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Cultural Transposition: Exploring Meanings of and Strategies for Cross-Cultural Transfer of Organizational Practices

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**CULTURAL TRANSPOSITION: EXPLORING MEANINGS OF AND
STRATEGIES FOR CROSS-CULTURAL TRANSFER OF
ORGANIZATIONAL PRACTICES**

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ABSTRACT

Cultural Transposition: Exploring Meanings of and Strategies for Cross-cultural Transfer of Organizational Practices

Yongming Tang

The research objective is to study the phenomenon of transferring organizational practices which are conceptualized in one culture to another different culture. The purpose of the study is (1) to understand how cultural values and beliefs are manifested in behavior; (2) to explore how the Western organizational practices are interpreted and assimilated into an organization in an Eastern culture; and (3) to explore strategies for the fit between local cultural orientations and imported organizational practices. A qualitative, interpretive, and reflexive research methodology was developed to conduct this study.

The study was conducted in two phases. The first phase was designed to develop an indigenous perspective of the Chinese culture and behavior and to investigate the cultural interplays in the context of transferring organizational practices from the Western culture to the Chinese culture. This phase was mainly conducted in a large industrial organization in China, complemented by limited data collected from several other organizations. Three major social groups -- the government, the management, and the employees -- all of which have a major stake in

the case organization were investigated by indepth interviews. This was to identify how each of them constructed their own realities, and how their realities were shared and in conflict with each other in the organizational context. Limited observation and document analysis were used to complement the interview findings. Cases where imported organizational practices were integrated with the Chinese culture were examined.

The second phase of the study was conducted in the USA. Cross-cultural informants -- those Chinese who had both work experiences in the People' Republic of China (the PRC) and the USA and had a cross-cultural perspective were interviewed. This was designed to faciliate an understanding of the Chinese culture and behavior in the context of other cultures.

During the two phases of the study, a meta-research method was applied to observe the influence of the researcher upon the research process. The researcher's influence on the research data was examined.

A model for cross-cultural transfer of organizational practices was developed. Implications for the study of organization and culture, the construction of meanings in the context of cross-cultural transfer of organizational practices, organizational change in a cultural context, the case organization, and the development of Chinese organizational and management theories were examined. Suggestions for future research were also made.

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Dedication

This work is dedicated to family, especially my mother, who has no formal education but taught me a great deal about the Eastern culture and behavior. I am also grateful to my mentor as well as my best friend, Dr. Dean Elias, who brought me to the West, thus leading to my cultivation of the Western perspective. Finally, I would like to acknowledge myself who continues to strive for cross-cultural transposition at various levels.

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CHAPTER ONE

INTRODUCTION: THE RESEARCH CONTEXT AND THE RESEARCH

The Research Context

The research is about cultural synthesis in the context of cross-cultural transfer of organizational practices. The purpose of the study is (1) to understand how cultural values and beliefs are manifested in behavior; (2) to explore how Western organizational practices are interpreted and assimilated into an organization in an Eastern culture; and (3) to explore strategies for the fit between Eastern cultural orientations and Western organizational practices.

The Direction of Reforms in China

The interest to conduct such a study comes from the context in which China reforms state industries. Under the circumstances of poor performance of state industries, the leadership in China has been committed to management reforms. In addition, China intends to import foreign organizational theories and practices to transform industrial organizations. In 1984, a major document concerning economic and management reforms was created:

We must consciously sum up China's historical experience and study the concrete conditions and requirements for the economic growth. . . . In addition, we must draw upon the world's advanced methods of management, including those

of capitalist countries, that conform to the laws of modern socialized production.¹

Under such an initiative, a massive effort to import foreign organizational models to deal with pending problems in China has been taken. In recent years books on Western management and organizational theories have been written or translated, and they are in every major library and bookstore. New curricula on Western-style management and organizations have been created to support such reforms (Wang, 1986). Management training programs which focus on Western organizational theories and practices flourish. In the meantime, China has embarked on a characteristic road of development. A significant characteristic of the reforms is its magnitude and boldness. Most reforms were quickly created and diffused throughout the country. In 1984, ten rights were provided to enterprises.² While this research was being conducted, a more comprehensive set of reform principles was created.³

Explicitly and implicitly in the modernization initiative is the denial of traditional culture and traditional approaches to management and organization in China. In other words, the Chinese still see their tradition as an impediment to modernization and development. In recent years, the press from time to time criticizes the Chinese culture in the name of feudalism (e.g., Su, 1986; Tian, 1986). When discussing the Chinese culture and organization, one of the well-known Chinese scholars attributes almost every aspect of poor performance to

¹ A Decision of the Central Committees of the Communist Party of China on Reform of the Economic Structure, 12th Central Committee, PRC. October 20, 1984

² These ten rights are created to increase the powers of enterprise management. For details, see the Provisional Regulations on Further Extending the Decision-Making Power of the State Industrial Enterprises, Beijing Review, June 11 & June 18, 1984.

³ Such principles are to push state enterprises to conduct business in a self-responsible way. For details, see The Principles for Reforming State-Owned Industrial Enterprises, China Daily, 1-3.

traditional feudalism, and he suggests that China should replace this feudalism. He says:

Hence, if we really want to enliven and upgrade Chinese enterprises, urgent reforms must be pushed further to ensure motivation and to provide an incentive for creativeness, enterprising spirit and competition. First, "the iron rice bowl" and "big communal pot" must be cracked thoroughly. Second, enterprises must be given a free hand away from the interference of administrative units, real or disguised. Third, the "relations network" of a feudal origin, which gives rise to every "backdoor" and instance of corruption, should be broken. (Wang, 1990, p. 298)

It is important to note that the anti-tradition is not new in contemporary China. Since communist China was created in 1949, several significant movements against traditional values and beliefs, especially Confucianism, have been conducted. In addition, it appears that such a mentality continues to the present era. In the recent reform documents created by the government or the Chinese Communist Party (hereafter the Party), little is mentioned about preserving Chinese tradition and culture in the course of modernization and development. All of the contemporary reform measures are aimed at replacing old traditions with new, foreign organizational practices.

It is also important to realize that a major assumption underlying these reforms is made, which deserves being examined. The assumption is that the reason that capitalist countries are economically strong is because that they have modern organizational theories and practices, and that these theories and practices can be applied to the Chinese situation to alleviate the economic problems.

The Universalist

The Chinese are not alone in making such an assumption. In the West, organizational theorists tend to believe that a theory by definition

is universal (Faucheux, 1976, p. 274). The universalists -- organizational theorists with such a view (e.g., Hickson, Hinings, McMillan, & Schwitter, 1974; Kuc, Hickson, & McMillan, 1980; March & Mannari, 1980; Hsu, Marsh, & Mannari, 1983) -- posit that organizations are alike and theories of organizations apply cross-culturally. In other words, few organizational theorists like the argument that their theories or models are culturally limited.

It is fair to say that many organizational theorists do not ignore the factor of culture. However, they in general do not believe that culture determines the conceptualization process in theory building. They would rather treat culture as one of the variables in their theories. For example, to include culture in the theory building, Strodbeck (1964) suggests to treat cultural factors as independent variables. In other words, they do not believe that it is necessary to develop culture-specific theories (Sechrest, 1977a, b; Brown & Sechrest, 1980). Consequently, organizational theorists with this kind of mentality often use their favorite models to judge other cultural situations, and further generalize conclusions.

Under such a mentality they tend to argue that different cultures can learn and adopt strategies and thought processes from each other in a mechanistic way. In a recent book, Hampden-Turner and Trompenaars (1993) explicate:

In a world where more and more products and services are created by cross-national teams, joint ventures, partnerships and through foreign subsidiaries, it becomes possible to combine the cultural strengths of various nations, if you know what these are. An automobile, for example, might best get its steel from Korea, its engines from Germany, its electronics from Japan, its leather and mahogany from Britain, and its safety systems from Sweden.
(p. 16)

The Researcher's Perspective

To put it bluntly, the researcher's perspective about culture and cross-cultural transfer of organizational theories and practices differs greatly from the one posited by the Chinese and the Western theorists described previously. Since a perspective is intrinsically interrelated with values, beliefs, and assumptions, in what follows I shall present some of the values, beliefs, and assumptions underlying my perspective. This is important, because a perspective guides research. What we look for determines what we find, and we always find what we look for (Herbert, 1985).

First, I assume that cultural values and beliefs are among the important factors determining human behavior. Although cross-cultural researchers and theorists disagree on whether values and beliefs alone can determine behavior or not, they all share that values and beliefs are important elements that influence behavior. Adler (1986) proposes that "individuals express culture and its normative qualities through the values that they hold about life and the world around them" (p. 9). Hofstede (1991) conceptualizes cultures as manifestations at different levels -- symbols, heroes, rituals, and values. He further suggests that these levels exist in an onion diagram with values as the core. Redding (1990) posits that although values and beliefs are determining factors, there exist some contingency factors such as legal structure and economic system. These contingency factors can either restrain or promote the influence of values and beliefs on human behavior.

Due to the intrinsic interrelationship between culture and behavior, different cultures have different organizational models. "The professors who wrote the theories are children of a culture. . . . Their experiences

represent the material on which their thinking and writing have been based. Scholars are as human and as culturally biased as other mortals" (Hofstede, 1991, p. 146).

I believe that current organizational theories and practices are culturally determined, and in most cases they can not be directly applied to a culture which is different (Hofstede, 1991). Redding and Martyn-Johns (1979) assert that there are different cognitive structures between the East and the West, and our way of sensing and perceiving is tremendously affected by culture. As explained later in the study, the kind of behavioral models which worked for me in China is often no longer applicable in the West, and vice versa.

Many may ask: Even though different cultures may have different organizational models, isn't it helpful to use organizational models from one culture to solve the problems in another culture? This is actually what has been happening in China. Many Western organizational theorists view the Chinese situation from the Western perspective. Then, what usually happens is that only superficial problems are found or prescribed solutions are not workable. For example, Chinese industrial organizations have been identified with problems such as bureaucratic structure, over-staffing, and poor reward systems (e.g., Lockett, 1988; Chan, 1990). In my opinion, these are just superficial manifestations of deeper problems which cannot be perceived from the Western organizational theorists' perspective. This is because the Westerners tend to construct a reality that is foreign to the indigenous people. Adler (1986) quotes a case about a Canadian who describes his experience with a Filipino boss:

During my employment at the Royal Bank, I had a most unbearable and suspicious supervisor. As an assistant manager he had authority over all employees on the administrative side, including me. The problem was that he seemed to have a total distrust for his subordinates. He was constantly looking over our shoulders, checking our work, attitudes, and punctuality. Although most of his employees resented this treatment, the assistant manager was an extremely conscientious supervisor who honestly believed in what he called 'old-style' management. He believed that employees are lazy by nature. He therefore felt that they must be pressured into working. As the supervisor he felt justified in treating employees severely. (P. 31)

In the story, the Canadian perceives that his Philippine boss takes a Theory X approach to management. Such a perception immediately makes a series of assumptions that are associated with McGregor's Theory X, which may not make sense at all to the local Filipinos. Every culture has a certain logic for explanations, although these logics and explanations may not make sense to outsiders. However, for insiders they are all that count. Further, it is fundamentally wrong for an outsider to judge a culture. Maturana (1980) writes:

No culture is intrinsically better than another, nor can we compare cultures without specifying, from a meta-domain of descriptions which permits us to behold them in perspective, an external system of references that has its coherence in another culture. It is true that from the perspective of our meta-domain and in the referential context we define, we may prefer certain behavior to others, but by doing so we destroy the original coherent network in which they were embedded, and we look at them in an assumed isolation as though they were removable objects. (p. 23)

Under such circumstances, if the Westerners intervene with their constructed reality, it may well produce unintended consequences -- "cultural injuries" (Sinha & Kao, 1988). In this respect, one lesson can be learnt from the practices of technology transfer. It is realized that technology is a double-edged sword to human societies: It bears, as well as destroys values (Goulet, 1989). However, it needs to be noted that

technologies do not intend to disrupt societies by destroying social values. As Goulet (1989) writes:

Technological innovators do not intend, of course, to destroy pre-existing values; their overt aim is merely to solve some problem more efficiently, to produce goods or provide services according to different standards of quantity or quality than before. Nevertheless, simply by acting as innovators, they cannot avoid tampering with prior values. Worse still, they shatter the fragile web which binds all the values of premodern communities into a meaningful whole. (p. 20)

Similarly, cross-cultural transfer of organizational theories or practices may also have undesirable results due to value differences which lead to different constructions of realities. Thus, it is important to pay serious attention to the fit between the cultural values and organizational theories and practices, although an organizational theory may not destroy precious social values the way technology does. To continue the case of the Canadian banker in the Philippines:

I found his attitude condescending and counterproductive. As a group the employees thought of themselves as basically trustworthy, but we decided that since our boss seemed to have no respect for us we would give him the same treatment in return. The result created a work environment that was filled with mistrust and hostility. The atmosphere affected every one's work: employees became less and less willing to work, and the assistant manager increasingly believed in the employees' laziness and the need for severity. Luckily, the situation caught the manager's eye and was resolved after lengthy discussions. Only then did it become clear that we were not seeing the situation in the same way at all. From the assistant manager's perspective, he was simply showing his caring and involvement with his subordinates. As he explained, Filipino employees who were not treated like this might have felt neglected and unimportant. Unfortunately, we were not Filipinos and, as Canadians, did not respond as many Filipinos might have responded. (Adler, 1986, p. 31)

It is clear to me that by taking such a position, I am up against not only the universalists in the West, but also the Chinese governmental ideologues and many Chinese intellectuals. At the very beginning of my

contact with the Chinese, I had such a taste, which is illustrated in the movement of "breaking three irons -- iron bowl, iron chair, and iron wage."

The movement of breaking three irons

While I was doing my research in April 1992, the movement of "breaking three irons" was applied experimentally in some of the state industries. Such a movement was started because of the realization that almost every industrial organization was over staffed by more than 50 percent, and the motivation to work was low. I was also told that such a movement was initiated and organized by a prominent vice premier of the country. Although the experimentation was conducted on a small scale, the nature of the movement is quite striking. People talk about it everywhere -- on the street, in workshops, and offices.

When asked to comment on such practices in a discussion with the think tanks of the provincial government, I made a statement about the potential problem behind the "three-iron movement" in China. The point I was trying to get across was that such an anti-traditional and anti-cultural movement might aggravate the situation or even backfire. My main reason for this point was that we were faced with a complex system with interrelated parts, and we needed a systemic way to deal with this complex system. The movement was not a systemic one. For example, there was not an adequate social security system which could absorb the people being laid off.

The message I was trying to convey was that basically we had to be careful in using such Western organizational practices which were counter-cultural in China. However, I noticed that my comment was not

well received. Several of the participants quickly asked me with a negative attitude if I had some better ideas than this , and my answer -- "no"-- clearly disappointed them. I understood such a reaction, because I could feel that the pressure to implement a quick fix for the problem was very high.

Two weeks later, there were wide-spread rumors that several enterprises experimenting with such practices encountered serious problems. I was told by one of the insiders in the government that two enterprise directors were killed, and strikes in some of the enterprises occurred. One of the stories was that a couple in an enterprise was going to be fired and each of them would get 50 *yuan* living pension per month. Realizing that such a living pension could not support their baby alone, they pleaded to the management to keep one of them at work, and they were refused. Under this tremendous pressure, they killed their only son and hanged themselves. The workers were enraged and threw the enterprise director out of the forth story window.

This story could not be confirmed, since such information would not be printed in the press. However, the negative feeling about the movement was everywhere and explicit in some of the informants comments.

It seems that the Chinese have not realized the significance of culture on organizational practices or modernization, although some counter-cultural approaches such as the participative management movement are historical failures (Laaksonen, 1988). From the earlier discussions, it is clear that the majority of people hold that lifetime employment, the intervention of government in enterprises, and personal relationships are

associated with feudalism, and need to be replaced. What is paradoxical here is that these are some of the Japanese management features which lead to industrial success (e.g., Lincoln, 1990). In many respects, Japan and other Asian countries share a similar tradition, especially Confucianism. The difference is that the Chinese enterprises are inefficient and less entrepreneurial, while the Japanese enterprises thrive on the tradition.

So far the discussion above is mostly about intellectual debates. My real interest resides in the organizational settings. My major concern is how industrial organizations feel about such reform measures, and how they actually implement Western organizational theories and practices.

It did not take long to find out that although the government was committed to such reforms, the reality at the organizational level seemed different. During one of my trips back to China, I found that the managers and employees in China were not as enthusiastic about these reforms as the government was. In my visits to several industrial organizations, most managers and employees with whom I interacted had mixed feelings about these reforms. In terms of using Western organizational practices, most people either voiced concerns or rejected such ideas due to cultural reasons. One of the enterprise directors said:

The situation is very complicated. Our enterprise has been entrenched socially, culturally, economically, and historically. It is easy for them (the government) to voice reform in a big way. When it comes to an organization like ours, everything is very difficult. To be honest with you, the decade's reform, including using so-called modern management techniques, does more harm than good to us. Our organization at this point is nothing but full of crisis. (interview no. 4)

Most employees I interacted with also suggested negative impacts of reform on themselves. In general, their job satisfaction was low, and

complaint about the current injustice was prevalent. In addition, it seemed that they had a different view about the impact of reform on the organization.

How do I feel about the reform? I say nothing is good about it. Everything is chaos now. Our real income is getting lower and lower. I am now making about four times of the money I made ten years ago. But I cannot maintain the already low living standards! We work hard and play by the rules. However the result is almost nothing. Go and see for yourself. Those rascals on the street are getting so rich that they have become a higher class now. (interview no. 24)

The reforms have given lots of power and opportunities for the leaders to abuse. They can do many things they dared not to do before. Take the example of our enterprise. Within four years, we have had three enterprise directors. During their time, they have had their future lives arranged. They have new, spacious houses built, and increased salaries. Then, they quit. What we have got so far from the reform is nothing, nothing! (interview no. 27)

It strikes me that due to the intervention with Western organizational practices, the industrial organizations become more complex than before. The performance of industrial organizations in China keeps plummeting, although the reforms have been going on for years. In Liaoning Province -- the largest industrial province in China -- 70 percent of the state industries report losses in 1992. In the four industrial organizations I visited, they all feel that the new practices complicate the situation even more. Further, it strikes me that the government, the management, and the employees have different understandings about the new practices and the existing problems. Consequently, Western organizational practices have meanings in the Chinese culture, which are different from the original meanings in the West.

A critical question facing all of us is this: With a culture significantly different from the West, how can China successfully import Western management know-how to lead to desirable modernization and

development? In the history of modernization and development, we have witnessed that there is no universal models for industrial development (Berger, 1988; Sinha & Kao, 1988; Redding, 1990). Although the West has its own characteristic model of industrialization and development, a country does not have to give up its tradition to take the Western road to development. For example, some of the Eastern countries have developed an attractive development model, compared to the Western industrial model (Berger, 1988).

The differences between the two developmental models are noticed. The Western model leads to vast industrial development and power, associated with social perils such as alienation, drugs, and high unemployment (Sinha & Kao, 1988; Berger, 1988). In contrast, the Eastern model seems to have a stable economic development with less social problems.

