be fearless, if those who make mistakes are not penalised
The moon and warfare Chapter 6, p. 155	In a large state of 10,000 chariots, the only avenue to maintaining stability, to enhancing the influence of its king, and to preserving the lives and property of its people, is to master the way (<i>tao</i>)	10 Only by keeping in line with the trends of social developments can you make your business thrive
The rightness (<i>yi</i>) of the commander Chapter 24, p. 233	Rightness (<i>yi</i>) is like the head of an army	11 Morality and justice are like the head of management

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Table I

1 Leadership

Translations from the Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The rightness (yi) of the commander Chapter 24, p. 233	Benevolence (<i>jen</i>) is like the heart of an army	12 Benevolence and humanity are like the stomach and heart of management
The rightness (yi) of the commander Chapter 24, p. 233	Excellence (<i>te</i>) is like the hands of an army	13 Moral integrity is like the left and right hands of management
The rightness (yi) of the commander Chapter 24, p. 233	Good faith (<i>hsin</i>) is like the feet of an army	14 Trustworthiness and honesty are like the two legs of management

Table II

Sun Pin's *The Art of Warfare* and modern annotation – strategic planning

2 Strategic planning

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
(An audience with King Wei of Ch'i) Chapter 2, p. 129	Military situations must be examined with the greatest care	15 Plan the operations and management of the company with great care
The questions of King Wei of Ch'i Chapter 3, p. 133	To be superior in both numbers and strength and yet to still ask how to employ one's troops is the way (<i>tao</i>) to keep a state safe and secure	16 Even if the company is very strong financially and well established, it still has to weigh every factor
The questions of King Wei of Ch'i Chapter 3, p. 138	Planning is a means of making the enemy lax	17 The aim of employing strategies is to make competitors find it impossible to defend effectively
The questions of King Wei of Ch'i Chapter 3, p. 138	Deceit is a means of harassing	18 The aim of disguising itself is to make competitors find it difficult to know the actual situation
The questions of King Wei of Ch'i Chapter 3, p. 139	The most urgent matter in military affairs is to always take the offensive rather than the defensive	19 The main point of competitions is to attack the weakness of competitors
The questions of King Wei of Ch'i Chapter 3, p. 140	When employing the military, those who do not make proper preparations will suffer injury (<i>shang</i>)	20 Running a business without a plan means definitely losing money
(Military mistakes) Chapter 23, p. 229	In spite of excellent deployment and a thorough knowledge of both placement and the terrain, the army is still repeatedly confounded by the enemy; it is because one does not understand what brings about victory for the state and victory in war	21 The business will fail without overall planning, even though other favourable factors are available

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Table II

2 Strategic planning

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
(Military mistakes) Chapter 23, p. 229-30	That it is unable to foresee good fortune and disaster before they take shape is because it has failed to understand what it means to be prepared	22 If we cannot forecast the trends of development in the future, it will be difficult to formulate counter-measures in advance
(An audience with King Wei of Ch'i) Chapter 2, p. 129	One who takes pleasure in war will perish, and one who covets the spoils of victory will incur disgrace	23 If we are proud of our own strength and too eager to win, we will be doomed to fail
(An audience with King Wei of Ch'i) Chapter 2, p. 129	Move into action only after having made thorough preparations	24 If all the material conditions are perfect, the whole company will work hard and love their jobs
The questions of King Wei of Ch'i Chapter 3, p. 138	Strategic advantage (<i>shih</i>) is a means of guaranteeing that they will fight	25 Authority can arouse the employees' will to fight
Sacrifice in battle Chapter 12, p. 175	Engage the enemy only when certain of victory, but do not let this be known to anyone	26 Only attack when you are sure to win. Do not let people know beforehand
The excellence (<i>te</i>) of the commander Chapter 25, p. 235	... it would mean two sources of command, and therefore two armies, and this would...	27 Always be conscious of the competition and strengthen the belief in success

Table III

Sun Pin's *The Art of Warfare* and modern annotation – customer and market focus

3 Customer and market focus

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The positions of invader and defender Chapter 20, p. 215	What is called being expert in warfare is to gain strategic advantage (<i>shih</i>) and occupy favourable terrain	28 Successful business activities must comply with the needs of the market
(Military mistakes) Chapter 23, p. 229	That it reaps little benefit after great effort is because it has failed to appreciate the matter of timing	29 Failure to make good use of opportunities means getting half the result with twice the effort
The questions of King Wei of Ch'i Chapter 3, p. 140	Those who champion rightness (<i>yi</i>) [are strong (<i>ch'iang</i>)]	30 Upholding trustworthiness and reputation is the only way to make the business thrive
T'ien Ch'i inquires about battlefield defences Chapter 4, p. 146	The way (<i>tao</i>) of Mister Sun is certain to be in accord with the heavens and the earth	31 The way of running a business must be in line with the benefits of society
(Military mistakes) Chapter 23, p. 229	That it is unable to overcome great adversity is because it cannot unite the will of the people	32 In order to overcome difficulties, we have to win the support of customers
(Fatal mistakes of the commander) Chapter 27, p. 239	If the people find the expedition hard, this can lead to defeat	33 If the interests of customers are infringed, it will lead to the failure of business activities