It also seems certain that culture has influenced development, and the differences between the two models originate at least in part from different cultural orientations. It is indicated that the exemplary Eastern development model cannot be separated from Confucian ethics (Berger, 1988; Sinha & Kao, 1988; Redding, 1990). Confucian ethics play a significant role in the development of Chinese societies. Similarly, the Post-Confucianism -- a variation of Confucianism -- is used to explain the success of Japan and Korea (Redding, 1990; Berger, 1988). Negandhi, Mengen, and Eshghi (1987) also suggest that Japanese lifetime employment can be traced back to Japanese paternalism. Harbison and Meyer (1959) assert that managerial beliefs are correlated with phases of industrial development in a country as it moves from "autocracy to democracy." On the other hand, Cummings and Schmidt (1972), in their

study on managerial attitude of Greeks, suggest that culture may provide a broad framework within which beliefs are developed and reinforced while degree of industrialization within a culture may influence the behavioral manifestation of these beliefs. In other words, such a formulation suggests that industrialization does not necessarily lead to cultural discontinuity, rather it influences how certain cultural beliefs are manifested.

Even though culture is a relative concept, there is still a great deal for various societies to learn from each other (Hofstede, 1984a). Such a perspective implies that transferring organizational theories or practices from one culture to another is an important venture. For example, in Japan, modern organizational practices are borrowed and altered to fit into the cultural background. Consequently, the organization is viewed as a collectivity to which employees belong rather than just a place individuals come to work for money (Morgan, 1986).

The contemporary zeal of TQM or TQC in the United States is an example of transferring organizational theories and practice from the East (Japan) to the West. The importation of TQM from Japan to the USA also requires cultural accommodation. Kane & Kane (1992) suggest that the subjective, intuitive approaches to monitor and control human elements which seem to work in the context of the high levels of group and organizational commitment in Japan, do not work well in the individualistic culture of the USA. Subsequently, more systematic monitoring and control of worker performance is needed.

It is further argued that as a country industrializes, a cultural synthesis which integrates some strong traditional cultural elements and modern organizational practices can be achieved (Sinha & Kao, 1988;

Hofstede, 1988; Tripathi, 1988). It further implies that in the process of transferring organizational practices from one culture to another, it is important to search for congruence between cultural orientations and organizational practices which can potentially lead to cultural transposition. "Cultural transposition," a concept borrowed from Hofstede, "in the ideal case, means finding a new cultural synthesis which retains from the old local values those elements deemed essential but which allows the new technologies to function" (Hofstede, 1984a, p. 260). Morgan and Harris (1981) refer to cultural synergy as going "beyond an awareness of our own cultural heritage to produce something greater by cooperation and collaboration. Cultural synergy builds upon similarities and fuses differences resulting in more effective human activities and systems" (p. 13).

This concept suggests that when organizational practices are transferred from one culture to another, the host culture, or the organizational practices, or both have to be "tuned" to fit into each other. This is because organizations are culturally conceptualized, and organizational practices from one culture may or may not work in another culture. In this respect, the culture-specific school suggests that different cultures should proceed to develop their own culture-specific theories by reconceptualizing the Western managerial and organizational theories and practices (Hofstede, 1984a, 1987; Lockett, 1988, 1990).

Ogbor posits that cross-culturally transferred organizational practices will go through a "process of institutional reinterpretation and redefinition" (1990, p. 350), due to different cultural orientations. His perspective on the cross-cultural transfer of organizational practices has influenced the present study in important ways. He argues:

Much of the formal structure and rules of the organization corresponded to Western prototypes and models, yet the way the organization actually operated would be incomprehensible without reference to the particular traditional administrative behavior and culture with which the actors interacted at virtually every point in their organizational actions. An understanding of the role of the informal behavior derived from the wider societal culture in the interpretation of alien organizational practices is necessary, in turn, to a comprehension and assessment of the impact on the organizational change experienced by the members of the organization. (Ogbor, 1990, p. 350)

The Research Problem

With respect to research problems, the study explores what happens to a new form of organizational practices when it is transferred from one culture to another, and how a cultural synthesis can possibly be achieved in the cross-cultural transfer of organizational practices. As indicated in the following figure, the study identifies two levels of problems for the business of cross-cultural transfer of organizational practices. One is **the problem of meaning**, which refers to how imported organizational practices are interpreted in the Eastern culture, in contrast to how they are understood in the Western culture. The other one is **the problem of tuning**, which refers to the necessity to "tune" either the cultural values and meanings of the Eastern culture or the imported organizational practices in the Western culture or both in the attempt to achieve cultural transposition.

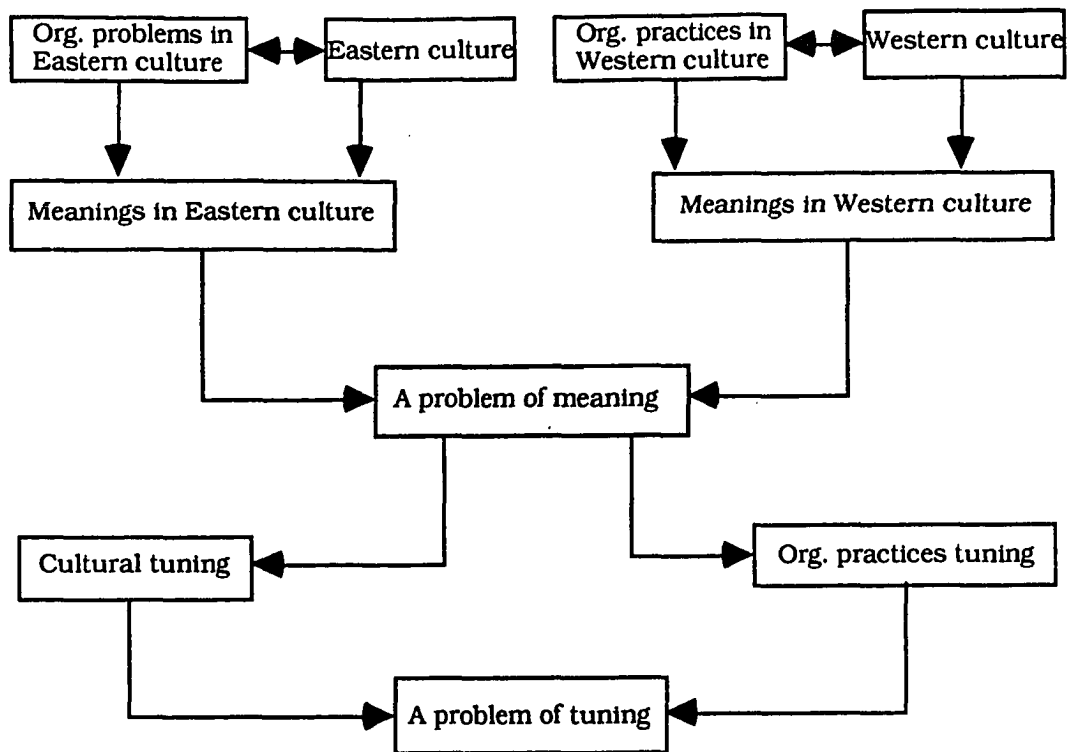


Figure 1. Problems of meaning and cultural tuning in cross-cultural transfer of organizational practices

More specifically, to study cultural transposition in cross-cultural transfer of organizational practices, several levels of research questions can be formulated. The first one is stated as follows:

1. What are the major cultural values and beliefs that influence human behavior, especially organizational behavior in China?

This research question concerns the cultural orientation a Chinese embraces in contrast to the cultural orientation inherited in the imported organizational practices. The question should lead to answers

that explain the relationship between culture and behavior. This question helps set up the second level of research question stated as follows:

2. What are the major cultural values and beliefs by which certain imported organizational practices may be interpreted in China?

Answering this research question can help explain the process whereby new meanings of foreign organizational practices are constructed in the Chinese culture, which leads to the next level of research question:

3. In terms of effectiveness as defined in the local culture, what are the cultural values and beliefs that either fit or do not fit into certain imported organizational practices?

This research question helps establish an understanding for possible cultural synthesis.

The last level of research question concerns exploring strategies for achieving cultural synthesis in cross-cultural transfer of organizational practices. As a research question, it is stated as follows:

4. How may cultural values and beliefs, and imported organizational practices be reorganized or transformed to fit into each other, with the aim of increasing organizational performance?

The Research Purpose

The proposed research is to study cultural transposition, which means to explore meanings of and strategies for cross-cultural transfer of organizational practices. To be more specific, the purpose of the study can be stated as follows:

(1) To achieve a better understanding about cultural differences, especially those cultural values and beliefs that lead to different interpretation of the cross-culturally transferred organizational practices.

(2) To understand how organizational members with one cultural background interpret cross-culturally transferred organizational practices which are derived from a very different cultural background.

(3) To further understand how cross-culturally transferred organizational practices are interpreted between different groups of organizational members -- government, management, and employees, and how different interpretations, if any, lead to organizational realities in which different groups of people share every day.

(4) To examine how cross-culturally transferred organizational practices are actually applied in an organizational setting, and how these applications affect behavior of organizational members as well as organizational performance.

(5) To identify those cultural values and beliefs which fit into cross-culturally transferred organizational practices, and those cultural values and beliefs which do not fit into cross-culturally transferred organizational practices.

(6) To explore strategies pertaining to how those dysfunctional cultural values and beliefs can be tuned to fit into cross-culturally

transferred organizational practices so that a cultural synthesis can be achieved.

(7) To further explore strategies pertaining to how cross-culturally transferred organizational practices can be transformed, modified, or reconceptualized to fit into the host culture so that a cultural synthesis can be achieved.

Basic Approach, Scope, and Limitations of the Research

It is understandable that the phenomenon of cultural transposition in cross-cultural transfer of organizational practices is complex. Such a phenomenon involves several matters, each of which is already troubling to both theorists and practitioners alike. First, it involves organizations in general and organizational change in particular. The fact is that an organization is itself a monster which we -- the blind people-- do not really know. Second, the cross-cultural transfer of organizational practices involves organizational change in a cultural context. Such a change results from infusing parts of the organizational monster in the West into the organizational monster in the East. Metaphorically such a phenomenon can be characterized as an interbreeding between the two different monsters. This adds to the difficulty of understanding, since we do not know how to make this happen. Finally, the outcome of such a hybrid may produce a new, more complex monster requiring more inquiry.

To inquire into such a complex phenomenon, a theoretical framework or approach needs to be established. In the history of organizational studies, two approaches seem to exist. One of them is the structural-functional approach, which dates back to the scientific management era

of Taylor. A more contemporary approach focuses on the interrelationship between organization and environment, influenced by organismic metaphor (Pondy, et al., 1983). In other words, this approach emphasizes the roles and functions of organizations, which lead to survival. The individual's behavior is viewed as responses to the needs or requirements of the larger system. It is doubtless that such an approach to the study of organizations is important, since the issue of survival is closely related to organizational effectiveness.

However, such a functional approach has several limitations for the current study. First, a functionalist approach "does not capture the full significance and implications of the capacity for individuals to act according to the interpretations and definitions they give to organizational situation" (Ogbor, 1990, p. 96). In other words, by taking a functionalist approach the researcher may not be in a position to know how the organizational reality is constructed and what it means to be a member of an organization. Second, "by focusing simply on how action can be managed to serve certain functions . . . one may be forced to neglect the processes through which action is constructed and made meaningful to the members of the organization" (Ogbor, 1990, pp. 96-97). In my opinion, this has been a major weakness of the research in the Chinese situation. Most domestic and international researchers take this functional approach which ends up with little meanings. Third, a functionalist approach tends to neglect the impact of culture on the roles and functions of the organization. Functionalists take culture as either unimportant, because they believe that certain roles and functions are the same and have to be performed in any culture, or a variable which interrelates with other variables -- the roles and functions -- of

the organization. As discussed earlier, culture tends to affect how organizations are conceptualized, and the meaning of organizational effectiveness can be different.

In contrast, an interpretive approach to the studies of organizational phenomenon focuses on the social construction of organizational reality. In the literature, this approach may be labeled as phenomenology, naturalist inquiry, interpretive anthropology, constructivism, or grounded theory. An important feature of this approach is that it sets out to search for meanings held by organizational members and how the construction of meanings affect individuals as well as organizations.

This research sets out to find out the cultural mechanisms for explanations, and it is designed to use both the native perspective and a cross-cultural one. Since I grew up and worked in the Chinese culture, it made it relatively easier for me to become part of "the original network."

Thus, to understand a culture the researcher has to become part of "the original coherent network." Geertz (1983) explains that understanding a culture is much like understanding a game. One has to know the basic terminology and rules of the game before one can actually play it. Many cultural anthropologists use such an approach to understand a culture. For example, Hamada (1991) writes about how she takes an ethnographic perspective in studying American enterprise in Japan.

As formulated, the purpose of this study is to search for meanings of and strategies for cultural transfer of organizational practices. Such a purpose may be described as an attempt (1) to describe how cultural values and beliefs affect organizational members in ways of understanding and interpreting cross-culturally transferred

organizational practices, and (2) to search for ways of tuning cultural values and beliefs, or/and imported organizational practices, so that organizational effectiveness (however defined by organizational members) can be enhanced.

In this context, the concept -- strategy-- is used somewhat differently from what is meant in the functionalist approach. The functionalist approach tends to develop strategies for increasing organizational competitiveness. Thus, strategies are well defined as step-by-step formulations and often evaluated via "hard" measures for economic performance. In contrast, the strategy in this research context is limited to identifying ways of integrating the host culture and imported organizational practices. Such a strategy helps develop cultural integration so that deeper problems -- problems at the cultural level -- which lead to organizational problems like structure, performance, and reward systems can be identified.

Thus, the approach of the study may be viewed as understanding how cross-culturally transferred organizational practices are integrated into an organizational situation in the host culture. The interpretive approach to the studies of organization is taken as a major theoretical framework in this study. However, the design of the actual research also borrows a flavor from the functionalist approach in two ways. One is that some constructs such as the pattern variables which are developed from the functionalist approach in sociological studies are used to compare cross-cultural differences (Schein, 1992; Ogbor, 1990). The other one is that, although the strategy may have different meanings, this research attempts to explore strategies for integrating the host culture and imported organizational practices.

Such a marriage between the interpretive approach and the functionalist one should not be seen as a weakness of the research. On the contrary, it should be taken as a strength. The fact that the interpretive approach is different from the functionalist approach does not prevent borrowing from each other to form a more encompassing approach. In fact, as argued by phenomenologists themselves, the phenomenological approach does not restrict researchers to a limited set of tools. As Psathas (1973) points out, there is no ready-made formula or recipe to do phenomenological research. Kuhn (1970) posits that the adoption of a new paradigm for research requires the researcher to have a major reformation of his thinking.

Several major limitations of this study can be identified. First, in this study, "Western culture" and "Eastern culture" are used as convenient contrasts to describe cultural differences. In this respect, I am aware that there are significant differences within cultures in the "Western culture" and "Eastern culture," and organizational practices are manifested differently in different cultures. For example, Hofstede has examined that democracy has different manifestations in different societies. However, my reason to use such terms -- "Western culture" and "Eastern culture" -- is that Western culture is rooted in the European thinking of the nineteenth century (Ogbor, 1990), and similarly Eastern culture is rooted in Confucianism, Buddhism, and Taoism which have influenced Easterners for thousands of years.

For similar reasons, another major limitation is that although the study deals with problems at a cultural level in China, this particular study does not handle all of the cultures in China. I am aware that there are many ethnic groups in the Chinese culture, and they have distinctive

cultures of their own. However, two significant facts should be noted. One is that the Han represent more than 90 percent of the population, and almost all of the major industries are controlled by Hans. The other one is that the Han culture is a dominant culture, and other minorities are heavily influenced by Han culture. This study attempts to characterize the dominant thinking which is shared by most native people as the national culture, as is done in Hofstede's (1984) famous IBM study.

Another major limitation is that although this particular study deals with both national culture and organizational culture, it does not focus on the differences between the two. In doing so, the boundary between organizational culture and national culture is blurred. This study is more interested in how cultural values and beliefs are manifested organizational culture. In other words, although organizational culture is dealt with, the focus is on the manifestations of national culture in the organizational setting.

Another major limitation is that although this study is about issues at the national level, the actual study in the Chinese culture was mostly done in a single organization. I am also aware of the issue pertaining to the representation of the Chinese culture. Obviously generalizations based on a single case must be understood as such. Several case studies or comparative studies are more conducive to theory verification and development (Glasser & Strauss, 1967). However, my explanation is that a single case has the merit of obtaining deeper knowledge about a phenomenon, due to the possibility of concentrated energy and effort. Further, it is argued that "since accurate evidence is not so crucial for generating theory. . . A single case can indicate a general conceptual

category of property" (Glaser & Strauss, 1967, p. 30). Furthermore, since the state enterprises have been structured and organized in a more or less uniform fashion, a study in a single organization can have some generability to other organizations. Finally, in the study I have used some other organizations including the government to identify the major common problems that are pervasive in the state industrial organizations in China. This helps me focus on the problems at a national level.

Organization and Summary of the Dissertation

As shown in Figure 2, the dissertation is structured into nine Chapters.

Chapter Two is a literature review on the theoretical frame of reference upon which this study is based. Three major relevant areas of literature -- institutional perspective, cultural perspective, and cross-cultural perspective -- are discussed.

Chapter Three discusses the research methodology which guides the process of choosing the research methods. One section is devoted to the research methodology and research methods themselves. Another major section discusses research process and strategy.

Chapter Four presents the findings of the Eastern conversation, which is a major part of the study. In a native perspective, cultural mechanisms which stabilize and influence human behavior are discussed at the level of self, group, organization, and society.

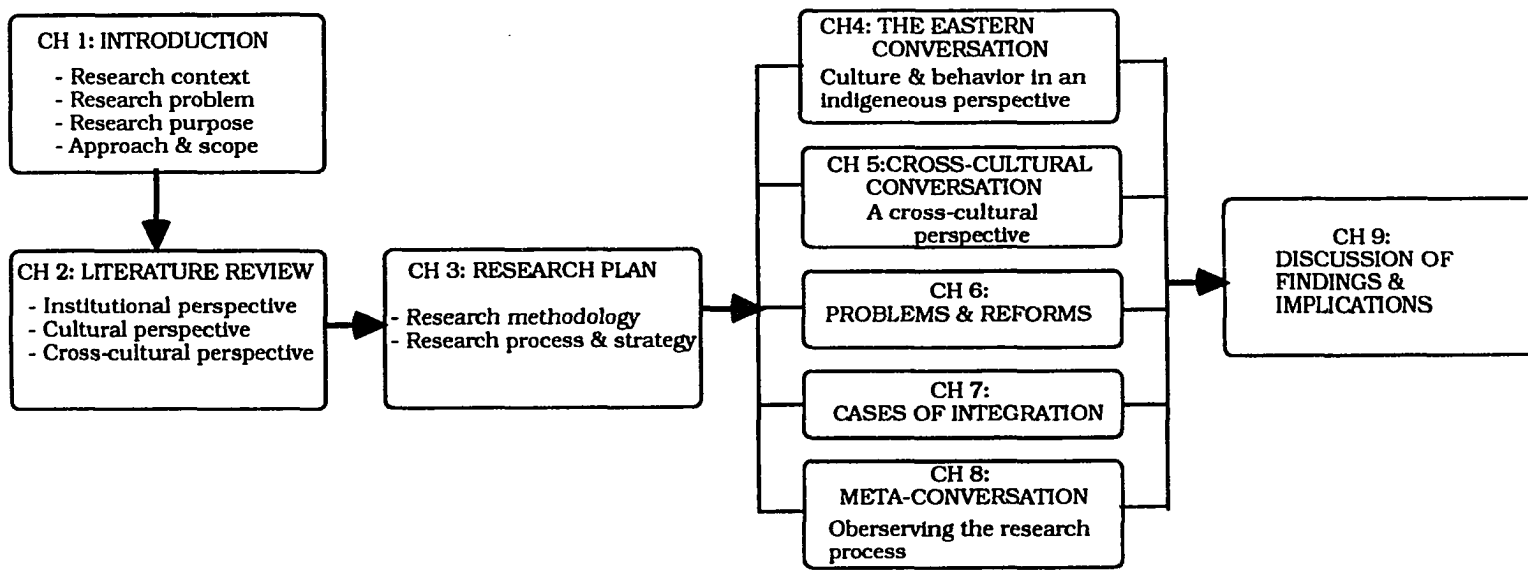


Figure 2. Organization of the dissertation

Chapter Five examines findings in a cross-cultural, comparative perspective. It attempts to locate an Eastern culture in the context of world culture so that the Eastern culture can be further understood. In doing so, it also sets up a context for understanding cultural synergy in the cross-cultural transfer of organizational practices.