Table IV

Sun Pin's *The Art of Warfare* and modern annotation – information and analysis

4 Information and analysis

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The questions of King Wei of Ch'i Chapter 3, p. 137	Do not let your enemy know your plan	34 Do not let the competitors know confidential information on the company
On selecting the troops Chapter 5, p. 149	Its courage lies in strict adherence to directives	35 The system of the company is its strong guarantee
The expert commander Chapter 21, p. 221	The depth of the enemy's trenches and the height of his ramparts will not secure his position, nor will the resilience of his chariots and the sharpness of his weapons make him imposing, nor will the courage and boldness of his soldiers make him strong	36 Depending on the hardware alone cannot make the enterprise powerful and prosperous
The questions of King Wei of Ch'i Chapter 3, p. 137	Do not strike while there is any ambiguity about the situation	37 Do not invest unmindfully, if the future is unclear
The questions of King Wei of Ch'i Chapter 3, p. 139	In assessing the enemy's situation and analyzing natural hazards, you must ascertain relevant distances: [this is] the way (<i>tao</i>) of the [superior]	38 The manager should analyse and weigh every factor
The moon and warfare Chapter 6, p. 153	You must have the heavenly, earthly, and human advantage: that is, weather conditions, terrain, and harmonious troops. Otherwise, even in victory, you will suffer disaster	39 Without opportunities, favourable geographical position and the support of the people, the business is not secure, even if it is successful temporarily

Table V

Sun Pin's *The Art of Warfare* and modern annotation – human resources focus

5 Human resources focus

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The moon and warfare Chapter 6, p. 153	There is nothing between heaven and earth more exalted than man	40 Qualified personnel are the most important factor in management
The positions of invader and defender Chapter 20, p. 217	If we are able to divide the enemy's forces and to check his advance, however few troops we might have is more than enough. But if we cannot divide him or check his advance, even if we have several times his number, it is still not enough	41 A good disposition of manpower enables employees to do a job with skill and ease

(continued)

Table V

5 Human resources focus

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The questions of King Wei of Ch'i Chapter 3, p. 138	T'ien Chi asked, "Having fixed our formation, once we have gotten under way, how do we make sure that the troops will obey our commands?" Master Sun Pin replied, "by maintaining strict discipline and making incentives clear"	42 On the one hand, personnel management means strict discipline and, on the other hand, it means good prospects of gain for employees
The excellence (te) of the commander Chapter 25, p. 235	An infant; he should love them as he would a beautiful youth, he should respect them as he would a strict teacher; [but] he should use them as he would so much dirt or straw	43 We should treat our staff with concern and respect, and fully utilise their abilities
Carrying out the selection of personnel Chapter 11, p. 171	The way (tao) to employ the military and win the allegiance of the people is the same as weighing something on a set of scales and balances. A set of scales and balances should be used to select and promote superior and good men	44 Employing people with ability and virtue is the basic principle of recruitment
On selecting the troops Chapter 5, p. 149	The military's victory lies in the appropriate selection of troops	45 Selecting employees is the key to management
The rightness (yi) of the commander Chapter 24, p. 233	Rewards should be settled on the day, punishments should be meted out on the spot	46 Rewards and penalty should be done at the right time
(An audience with King Wei of Ch'i) Chapter 2, p. 129	Where the army is strong despite its limited numbers, it is because it has right on its side	47 If employees are loyal and devoted, a weak company can defeat a strong company
The questions of King Wei of Ch'i Chapter 3, p. 137	King Wei asked, "How am I to ensure that my people always obey my commands?" Master Sun Pin replied, "Always live up to your word"	48 Trustworthiness is the prerequisite of securing the obedience of employees
On selecting the troops Chapter 5, p. 149	The army's command being true to its word results in rewards for its troops that are clearly just	49 We can win the trust of the staff by giving them rewards and encouragement publicly
On selecting the troops Chapter 5, p. 150	If he does not live up to his word in dispensing rewards, the people will feel no gratitude toward him	50 If we do not keep our promise in rewarding the staff, they will not observe the ethics
The five kinds of training methods Chapter 15, p. 187	Those good at training their troops do so at the basics instead of changing their tactics at the moment of action	51 Continuous training on fundamental elements is important for employees to acquire the ability to adapt to changes and make a prompt decision beforehand

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Table V

5 Human resources focus

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The five kinds of training methods Chapter 15, p. 187	Training necessary when taking one's place in the state	52 Ethical training for employees is important for the growth and harmony of the organisation
The five kinds of training methods Chapter 15, p. 187	Training when maintaining a column in the field	53 The leader's training in strategic management is important for the organisation to turn an unfavourable into a favourable situation
The five kinds of training methods Chapter 15, p. 187	Training when taking one's place in the army in the field	54 Negotiation training for leaders is important for the organisation to win with minimal loss
The five kinds of training methods Chapter 15, p. 187	Training when taking one's place in a battle formation in the field	55 Training in the prompt allocation of resources is important

Table VI

Sun Pin's *The Art of Warfare* and modern annotation – process management

6 Process management

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
The questions of King Wei of Ch'i Chapter 3, p. 133	Look for defeat not victory in this particular action. Then deploy your main force in ambush to pound the enemy on his flanks. This is what is called great gain	56 Investing in side businesses can always score unexpected great successes
The questions of King Wei of Ch'i Chapter 3, p. 139	Attack him where he is not prepared, go by way of places where it would never occur to him	57 Seize the opportunity and open up new markets
Five postures and five situations in which an army respects conventions Chapter 22, p. 225	In confronting a strong and imposing enemy, face it with a subdued and malleable posture	58 For powerful opponents, we should avoid them temporarily and wait for the opportunity to come
Five postures and five situations in which an army respects conventions Chapter 22, p. 225	In confronting a haughty and arrogant enemy, effect a holding action by treating him with deference and respect	59 For proud opponents, we should be neither supercilious nor obsequious in order to deflate their arrogance
Five postures and five situations in which an army respects conventions Chapter 22, p. 225	In confronting a stubborn and obstinate enemy, entice him forward and then take him	60 For upright and straightforward opponents, we should make good use of odd tricks to lure them to be taken in
Five postures and five situations in which an army respects conventions Chapter 22, p. 225	In confronting an apprehensive and timid enemy, press in upon his front line, harass him from the side, and use deep trenches and high ramparts to obstruct his supply lines	61 For suspicious opponents, we should confuse them with feints and ambushes.