Chapter Six discusses cultural interplays between the host culture and the imported Western organizational practices. Specifically, problems in the context of cross-cultural transfer of organizational practices are presented.

Chapter Seven continues the theme of cultural interplay from the preceding chapter. Cases of integration of the Chinese culture with Western organizational practices are examined. Further, strategies for achieving cultural transposition are explored.

Chapter Eight is a discussion on the research at a meta-level, which is about the conversation between the researcher and the research process. It focuses on the researcher's influence on the research process. The researcher's past experiences are taken as part of the research data; the researcher's values, beliefs, and assumptions which have some bearings on the research process are further discussed; outcomes due to the researcher's interaction with informants are also presented; and further, issues pertaining to cross-cultural communication are discussed and a model is developed.

Chapter Nine concludes the whole dissertation. A model of cultural transposition in cross-cultural transfer of organizational practices is presented. The major cultural orientations in the Chinese culture and their impacts upon the pursuit of the meanings and strategies in the context of cross-cultural transfer of organizational practices are

summarized. Further, various implications and suggestions are identified and discussed.

CHAPTER TWO

LITERATURE REVIEW: CHOOSING A THEORETICAL FRAMEWORK

Introduction

After a literature review, there does not seem to be an existing sound theoretical framework for the study of cultural transposition in the context of transferring organizational practices. The purpose of this chapter is to design a theoretical framework which is needed for such a study.

Treating our understanding of an organization just as the six blind men who tried to understand what an elephant was, Morgan (1986) asserts that multiple perspectives will be more fruitful than a single one. Under such a call, several major schools of thoughts -- **institutional perspective, organizational culture perspective, and cross-cultural perspective** -- which are all relevant to the study of cultural transposition in cross-cultural transfer of organizational practices will be reviewed. The institutional perspective is useful, since it deals with the institutionalization of imported organizational practices. Second, the cultural perspective in the studies of organizations is relevant, since such a study is about the values and beliefs held by organizational members, specifically how their values and beliefs influence the way they construct their organizational reality. The Chinese culture is unique, and a cultural perspective on the study of cultural transposition in the

context of transferring organizational practices is necessary. Finally, a cross-cultural perspective in the studies of organizations is also meaningful, since such a study directly deals with issues pertaining to cross-cultural transfer of organizational practices.

Lastly, it is important to note that I do not intend to cover all the literatures that are relevant to this study in this chapter. As we move into other chapters, more literature will be discussed where appropriate.

Institutional Perspective and the Study of Cultural Transposition

Institution, Institutionalization, and Institutional Perspective

After a detailed analysis of various institutions, Jepperson (1991) defines institution as "a social order or pattern that has attained a certain state or property" (p. 145). He further explains that order or pattern refers to "standardized interaction sequences" (p. 145.). In other words, an institution is a system or pattern which embeds reproductive process.

Institutionalization refers to the process of attaining a social order or pattern (Jepperson, 1991). In their attempt to develop the theory of institutionalization, Berger and Luckmann (1987, p.72) posit that institutionalization occurs whenever a pattern of reciprocal relationships exist. In part, institutionalization is the process whereby social practices become patterns to be described as institutions. It also involves the process whereby things such as social processes take rule-like status in social thought and action (Meyer & Rowan, 1977, p. 341).

Institutional perspective originates from the notion of institutionalization. Institutional perspective focuses more on

institutional effects than any other effects. Jepperson (1991) points out that institutionalism is a theoretical strategy that features institutional theories and seeks to develop and apply them" (p. 153).

Two institutional perspectives -- the new institutionalism (e.g., Meyer & Rowan, 1977) and the old institutionalism (e.g., Selznick, 1949, 1957) -- can be identified in the literature. According to DiMaggio and Powell (1991, p. 12), both approaches have some common grounds and some differences. Both approaches focus on the relationship between organizations and environments from a contingency point of view, are skeptical about the "rational-actor models of organization" which views organizations as rationalized entities, and stress the impact of culture on shaping organizational reality.

Two major differences between the two approaches exist. First, in terms of the treatment of organizational structure, the old perspective focuses more on "how the informal structures deviated from and constrained aspects of formal structure and to demonstrate the subversion of the organization's intended, rational mission by parochial interests" (DiMaggio & Powell, 1991, p. 13). In contrast, the new institutionalism deals with irrationality of the formal structure itself. Neo-institutionalists tend to focus on the organizational processes and the cultural aspects which give rise to and impact on formal structure (Meyer & Rowan, 1977; DiMaggio & Powell, 1991).

Second, the two perspectives have different conceptualizations of the environment. The old institutionalism treats local environment as closely coupled with organizations by various relationships such as personnel and other resources (Selznick, 1949; Gouldner, 1954). The new institutionalism instead pays more attention to how wide, subtle, and

non-local environments impact organizations (Scott & Meyer, 1991). Scott (1983) defines institutional environment as "including the rules and belief systems that arise in the broader societal context" (p. 14).

To further understand what institutionalism is about, Jepperson (1991) proposes to contrast it with other theories. He uses a typology which has two dimensions -- the level dimension and the constructedness dimension. The former dimension is divided into two groups of images -- structuralist and individualist. The latter dimension distinguishes between another two groups -- phenomenologist and individualist. Thus, four groups of theories are compared.

Under such a typology, institutionalism is labeled as phenomenological and structuralist theories. Under the influence of phenomenology, institutional perspective emphasizes that social organizations or institutions are highly constructed, and one seeks to understand organizations by investigating "deep or core rules" (Jepperson, 1991, p. 154). In this perspective, Berger and Luckmann (1987) also maintain that institutionalization is socially constructed. Such a position implies that institutionalization is an intersubjective phenomenon. The theory of institutionalization may be applied to the discourse on organizations because organizations like institutions are also socially constructed, and they are conditioned by institutional environment (Ogbor, 1990).

On the other hand, influenced by the structuralist approach, institutional perspective seeks to understand organizations or institutions from a broader perspective or multilevel analysis, according to Jepperson (1991). In other words, they focus the construction process more at a macro level and multilevel rather than at a micro level and

single level analysis which is apparent in the organizational culture theories (Jepperson, 1991).

Formal Organization and Informal Organization

Explicit in the above discussion is that organizational activities are divided into two categories -- formal and informal (Tichy & Fombrun, 1979). Consequently, in the literature, these activities are often referred to as formal organization and informal organization respectively. Formal organizations are organizations with formally established purpose of achieving certain goals (Blau & Scott, 1962). Formal organizational structures emerge through two interrelated processes (Meyer, Scott, & Deal, 1981). One of them is the process whereby complex technologies and environments give rise to some specific organizational structures. The other one is the process whereby organizational structures in turn define certain rationalities for certain types of roles and programs which are expected to make the formal organization flourish.

However, according to these authors, in order to understand the nature of formal organization, informal organizations have to be investigated because the official rules can never completely determine the activities of the organizational members. Morey and Luthans (1991) view the formal system as the skeleton of the organization and the informal system as flesh on the skeletal framework, the two of which are mutually dependent. They further explain:

Although they can, and often must be separated analytically for study, it must be remembered that this is an artificial separation for heuristic purposes only. Neither can actually function without the other. Social organization (individual interaction patterns) may follow the formal organization or may deviate from it and be classed as informal, but the structure remains a formal system in modern organizations. (Morey & Luthans, 1991, p. 599)

The Institutionalization of Organizational Practices

The literature on the institutionalization of organizational practices (Meyer & Rowan, 1977; Zucker, 1977; Meyer, 1978; Rowan, 1982) is directly relevant to the study of cross-culturally transferred organizational practices.

The institutional perspective posits that the organization's survival requires it to conform to institutional norms of acceptable behavior as well as to achieve high levels of production efficiency (Meyer & Rowan, 1977; Astley & Van de Ven, 1983). This suggests that when new forms or structures are introduced into the organization, those new organizational practices have to demonstrate their coherence with institutional rules and their capability to improve production efficiency, before they can be legitimized.

Further, the survival of an organization in part depends on whether it can become legitimated by societal institutions or not (Meyer & Rowan, 1977). This is to say that effectiveness alone is not enough for organizational success, because organizations that are truly effective may put themselves out of existence (Kimberly, 1979). Furthermore, once organizational practices are institutionalized, organizational members may persist in a course of action -- behavioral persistence (Staw, 1984) or persist in institutional norms -- cultural persistence (Zucker, 1977). They do so because consistency is appropriate, especially if the action is legitimated with reference to institutionalized rules and norms.

Institutionalization and Organizational Change

In the institutional perspective, organizational change is viewed as the result of institutionalized norms, values, and structures, which leads

to a new relationship with the institutional environment (Kimberly, 1979). In this respect, Rowan (1982) maintains that the institutional perspective on organizational change explains why some changes are implemented and sustained in the organizational setting, and some others not. He further suggests that any successful organizational change should have ideological consensus in the environment.

Such a theory is supported by a study on the institutionalization of an organizational change program. Cole (1984) compares participation in decision-making in Japan, Sweden, and the US. He concludes that the reason for such a change program to succeed in Sweden is that there exists a national consensus on this program. In contrast, in both Japan and the US, such a change program is very limited, and the reason for that is the lack of such national consensual ideology. Thus, he points out that whether an organization can implement certain organizational practices or not is largely dependent on the support of societal ideology.

In terms of institutionalization, the concept of cultural persistence (Zucker, 1977; Staw, 1984) deserves attention. Zucker (1977) posits that institutionalized practice resists any attempt to change. Further, the degree of resistance is dependent upon the degree of institutionalization. When an act is highly institutionalized, the resistance to change is high.

The reason for cultural persistence comes from the cultural values and beliefs held by organizational members. Organizational members continue a course of action simply because they believe that their actions are consistent with organizational norms and rules. These rules, norms, and values are the sources for resistance. Under the circumstances, to implement organizational changes, Staw (1984) suggests:

. . . in order to abandon a line of behavior to which one has been committed, a person must often alter the beliefs and cognition about the world that led to the behavior in the first place. Such beliefs and the values that underpin them are highly resistant to change. (p. 98)

The discussion in this section has several theoretical implications for the study of cultural transposition. First, for a successful cross-cultural transfer of organizational practices, it is critically important for the organization to commit to the institutionalization process. Otherwise, failure will come. Second, for cross-culturally transferred practices to be legitimated, they have to meet the criteria of efficiency and conformity to the institutional norms. Third, new organizational practices have to fit into the norms of the host society. The fate of cross-culturally transferred organizational practices depends on how they are incorporated with institutionalized elements of the host culture. Fourth, in the study of cultural transposition of cross-cultural transfer of organizational practices, both the formal organization and the informal organization are equally important. In other words, in order to be institutionalized, the imported organizational practices have to fit into the norms of both formal organization and informal organization. Last, cross-culturally transferred organizational practices will meet with resistance to change, due to the phenomenon of cultural persistence or behavioral persistence. It further implies that studying the phenomenon of cultural persistence or behavioral persistence may not only facilitate our understanding of the local culture but also enable researchers to develop a sound design in such a change effort.

The Organizational Culture Perspective and the Study of Cultural Transposition

The Concept of Culture

The concept of culture is very complex. It originates from the field of anthropology which mainly deals with cultures. However, in recent years culture has been applied to groups or organizations which complicates the concept of culture even more, due to the fact that groups or organizations cannot be unambiguously defined (Schein, 1992). Groups or organizations may mean a nation, a common sense organization such as a company, or a loosely connected entity such as a professional association. Hofstede (1991) classifies layers of culture -- a national level, a regional level, a gender level, a generational level, a social class level, and an organizational level. Further, different groups or organizations do have different meanings of culture (Hofstede, 1991). For example, the meaning of culture at the level of nation is very different from the meaning of culture at the level of an organization.

Culture has been defined in various ways (Kroeber & Kluckhohn, 1952; Sackmann, 1992). For examples, culture has been defined as ideologies (Harrison, 1972), a coherent set of beliefs (Baker, 1980), a set of shared core values (Deal & Kennedy, 1982; Peters and Waterman, 1982), important understandings (Sathe, 1983), the collective will (Kilmann, 1982), the collective programming of the mind (Hofstede, 1980), or "'unfinished process of dialogue between different social groups" (Hamada, 1990, p. 8). It can be said that the stage of theory development is full of confusion. As Sackmann (1992) indicates, "different authors tend to use these concepts in different ways, creating some conceptual confusion and ambiguity" (p. 141).

Schein (1992) attempts to have a formal definition of organizational culture. After a careful review of the literature, he concludes, "commonly used words relating to culture emphasize one of its critical aspects -- the idea that certain things in groups are shared or held in common" (p. 8). Then, he lays out the following major categories of these overt phenomena: 1. observed behavioral regularities when people interact; 2. group norms; 3. espoused values; 4. formal philosophy; 5. rules of the game; 6. climate; 7. embedded skills; 8. habits of thinking, mental models, and/or linguistic paradigms; 9. shared meanings; and 10. "root metaphors" or integrating symbols.

These concepts are defined from either a functionalist perspective -- taking culture as something an organization has -- or an interpretive perspective -- taking culture as something an organization is (Smircich, 1983a; Sackmann, 1992). Since this study takes an interpretive approach, three areas of literature -- Schein's organizational culture, Berger and Luckmann's phenomenological works, and Geertz's interpretive anthropology -- which are influential in the development of such a perspective are further examined.

Schein believes that all of these concepts are parts of organizational culture, "but none of them are 'the culture' of an organization or group" (1992, p. 10). This is because, as he posits, the word culture has two elements additional to these shared phenomena:

One of these elements is that culture implies some level of *structural stability* in the group. When we say that something is "cultural," we imply that it is not only shared but deep and stable. By deep I mean less conscious and therefore less tangible and less visible. The other element that lends stability is *patterning or integration* of the elements into a larger paradigm or gestalt that ties together the various elements and that lies at a deeper level. Culture somehow implies that rituals, climate, values, and behavior bind together into a coherent whole. This patterning or

integration is the essence of what we mean by "culture." (Schein, 1992, p. 10)

Based on the above argument, he formally defines organizational culture as "a pattern of shared basic assumptions that the group learned as its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (Schein, 1992, p. 12).

He also indicates that there are three elements in his definition of culture which are not previously covered. The first one is the problem of socialization. "How one learns and the socialization *processes* to which one is subjected may indeed reveal deeper assumptions. To get at those deeper levels one must try to understand the perceptions and feelings that arise in critical situations, and one must observe and interview regular members or old-timers to get an accurate sense of which deeper-level assumptions are shared" (Schein, 1992, p.13). The second is the problem of behavior. In his definition, overt behavior is not included. "Instead, the definition emphasizes that the critical assumptions deal with how we perceive, think about, and feel about things. Overt behavior is always determined both by the cultural predisposition (the perceptions, thoughts, and feelings that are patterned) and by the situational contingencies that arise from the immediate external environment" (Schein, 1992, p. 14). The third is the question of whether a large organization has one culture. Schein (1992) suggests that such a question should be handled empirically. He further argues that subcultures not only exist, but also are in conflict with each other.

According to work by Berger and Luckmann (1987) in phenomenology, human activity must be understood as being meaningful to actors in a society, and therefore, it must be interpreted. Similarly from interpretive anthropology, culture is also viewed within the context of meaning structures (Geertz, 1973). Since the essence of the social world rests in those meanings that shape and sustain human action and interpretation, social reality is nothing but the meaningful experiencing of events. In other words, humans construct their own worlds, and thus they are "culture-makers" (Berger & Luckmann, 1987). In an organizational setting, these meanings may achieve intersubjectivity, and thus be "objectified" in the artifacts of culture -- ideologies, value and belief systems, rules and regulations, and so forth. In such a perspective, culture is defined as the totality of man's products (Berger, 1967).

From interpretive anthropology, culture is viewed as meaning structures or webs of meaning. Geertz (1973) refers to culture as "a historically transmitted pattern of meaning embodied in symbols, a system of inherited conceptions expressed in symbolic forms by which men communicate, perpetuate and develop their own knowledge about - and attitudes towards life" (p. 89). In other words, humans view their world as meaning structures which guide their actions.

Further, considering the very concept of organization, organizations are viewed as shared interpretive schemes (Smircich, 1983b), which are also socially constructed (e.g., Pfeffer, 1981; Pondy, 1983; Morgan, 1986). In an organizational setting, the word sharing is very important. If nothing is shared by organizational members, the organization will not exist.

Thus, in order to understand an organization, interpretation has to be applied. To interpret an organization, researchers first investigate how experiences become meaningful to organizational members, and how these interpretations become shared and related to their actions (Smircich, 1983c). Morgan (1986, p. 131) further clarifies this approach to organizational analysis by asking these major questions: (1) "What are the shared interpretive schemes that make organization possible?" (2) "Where do they come from?" (3) "How are they created, communicated, and sustained?"

Schein (1992) also proposes a way of analyzing culture. He indicates that there are three levels of culture -- artifacts, espoused values, and basic underlying assumptions -- ranging from the intangible to the tangible. Schein (1992) defines artifacts:

At the surface we have the level of artifacts, which include all the phenomena that one sees, hears, and feels when one encounters a new group with an unfamiliar culture. Artifact would include the visible products of the group such as the architecture of its physical environment, its language, its technology and products, its artistic creations, and its style as embodied in clothing, manners, of address, emotional displays, myths and stories told about the organization, published lists of values, observable rituals and ceremonies, and so on. (p. 17)

Schein also indicates that this level of culture is "easy to observe and very difficult to decipher" (1992, p. 17). He posits:

The observer can describe what she sees and feels but cannot reconstruct from that alone what those things mean in the given group, or whether they even reflect important underlying assumptions. . . . It is especially dangerous to try to infer the deeper assumptions from artifacts alone because one's interpretations will inevitably be projections of one's own feelings and reactions. (Schein, 1992, p. 18)

However, one can achieve this level of understanding by analyzing the next level of culture -- espoused values, norms, and rules -- that are

operating principles for behavior. At this level of culture, it is important to identify the shared values and beliefs. However, shared values and beliefs always originate from somebody. "All group learning ultimately reflects some one's original values, some one's sense of what ought to be as distinct from what is. When a group is first created or when it faces a new task, issue, or problem, the first solution proposed to deal with it reflects some individual's own assumptions about what is right or wrong, what will work or not work" (Schein, 1992, p. 19). When such values and beliefs are accepted by a group, it is said that "a process of cognitive transformation" occurs (Schein, 1992, p. 19). Values at this level can predict much of the behavior at the artifactual level.

Basic underlying assumptions are located at the deepest level, where the unconscious, taken for granted beliefs, perceptions, thoughts, and feelings reside. "Basic assumptions . . . have become so taken for granted that one finds little variation within a cultural unit. In fact, if a basic assumption is strongly held in a group, members will find behavior based on any other premise inconceivable" (Schein, 1992, p. 22). Unconscious assumptions can be dangerous, because we often use them to make judgments. A phenomenon can be interpreted in different ways, due to the assumptions we make.

Organizational Culture Studies

According to Jepperson (1991, p.154), organizational culture research applies phenomenological/individualist approach in organizational analysis. In other words, the organization culture approach views organization as highly constructed entities, as reflected in the ideas of Karl Weick (1969). On the other hand, organization culture research

focuses on a single level of analysis, that is, how shared meanings, values, and attitudes shape and sustain the actions of organizational members. In other words, the focus of research is on intra-organizational studies (Ogbor, 1990) or internal relevance of organizational behavior (Selznick, 1948).

Such studies focus on interrelationships among organizational members and how they collectively construct their organizational reality. In other words, organizations can be viewed as how organizational members interpret plans, rules and regulations, new organizational practices, and how they enact their own organizational reality. The interrelatedness of members in an organization must be viewed as they define their actions in relation to their selves and how they create meanings out of their self-defined actions (Ogbor, 1990).

To study the phenomenon of organizational change, the interrelatedness of organizational members may be seen as an ideal vehicle for the interpretation of changes. In other words, organizational members tend to perceive and interpret particular change processes with reference to their relationships with other organizational members. To relate the notion of interrelatedness to the study of cultural transposition, this implies that it is very important to investigate cultural premises by which organizational members make meanings out of organizational change (Ogbor, 1990).

The discussion about culture and organizational culture has important implications for the study of cultural transposition in cross-cultural transfer of organizational practices. First, it helps define and clarify the meaning of culture and organizational culture, both of which are the focus of this study. Second, it helps devise a way of investigating

organizational culture. Finally, it suggests that effective change to a large extent depends on changes in values and beliefs that guide actions (Schein, 1992). Effective change will not occur without altering the constructed realities, and the meanings attached to activities embodied in the constructed realities (Goodman, 1984; Ranson, Hinings, & Greenwood, 1980).

The Cross-Cultural Perspective and the Study of Cultural Transposition

The Intellectual Debate

The cross-cultural perspective mainly concerns differences in patterns of behavior across different cultures (Smircich, 1983c; Hofstede, 1980, 1984, 1991; Redding, 1986, 1990). Although there seems to be no disagreement about this definition in cross-cultural research, opinions pertaining to theory building differ significantly. Poortinga and Malpass (1986, p. 38) suggest two major views -- the universalistic view and the non-universalistic view.

The universalistic view posits that a theory by definition is universal (Faucheux, 1976, p. 274). Organizational theorists with such a view (e.g., Hickson, Hinings, McMillan, & Schwitter, 1974; Kuc, Hickson, & McMillan, 1980; March & Mannari, 1980; Hsu, Marsh, & Mannari, 1983) argue that organizations are alike, and theories of organizations apply cross-culturally. Although culture needs to be considered in theory development, it is not necessary to develop culture-specific theories (Sechrest, 1977a, b; Brown & Sechrest, 1980). To include culture in the theory building, Strodtbeck (1964) suggests treating cultural factors as

independent variables. All of these position discourage the attempt of developing culture-specific theories (Poortinga and Malpass, 1986).

Although these theoretical arguments are difficult to dispute, the universalistic school has so far received little empirical support.

The non-universalistic view treats culture as a background factor which influences the psychology of human beings. Poortinga and Malpass (1986, p. 40) maintain:

Cross-cultural psychology can also be seen as a substantive area of psychology, and "culture" as inextricably woven into the psychological making of a person. An implication is that the concept of culture does not only encompass sociological or anthropological distinctions, but also has relevance as a psychological concept. In this perspective a culture is taken a system with complex interrelationships between variables, rather than as a collection of treatments each one of which can be set apart to serve as an "independent" variable in a study. (p. 40)

It is on this basis that some scholars (e.g., Hofstede, 1980, 1991; Adler, 1991; The Chinese Culture Connection, 1987; Lockett, 1988) argue that organizations are culturally conceptualized, and organizational practices from one culture may or may not work in another culture. Further, it is found that culture also plays an important role in determining behavior (Redding, 1990), and behavior reinforces cultural values (Hofstede, 1984a, 1991). In this respect, the culture-specific school suggests that different cultures should proceed to develop their own culture-specific theories by reconceptualizing the Western managerial and organizational theories and practices (Hofstede, 1984a, 1987; Lockett, 1988).

While the debate continues, a relevant question is whether organizations become more convergent or divergent (Adler, 1986). If they become more similar, then understanding cross-cultural differences are less important, and vice versa. To clarify this issue, after a careful review

of cross-cultural studies Child (1981) finds out that both the universalists and the non-universalists are right. The difference is that both sides have a different focus. The universalists focus on macro level issues such as the structure and technology of organizations themselves, while the non-universalists focus on micro level issues such as values, beliefs, and behavior of people. The conclusion is that while organizations worldwide are growing more similar, cultural behavior still remain unique. In other words, organizations worldwide may look the same from outside, however, the cultural dynamics are different.

Thus, the concept of cultural relativism (Berry, 1972, 1981) is important. Due to cultural differences, it is "more appropriate not to assume psychological universals across groups" (Berry, 1981, p. 397). In other words, our ideas, theories, or organizational practices are culturally-bounded, and one cannot use its own pattern of thinking, feeling and acting to make a judgment on another one (Hofstede, 1991). For example, Bond and Hwang (1986) point out a typical case. From a Western ethnocentric perspective, Solomon (1971) characterizes Chinese as weak-willed in their conformity and deference to leadership. Such a conclusion presumes that independence is the healthy, normal state of human beings (Hogan, 1975), which no longer holds in the Chinese society. As Wong (1982, p. 11) argues, "what is involved in Chinese conformity and acquiescence may only be a prudent and expedient motive to avoid disrupting the present relations. It has nothing to do with a lack of autonomy or self-assertion. Such a belief is reinforced by the identified different patterns of behavior in areas such as motivation, communication, and leadership (Lindsay & Dempsey, 1983, 1985). In order to avoid an ethnocentric perspective, one alternative is to develop

indigenous theories. Indigenous theories hold (1) that the theories are conceptualized in a native cultural perspective, and in the meantime (2) that the theories are to reflect their own cultural reality (Bond & Hwang, 1986, p. 217). This approach will help understand how cultural values and beliefs sustain human behavior.

However, in order to facilitate cross-cultural learning, another approach -- cross-cultural comparison -- has attracted significant attention in the past decade. Such an approach is to seek opportunities to generate learning across cultural boundaries. Although each culture tends to have their own salient dimensions, cross-cultural comparisons can be done by identifying a dimension at a higher level of abstraction (Triandis, 1972, p. 38). Cultural relativism "does not mean that countries cannot learn from each other," Hofstede (1984, p. 254) argues, "On the contrary, looking across the border is one of the most effective ways of getting new ideas in the area of management, organization, or politics. However, applying these in one's own setting calls for prudence and judgment." Such an approach was exactly taken by the well-known IBM studies (Hofstede, 1980, 1990). With several dimensions that are common to different cultures, it can help people from other cultures to understand and learn from a specific culture.

To sum up, several important points can be made. First, culture itself is a relative concept. One should not judge one culture based on an ethnocentric perspective. However, one can learn a great deal by looking across borders. Second, the East and the West are very culturally different. One should pay adequate attention to the cultural implications, when organizational theories or practices are cross-culturally transferred.

Cross-Cultural Studies and Their Limitations

Contemporary cross-cultural studies are faced with several significant limitations. First, there is a tendency to over-generalize management and organizational theories (Hofstede, 1980, 1984, 1991). In some of the cross-cultural studies, culture is treated as a trivial factor which has received little attention from researchers. The result is theoretical and empirical inconsistencies, divergent recommendations, and even contradictory over-generalizations (Hesseling, 1973; Bhagat & McQuaid, 1982). In such studies, there is a possibility that researchers impose a different culture onto the organization, and even devise and define realities for the organization. Consequently, the meanings attached to actions by organizational members, and the organizational members' realities are ignored.

The second limitation is the strong bias in favor of management concerns rather than studying an organization holistically (Ogbor, 1990). Consequently, realities of the common organizational members -- employees -- are never uncovered, and such studies are incomplete (Hesseling, 1973). Further, the dynamics of how the common organizational members' realities affect the actions of the management remain unknown.

The third limitation, related to the second, is a methodological one. Most research studies are done by using questionnaires and interviews with managers or documents written by managers. Consequently, the organizational reality cannot be differentiated from the management reality. Such an approach to research, which promotes an elitist view, is challenged by an alternative pluralistic view that takes organization as composed of actors and coalition of actors each with their own values,

goals, divergent interests, and perceptions (Pettigrew, 1973; Crozier & Fredbery, 1977).

Another methodological limitation of the cross-cultural perspective is ahistoricism. Researchers tend to disregard the historical development of organizations or they assume historical factors have little or no effect on the organization being investigated (Ogbor, 1990). According to Ogbor, the irony is that cross-cultural researchers define culture from a historical view -- culture as acquired knowledge and experience, and yet they tend to ignore the historical processes and premises that lead to acquired knowledge and experience.

Another inconsistency regarding whether industrialization leads to a particular society's redefinition of organizing or not can be found in the literature (Ogbor, 1990). Harbison and Meyer (1959) assert that managerial beliefs are correlated with phases of industrial development in a country as it moves from "autocracy to democracy." On the other hand, Cummings and Schmidt (1972) in their study on managerial attitudes of Greeks suggest that culture may provide a broad framework within which beliefs are developed and reinforced, while degree of industrialization within a culture may influence the behavioral manifestation of these beliefs. In other words, such a formulation suggests that industrialization does not necessarily lead to cultural discontinuity, rather it influences how certain cultural beliefs are made manifest.

Such a formulation makes sense because forms, processes, and meanings attached to a particular ideology may vary greatly from society to society, and the mechanisms by which such ideologies are made manifest in the organizational lives of these societies may have different

patterns. For example, in the USA, the emphasis on management by objective (MBO), management by participation, and strong avoidance of union involvement reflects a democracy rooted in strong individualism (Hofstede, 1984a). In France, democracy is manifest within the organizations in the form of individualism, paternalism, and legalism, whereby the model of organization is a hierarchical structure (Gallie, 1978). In Sweden, democracy is made manifest in the form of union involvement and co-determination.

In fact, as a country industrializes, a cultural synthesis which integrates some strong traditional cultural elements and modern organizational practices can be achieved. On a theoretical level, two approaches to achieving cultural synthesis are called for in the literature. One of them is that when imported organizational practices are not in harmony with traditional cultural values, the former needs to be modified or even reconceptualized to realign development to cultural values (Hofstede, 1988; Tripathi, 1988). For example, in Japan, modern organizational practices are borrowed and altered to fit into the cultural background. Consequently, the organization is viewed as a collectivity to which employees belong rather than just a work place individuals come to for money (Morgan, 1986). Negandhi, Mungen, and Eshghi (1987) also suggest that Japanese lifetime employment can be traced back to Japanese paternalism.

The other approach is for when cultural values are not in alignment with imported organizational practices involves reinterpreting and reorganizing those cultural values which do not fit the need for development and reinforcing those cultural values that fit. For example, Sinha (1988) suggests that in the Indian context some of the values such

as dependency, loyalty to groups, and sensitivity to relationships rather than work goals be reinterpreted to make them conducive to development rather than condemning them. Triandis (1988) argues that both individualistic cultures and collectivistic cultures need to be modified, because both of them provide one-sided influence on organizational effectiveness. While individualistic cultures need to be more sensitive to personal relationships, members of collectivistic cultures require greater sensitivity to tasks.

Culture and Organizational Theories and Practices

Previous discussions focus on how organizational practices and organizational change may be conceptualized from diverse perspectives. In this section, I shall have a theoretical examination of the cultural assumptions upon which Western organizational theories and practices are based.

Some Major Cultural Assumptions

Every culture has assumptions about the reality that the members share. Schein (1992) indicates that human behavior is guided by the cultural assumptions. There exist different criteria for acceptable behavior in different cultures. As will be described later, these criteria sometimes can be opposites in the Eastern and Western cultural context.

To understand how the Western culture is related to organizational theories and practices, cultural assumptions in the West are explored in this section. Six major cultural assumptions are established to explicate the characteristics of the Western culture. One of them is **reality and truth orientation** which concerns what is real and what is not

(Hofstede, 1991; Schein, 1992). The other five of them come from Kluckhohn and Strodtbeck's (1961) classic comparative study of cultures in the Southwest, USA. These five assumptions around which cultural patterns are formed are: (1) **human nature orientation** which concerns the meaning of humanity; (2) **man-nature orientation** which is about the relationship between man and environment; (3) **time orientation** which concerns people's temporal focus toward the past, present, and future; (4) **activity orientation** which concerns the cultural judgment on the things for human beings to do in relation to reality; and (5) **relational orientation** which concerns the relationships among people.

Cultural Assumptions and Their Organizational Manifestation

The previous discussion on cultural assumptions provides a vehicle to examine at a theoretical level how Western organizational theories and practices are manifested and to further our understanding on the cultural values and beliefs on which these theories and practices are conceptualized.

Reality and Truth and Its Management and Organizational Manifestation

Every culture has a set of assumptions about what is real and how one determines or discovers what is real (Schein, 1992). It is argued that the West is particularly concerned with Truth (Hofstede, 1991). In the Western logic, there exists an axiom that a statement excludes its opposite: If A is true, B -- the opposite of A -- must be false (Hofstede, 1991). In contrast, the Eastern logic does not have such an axiom. If A is

true, B -- the opposite of A -- may be also true. A and B together may form a wisdom that is superior to either A or B (Hofstede, 1991).

During the great revolutions -- the Scientific Revolution and the Industrial Revolution -- the Western concern for Truth was an asset (Hofstede, 1991). It led people to search for laws of nature, which in turn led to numerous discoveries and scientific inventions. Graham (1971) refers to the scientific method as "discovery of how to discover." The Western thinking is characterized as analytical. It reduces the whole into parts to understand the whole. In contrast, the Eastern thinking is synthetic -- from the whole to the parts.

Schein (1992) argues that there exist different levels of reality, and the external physical reality and social reality are relevant in this context. Different cultures have different assumptions about what constitutes external physical reality. "In many cultures what we would regard as the spirit world, which is not real to us, would be regarded as real" (Schein, 1992, p. 98). In the Western tradition, the external physical reality is determined empirically by objective or scientific tests. Such assumptions are manifested in the organizational practices. People tend to try or experiment to find out the results. If two managers argue over which product to produce, they can define and do a test market (Schein, 1992).

Social reality refers to the shared constructed reality, which is not externally, empirically testable (Schein, 1992). The most obvious domains of social reality concern the nature of relationships, the distribution of power and process, the meaning of life, ideology, religion, and culture itself. In these domains, it is up to the culture to define what is real. In the Western context, such an assumption seems to be

manifested in the form of consensus practice in organizational settings. We tend to use voting to reach consensus in the decision making process. Management by participation is such a practice.

Human Nature and Its Management and Organizational Manifestation

Every culture has shared assumptions about what is "human" and what is "inhuman" (Kluckhohn & Strodtbeck, 1961). Usually human nature is considered either good, evil, or neutral. Further, there exists a question whether human nature is perfectible or not. In this respect, the American culture takes humans as born evil or a mixture of Good-and-Evil but perfectible (Kluckhohn & Strodtbeck, 1961). In contrast, under the influence of Confucianism, the East believes that humans are born good. However, how one directs a baby into adulthood is very important. Humans can be perfected, if taught properly.

Based on these assumptions, some other formulations about human nature are evolved in the West. Schein (1992) indicates that humans have been taken as "rational-economic actors" (p. 125). In the scientific management period, theories of motivation in the West were dominated by the assumption that humans are only after economic interests. Workers were measured by their capacity, and challenged by the managers to increase productivity in order to get higher pay. Consequently, humans were treated as something with no significant difference from machines, as far as profits were concerned.

Later, humans were taken as social animals -- humans have needs of belonging and association -- and such needs may override the economic interests. Such an assumption was originated in the well-known Hawthorn studies conducted in the Western Electric in the 30's

(Roethlisberger & Dickson, 1939). Researchers in one of the studies were to find how the lighting affected productivity, and they changed the lighting intensity from time to time. However, strangely the researchers found that no matter how they changed the lighting, productivity kept increasing. Later, a theoretical formulation about human needs to relate to others was developed.

Still later, humans were taken as social animals who are self-actualizers who have primary needs to be challenged, and they need interesting work for self-confirmation (Argyris, 1964). Such an assumption was developed in later studies of assembly lines. At this stage motivational theorists realized that human needs were multiple, and they began to categorize human needs. Maslow's (1943; 1954) need hierarchy theory is worth mentioning here. In Maslow's scheme, deficiency needs are hierarchical, and there are five kinds of needs from the bottom up -- physiological needs, safety, belongingness, esteem, and self-actualization.

In the same period, McGregor (1960) developed his famous Theory X and Theory Y by categorizing assumptions about humans. He observed that when managers held different assumptions about humans, the outcome would be different. Theory X managers assumed that humans are lazy and they must be forced to work by controlling. In contrast, Theory Y managers held that humans are self-motivated and they need to be challenged. In Theory X the individual's goal cannot be aligned with the organizational goal, whereas in Theory Y the two goals can be congruent.

More recent work in this area seems to have a contingent or adaptive dimension. Human nature is viewed as complex and malleable and one

cannot universalize statements about human nature (Schein, 1992).

Instead, we must accommodate human variability. Schein (1992)

explains the meaning of human variability:

Such variability will reflect (1) changes in the life cycle in that motives may change and grow as humans mature and (2) changes in social conditions in that humans are capable of learning new motives as may be required by new situations. Such variability makes it essential for organizations to develop some consensus on what their own assumptions are because management strategies reflect those assumptions. Both the incentive and control systems in most organizations are built on assumptions about human nature, and if those assumptions are not shared by the managers of the organization, inconsistent practices and confusion will result. (p. 126)

Assumptions about Humanity's Relationship to Nature and Their Management and Organizational Manifestations

In every culture there is also a core assumption about how man-nature relationships are defined. In this respect, Kluckhohn and Strodtbeck (1961) make the following categories: (1) **subjugation-to-nature**, (2) **harmony-with-nature**, and (3) **mastery-over-nature**.

Subjugation-to-nature refers to a situation whereby people simply subject themselves to nature by accepting the inevitable, and it is predominant among Southeast Asian countries (Schein, 1992).

Harmony-with-nature implies that there is no real separation of man, nature, and the supernatural, and such belief is prominent in oriental societies (Kluckhohn & Strodtbeck, 1961) such as China where Taoists prevail. **Mastery-over-nature** implies that the environment can be controlled, and human beings can control their future (Kluckhohn & Strodtbeck, 1961; Nevis, 1983). Such a perspective is dominant in the West, especially in the USA (Kluckhohn & Strodtbeck, 1961).

The Western emphasis on the control of the environment are manifested both at the individual behavior and organizational behavior levels. At the individual level, Westerns tend to have a strong sense of control for one's future. As Gadalla and Cooper (1978) maintain "man may regard himself as a controller of his contexts which implies an instrumental use of environmental resources in order to enhance his personal satisfaction" (p. 350). When one has ambition and is committed, one can one day realize her dream.

At the organizational level, a theme coming out of the "mastery-over-nature" assumption is that the environment has use value, and thus can be exploited for the concern of industrial and social development. In the writings of Western management scholars, the emphasis is on regulation and control (Gadalla & Cooper, 1978; Hofstede, 1984b). For example, organizations are encouraged to be proactive in terms of strategic planning.

According to Gadalla and Cooper (1978), regulative management attempts to externalize problems and to reduce complexity. For example, the goal-setting theory posits that one should set up specific goals, and use specialized, standardized means to reach the goals.