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Table VI

6 Process management

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
Five postures and five situations in which an army respects conventions Chapter 22, p. 225	In confronting a sluggish and weak enemy, harry and intimidate him, shake him up and frighten him, attack him if he dares to come out, and lay siege to him if he does not	62 For weak and delicate opponents, we should scare them with bluff and bluster
(Concentrated and sparse troops) Chapter 30, p. 250	It is because the enemy force is concentrated that he can be made sparse; it is because he has a full force that he can be made hollow	63 We must be good at turning unfavourable into favourable factors and attack the weakness of our opponents
Straightforward and surprise operations Chapter 31, p. 253	The changing calculus of forms which can lead one thing to prevail over another is as inexhaustible as the heavens and earth, which never wear out	64 The condition of the market is unpredictable
Straightforward and surprise operations Chapter 31, p. 254	Thus, the expert at warfare can reach the enemy's weakness from observing his strengths, and what he had in excess from observing in what he is deficient	65 We must thoroughly understand the weakness and strength of our opponents and do as we think fit
On selecting the troops Chapter 5, p. 149	And its deterioration lies in incessant warfare	66 Unhealthy competitions will lead to inevitable failure
Carrying out the selection of personnel Chapter 11, p. 172	Where material goods are scarce, the people will look to their superiors	67 When a thing is scarce, it is precious

Table VII

Sun Pin's *The Art of Warfare* and modern annotation – business results

7 Business results

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
On selecting the troops Chapter 5, p. 149	Its character lies in its understanding of the way (<i>tao</i>) of warfare	68 We can only gain from meeting the demands of society
On selecting the troops Chapter 5, p. 149	To master the way (<i>tao</i>) of warfare will lead to victory	69 We can only succeed, if we understand the needs of society
The positions of invader and defender Chapter 20, p. 217	Wealth does not guarantee security, and poverty does not necessarily mean peril; force of numbers does not guarantee victory, and being numerically few [does not necessarily mean defeat. That which] separates victory from defeat and security from peril is mastery of the way (<i>tao</i>)	70 The success and failure of business activities are determined by the ability to keep in line with the trends of society

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Table VII

7 Business results

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
(An audience with King Wei of Ch'i) Chapter 2, p. 129	Where defences are secure despite limited fortifications, it is because the garrison is well-provisioned	71 Sufficient funds can guarantee the stability of the business
On selecting the troops Chapter 5, p. 149	To analyse the enemy's situation and to have a clear reckoning of the difficulties in the terrain will lead to victory	72 We can only succeed, if we fully assess the actual strength of our opponents and the risks of the market
(Strengthening the military) Chapter 16, p. 191	None of these is really crucial to strengthening the military... It is to make the state prosperous	73 Profit is the base for expanding the company
On selecting the troops Chapter 5, p. 149	Its material means lie in its returning home upon a speedy resolution to the conflict	74 Withdrawing funds or shifting the direction of investment at the right time can guarantee profitability
On selecting the troops Chapter 5, p. 149	Its strength lies in giving the common people ample	75 If employees can strike a proper balance between rest and work, the business can be more prosperous
(Fatal mistakes of the commander) Chapter 27, p. 239	If the expedition drags on, this can lead to defeat	76 Long-term, unhealthy competitions will lead to failure
(Fatal mistakes of the commander) Chapter 27, p. 239	If his army gets bogged down en route and his troops suffer badly, this can lead to defeat	77 Strong influence and power will also result in failure, if employees are not satisfied
(Fatal mistakes of the commander) Chapter 27, pp. 239-40	If his troops have been utterly exhausted in the construction of defences and fortifications, this can lead to defeat	78 Even though the equipment is advanced, it is doomed to fail, if employees have to work too hard
(Fatal mistakes of the commander) Chapter 27, p. 240	If he has a lot of favorites and, as a result, his troops become indolent in their duties, this can lead to defeat	79 If the management is slack and employees are sluggish, the business will not succeed
(Fatal mistakes of the commander) Chapter 27, p. 240	If he must count on the flagging morale of his men, this can lead to defeat	80 If we are unwilling to accept criticism, it will lead to failure
Straightforward and surprise operations Chapter 31, p. 255	The reason why the common people will willingly obey orders before rewards have been dispensed or punishments meted out is that what is ordered is within their capacity. The reason why they will not obey orders, even if the rewards are substantial and the punishments come down, is that what is ordered is beyond their capacity	81 If the operation of the business exceeds the acceptance level of the staff, even good rewards and severe punishments will be of no avail
On selecting the troops Chapter 5, p. 149	To maintain harmony among the advisers will lead to victory	82 We can only succeed, if we win the support of the employees

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Table VII

7 Business results

Translations from Sun Pin's *The Art of Warfare* (Lau and Ames, 1996)

Chapter	Content	Modern annotation
On selecting the troops Chapter 5, p. 149	To win the support of the troops will lead to victory	83 We can only succeed with a harmonious inter-personal relationship
The questions of King Wei of Ch'i Chapter 3, p. 135	Dazzle him so that he divides his strength, and then attack him with your full force	84 Concentrate the efforts in investment
The questions of King Wei of Ch'i Chapter 3, p. 137	Where an army which is on flat, open land and has well-disciplined troops suffers defeat upon engaging the enemy, what can possibly be the reason? Master Sun Pin replied, "It would be because the army lacks a 'sharp point' vanguard assault capacity"	85 Investing unmindfully without focus will lead to failure
(Fatal mistakes of the commander) Chapter 27, p. 239	If his orders are not carried out and his troops lack unity, this can lead to defeat	86 If orders are not carried out and employees are not of one mind, it will lead to failure
Straightforward and surprise operations Chapter 31, p. 255	Overt deployment of troops is a straightforward operation; deployment before it becomes manifest is a surprise operation. If we mount a surprise operation and the enemy does not respond to it, the victory is ours	87 Not letting anyone into a secret can win by a surprise attack

To examine whether there are any correlations between Sun Pin's *The Art of Warfare* and the MBNQA, the authors then examined the current version of the MBNQA so as to identify the essential criteria that are required for achieving the MBNQA award. To facilitate the mapping process with the modern annotations of Sun Pin's *The Art of Warfare*, criteria selected from the MBNQA are presented in itemised format, as shown in Tables VIII to XIV.

For example, in Table VIII, the MBNQA's leadership requirements consist of organisational leadership as well as public responsibility and citizenship. For organisation leadership, it further expands into the following criteria:

- (a) set and deploy value;
- (b) set and deploy short- and longer-term direction;
- (c) set and deploy performance expectations;
- (d) balance the expectations of customers and stakeholders;
- (e) review organisation performance;
- (f) drive improvement and innovation;
- (g) drive improvement in leaders' effectiveness.

Similarly, for public responsibility and citizenship, it contains the following criteria:

- (a) address the current and future impacts on society;
- (b) accomplish ethical business practices in all stakeholder interactions;
- (c) identify, support and strengthen the key communities.

The criteria of the Malcolm Baldrige National Quality Award (MBNQA) (NIST, 2002) are selected for mapping, since it offers the following four advantages (Pannirselvam and Ferguson, 2001):

- 1 Its criteria have helped businesses develop a common language and philosophy concerning quality.
- 2 It has widespread acceptance as a model internationally covering manufacturing organisations, service organisations and government units. "The models are used extensively throughout the world by leading companies and thus can be used for international benchmarking comparisons" (Hendricks and Singhal, 1999). It "has emerged as both a guide for quality management and the model upon which numerous state and international quality awards are based" (Flynn and Saladin, 2001).

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Although the MBNQA has extensive focus in establishing the customer relationship and collecting customer knowledge, there is no doubt that it lacks the strategic direction in managing the customers in full perspective. Crosby stated that "the Baldrige criteria have trivialised the quality crusade, perhaps beyond help. One day this do-it-yourself kit may be recognised as the cause of a permanent decline in product and service quality management" (Simms *et al.*, 1991). A

combination of both Sun Pin's strategies and MBNQA on strategic customer planning could possibly offer more opportunities for the survival of organisations than by using either one alone.

Information and analysis

According to Flynn and Saladin (2001), the MBNQA framework has four basic elements: driver, system, measures of progress, and

Table X
Mapping of MBNQA and Sun Pin's art of business management in customer and market

MBNQA criteria for performance excellence	Sun Pin's art of business management in customer and market										
	28	29	30	31	32	33					
Customer and Market – how your organisation seeks to understand the voices of customers and the market.	Comply with the needs of the market	Make good use of opportunities	Upholding trustworthiness and reputation	Running a business in line with the benefits of the society	Gain the customers' support	Protect the interests of customers					
3.1 Customer and Market Knowledge											
a. Determine key customer groups											
b. Segment your markets											
c. Consider potential customers											
d. Consider the competitors' customers											
e. Determine key requirements for and drivers of purchase decision	X										
f. Determine key product or service features											
g. Use of relevant information from current and former customers											
3.2 Customer Relationships and Satisfaction											
a. Build relationships to acquire and satisfy customers	X			X		X					
b. Develop repeat business and positive referrals											
c. Determine key customer contact requirements											
d. Determine modes of access											
e. Establish key access mechanisms for customers to seek information											
f. Establish key access mechanisms for customers to conduct business											
g. Establish key access mechanisms for customers to make complaints											
h. Deployment of the customer contact requirements											
i. Establish the complaint management process											
j. Ensure prompt and effective problem resolution											
k. Collect and analyse the complaints											
l. Ensure the relationship building and customer access current with the changing business needs and directions	X										
m. Determine customer satisfactions and dissatisfactions											
n. Follow up with customers regarding products or services											
o. Receive prompt and actionable feedback											
p. Obtain and use information on customer satisfaction.											
q. Develop methods for determining customer satisfaction current with the changing business needs and directions											

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goal. The system consists of the management of process quality, human resource management and strategic quality planning. They are directly supported by various information and analysis activities through which the goal of customer satisfaction would be achieved. These activities involve the processes of collecting data and information and using them to improve results in the form of a feedback loop to control and improve the processes (Crowell, 2000). Although the MBNQA involves comprehensive measures of progress, it does not explicitly specify the roles of the drivers and thus their influences on the information analysis and management of organisations.

Sun Pin suggests that information and its analysis are both important for the survival of organisations. Apart from establishing the internal feedback loops for continuous monitoring and control, it is also essential to have formal strategies on how the

information of organisations could be kept confidential from the competitors. Table XI reveals that the MBNQA has some correlations to Sun Pin's strategies on information and analysis, but is limited to some operational levels. Sun Pin believes that organisations should have hardware or software systems to keep information confidential from their competitors, and that the entire objective of information management and analysis is to secure the business with a favourable geographical position, support of customers and opportunities such that there is always a clear future for investment.

Human resource

The mapping of the MBNQA's human resources focus against Sun Pin's *The Art of Warfare* for business management in Table XII indicates that there are different

Table XI
Mapping of MBNQA and Sun Pin's art of business management in information and analysis

MBNQA criteria for performance excellence	Sun Pin's art of business management in information and analysis													
	34	35	36	37	38	39								
Information and Analysis – the central process unit for the alignment of the organisation's operations and its strategic objectives.	Keep information confidential to your competitors	Establish system as a strong guarantee	Use both hardware and software to make the enterprise powerful	Invest only when the future is clear	Analyse and weigh every factor	Secure the business with favourable geographical position, support of people and opportunities								
4.1 Measurement and Analysis of Organisational Performance														
a. Gather and integrate data and information for monitoring daily operations and decision-making.					X									
b. Select and use measure for tracking those operations and overall organisational performance		X	X											
c. Select and use comparative data and information to drive performance improvement.					X									
d. Support the senior leaders' assessment of overall organisation performance and the strategic planning.														
e. Conduct organisational-level analysis to support decision-making and align with the business result, objective and action plan.		X			X									
f. Keep the organisation's performance measurement system current with changing business needs and directions.		X				X								
4.2 Information Management														
a. Make data and information available and accessible to the user communities														
b. Ensure that the data and information have all the characteristics the users expect					X									
c. Ensure that the hardware systems and software are reliable and user friendly			X											
d. Keep the data availability mechanisms, software, and hardware current with changing business needs and directions.			X			X								