For a point of departure, influenced by the Neo-Confucianism which is an integration of Confucianism, Taoism, and Buddhism, the Chinese seek harmony with almost everything -- humans, society, and nature. Taoism and Buddhism share a concern about the harmonious man-nature relationship. Such a relationship means that there is no separation of man, nature, and the supernatural. Under this approach to man-nature relationship, according to Kluckhohn and Strodtbeck (1961,

p. 13), "one is simply an extension of the other, and a concept of wholeness derives from their unity."

Humanity's Relationship to Time and Their Management and Organizational Manifestations

With regard to time, all societies have the three-point range of past, present, and future. Where they differ is in the preferential ordering of them. Americans place an emphasis on the near future (Kluckhohn & Strodtbeck, 1961), and theories and practices are formulated to the assessment of the future as in methods of "forecasting." The concept of time also affects the types of planning in use (Hofstede, 1984a) and the degree of emphasis on efficiency, punctuality, and planning (Schein, 1992). In contrast, China has been known to emphasize the Past. Kluckhohn and Strodtbeck (1961) write:

Historical China was a society which gave first-order value preference to the Past time orientation. Ancestor worship and a strong family tradition were both expressions of this preference. So also was the Chinese attitude that nothing new ever happened in the Present or would happen in the Future; it had all happened before in the far distant Past. (p. 14)

Edward Hall (1983, p. 46) has identified another dimension of time. He believes that there exist two types of time -- polychronic time (P-time) and monochronic time (M-time). P-time means doing many things at once, and M-time means doing one thing at a time. The Western world is operated on a M-time, and it is manifested on the divided appointments and compartments within which only one thing can be done at a time. According to Schein (1992):

If more than one thing must be done within, say, an hour, we divide the hour into as many units as we need and then do "one thing at a time." When we get disorganized or have a feeling of being overloaded, we are advised to "do one thing at a time." Time is viewed as a valuable commodity that can be spent, wasted,

killed, or made good use of; but once a unit of time is over, it is gone forever. (p. 107)

Under the mode of M-time, short-run efficiency and punctuality are valued. Thus, it is not only that we control time, but that time also controls our lives. As Hall (1983) describes:

. . . people in the Western world find little in life exempt from the iron hand of M-time. Time is so thoroughly woven into the fabric of existence that we are hardly aware of the degree to which it determines and coordinates everything we do, including the molding of relations with others in many subtle ways. In fact, social and business life, even one's sex life, is commonly schedule-dominated. (pp. 47-48)

For a point of departure, the Chinese may have a characteristic way of handling their daily lives with P-time. As Bond (1991) puts it:

The Chinese are fully capable of structuring events within their P-time framework by relying on the dictates of hierarchy and relationship to direct the unfolding of their lives together. If a particular interaction is not completed, a longer time perspective and a cyclic view of time will reduce any sense of panic. Everything will happen in *its* own time! (p. 50)

When people operating different types of time interact, problems arise. As Hall (1983) describes:

Particularly distressing to Americans is the way in which appointments are handled by polychronic people. Being on time simply doesn't mean the same thing as it does in the United States. Matters in a polychronic culture seem in a constant state of flux. Nothing is solid or firm, particularly plans for the future; even important plans may be changed right up to the minute of execution. (p. 47)

Activity Orientation and Its Management and Organization Manifestation

With regard to assumption about activity and its management and organizational manifestation, Kluckhohn & Strodtbeck (1961) provide the following three different types of orientations: (1) **being**, (2) **being-in-becoming**, and (3) **doing**. Schein (1992) posits that the doing orientation

is closely correlated with (1) the assumption that nature can be controlled and manipulated, (2) a pragmatic orientation towards the nature of reality, and (3) a belief in human perfectibility. In other words, under this assumption people act out to take charge and control their environment.

In contrast, the **being** orientation implies fatalism, which is subservient to nature. One is controlled by nature, and one must accept what comes and enjoy what one has. Under this assumption, people as well as organizations always try to adapt themselves to external environment.

The **being-in-becoming** orientation emphasizes harmony with nature and self-development. As Schein (1992) explains:

Through detachment, mediation, and control of those things that can be controlled (for instance, feelings and bodily functions), one achieves full self-development and self-actualization. The focus is on what the person is rather than what the person can accomplish, on achieving a certain state of development rather than doing and accomplishing. (p. 129)

According to Schein (1992), the **doing** orientation which is predominant in the USA focuses on the task, efficiency, and discovery. Such an assumption is manifested by the phrases such as "getting things done," and let's do something about it." Whenever there is a problem or difficulty, people tend to force themselves to diagnose, prescribe solutions, and finally solve the problem. It is anti-cultural to let it fester.

Thus, the doing orientation is associated with the Western achievement motivation, which has roots in the Protestant ethic (Weber, 1930). The culture with a doing orientation emphasizes individual performance, and that is why the American management focus on performance appraisal (Kluckhohn & Strodtbeck, 1961). Under such an

orientation, people are judged and rewarded on the basis of achievement, and individualistic aggressiveness and competition are encouraged. Such values and beliefs permeates every corner of the American society (Parsons & Shils, 1952; Kluckhohn, 1952). In other words, it is also believed that the **doing** orientation is closely related to achievement and individualism. These authors argue that the doing orientation leads to the kind of activity which results in accomplishments that are measurable by clearly identified standards that are meaningful (Kluckhohn & Strodtbeck, 1961, p. 17). As Ogbor (1990) quotes Kluckhohn & Strodtbeck (1961):

Those who achieve are rewarded materially and in prestige terms. There are convenient cultural rationalization for those who fail to achieve, though all are urged to do so. . . the success theme is a peculiarity of the American Culture. (p. 414)

The achievement orientation is deeply manifested in the management and organizational theories that reflect the dominant cultural patterns. It is on this basis that Hofstede (1984) argues that achievement motivation is seen as outcome of achievement society. Achievement societies produce humans who strive to achieve, and humans seek achievement for its own sake and work because of the sense of challenge (McClelland, 1965). The Western theory of management by participation is a way to achieve such a motivation. It allows people to participate in the decision-making process whose outcomes affect them. "By actively involving people in important decision-making, participative management allows individuals to have the opportunity to experience a sense of achievement in the organization" (Anthony, 1978, p. 22). Similarly, the motivation-hygiene theory (Herzberg, Mausner, & Snyderman, 1959) maintains that motivating factors are (1) achievement,

(2) recognition, (3) advancement, (4) the work itself, (5) responsibility, and (6) possibility for growth.

In terms of orientation towards activity, the view of work is worth mentioning. In this context, orientation towards activity (work) may fall into two categories -- instrumental and non-instrumental -- which in turn "may affect a society's mode of organization, purpose of work and meaning of organization" (Ogbor, 1990. p. 71).

Instrumentality-oriented thinking is dominant in the Western worlds, and it is believed that such thinking has roots in Plato's instrumental humanism which advocates giving human control to his world (Gadalla & Cooper, 1978). Further, such thinking leads to the materialistic and rationalistic theories and practices of organization in the West (Gadalla & Cooper, 1978; Berg, 1982). Weber (1930) argued that instrumentalism and rationalism were to dehumanize human activity by subjecting it to physical measurement and control. In doing that, all other aspects of human activity such as religious and moral values are denied. In terms of rationality, decision-making in an organization is goal-oriented. A logic of effectiveness based on technical rationality operates. Accordingly, "the decision-making process is represented as an exercise in engineering" (Astley & Van de Ven, 1983), which is based on a logic of cost and efficiency.

In an organization, instrumentalism is manifested in the view that the man-organization relationship is instrumental. As Ogbor (1990) quotes Gadalla and Cooper (1978):

The image of man reflected in contemporary organization and management theory is defined largely in terms of an instrumental relationship with context. What is emphasized is man as a satisfier of his needs and this leads to a management philosophy which sees control of environment as dominant. (p. 350-351)

For a point of departure, the Chinese seem to embrace the being orientation. Under such an orientation, nature is perceived as powerful and humans are subservient to it (Kluckhohn and Strodtbeck 1961). "This orientation implies a kind of fatalism: since one cannot influence nature, one must become accepting and enjoy what one has" (Schein, 1992, p. 128). Redding (1980) points out that the overseas Chinese believe in such fatalism, and perceive that trying to calculate the future is naive.

Human Relationship and Its Management and Organization Manifestation

Every culture has specific assumptions or rules about human relationships which determine social interactions among people. In other words, this set of assumptions deals with the nature of the human relationship within a group. Such assumptions can be related to the issues of power, influence, hierarchy, intimacy, love, and peer relationship (Schein, 1992).

When one looks at the nature of human relationships, she needs to pay attention to how humans relate to each other and what the basic social units are. In this respect, some cultures are individualistic and some others are "collateral or group cooperative" (Schein, 1992). It has been indicated that self-orientation or individualism in the West prevails more than any where else (Parsons & Shils, 1952; Redding & Martyn-Johns, 1979). The emphasis on individualism has direct effects on theories and practices of organization developed in the Western societies. For example, Douglas McGregor's Theory X and Theory Y were developed on the basis of Western individualism. Theory X assumes that people are lazy and need to be motivated and controlled; on the contrary, Theory Y

assumes that people are self-motivated and need to be challenged not controlled. Similarly, Argyris (1964) suggests that employees are self-motivated and need interesting work to provide self-confirmation. Maslow (1954) in his need theory argues that self-actualization is the ultimate goal of human life.

For a point of departure, in contrast to the Western individualistic culture, it is generally believed that China goes to the other extreme (e.g., Redding & Martyn-John, 1979; Bond & Hwang, 1986). In the Chinese perspective, human society is based on human relationship rather than the individualistic self, as no individual object or human being can survive by itself. In other words, the basic core of society is the binding human relationship rather than the "free" individual (Redding, 1991, p. 44). In addition, fulfillment comes from the continuing harmonious relationship among the individuals, and the Chinese emphasize belonging more than anything else (Ketcham, 1987, p. 111).

In terms of how humans relate to each other, another characteristic of the Western culture is universalism -- the tendency towards equal distribution of power and authority. Under universalism, people are related to each other in a democratic, equal way. Under universalism, the West emphasizes "objective criteria of evaluation that are universally accepted" and "particularistic standards of diverse ingroups, intuitive judgment and humanistic values not susceptible to empirical verification" are displaced (Blau & Duncan, 1967, p.429). Yum (1988) also indicates that the West emphasizes short-term and contractual reciprocity, non-distinction between ingroup and outgroup, and a separate relationship between personal life and public life.

The value of universalism was also perceived to be responsible for performance measurement and allocation of manpower (Blau & Duncan, 1967):

The growing emphasis on rationality and efficiency inherent in this spread of universalism finds expression in rapid technological progress and increasing divisions of labor and differentiation generally, as standards of efficiency are applied to the performance of tasks and the allocations of manpower for them. (p. 429)

The Western universalism also leads to equality among people. Hofstede (1980) indicates that the West has a smaller power distance, in comparisons with the East. In other words, people are equal or near equal in human relationships. Lipset (1961) posits that the Western values of egalitarianism and achievement mutually support each other.

Theories of motivation and leadership can be seen to have roots in universalistic cultural orientation. For example, management by participation is based on the ideology that people value equality and democracy. Superiors and subordinates should share authority. In the Western universalism it is believed that decisions should be made jointly by those who are affected and those who have powers to affect. Status differences in the organization is minimized, in order to establish a participative environment. With such values and beliefs, leaders are encouraged to delegate not only tasks and responsibilities but also power and controls as well, as reflected in Schein's leadership principles (1992).

Summary

Three perspectives -- institutional perspective, organizational culture perspective, and cross-cultural perspective -- that are relevant to the present study were examined. To summarize, they are compared in terms

of dispositions, interests and focus, inquiry direction, and implications (see Figure 3).

Perspectives	Institutional perspective	Cultural perspective	Cross-cultural perspective
Dispositions	Organizations are established via repeated patterns of actions.	Organizations are shared, constructed realities among organizational members.	Organizations are manifestations of societal culture.
Interests and focus	Institutional rules and myths that legitimize organizations	The way that human beings infuse meanings into reality	The relationship between culture and organizational manifestations
Inquiry direction	The process of institutionalizing the new norms and rules into the existing ones	The meanings constructed by organizational members	Developing universal theories
Implications for the present study	Focus on the process as well as outcomes of the institutionalized practices, and the meaning of organizational change	Focus on the meanings constructed by organizational sub-cultures as well as the dynamic interactions between these subcultures	Focus on the similarities as well as differences between the Eastern culture and the Western culture, and the synthesizing process between the cultural interplay

Figure 3. The comparisons between the major perspectives

Further, six basic assumptions -- reality and truth orientation, human nature orientation, man-nature orientation, time orientation, activity orientation, and relational orientation -- in the Western culture were utilized to explain the characteristics of the Western culture. It can be said at this point that the Western culture is distinctive, as will be clearer as the discussion unfolds in the later chapters.

Furthermore, in order to understand the connection between culture and behavior, especially organizational practices in the Western context, various manifestations of these cultural assumptions in the forms of practices were identified and discussed. Along the same lines, some major management and organizational theories in relation to these cultural assumptions were examined.

CHAPTER THREE

RESEARCH PLAN

Introduction

Having formulated research questions, it is time to present a research plan through which the proposed study can unfold. In this section, research methodology, and research method and procedures are discussed.

When one tries to understand culture, s/he has to operationalize culture into some constructs. Then, the researchers have to find observable phenomena from which those constructs and their interrelationships can be inferred. At this stage, depending on research issues, one may choose to use quantitative techniques or qualitative techniques or a methodological mix (Patton, 1990). In the proposed study, the researcher attempts to understand the phenomenon of cross-cultural transfer of organizational practices, thus it is a **qualitative** study.

As shown in the literature review, previous studies, especially those cross-cultural ones, have not provided adequate theoretical and methodological frameworks upon which the study of cultural transposition in the context of organizational change can be conceptualized and empirically investigated. Thus, the design of this study is done without preconceived hypotheses. In other words, such a study is in nature **exploratory** and **descriptive**. It is designed to explore

new insights about the phenomenon of cultural transposition in the context of organizational change, and to describe how cultural orientation is related to behavior.

Research Methodology

A research methodology is simply a theoretical orientation which guides research, as a research needs a theoretical orientation of some sort (Bogdan, 1982, p. 30). In addition, a methodology can be taken as a method of method. In other words, a research methodology determines research methods for the intended research.

Alternative research paradigms have been described in the literature. For example, Patton (1990) divides research methodologies into two large categories -- quantitative research and qualitative. Guba (1990) describes four research methodologies -- positivism, post-positivism, critical inquiry, and constructivism -- which shape social science research. This particular theoretical research orientation can be named as an interpretive paradigm, whose central thrust is drawn from several overlapping areas of philosophical foundations in research -- naturalistic inquiry (e.g., Guba, 1978), grounded theory approach (e.g., Strauss & Corbin, 1990), phenomenological research (e.g., Schutz, 1966), and constructivism (e.g., von Glasersfeld, 1984, 1991).

Guba (1978) defines naturalistic inquiry as a "discovery-oriented" approach. Such an approach minimizes the researcher's manipulation of the researched situation and does not place any constraints on the research outcomes (Patton, 1990, p. 41). Similarly, the grounded theory approach is also discovery-oriented. As Strauss and Corbin (1990) put it:

A grounded theory is one that is inductively derived from the study of the phenomenon it represents. That is, it is discovered,

developed, and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon. Therefore, data collection, analysis, and theory stand in reciprocal relationship with each other. One does not begin with a theory, then prove it. Rather, one begins with an area of study and what is relevant to that area is allowed to emerge. (p. 23)

In the study of cultural transposition of cross-cultural transfer of organizational practices, such an approach implies that the researcher should go into the situation without any presupposed scheme to discover the reality held by organizational members, or how cultural orientation is interrelated to organizational member's behavior. The researcher does not only describe, but also develops a theory about a phenomenon.

Phenomenology believes that human beings are constantly creating and recreating their own worlds (Berger & Luckmann, 1987; Schutz, 1966). Phenomenological studies focus on meanings that people share intersubjectively (Berger & Luckmann, 1987; Van Peursen, 1970). For phenomenologists, human beings live in a reality built out of their subjective interpretation (Van Peursen, 1970). Thus, such a perspective enables the researcher to understand how participants interpret imported organizational practices and how they perceive cultural transposition in cross-cultural transfer of organizational practices. It further helps explain how organizational members' provinces of meaning interact and affect organizational change processes. For phenomenologists, organizational change occurs in one of the following ways: (1) changing organizational members' constructed realities, and (2) changing the meanings attached to activities embedded in the constructed realities (Ranson, Hinings, & Greenwood, 1980). This implies that in the study of cultural transposition of cross-cultural transfer of organizational practices it is critical to understand how organizational members

construct their province of meanings and how meanings are attached to activities from a cross-cultural perspective.

Phenomenology and constructivism share a common stand on issues concerning ontology and epistemology, in contrast to traditional research methodologies. Constructivism (e.g., Georgian, 1982, 1985; Mead, 1968; von Glasersfeld, 1984, 1991; von Foerster, 1984, 1991; Steier, 1991) does not claim a universal truth. It views claims made by researchers not as truth, but as subjective interpretations (Steier, 1991). In the fields of social sciences, no matter what research methods are used, human subjectivity will invariably enter the scene. Some of those methods such as questionnaires, interviews, and experiments are more or less provocative. Other methods such as content analysis of documents, discussions, and speeches are not intrusive, but they cannot avoid subjective human interpretations either. In other words, there is no such thing as objectivity in the world of social sciences.

In fact, there is a significant reason for scientists' not being able to be objective in the research process. Systems theories suggest that systems can be classified into nine levels of complexity: (1) static framework; (2) dynamic systems with predetermined motions; (3) closed-loop control or cybernetic systems; (4) homeostatic, self-controlling systems like the biological cell; (5) the living plant; (6) the animal; (7) man; (8) human organizations and society; and (9) transcendental systems (Boulding, 1956). It is clear that we as researchers can never understand our "objects" -- organizations and societies, due to the different levels of complexity that the researchers and the researched are located at. Whenever we try to understand them, we have to simplify them to a

degree that is understandable to us. It is this simplification process that involves human subjectivity.

However, even though we human beings cannot fully understand things such as organizations and societies, and cannot be objective in the research process, it does not mean that we should not try to understand them. At least, we should try to achieve "intersubjectivity" in which learning lies. In this respect, objectivity is nothing but intersubjectivity. Hofstede (1984) explains this succinctly and convincingly:

Social scientists approach the social reality as the blind men from the Indian fable approached the elephant; the one who gets hold of a leg thinks it is a tree, the one who gets the tail thinks it is rope, but none of them understands what the whole animal is like. We will never be more than blind men in front of the social elephant; but by joining forces with other blind men and women and approaching the animal from as many different angles as possible, we may find out more about it than we could ever do alone. (p.15).

Steier (1991) distinguishes two types of constructivism -- first order constructivism and second order constructivism. By taking first order constructivism, the searchers "take an 'object' of study other persons' constructions of reality as some things to be studied in an objective manner, somehow apart from the researchers' own tools and methods with which the researchers' study is accomplished" (Steier, 1991, p. 4). In contrast, second order constructivism recognizes the researchers' role in the co-production or co-construction of research outcomes (Steier, 1991). That is to say, in the research process, researchers inevitably intervene in the whole process in which research findings are claimed to be made. This implies that in the research, I, as a researcher, should be aware of the values that I hold and how my acts play out in producing research results.

In relation to constructivism, Steier (1991) further advances the notion of reflexivity in research. According to him, being reflexive in research refers to a process of bending back on itself, which is in nature a circular or self-referential one. Such a reflexive process implies a second order constructivism, since the research process is understood as socially constructed. Further, it implies that the research is about understanding not only others but also ourselves in relation to others.

Reflexivity in research further emphasizes that the construction process is "rooted in language, not located in one's head" (Steier, 1991, p. 5). In other words, research should be viewed as having different conversations (Maranhao, 1991; Bamberger & Schon, 1991; Steier, 1991), which produces "an expansion of understanding" (Gergen & Gergen, 1991).

With such a notion, in the study of cultural transposition of cross-cultural transfer of organizational practices it implies that the research is about moving back and forth between several different conversations. As it is indicated later, the researcher has a conversation with organizational members in China, another conversation with people who have cross-cultural experiences, and another conversation between the researcher and the research process. The first two conversations can be described as first-order conversations, since they mostly involve different domains or joint specifications (Becker, 1991). The third one is intended to be a second order conversation or meta-conversation, because it intends to transcend or subsume the first two conversations.

Research Process and Strategy

As shown in Figure 4, there exist five phases in the study, which will be described later in this section. The first phase -- Initial understanding -- was started almost ten years ago, when I was in China. The other phases were done in recent years.

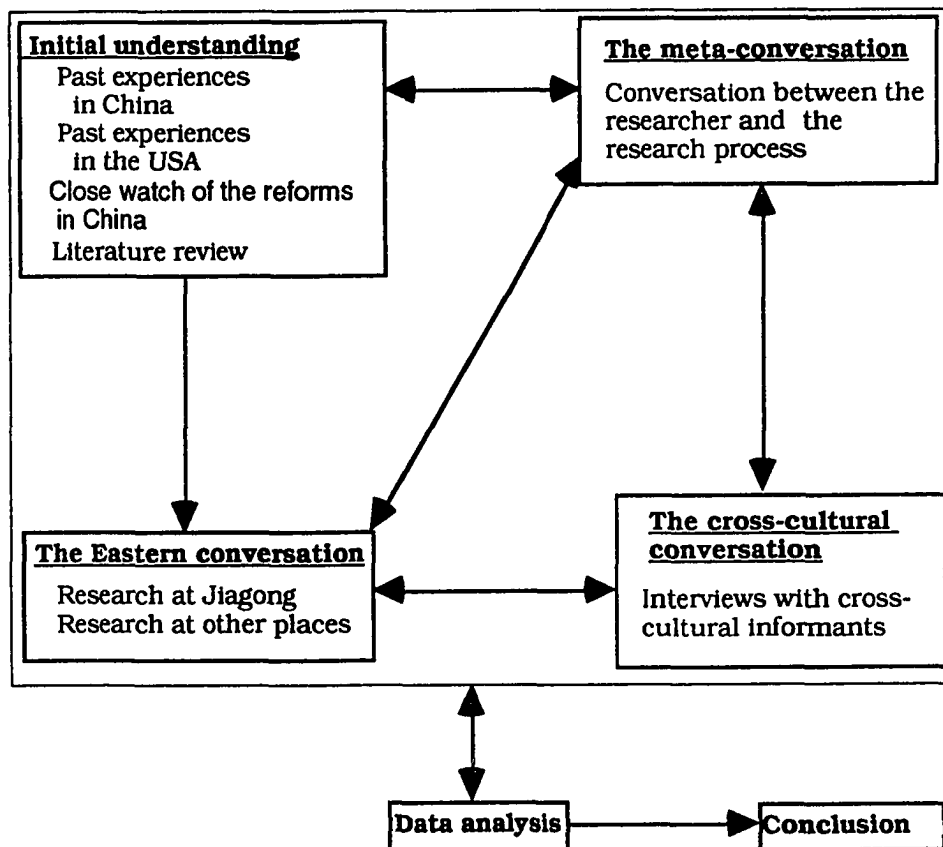


Figure 4. The research process and strategy

It needs to be noted that the decision to develop it into a dissertation research was made after I finished the Eastern conversation. At that

time, I was fascinated by the research and developed a research proposal which received strong support from my dissertation committee.

Initial Understanding

In the phase of initial understanding, I have used my past experiences in China and the USA, which I believe have tremendous impacts upon the study. Without them, I do not think I would have been interested in such research at all. An account of my past experiences is included in Chapter Eight. Suffice it to say here that my experiences have taught me that there are certain criteria for acceptable behavior in each culture. Further, these criteria are sometimes cultural oxymorons and sometimes complementary.

Another part of the initial understanding comes from my close watch on Chinese reforms. Such an exploration includes two aspects. The first aspect is the close look at the transformation which has been occurring since the earlier 80's. Particularly I have paid attention to the reforms in the state industries.

The second aspect is the close follow-up of the studies or writings done in this area. Particular interest is focused on what and how Western practices are applied to the Chinese enterprises, and how the problems of culture and organization can be resolved. The previous major studies on Chinese management (e.g., Laaksonen, 1988; Tung, 1984; Andors, 1977) are reviewed. The writings produced by the joint center of European Community and China in Beijing have been closely examined. Such an effort proves to be useful, although most of the writings remain at a shallow, descriptive level and many questions are left unanswered.

A first-hand exploration about such a problem started with my first trip back to China in early 1992. Before I left the USA, interactions with officials at the provincial level, major researchers -- "think tanks"-- in a major commission of the central government, and four industrial organizations were arranged. Such interactions focused on the issues concerning problems existing in the industries and how the Western organizational theories and practices could help.

Some of the findings will be woven into the later chapters. Suffice to say that the pressure to reform at various levels was high, and a quick fix approach was being sought. In such an approach, culture is more or less ignored, as exemplified in the "breaking three irons" movement. The perspectives of the government, the enterprise management, and the employee were varied, and blaming each other was normal. In other words, the meanings about such transfers of organizational practices held by them are different, resulting in some of the conflicts among them. Further, I was convinced that the fit between the Chinese culture and the Western practices was very critical and deserved studying.

The exploration of the Western culture and management began with my studies in the USA. I am confident that I have gone through every major management and organizational theory. Of particular interest, in my early studies I was aware of the differences between Eastern thought and Western thought. Such an awareness has made me study these theories from a cross-cultural perspective, which sets up a good foundation for further research.

Another source for me of Western culture and behavior comes from the detailed literature review on the link between organization and culture. Such an exploration further enlightens me about the interaction

between cultural orientations and the manifestations of organizational behavior.

The Eastern Conversation

Gaining Access to the Case Organization

For the study of cultural transposition in the cross-cultural transfer of organizational practices, involving an organization which is experiencing cross-culturally transferred organizational practices in the study is important. Within such an organization, the relatedness of organizational members constitutes a sound vehicle to study both the problem of meaning and the problem of cultural transposition in the cross-cultural transfer of organizational practices. Specifically, it is possible to investigate values and beliefs held by various organizational members, how they collectively construct organizational reality, how they interpret the newly imported organizational practices as well as the changes brought about in the process of implementing new organizational practices, and how they integrate the imported organizational practices with the host cultural orientations.

To protect the identity of the case organization, I was asked not to use their name. Thus, in the dissertation, *Jiagong* is created to refer to the case organization.

In early 1992, I began to use some of my contacts including family in China to develop research opportunities. After a few months, I had several organizations in China lined up for research and consulting possibilities. On April 23, 1992, I arrived in China, beginning a four organization visit. These included industrial organizations, a provincial governmental organization, and a central governmental organization.

Jiagong was the last organization I visited. My father had pre-scheduled a meeting with Mr. Ding, the Director of a large enterprise before I came back to China. My father is a business man and the organization is one of his major clients. He has personally known Mr. Ding for almost twenty years. On May 6, 1992, as soon as my father and I got off the train, a group of people took us to his office. Then, my father and I had an introductory meeting with Mr. Ding. He appeared to be very warm, and complained his bad luck in not being able to reach me in the USA while he was visiting there in 1991. My father talked a little about their close relationship and told me that I could call him Uncle Ding when others were not present. This was an obvious signal to me that Mr. Ding is one of my father's *guanxi*. At that moment, I took out a small gift -- a Gillette razor, as I did for many others such as my families and friends. This is a way of showing my respect and treating Mr. Ding as one of the ingroup members. We continued to chat for about half an hour. At that time, everyone of us was quite relaxed.

Then, he asked me about my studies and interests, and the like. I explained the purpose of this trip and exchanged views on the current problems in the industrial organizations in China. He seemed to enjoy listening to my experiences with the governmental people as well as my experiences with some of the other industrial organizations. Then he went on describing some of the major problems associated with the modern management reform in the last few years. At the end of the meeting, he politely expressed:

Little Tang, as soon as your father told me that you have interests in working with Chinese industries, I immediately asked him to arrange a trip to our place. I believe that you come at the very critical time, and our enterprise does need a person like you.

At 6:30 p.m. Mr. Ding, along with some of the major leaders of the enterprise, hosted a dinner party for us. Besides all of the politeness and hospitality, he explained why we were invited to visit here, and asked these people, especially Mr. Gai -- the director of the Office of Enterprise Management, to work with me, whenever I needed them. After dinner, Mr. Gai and I had another half-hour meeting for details. The next day, we started to work.

Indepth Interviewing

Indepth interviewing is a major qualitative research method designed to explore the informants' perspectives on their lives, experiences, or situations as expressed in their own words (Taylor & Bogdan, 1984). Several reasons led me to the decision of doing in-depth interviews in the case organization. First, indepth interviewing is probably the best qualitative research method to inquire into the history of the organization. For any researcher, s/he can not be aware of the past events which might have significant meaning to the present situation without asking. This is especially important, since the Chinese organizations lack documentation on such matters (Lockett, 1988). Second, indepth interviewing is taken to remedy the lack of accessibility to certain important information. In my case, my time in the organization was limited. Further, in any Chinese organization, there are certain areas that are highly restricted. Certain decision-making processes cannot be observed, and certain documents are not available to me. In these cases, indepth interviewing could help to get some important, rich information not otherwise available.

Third, indepth interviewing allowed a holistic investigation of the enterprise. The enterprise itself is too large to be dealt with completely, as will be described later. However, to have a systemic investigation of the organization is important for my research. My strategy for doing that was to take a systemic slice which represented the important connections among various parts. In other words, I employed this research method, one in which I interviewed some people from different parts and levels of the whole enterprise. Finally, indepth interview is applied to explore the inner perspective -- values, beliefs, feelings, and meanings -- held by the informants. It is obvious that such inner perspectives cannot be obtained otherwise. As the present research is to understand the meanings of the cross-culturally transferred organizational practices, indepth interviewing is critical. Through interviews, the researcher is able to understand the different realities shared by different people, and the relationship between socially-constructed realities.

The Interview Schedule

To explore people's values and beliefs and how their values and beliefs relate to organizational practices, a sound design for the interview schedule is needed. The systems strategy in Redding's (1990) studies on the overseas Chinese societies is employed. Such an approach is very similar to the conditional matrix approach as an analytic tool in grounded theory (Strauss & Corbin, 1990). It is oriented to not only describe a phenomenon but also to develop a theory about such a phenomenon. In this approach, values and beliefs are taken as if they existed as a cluster of concentric circles. At the center is the self,

surrounding that are relationships, surrounding that is the organization, and surrounding that is society at large.

With such a strategy, questions concerning self, relationships, organization, and society are developed. As indicated earlier, this particular research intended to understand the realities held by both employees and employers. Thus, two different interview schedules are respectively developed for the two parties (See appendix I, and II).

Interviewee Selection

Purposive sampling was employed in the case organization. According to Taylor and Bogdan (1984), interviewees are purposively chosen because they have the promise to facilitate the process of theory development. My strategy used in the case organization was that I continued my interview until no further important information was discovered, which is a typical practice in research (Glaser & Strauss, 1978, p. 61).

My major concern was to understand organizational problems -- such as motivation, leadership, and organizational structure -- associated with the change process, as the organization had been implementing new forms of organizational practices. Thus, the purpose of the interviews was to search for meanings held by different groups of organizational members -- top management, branch organizational management, and employees, and some organizational stockholders such as suppliers and customers. In the organization, I used an interview schedule directed to managers (see Appendix I) and another one to employees (see Appendix II), each of which bears a list of general questions to get me focused. However, most interviews were unstructured, which means that the interviews did not follow the order of the list. Some other interview

questions which concerned specific organizational phenomenon were not on the list.

In terms of criteria for informant selection, the managers are chosen based on their availability and their usefulness in providing information. Since I had a deep commitment from the top management of the organization, I could select almost anybody I wanted.

For employees, I had more concerns, which led me to use the following criteria to select informants who are employees:

1. **Articulation and Willingness:** Each person should be willing to engage in conversations with me, and s/he has to be articulate.

2. **More than 2 years' association with the organization:** This criterion is set because of the belief that very new organizational members do not contribute much to this research.

3. **Sample Balance:** The sample should be gender-balanced and seniority-balanced.

Apart from the case organization, I had opportunities to have interview conversations with basically the management at other industrial organizations as well as government officials. These conversations centered around the issues of existing problems in organization and government and how to improve performance with modern organizational practice. These interviews were precarious for various reasons, and the interview schedule was not used. Such interviews can be labeled as the informal conversational interview (Pattern, 1990), which was another important supplementary source. As a result, the number of interviews was as follows.

The Case Organization (*Jiagong*):

Managers in the enterprise: 10

managers in the branch organization: 6

Individual interviews employees in the branch organization: 7

Group interviews with employees in the branch organization: 12 (2 groups, each is 6).

Retired employees: 2

Clients of the organization: 2

Total number in the case organization: 29

Other organizations:

City Real Estate Corporation: 2

City Glass Works I: 2

City Glass Works II: 3

Materials Trading: 2

Provincial government: 1 group (14)

Central government: 3

Total number in other organizations: 13

The Actual Conduct of the Interview

Most interviews in the case organization were conducted in an office space, and a few others were done in my hotel room. The list of questions was basically to help me get focused. Most interviews were unstructured and did not follow the order of the list. Not all of the questions were directed to all of the respondents, either. Some of the questions directed to specific situations were not on the list.

I, as a participant, conversed with them. Certain skills were necessary to probe, encourage, and challenge. The aim of this was to talk not too much but enough to keep the conversation going.

The Limitation of the Interview Method

The most serious limitation of the interview method is perhaps its inability to uncover meanings reflected in things people do and make. The interview method essentially relies upon second accounts of what actually happened (Taylor & Bogdan, 1984). What actually happened may or may not be the same as what was described, since there is always a difference between the espoused theory (what people say) and theory-in-use (what people do) (Argyris & Schon, 1978).

To overcome such a drawback, the idea of "triangulation" comes to be useful (Patton, 1990). To increase validity, researchers usually take more than one way to approach operationalization, and look for convergence between these approaches. In this research, limited observation and official documents were used. In what follows, the function of each of them is discussed.

Observation

During the period in which I paid my visits to the case organization, I tried to observe as much as possible. All of the interviews were done within the case organization, which provided some opportunities for observation. The observations I did included new technology implementation, cultural artifacts, interactions between subordinates and supervisors, some meetings, and the normal working behavior of the

employees in one of the branch organization in the company. Such an observation can be called participant observation (Whyte, 1984).

During my research in the case organization, I was absolutely fascinated about almost everything that I saw: the arrangement of an office, the way people interact with each other, the behavior of the management and employees. My mind was open and full of questions, and I recorded what I observed as fast as possible.

The observations I did in the case organization played two major roles in my research. One of them is that observation is a source which helps me check the validity of the information gathered via interviews. The other one is that the observed phenomenon raise some more questions, leading to more discoveries.

Official Documents

Through my connections in the case organization, I had some limited access to some official documents. Official documents reflect the perspectives, assumptions, and concerns of those who produce them (Taylor & Bogdan, 1984). Thus, official documents became another important source of data-gathering, which supplemented the data obtained from interviews and observations.

The Limitation of the Eastern Conversation

The research in the case organization was at best labeled as an attempt to have an indigenous understanding about the organizational phenomena. The research in the case organization in China was designed to explore how the organizational members attempt to achieve cultural transposition in the cross-cultural transfer of organizational practices. In other words, the research in the case organization was designed to

explore how cultural orientations are related to organizational practices and how values and beliefs impacted on the construction and reconstruction of the organizational reality.

However, during my research in the case organization, I found there existed a limitation in terms of perspective. From the researcher's point of view, a cross-cultural comparative perspective is obviously needed to study the issues of cultural transposition in cross-cultural transferring of organizational practices. From the organizational practitioner's point of view, the cross-cultural comparative perspective is also important. In order to successfully integrate the imported organizational practices with the existing organizational culture, the ability to stay above their own culture and in the meantime to view the Western culture is critically important. One has to know the cultural fit between the existing culture and the culture underlying those imported organizational practices.

Such a comparative perspective did not exist in the case organization. This was simply because few people in the case organization had a clue about the cultural orientations in the West and the interrelationships between cultural orientations and Western organizational practices. Thus, most traditional values and beliefs are taken for granted, while they were integrating the imported organizational practices with the existing culture. Such a phenomenon is understandable, as Berger and Luckmann (1987) posit that the validity of one's knowledge is taken for granted until further notice.

The Cross-cultural Conversation

At the indigenous level, many native constructs -- concepts or notions -- were used. However, such constructs can not satisfy the social

scientists' desire to develop theoretical apparatus of science (Schutz, 1964). Although the indigenous constructs produce tremendous understandings about the local culture, it prevents us from seeing the culture from a comparative perspective in the context of other cultures (Bond & Hwang, 1986). Consequently, it prevents us from using knowledge from other cultures and it also prevents us from producing the kind of knowledge that is helpful to other cultures. In the study of cultural transposition in the cross-cultural transfer of organizational practices, this is obviously a limitation.

To complement the Eastern conversation, a cross-cultural conversation, intended to achieve a cross-cultural understanding of the phenomenon of cultural transposition in cross-cultural transfer of organizational practices, was made. In such a conversation, two strategies were used. First, some second-order constructs, used by scientists for the representation of empirical observation, were utilized. This use of second-order constructs enables us to understand the local culture in the context of world cultures.

Second, some cross-cultural informants were chosen to participate in the conversation. Cross-cultural informants refer to those Chinese individuals who understand the constructed realities in both Western and Eastern cultures, and further can "fly" across cultural boundaries. As a Chinese, s/he has lived and participated in the Chinese culture. To a reasonable degree, s/he knows the rules of social behavior in that culture. In other words, they understand how the Chinese culture is made manifest in organizations through their work experiences in China. In addition, since the patterns of the organizational practices investigated in China are similar, they can easily relate the research I did

in China to their personal experiences and perspectives. On the other hand, since they are educated and work in the USA, they probably can look at the Chinese culture from outside. They also understand how the Western culture is manifested in organizations through their education and work experiences.

Further, it is believed that cultural synthesis is to a certain extent realized through individual experiences. These people have to struggle to maintain and in the meantime to suspend their values and beliefs, as they are creating and recreating their worlds in their every day life. Thus, they are in a position to compare the two cultures and help formulate strategies for achieving cultural synthesis, because they are no longer conceptually trapped by the limits of a single culture.

The Interview Schedule

In the interview, the same interview themes -- self, relationship, organization, and society -- were still applied. However, the design was done from a comparative perspective (See appendix III). In other words, participants were asked to comment on the similarities as well as differences in terms of the cultural differences manifested at the level of self, relationship, organization, and society between the West and the East. Such an effort aimed at transcending the two conversations done earlier.

Participants were then asked to compare their work experiences in both countries to identify the organizational practices which made them most productive. During these conversations, the patterns of the organizational practices would arise and participants were asked to comment on these patterns of organizational practice from a cross-

cultural perspective. Further, participants were asked to comment on the strategies for achieving cultural synthesis in the cross-cultural transfer of organizational practices.