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point of views in selecting and training the people to do the jobs. As far as training and education development are concerned, Sun Pin believes that we should select the qualified staff by employing people with ability and virtue for the organisation to grow quickly. Continuous training in employees' ethics, leaders' strategic management skills, ability to allocate the resources promptly as well as negotiating skills are all important for the organisation's survival and adaptability to external turbulences. For the MBNQA, it only points out the needs of staff's training and

education, and does not specify the ways the organisation has to address in which what Sun Pin suggests.

It seems the items 5.1 and 5.3 have some correlations with Sun Pin's strategy on human focus. Both of them suggested that encouragement, reward, knowledge, capability, satisfaction, motivation, innovations are all essential for the effectiveness and performance excellence of organisations.

However, as claimed by Joiner, Deming and Clausing (Greene, 1993), the Baldrige Award is like a thermometer, which tells you

Table XII

Mapping of MBNQA and Sun Pin's art of business management in human resource

MBNQA criteria for performance excellence	Sun Pin's art of business management in human resource															
	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55
Human Resource – address those human resource practices that are directed toward creating and maintaining a high-performance workplace and toward developing employees to enable them and your organisation to adapt to change.	Use qualified personnel	Keep a good disposition of manpower	Keep a strict discipline and good prospects for employees	Treat staff with concern and respect, and fully utilise their abilities	Employ people with ability and virtue	Select the right employees for the right jobs	Impose penalty and offer rewards at the right time	Keep your employee loyal and devoted	Secure the obedience of employee through trustworthiness	Give rewards and encouragement publicly to win the trust of the staff	Keep our promise in rewarding the staff	Provide continuous training on fundamental issues for staff	Provide ethical training for staff	Provide strategic management training for leaders	Provide negotiation training for leaders	Provide training on the prompt allocation of resources.
5.1 Work Systems																
a. Promote co-operation, innovation, and flexibility			X		X	X										
b. Organise and manage work and jobs		X	X		X	X										
c. Promote effective communication and knowledge or skill sharing	X				X	X										
d. Motivate employees to develop and utilise their full potential			X	X			X	X	X	X	X					
e. Ensure that the employee performance management system supports high performance and a business focus																
f. Identify the capabilities needed by potential employees						X										
g. Recruit, hire and retain new employees	X				X											
5.2 Employee Education, Training & Development																
a. Ensure that education and training tie to the action plans and balance the organisation objectives.																
b. Seek the education and training needs																
c. Address key organisational needs associated with technology change, management/leadership development, safety, performance improvement, and diversity.													X		X	
d. Deliver and evaluate education and training												X				
e. Reinforce knowledge and skills on the job	X				X	X					X					
5.3 Employee Well-being and Satisfaction																
a. Promote a safe and healthy work environment	X		X		X	X										
b. Identify appropriate measures and targets for key environmental factors																
c. Determine the key factors that affect employees' well-being, satisfaction, and motivation.				X			X	X	X	X	X					
d. Ensure that service, benefits, and policies support employees' well-being, satisfaction, and motivation			X													
e. Establish assessment method and measure to determine employees' well-being, satisfaction, and motivation							X	X	X	X	X					
f. Tailor the assessment method and measure to a diverse workforce																
g. Relate assessment findings to key business																

Table XIII

Mapping of MBNQA and Sun Pin's art of business management in process management

	Sun Pin's art of business management in process management																						
	56	57	58	59	60	61	62	63	64	65	66	67											
MBNQA criteria for performance excellence																							
Process Management – Central requirement for efficient and effective design, prevention orientation, linkage to suppliers, supply chain integration, operation performance, cycle time, evaluation, continuous improvement, and organisation learning	Score unexpected great successes by investing in side businesses	Open up new markets by seizing the opportunity	Avoid powerful opponents, and wait for the opportunity	Defeat the powerful opponents by deflating their arrogance with neither supercilious nor obsequious	Use odd tricks to lure the upright and straightforward opponents	Confuse the suspicious opponents with feints and ambushes	Scare the weak and delicate opponents with bluff and bluster	Turn unfavourable factors into favourable ones, and attack the weakness of the opponents	Aware of the condition of the market as it is unpredictable	Understand the weakness and strength of opponents and attack them when things ready	Keep competitors healthy to avoid inevitable failure	Win the market with scarce products											
6.1 Product and Service Processes																							
a. Identify the key design processes for products and services										X													
b. Focus key customer/market requirements and new technology									X														
c. Focus key factors in design effectiveness including cost control, cycle time, and learning from past design projects										X													
d. Ensure that design processes cover all key operational; performance requirement																							
e. Ensure effective product/service launch without need for rework											X												
f. Identify the key production/delivery processes											X												
g. Identify the key performance requirements and measures											X												
h. Perform inspections, tests, and audits to minimise rework and warranty costs																							
i. Improve the production/delivery systems and processes to achieve better processes and products/services																							
6.2 Business Processes																							
a. Identify the key business process and the design requirements										X													
b. Ensure that the organisation's key business processes are designed and performed to meet all the requirements										X													
c. Promote incorporate input from customers and supplier or partner									X														
d. Identify the key performance measures from the control and improvement of the business processes																							
e. Minimise costs associated with inspections, tests and audits through use of prevention based processes																							
f. Improve the business processes to achieve better performance and to keep them current with the changing business needs and directions										X													
6.3 Support Processes																							
a. Identify the key support processes and their design requirements																							
b. Ensure that the organisation's key support processes are designed to meet all the requirement																							
c. Promote incorporate input from internal customers										X													
d. Minimise costs associated with inspection, tests, and audits through use of prevention based processes																							
e. Improve the key support processes to achieve better performance and to keep them current with the changing business needs and directions										X													

what your fever is but does not tell you how to get well, since it focuses purely on result with little incentive.