A final feature of the interview schedule was that the interview schedule was written in both English and Chinese, sometimes the two languages were mixed in one question. This is because I found that some concepts have different meanings in the two cultures. In other instances, some other concepts in one culture do not have comparable ones in the other culture. As part of the research, I paid attention to such differences.

Interviewee Selection

Again, purposive selection method was applied to choose interviewees conducted in the USA. A list of criteria was made for interviewee selection:

1. Cross-cultural working experiences: A prerequisite for participants was that they had to have work experiences in both countries, so that a basis for comparison could be established.

2. Cross-cultural perspectives: Such a criterion was to make sure that participants had cross-cultural perspectives. In my interactions with some of the Chinese fellows, I found out that not everybody who had work experiences in both cultures would necessarily possess a cross-cultural perspective. Due to a variety of reasons, people may use their own cultural orientation to perceive their own worlds in the West.

3. Articulation: I wanted to choose those participants with good communication skills. To my knowledge, some Chinese do not talk much

for some cultural reasons which will be discussed later. With such a research project, articulate participants were necessary.

4. Interests: Potential participants had to have some interests in the project.

5. Balance in the sample: The sample was meant to be gender-balanced.

As a result, participants were selected from Philadelphia, Washington, D.C., Virginia, Chicago, and San Francisco. Ten people were interviewed. Three individual interviews and several group interviews were done. I preferred group interviews over the individual ones, so that divergent and convergent opinions could be compared.

The Meta-conversation

The research at this level sets out to have a conversation between the researcher and the research process in which the researcher is involved. As previously discussed, this particular research is guided by second order constructivism (Steier, 1991). That is to say, the research results are co-produced or co-constructed by the researcher and the researched. A meta-conversation is designed to observe how the researcher influences the research.

There are several ways that the researcher can influence the research process as well as the research outcomes. First, the researcher's assumptions, values, and beliefs will influence the research design. The belief that the researcher influences the research process is a good example. Second, the role of the researcher and the interactions between the researcher and the researched all have influences on research outcomes. As will be shown later, some surprising results are obtained by

such an observation of the research process. Finally, since the researcher has conversations with different people with different perspectives or perspectives at different levels, the researcher literally acts as several researchers. It will have some implications on the research outcomes.

The research method can be described as a meta-observation -- the researcher's observing the research process in which the researcher is involved. The research findings come from the researcher's ability to observe the research process in which the researcher is deeply involved. It is an ability to stand out of the research situation and view the research process at a meta-level. Since the meta-conversation is about observing the research process which encompasses other conversations, double arrows are used to depict such relationships in Figure 4.

Data Analysis

The data analysis method was drawn from the grounded theory approach (Strauss & Corbin, 1990). It began with reading research notes and transcripts. For the research in the Chinese organization, I did initial analysis of the research notes every night before I went to bed. The purpose was mainly to draw some themes out of the interviews and observations. Such an effort was fruitful. Not only some initial themes began to emerge from the data, but also led me to ask some more informative questions to continue the effort of developing themes. For the research in the USA, data were transcribed and coded before the next interview started. In other words, data analysis in this research was conducted almost simultaneously with the research. That is why a double arrow is used to describe the relationship between data analysis and the research.

In this research, several levels of themes were derived. At the first level, large themes of self, relationship, organization, and society stood out, because the interview schedules were constructed that way. Second, themes in terms of motivational behavior, leadership, and organizational structure were also developed. Third, themes of relating cultural orientation to organizational behavior were also developed. As each of the themes was more elaborated, connections between these themes began to occur, resulting in a largest theme, which was used to explain the research in later chapters.

On Objectivity, Reliability, and Validity

Objectivity, reliability, and validity are the common criteria used to judge a particular research. Taking an interpretive approach, this particular research is designed to search for subjective meanings. Such a position is congruent with the position taken by many social scientists (e.g., Geertz, 1973; Berger & Luckmann, 1987; Smircich, 1983a) who believe that social sciences are influenced by the researcher's values and experiences. Thus, objectivity in this research is out of the question.

Validity refers to the extent to which research findings match realities. Thus, from an interpretive perspective, validity has to be assessed in terms of the constructed realities rather than the reality out there (Merriam, 1988). Taking the interpretive perspective, the reality out there does not exist per se because every reality is constructed.

Reliability refers to the replicability of the research results. Since the research is subjective and interpretive in nature, reliability in the traditional sense can not be done. Further, it is believed that validity is

interwoven with reliability, and one cannot have reliability without validity (Guba & Lincoln, 1981).

In this kind of research it is inevitable that some distortions, exaggerations, or wishful thinking are involved in the data. In this research, to some extent, cross-checking informants' statements with other informants, official documents, and observations are used to ensure validity and reliability.

Summary

This study is by nature qualitative. An interpretive paradigm which is manifested in the perspectives of naturalist inquiry, grounded theory, phenomenological research, and constructivism is chosen to be the research methodology to study the phenomenon of cross-cultural transfer of organizational practices.

The research process in this study is composed of several conversations: (1) the Eastern conversation; (2) the cross-cultural conversation; (3) the meta-conversation. The research methods in the process consist of (1) indepth interviews; (2) observation; (3) archive analysis; and (4) meta-observation. Data analysis was guided by grounded theory approach to discover themes out of the data. Critical incidents were used to illustrate organizational phenomenon.

Finally, the issues concerning objectivity, reliability, and validity are discussed. Guided by an interpretive paradigm, objectivity is not relevant to this study. Due to the nature of the research, the possibility of generalizing research findings to other situations is limited.

CHAPTER FOUR
THE EASTERN CONVERSATION: CULTURE AND BEHAVIOR

Introduction

As I write, a Chinese movie -- the Confucius Family -- is showing on campus. It is about a family of Confucius descent in the 90's in Qufu -- the hometown of Confucius. There are five generations living in one big Chinese-style complex. Kong II, 70 years old and a retired minister in the central government, comes a long way from Beijing to join the 90th birthday celebration of his father, Kong I, and to celebrate the spring festival with the rest of the family.

Kong III is the son of Kong II and his former wife. Kong II married his wife through an arranged marriage during war times. He only stayed with his former wife for a very short time, because he was in the army. Since he left her then, he never saw his former wife again. Later, Mr. Kong II married a nurse who once saved his life. His former wife, expecting him to come back to her everyday, lived a miserable life with Kong III. . . .As soon as Mr. Kong III learned of the situation, he has despised Mr. Kong II all the time. Realizing that a conversation between the two could be explosive, Kong III refused to even talk to Mr. Kong II. This makes his father, Kong II, feel guilty and miserable.

Kong IV, a son of Kong III, is also married and has a son. He is holding a teaching position in a middle school. However, he has not been teaching for a year or so, and he is going to be fired, if he does not show up to teach

in a few days. He does not want to teach, he wants to make money, and he wants to go abroad to study. He secretly sold the coffin prepared for Kong I and bought a used car. His life model is his grandfather Kong II, not his father Kong III. On the other hand, his father Kong III believes that Kong IV is not an honest, serious man, and he has tried very hard to persuade Kong IV to go back to teach. He is of course very angry about the selling of his grandfather's coffin.

As soon as Kong II arrives, the tension between Kong II and Kong III, and Kong III and Kong IV, escalates. Kong III refuses a gift from Kong II in front of the whole family, and Kong III can not persuade Kong IV to go back to teach. Then, Kong III and Kong II have a bitter argument, because Kong III finds that behind his back Kong II is supporting Kong IV's ideas and plans. When Kong II cannot control his son, Kong III, he explodes by yelling "I am your father." Realizing that his son hates him and his yelling does not work, he almost has a heart attack. When Kong III cannot discipline his son, he forces Kong IV to leave the family. The whole family is truly in a crisis.

At this very moment, Kong I intervenes. He is enraged with anger and leaves home. The others are very worried, and suddenly unite to look for him. The whole family finally finds him in the "Forest of Confucius" -- the cemetery of Confucius family. The whole family is buried and hierarchically arranged there, with Confucius at the very top position. Kong I says to the whole family: "Look, please have a serious look. This is our family! We all have our ancestor called Confucius!"

After that, the whole situation turns around. Gradually, Kong II is able to communicate with Kong III, and Kong II also persuades Kong IV to come back home and to his teaching job. A family atmosphere begins to emerge. Everything returns to where it was -- peace and harmony.

Starting from this chapter, findings from conversations at various levels will be discussed. This chapter is to investigate the indigenous perspective of the Chinese culture and behavior. The characteristic cultural mechanisms which stabilized the Chinese society for thousands of years are examined. In other words, this chapter describes culture and behavior in China from a native point of view. In the Eastern conversation, an attempt to uncover the cultural values and beliefs at the level of self, group, organization, and society is made. Further, behavioral manifestations of such cultural values and beliefs at each level are explored in order to make the connection between culture and behavior.

Source of Influence on Values and Beliefs

To understand the cultural orientations underlying human behavior, it is obviously important to inquire about the forces which cultivate these values and beliefs. In the interviews, two major forces --tradition and modern Communism are invariably identified. As one said:

Our generation is heavily influenced by communism, because we have been taught communist ideals since we were born. The other major influential force is from our parents, and such force is mainly the traditional ethics. (interview no. 24)

Such forces seem to be natural and consequential. This is because China has gone through two major stages -- the traditional China and the new China. Before 1949, China was largely controlled by traditional emperors or war lords. During this long history, the Chinese were strongly influenced by the so-called Neo-Confucianism -- the integration of Confucianism, Taoism, and Buddhism. After 1949, the Communist Party took over the country, and the new China was established.

In many ways, communism is incompatible with the traditional ideology. Since the new China was established, harsh attacks on Confucianism were conducted by communists. One of the reasons for this was that Confucianism represented values belonging to a class society -- the civil servant and intelligentsia (Laaksonen, 1988).

However, it seems that although the new China has fought for eliminating traditional influences, such influences are still very strong. In the interviews, my informants indicated how much and how they were influenced by the traditional forces:

I am a traditional person. I trust that our masters were right, and I follow whatever they tried to convey to us. (interview no. 7)

My families and I are very much influenced by traditional thoughts. This is because my parents were very much influenced by traditional ideas. (interview no. 21)

Everybody in China is more or less influenced by our tradition. It is just too pervasive and powerful. (interview no. 3)

We do not talk about Confucianism, Taoism, and Buddhism any more. However, their influence on us is as deep as the genes in our body. (interview no. 43)

I grew up with my grandmother, and was heavily influenced by her. She was deeply influenced by Buddhism. She often said: "Evil deserves evils, and mercy, mercy." (interview no. 41)

Further, the communists actually accept some of the Confucian values. For example, the idea that the family is a hierarchically organized basic unit of the society and the idea that people should be loyal to the Son of Heaven -- the emperor -- were taken by the communists who attempted to put the Party in the place of the family and the emperor in the value system (Eberhard, 1977). Such a connection between Confucianism and Communism is identified by several informants. As one said:

Although the communists say that they break off with our tradition, they even preach some of the things our tradition inherited. Things such as "respecting elders and teachers, helping youngsters" are exactly something from Confucianism. (interview no. 47)

Another point that stood out in the interviews is that many believe that there is a difference between how tradition and modern communism influence people.

Marxism-Lenism is forced influence. It is not a voluntary influence. The influence of my parents on me is voluntary, spontaneous, and their influence on me becomes part of my values. My mother was influenced by the so-called Neo-Confucianism. (interview no. 42)

There is a significant difference between the kind of influence from communism and the kind of influence from tradition. The former takes a forced attitude toward people, and the latter takes a natural attitude. When people are forced to do something, it does not mean that people believe it. (interview no. 25)

Nowadays, I do not believe that people believe in communism any more, including those communists themselves. The communists were trying to brainwash everybody with their ideal, but unfortunately their ideals were just not convincing enough. People have realized more and more about that. (interview no. 46)

Compared to our traditional thoughts, communism is really nothing. Our tradition influences people's beliefs and values, as well as all kinds of behavior. Communism, however, has nothing but some illusionary ideals. (interview no. 28)

I am a communist. But to be honest with you, nowadays, I do not believe communism much. I did not at the very beginning, either. All I have been doing is to act, and by doing so, I can have a better life. (interview no. 29)

It is also discovered that most informants indicate that the communism in China is also feudalistic, although the communists themselves have attempted to fight against feudalism. Such a difference between "theory-in-use" and "espoused theory" is counted as its lack of influence on people.

One of the reasons for the lack of its influence on people is that they (the communists) do not practice what they preach. On the one hand, they have tried to use communism to replace feudalism, especially Confucianism. On the other hand, the way they behave is very feudalistic! (interview no. 45)

Viewing Self, Relationship, and Society

In this section, issues pertaining to culture and behavior at the level of self, relationship, and society are discussed. It is believed that such a discussion will set up a foundation for understanding culture and behavior at the organizational level, which is discussed in the next section.

The Moral Being

Recognizing the significant influence of such traditional values and beliefs, Hu suggests that the nature of human being is "moral being" (1990, p. 139), which means that Chinese are after moral perfection. When questions about the nature of human -- *ren* -- were raised, invariably informants began to talk about morality of man. What is most frequently talked about is the Confucian moral codes for human behavior.

Several people talked about the definition of *ren* by the Chinese ideogram. As one said: "Look at how we write *ren*, and you will know what I mean. It means two people supporting each other" (interview no. 4). Meanings of various comments are captured in a statement:

I believe that Confucianism is still influencing our lives in important ways, although the teaching of Confucianism has declined since new China was established. For example, we strongly believe in *jen*, *i*, *li*, *yi*, *he*, and *xiao* in dealing with others. They mean that a gentleman must be honest, loyal, respectful, and considerate. (interview no. 8)

In other words, these Confucian principles are the moral codes of human behavior. The Chinese concept of *jen* shows the nature of human being. In the physical form, it refers to a relationship constituted by two people. However, its content means much more. As Carmody and Carmody (1983) put:

Jen is humanness -- what makes us human. We are not fully human simply by receiving life in a human form. Rather, our humanity depends upon community, human reciprocity. *Jen* pointed in that direction. It connected with the Confucian golden rule of *not doing to others what you would not want them to do to you*. . . People have to cultivate their instinctive benevolence, their instinctive ability to put themselves in another shoes. (p. 135)

The principle of *i* refers to faithfulness, loyalty, or justice. It suggests that one should "look beyond personal, immediate profit and to elevate ourselves to the original goodness of human nature" (Yum, 1988, p. 377). In other words, reciprocity does not have to be immediate, nor does it have to be promised since both parties understand that they are bound by *i*. Sometimes obligation can be fulfilled by the next generation, by their family, or in a completely different form than the one originally received.

The principle of *li* further elaborates the rule of social behavior. As Yum (1988) puts:

If *jen* and *i* are the contents of the Confucian ethical system, *li* (propriety, rite, or respect for social forms) is its outward form. As an objective criterion of social order, it was perceived as the rule of the universe and the fundamental regulatory etiquette of human behavior. . . Mencius suggested that *li* originated from deference to others and reservation of the self. Confucius said that *li* follows from *jen*, that is, from being considerate of others. Only when people overcome themselves and so return to propriety can they reach humanness. On the other hand, propriety without humanness was perceived to be empty and useless. (pp. 377-378).

He -- the Ultimate Quest

The principles of *jen*, *i*, and *li* lead to the principal of *he* -- harmony. Many informants indicated that *he* was the ultimate quest for human beings. The people tend to avoid open conflict or confrontation in every possible way. As one informant saw the character -- *yen* (tolerance) -- on my belt, he said "you must have understood the meaning of *he*." Indeed, "*yen* is the best strategy, and *he* is the best value." During conversations, most indicated *he* is very important.

The least thing I want to do is to have an argument or fight with people around. I have tried to avoid that in my life time. It is just improper to argue or fight with somebody. If you do things like that often, people perceive that you are immature. (interview no. 23).

However, if a conflict does happen, *he* is threatened. The parties involved in a conflict often refuse to continue a friendly relationship, and they often ignore each other. In such cases, there exist some ways to restore *he*, as illustrated in the following case.

The case of restoring he

Mr. Li, Mr. Gai, and Mr. Wang work in one workshop, and they live in the same apartment building outside of the enterprise. Mr. Li and Mr. Gai both have a son who stay in the same kindergarten of the enterprise. Lately, there have been some conflicts between the two boys, which lead to tension in the two families.

One day, Mr. Gai's son comes back crying. Mrs. Gai is running out as quickly as possible to see what is going on with her dear son. Her face is going red, when she sees the bleeding nose and some bruises on the face of his son. When she hears that her son was beaten by Mr. Li's son, she immediately runs to Mr. Li's home. As soon as Mr. Li and his wife open

their door, Mrs. Gai accuses them of their boy's misbehavior and complains about their lack of discipline on their child. Before they get to know what is going on, Mrs. Gai is so mad that she damages their mirrors in the living room.

Mr. Li and his wife cannot tolerate this, and they go to Mr. Gai's home to talk to them. Each family complains about their boy being harassed by the other one. Since the two families are all angry, such a meeting turns out to be another heavy argument between the two families.

Since then, the two families have not paid any attention to each other. Both Mr. Li and Mr. Gai talk to Mr. Wang about this, and Mr. Wang know that they are all very upset. Mr. Wang suggests to each of them to calm down and ignore each other for a while. In the meantime, he asks the two families to tell their boys to stay apart.

After about two weeks, Mr. Wang talks to each of them to see how they have felt about the way it goes. Both Mr. Li and Mr. Gai recognize that their boys have become good friends again, and they feel bad about the current situations between the two families. Each of them has also regretted the things they have said to each other. After such talks, Mr. Wang invites both families to have dinner in his home. Over the dinner, they apologized to each other, and Mr. Li and Mr. Gai toasted to each other for three times. Such a ritual signifies their regrets for wrongdoings and the willingness to continue their friendship. Since then, they become friendly to each other again.

The Value of Hierarchy

In the Chinese mind, harmonious order is maintained by hierarchical relationships. Such a belief can be traced back to Neo-Confucianism. Learning from the Heavenly orderliness in nature -- the orderly peacefulness among stars, animals, and plants -- the Neo-Confucianism generalizes nature's relationship into human society. The Chinese word *Tian Ming* -- decree -- refers to "heavenly commands to man" (Ronan & Needam, 1978, p. 294).

In this respect, the principle of *xiao* is important to note. *Xiao* originally means piety towards the spirits of ancestors or dead parents. However, it is also applied to filial duty to the living parents, which is its usual meaning in current China. Such a notion implies a hierarchical relationship between parents and children. In other words, children should respect their parents' wills and guidance. Further, *xiao* is generalized into the social setting to respect tradition, age, status and authority. Age, here, refers both to generational and chronological age.

From the principle of *xiao*, it comes the value of *zun bei you xu* -- the respect for hierarchy. Laotz once said: "Let the ruler be a ruler, the father a father, the son a son" (Lau, 1979). The Confucian Five Cardinal Relations -- relations between sovereign and subject, father and son, elder and younger brother, husband and wife, and friend and friend -- are the social relationships of paramount importance (King & Bond, 1985).

In relation to the value of hierarchy, Confucius distinguished two kinds of men -- *Junzi* (Great Man) and *xiaoren* (Petty Man). *Jun* originally means a "ruler," and *junzi* is "a son of a ruler." This term is applied to the "member of the upper class." Since the upper class members have to follow the moral principles, *junzi* also implies the superiority of character

and behavior. The differences of meanings and behavior between *junzi* and *xiaoren* are manifested in some of the Confucius' sayings: "Great Man, being universal in his outlook, is impartial; Petty Man, being partial, is not universal in outlook (Confucius, Book 2)"; He (Great Man) sets the good examples, then he invites others to follow it (Confucius, Book 2)"; Great Man cherishes excellence; Petty Man, his own comfort. Great Man cherishes the rules and regulations; Petty Man, special favor (Confucius, Book 4)."