From Table XII, we could see that Sun Pin gives more details on how to achieve those criteria at the strategic level by keeping a good disposition of manpower, keeping a strict discipline and good prospects for employees, imposing penalties and offering awards at the right time, keeping the employee loyal and devoted as well as giving rewards and encouragement publicly to win the trust of employees. All these strategic directions are not explicitly specified in the MBNQA framework regarding the human focus.

Process management

The MBNQA's process management is a tool for self-assessment and continuous quality improvement through the allocation of substantial resources toward improvement of processes, products and organisations (Flynn and Saladin, 2001). It is important for organisations in achieving operations flexibility and quick adaptation to changing requirements in order to keep the business running.

In Table XIII, Sun Pin's strategies on detecting the condition of the market and then attacking the weakness of the opponents when things are ready are believed to be

Table XIV
Mapping of MBNQA and Sun Pin's art of business management in business results

MBNQA criteria for performance excellence	Sun Pin's art of business management in business results																				
	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	
Business Results – Encompasses the customers' evaluation of the organisation's products and services, the overall financial and market performance, and results of all key processes and process improvement activities.	Meet the demands of the society to win	Understand the needs of the society to win	Keep in line with the trends of the society to win	Keep sufficient funds to stabilise the business and win	Assess the actual strength of the opponents and risks of the market to win	Expand the company only when there is profit	Withdraw funds or shift the direction of investment at the right time for profits	Provide proper balance between rest and work for the employee for prosperous	Avoid long-term unhealthy competitions to win	Satisfy the employees to win even though you have strong influence and power	Avoid letting employees work too hard to win even though you have advanced	Avoid being slack and sluggish to win	Accept criticism to win	Match the operation of the business with the acceptance level of staff to win	Gain the support of the employees to win	Maintain harmonious inter-personal relationship to win	Attack your enemy with full efforts to win	Focus your investment to win	Carry out the jobs with one mind to win	Impose a surprise attack to win	
7.1 Customer-Focused Results			X																		
a. Provide current levels, trends and appropriate comparisons for key measures/indicators of customer satisfaction and dissatisfaction			X																		
b. Provide data and information on customer loyalty, positive referral and customer-perceived value		X																			
c. Provide levels and trends in key measures/indicators of product and service performance	X																				
7.2 Financial and Market Results																					
a. Provide levels, trends and appropriate comparisons for key financial, marketplace success and challenges					X																
b. Provide a complete picture of your financial and marketplace success and challenges.					X																
7.3 Human Resource Results																					
a. Provide current levels, trends, and appropriate comparisons for key measures/indicators of employee well-being, satisfaction, and development														X							
b. Provide data and information on the performance and effectiveness of the organisation's work system																					
7.4 Organisational Effectiveness Results																					
a. Provide current levels, trends, and appropriate comparisons for key measures/indicators of operational and strategic performance that support the ongoing achievement of results																					
b. Provide data and information on the organisation's regulatory or legal compliance and citizenship.																					

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Figure 1
 Mapping of MBNQA and Sun Pin's *The Art of Warfare*

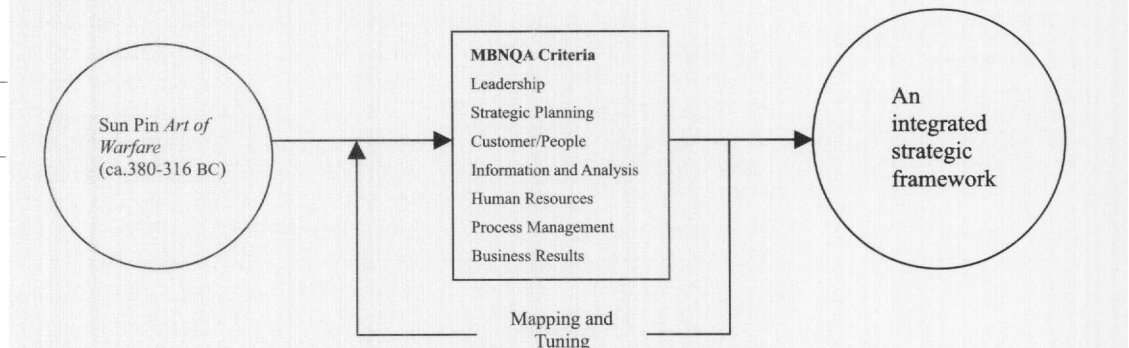


Figure 2
 Sun Pin's management road to good leadership

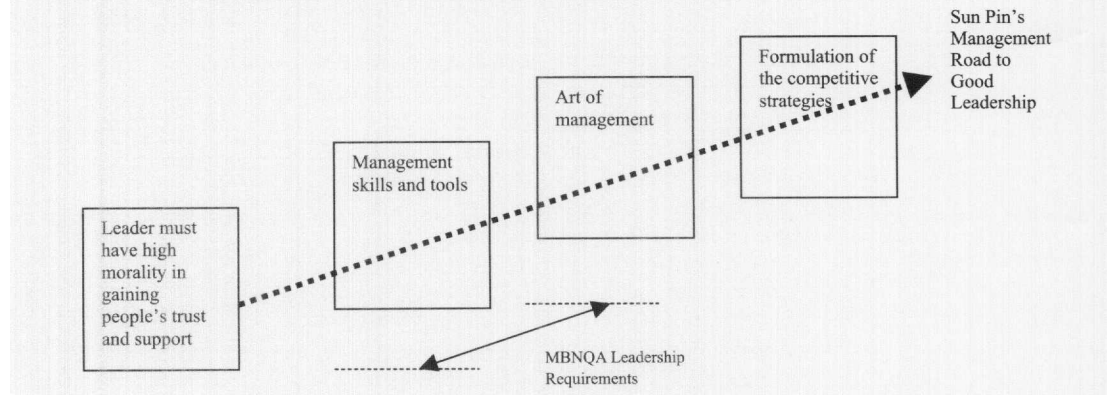
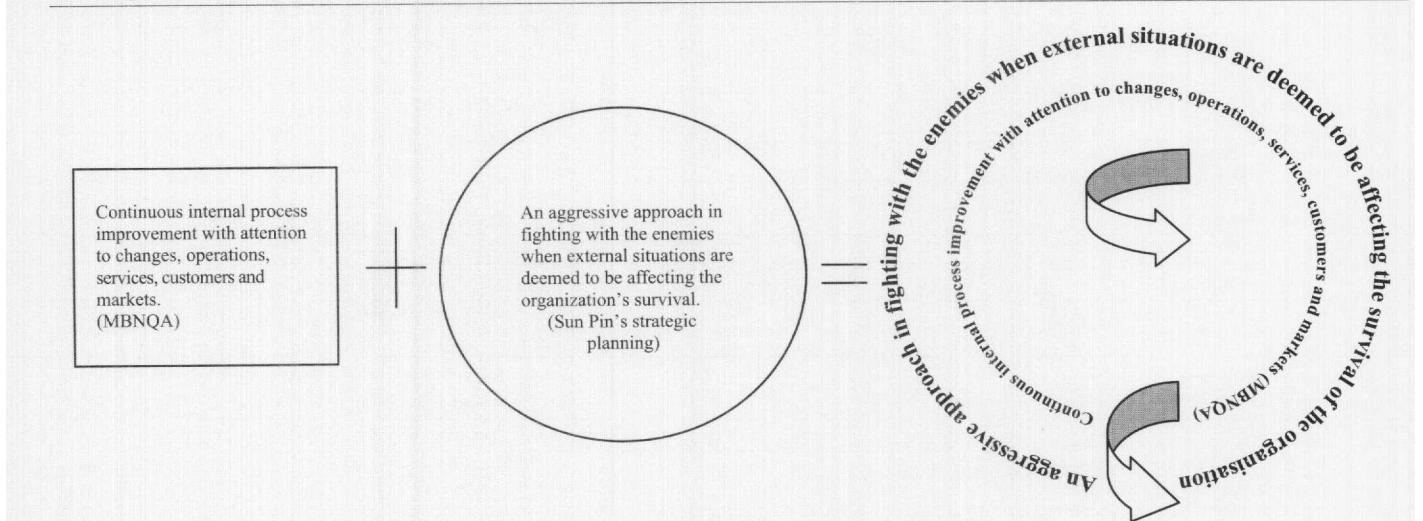


Figure 3
 An integrated framework for strategic business management



correlated with what is targeted in MBNQA. However, Sun Pin's strategic focus on process management offers broader perspectives apart from their day-to-day operations and controls.

Instead of focusing on internal efficiency alone, Sun Pin also believes that

organisations must also plan for investing in side businesses and win the market with scarce products for their goods or services in order to score unexpected success. Without strategic direction of this type to guide the leaders for innovations, Sun Pin believes that new markets or opportunities will not be

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captured, even though you have a good product of high, quality. Sun Pin further points out that for a product or services to be successful, talking only about product quality might not be good enough to be successful. Instead, Sun Pin insists that we must confuse the suspicious opponents, for example, by producing various brands of products from various sources in order to scare the weak and fragile opponents as well. With this strategic focus for process management, Sun Pin believes that we could make unfavourable factors become favourable and even win against the powerful opponents with low end products.

Business results

According to Ghobadian and Woo (1996), the MBNQA catalogues the principles of total quality management in a clear and accessible fashion but unfortunately it does not prescribe any strategic direction, method or tool to improve total quality for performance excellence. In other words, there is no guarantee that a company achieving the MBNQA award is as competitive as its competitors, who do not apply or even qualify for the awards in case those competitors have a well-adapted strategic focus on full perspectives. Regarding this argument, Sun Pin mentions that organisations could have more chance to achieve substantial business results, if there is a sufficient fund to fight the competitors by imposing a surprise attack with full efforts.

From Table XIV, it is therefore not surprising to know that the MBNQA has little correlation with Sun Pin's strategies on achieving business results. While Sun Pin has a strong focus on how the organisation could guarantee the achievement of various business results, the MBNQA addresses what needs to be included to demonstrate the achievement of the business by examining the trends and current levels of the company's key financial measures (Bohoris, 1995).

Conclusion

Sun Pin's framework for strategic business management focuses on adaptability, display and discretion. It could be considered as a strategic perspective with full spectrum covering the Chinese management philosophy and wisdom that were passed on, edited and refined in a process extending from generation to generation over the turbulent centuries.

A map of MBNQA criteria against Sun Pin's *The Art of Warfare* for business management found that MBNQA focuses on achieving quality excellence with precise requirements on process control and performance measurement. It is "an audit framework which encompasses a set of categories that tells companies ... what they must demonstrate but not how to proceed" (Garvin, 1991). It provides an overview or a big picture view from different angles (Quaglia, 1997), and focuses mainly on operational and procedural rather than the strategic issues. It is therefore a criticism that the application of such a model alone might not be capable of arming an organisation to move into the turbulent market.

Bohoris (1995) also stated that "the only way of surviving in today's competitive global market is to become a successful total quality organisation", and that "it is difficult to find a universally accepted definition of what total quality actually means, and accepted set of criteria to calibrate their performance or progress towards it". Therefore, without focusing the full strategic perspectives in relation to both the internal efficiency and changing environment it would be difficult for organisations to guarantee business success and thus the organisation's survival, even though they have achieved national quality award such as the MBNQA.

Sun Pin advocates that an organisation should hit the competitors only when it is well equipped with good human harmony, geographical position and opportunities. Sun Pin focuses on the manipulation of strategy to gain strategic advantage over the competitors in one goal. Once the war is begun, the leaders would only focus on the external environment to manipulate their own strengths and weaknesses to attack the enemies without direct fighting. Such a concept of strategic business management is different from the Western approach like the MBNQA that strongly emphasises continuous process improvements, internal process controls, key performance measures and customer satisfaction for strategic advantages and thus survival.

According to Bohoris (1995), the implementation of such a model as MBNQA has encountered difficulties as to how the award fits in with a company's current planning and improvement efforts, especially where uncertainty is generated from the turbulent environment. As the current MBNQA is focusing on internal process capability for the delivery of products or

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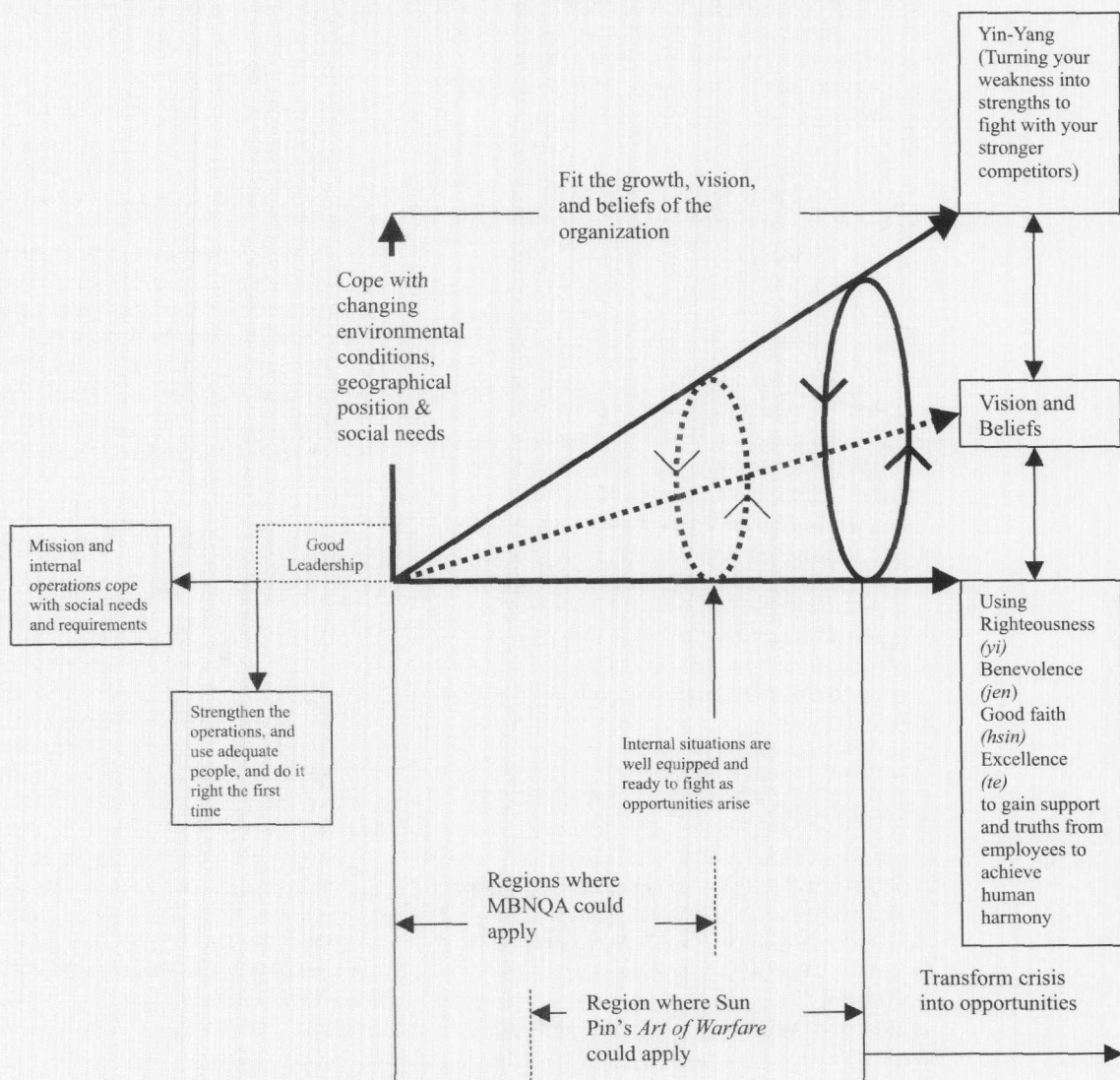
services to meet the customers' requirements and satisfaction, organisations adopting this model for performance excellence certainly might not be good enough to address the changing society needs and thus customer demands.

An integrated model that combined Sun Pin's *The Art of Warfare* for business management and western management wisdom is therefore proposed. While MBNQA provides a framework for gaining internal competitiveness, a combination of both could help to extend the organisation intangibly in achieving performance excellence. The conceptual model which underpins this paper is shown in Figure 4.

Current warfare proves that the battle is won in the strategy room, not on the battlefield. The model indicates that leadership is the main driver that initiates the progress of the organisation. Good leadership is important for an organisation to strengthen its operations and select the right people to achieve the mission of the organisation that satisfies the social needs and requirements. The critical success factors that govern the organisation in gaining strategic business advantages depend on how the leaders make use of righteousness (*yi*), excellence (*te*), benevolence (*jen*) and good faith (*hsin*) in gaining employee supports together with the awareness of employing the theory of Yin-Yang to defeat opponents, as advocated by Sun Pin.

Figure 4

A conceptual model for Sun Pin's art of business management strategies integrated with MBNQA



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