In the Chinese society, there is still a high consciousness about one's position in the hierarchical structuring in the interpersonal relationships. People have different labels to signify their different positions. Apart from the clear positions of the father and mother, the children are also categorized into different positions by different titles. Elder brothers are *gege*; elder sisters, *jiejie*; younger brothers, *didi*; younger sister, *meimei*. Outside of the immediate family, there exists also an elaborate system to label all of the relatives. Such labels represent closeness of relationship as well as the position in the hierarchy. For example, my father's *gege* is my *daye* or *dabe*; my father's *didi*, my *shushu*; my mother's *gege*, *juju*; my mother's sister, *yiyi*.

In a hierarchical relationship, people in different positions exhibit different behavior, showing respect for hierarchy. Thus, when people meet each other, the first thing is to make clear about one's position. Otherwise, it is very difficult for people to know how to behave with each other. When two people with different status meet, the lower status person is expected to call the superior by the proper title. This signifies the acknowledgment of the superior's power, and the superiors always

gladly accept it. Acting with no respect to the hierarchy is perceived to be *meijiao yang* -- lack of proper education.

During conversations with informants, a notion -- *tinghua* -- is frequently used in their comments. *Tinghua*, listening to others, refers to the phenomenon that people have the tendency to obey instructions from superiors. In order to achieve peace and harmony in the hierarchical family, *tinghua* has to prevail. As told in the opening story, when the younger did not follow what the elders said, normal lives were disrupted, and everything was in chaos. The restoration of peace and harmony was made possible by the eldest -- Kong I -- who was the most powerful one in the family. During conversations, most respondents indicated that they had to be obedient in their families.

In my family, my father has the ultimate authority. Whatever he says, we, including my mama, shall follow. He can be very stubborn and stupid sometimes. But, we have to follow his orders. (interview no. 23)

Such values for hierarchical orders and harmony are cultivated and manifested especially in family life. For example, within a family, role-taking is a phenomenon significantly different from the West. Laotz once said: "Let the ruler be a ruler, the father a father, the son a son" (Lau, 1979). Children are taught to respect this ordering throughout the socialization processes. Further, interpersonal communication within a family can be simply described as non-reciprocal -- top-down. Children are taught not to take initiative in respect to adults and they are not supposed to talk back to parents or other elders. In other words, obedience becomes a cultivated value.

My *mama* is more traditional than my father. She is very strict with our behavior. She teaches us how to sit, eat, talk, and walk. I remember When I was small, I was often physically disciplined because of the way I sat and ate. (interview no. 22)

Since I understood things, I began to learn to be obedient to my parent and elder sisters and brothers. Whatever they said, I just followed. (interview no. 30)

Whenever I did something wrong, I was terribly afraid of my parent's finding out about it. If so, I was in deep trouble. (interview no. 24)

During conversations, many people indicated that valuing hierarchy and harmony was the Way of life. The main reason for parents and elders to discipline their children is that children cannot leave them. Children are brought up in families which are the only place for protection and nourishment. As one informant indicated that "We Chinese believe that the outside world is full of coldness, and the inside world is full of warmness" (interview no. 17).

Even if people grow up, such a respect for tradition and hierarchy is imperative. People tend to perceive and evaluate each other, based on one's relationship with his or her families. As another informant indicated, "when a person is thrown out of the family, you become a dangerous, untrust-worthy man. Nobody else wants to have anything to do with you." (interview no. 32)

Apart from families, schools are another place for cultivating such values. When children reach the age of schooling, parents hand their children to teachers for education. Children in schools are educated to love and respect teachers. In fact, people in China treat teachers as equal to their parents. Further, the value of tradition, hierarchy, and authority is further emphasized through schooling.

Soon after I entered the elementary school, I realized that the teacher was as powerful as my parents. I could not do the things without teachers' permission. In fact, everything I did was under instruction. (interview no. 37)

If children misbehaved, they would be disciplined in the forms of reprimand, laboring, or physical punishment. Sometimes, the teachers may report the misbehaviors to the parents or even complain about the parent's inability to educate their child. In such cases, the parents may be doubly angry, since their child has lost face for the family.

I remembered how I was dealt with by my parents, when my teacher reported my second absence to them. They were extremely angry, and I had to kneel down all night. (interview no. 33)

During conversations, many informants were critical about the June Fourth Incident at Tiananmen Square in 1989. While people were sympathetic and appreciative about some of the students' concerns such as too much corruption and lack of funds for education, it was clear that the way students dealt with the government was fundamentally wrong. It violated the norms of respect for hierarchy and harmony.

I believe that the students behaved inappropriately. They openly criticized, even denounced the premier and other leaders of the country. They also disrupted traffic and the normal life people used to have. I knew that they would be punished one way or another. (interview no. 31)

I think that students over-stuffed their stomach, and they forgot who they were. They were having free education, free food, and futures full of promises. However, they did not appreciate it at all. Why did they go against power and the government? If I were them, I would not do such stupid things. (interview no. 22)

Such remarks were common. However, I was suspicious about such feelings. Especially, I thought that these people might have been brainwashed, and the Chinese government did not show what I saw on TV in the West. In April, 1993, when I was receiving a delegation from China, I continued to talk to them about this phenomenon. Over the trip, they had seen the tapes we had in the West.

The scenes you saw do not differ greatly from what I saw in China. I think those students were way too arrogant. They knew too little

about our history. If they did, they would not have done such things. (interview no. 71)

Although it was tragic, I believe that our government did something properly. Otherwise, China would have become a country like the old Soviet Union. It would be worse, if the government had not suppressed such a movement. (interview no. 72)

The Art of Guanxi Work

Relationship is treated as the basic unit of the Chinese society. China has its own word -- *guanxi* -- for relationship. *Guanxi* refers to the kind of mutual relationships in which two parties are bonded together in terms of obligations. It is believed that *guanxi* originates from the family sphere (Fried, 1953). Some of the typical proverbs such as "Relying on parents at home, and on friends outside of home," "Friends are as close as brothers," "Within the four seas, all men are brothers," reflects the need to transcend the family-style relationships to the meta-family level. In other words, the notion of *Jia* -- family -- is very elastic (Fei, 1967). Family can mean only the members of a nuclear family, or it may also mean all members of a network or a clan (King & Bond, 1985). Such a theory is confirmed by many informants. As one commented:

The origin of *guanxi* comes from family. In a family, bounded relationships are to help each other. Such a relationship takes care of people's need. In China, it is natural that the parents raise their children, and children take care of their aging parent. Such a relationship is so desirable that people tend to develop the similar bounded relationships between each other, as the saying goes, "when you are outside the family, rely upon friends." (interview no. 11)

The reason for the need of *guanxi* is very clear to most participants. As a family, *guanxi* will provide protection for individuals. As one informant said:

We Chinese believe that the outside world is full of coldness, and the inside world is full of warmth. The inside world refers to the family, where you feel safe, warm, and caring. When we are in the outside world, we want to create the family-style relationships where the kind of protection we get from home can be provided. (interview no. 17)

Guanxi signifies a clan group. When you get in, you will benefit what others could not dare to dream about. That is why we say "when one has got the Way, crooks and dogs will be in the heavens." (interview no. 43)

Just think, if you do not have *guanxi*, what a miserable life you will have? When a person is thrown out of the family, you become a dangerous, untrust-worthy man. Nobody else wants to have anything to do with you. (interview no. 32)

The importance of *guanxi* in China deserves serious attention. It is a key concept for understanding Chinese behavior in social (Fried, 1969), political (Jacobs, 1979), and organizational (Walder, 1983) settings. It is so pervasive in the Chinese society that people often talk about connectionology -- the science of *guanxi*. One of the informants actually refers to *guanxi* as "the Social Gravity Law" which ties people together.

Guanxi is very important. It is more important than your ability in determining your fate. People often say: ability 3 plus *guanxi* 7 is equal to success. I totally agree. (interview no. 41)

People may feel *guanxi* distasteful. However, when one wants to do something, *guanxi* becomes important, and everyone wants to grasp it. All in all, one more *guanxi*, one more way. It is a tradition passed from our ancestors thousands of years ago. (interview no. 27)

Guanxi is simply life-blood. You cannot survive without it in this society. (interview no. 48)

In fact, several people indicate that *guanxi* has become one of the basic needs.

Guanxi has become a type of human need. Everybody demands it. It is universal. To have a better life, one has to have it. The more you have it, the better you can do. I dare say that everybody who is up-beat in this society has got *guanxi*. (interview no. 24)

Conversely, many informants said that the lack of *guanxi* was a serious threat. If one does not have it, s/he will have a lousy life.

I have been just a worker for my life. If I had *guanxi*, I would not be working here in the shop. I have watched a number of people who are promoted every year. I believe these people have more or less *guanxi*. My children complain a lot. Now, they believe that they can not have a better future, because I do not have *guanxi*. I simply say this to them: "Your father is dumb. Now, develop your own *guanxi* and help yourself!" (interview no. 28)

Consequently, many informants indicated that they spent considerable resources on developing and maintaining *guanxi*.

Making *guanxi* is the top priority in my life. It is more important than doing your regular job. I feel that I spend more time doing things to take care of my *guanxi*. Whenever needed, I will drop my regular work to work for *guanxi*. (interview no. 23)

I would like to build *guanxi*, whether it is for my work or for my self-interests. When I was working in a shipping company in China, using *guanxi* to rent a ship is very important. If you do not have *guanxi*, you lose a couple of thousands dollars every day. If you do, you will have a ship whenever you want it." (interview no. 41)

Guanxi not only benefits people but also costs a lot.

Developing and maintaining *guanxi* can be very costly for people especially like me. I did not have a strong *guanxi* foundation, when I came out of school. Since I got the job, I have been working very hard on it. I feel that I am near to the edge of psychological breakdown. I have to think about things related to *guanxi* day and night; I have to be ready to work for *guanxi* any time; I have to be very careful to maintain good *guanxi* with those people who have problems with each other, which is very difficult to do; we have to spend most of our savings on *guanxi*. (interview no. 14)

It is especially costly for common people like me to develop or maintain *guanxi* with those people who are above you. They can do a lot of things for you. They are in charge of your life. Conversely, you cannot do anything useful for them. To maintain such a mutual relationship, you have to spend money on gifts. Annual festivals, marriage, birthday celebration, funeral, and occasional celebrations are times for gifts. China gets too many festivals, and whenever these occasions come, we have a headache. (interview no. 35)

Not all of the people welcome *guanxi*. Several expressed distaste, and a few others expressed ambivalence about *guanxi*.

I hate *guanxi*. If everybody grows by relying upon *guanxi*, where is the justice? People should be judged on their abilities rather than *guanxi*. (interview no. 21)

Z. Li, a senior engineer, comments:

I feel *guanxi* distasteful. It is a factor which corrupts the organization and the society in general. When you see those stupid people use their *guanxi* to catch a leadership position, you would understand why our country is left behind others. In my view, *guanxi* is just like the cancer of our society. (interview no. 38)

Those with street smart in China benefit a lot. My connectionology is not good at all. I am very ambivalent about it. I hate the existence of *guanxi*, and in the meantime want to build some. When I was working in China, every leader believed that I did well in my professional job. But I did not get adequate rewards such as a promotion, because I did not know how to *pai ma pi* -- push the right button. (interview no. 42)

In order to explain how *guanxi* works, Hwang (1987) develops a model which conceptualizes the two parties to a dyadic interaction as petitioner and resource allocator. When a petitioner asks a resource allocator to get a certain kind of resources, the resource allocator will first consider the *guanxi* between them and adopt appropriate rules to interact with the petitioner. Hwang further classifies three types of *guanxi* -- expressive ties, instrumental ties, and mixed ties -- on the basis of their expressive and instrumental components.

1. Expressive ties. The most obvious one of this kind is the *guanxi* between members in a family. The rule for resource allocation in a Chinese family is the need rule: the capable members have the responsibility to get resources to satisfy the needs of each member.

2. Instrumental ties. An individual may establish temporary relationship with others solely as a means to an end. An example of this

kind is the relationship between a passenger and a taxi driver. The expressive component in this kind of *guanxi* is little, and the rule for resource allocation in this kind of relationship is the equity rule whereby a calculative attempt for gains or losses is tried. Under such a relationship, the two parties may bargain on the basis of universal and impersonal standards.

3. Mixed ties. The mixed tie is a kind of *guanxi* where an individual is most likely to play the power games. Such a *guanxi* exists outside of an individual's immediate family. In such a *guanxi*, both parties know each other and maintain a certain expressive component in their relationship. In such a relationship, the principle of *renqing* plays an important role. As Hwang (1987, p. 946) explicates, "the principle of *renqing* implies not only a normative standard for regulating social exchange but also a social mechanism that an individual can use to strive for desirable resources within a stable and structural social fabric."

In the mixed tie relationship, the two parties may get acquainted with one or more in common, and a *guanxi* network is established. They may anticipate that they will meet in the future and others in the same network will evaluate the exchanges between them in accordance with Chinese norms.

These three kinds of *guanxi* were all confirmed in the research. The kind of *guanxi* mostly talked about is the mixed tie *guanxi*.

In China, there exist two types of *guanxi*. One is public relation, which refers to pure working relationship. The other one is a nepotic relationship, including your family, relative, friends, and other groups. I believe that the latter *guanxi* serves a major role in our society. (interview no. 43)

According to Hwang's model, when a resource allocator is asked to distribute the resource under his or her control in a way to benefit the

petitioner, he or she has to take the rule of *renqing* (favor) into account, and has to consider the following: (1) the cost of the resources; (2) the depth of *ganqing* (affective component) between them; (3) the probability of reciprocation from the petitioner; and (4) social evaluations from others in the same *guanxi* network.

In order to strive for resources controlled by a particular allocator, an individual may choose several strategies to influence the allocator. The most popular one is to increase the social interaction between the two parties deliberately. Such interactions may include visiting, giving of gifts, and inviting allocators to have parties together. The aim of this kind of activities is to become the allocator's type, and to get closer to the resource allocator. If an individual is barely acquainted with a resource allocator, s/he may use an intermediary to introduce the petitioner to the allocator and to solicit a favor from the allocator on his or her behalf. Once the strategy of using *guanxi* has been successful, people usually say that a "back door" is opened (Jacob, 1979; Walder, 1983).

Another frequently used strategy to influence the resource allocator is face-work. Since an individual's *mianzi* can help influence the allocator, it is important to maintain his or her face and to do face-work in front of others in the mixed tie. *Mianzi* means one's social position or prestige obtained by successfully performing social roles which are recognized by others (Hu, 1944). Similarly, Redding & Ng (1982, p. 203) defined *mianzi* or face as "the positive social value a person effectively claims for himself by the line others assume he has taken during a particular act." The concept of face work refers to "projection of self-image and impression management" (Hwang, 1987, p. 960), with the goal of presenting a

favorable image to the minds of others (Schlenker, 1980). In the reciprocal relationship, mutual obligations are negotiated through face work. The consequences of such negotiations may lead to enhancing, losing, or saving one's face, which in turn may result in enhancing or weakening the relationship.

Thus, an individual may do impression management such as arranging the setting for social interaction, taking particular care with his or her appearance, and behaving in a certain manner, in order to shape a powerful and attractive image when dealing with others. Usually, the allocator is inclined to grant the request. If the allocator rejects his or her request, the petitioner will lose face and both sides may feel disaffected in the long run. When the allocator is neither willing to grant the request nor to hurt his or her face, the allocator may find an excuse to give no definite answer to the petitioner. Both parties may then proceed as if such a request had never been made, but with a clearer understanding of the limits to their *guanxi*. If the request is pressed further, the potential for disruption to the two parties and their social *guanxi* network escalates seriously.

The two strategies suggest that an individual has to behave differently, when s/he is with different *guanxi*. A real master of *guanxi* is able to keep good *guanxi* with all kinds of people. This is captured in the informant's comments:

In order to develop and maintain *guanxi*, I have to learn to act. I have several very different groups of people to associate with, and I have to be one of them whenever necessary. So, you will see me sometimes acting like a rascal, some other times like a real gentleman. Sometimes, you have to do things you really do not enjoy. For example, I hate smoking and drinking. But you may find an expensive package of cigarettes in my pocket or see me drinking with someone. That is because my *guanxi* has those kinds of interests. (interview no. 27)

There are many ways of developing *guanxi*. The key is whether you can get what your partner wants. If you can get him or her satisfied to the extent that s/he needs you, you have got a strong *guanxi*. Under this circumstance, whenever you ask him or her for something, s/he would be all for it. For example, my father has several 'step sons' who have closer relationships than us with him. He would do things for them, things which are unimaginable for us. My father always appraises their delicate ways of caring (*hui lai shu*). These people try very hard to perceive what my father wants. They would do things which are delightful to my father, before he even asks. That kind of behavior keeps my father very happy. When they conduct business together, his step sons get more than enough returns. (interview no. 36)

Thus, the way of developing or maintaining *guanxi* varies with the resource allocator's age, position, and sex. Many indicate that the *guanxi* work with people of similar age is the least difficult one.

To *la guanxi* with peers who are your age is the most simple thing. The best way is to interact with each other via talking or exchanging information. Through interactions, you want to develop similar interests such as similar personality, sharing meals together, or drinking. Overtime, *guanxi* naturally develops. "Things form together by sorts, and humans form together by grouping" means the same thing. (interview no. 43)

One of the things you must do to *la guanxi* with your bosses or old people is to show respect. In front of them, an individual should behave in such a way that acknowledges that the allocator is a good person. An individual should also visit the allocator with an appropriate gift, especially during festival seasons.

To *la guanxi* with your boss or elders, you have to adopt a way which is different from the way you do with your peers. I learned this the hard way. When I was working in a Chinese organization, I treated my bosses just the way I treat my peers. I did not want to be respectful towards their power and status. That is why they did not like me. (interview no. 33)

I know what these people want. They want people to respect them. I respect old people, but not the Party secretary in our organization. He is clearly dumb, and yet he tries every way to show his dignity. I can not respect this kind of person. In several occasions, I embarrassed him in front of others. I knew that he

hated me very much. Since then, whatever I tried to do, he blocked it. He also gave me a hard time, when I was leaving for the USA to study. (interview no. 41)

I have a friend who was dating a beautiful girl. They loved each other so much that they wanted to get married. Unfortunately, When this guy visited her parent, he somehow did not behave the way her parent liked. They had to end the relationship, because her parents believed that he was not a respectable person. (interview no. 22)

When people were talking about *guanxi* work with their bosses, a point about loyalty was frequently made.

It is very important to know that once you are related with a leader, you must be committed to such that relationship. Otherwise, you lose all of your credibility. As long as s/he is in power, you surely benefit. The danger is that when s/he loses, you fall with him or her. In the organization I used to work with, there existed such a relationship. The follower fell with the leader. (interview no. 43)

Several people indicated that it is most difficult to do *guanxi* work with bosses fighting against each other. A strategy to do *guanxi* work in this kind of situation is suggested:

Most difficult of all is to handle *guanxi* with several bosses who fight against each other. I had such experiences when I worked in China. Everyone of them wanted my help, and they attempted to have family dinners with me. I refused. This is because if I did so with one of the leaders, the others would view me as a foe, making my life miserable. (interview no. 41)

With questions about doing *guanxi* work with subordinates, a general consensus was to care and make them loyal.

It is important to be loving and considerate. Do not be selfish. Even though your temporary benefits suffer, you will gain in the long run. You want to do everything possible to make them loyal to you. When you have their loyalty, they will do whatever you want. (interview no. 9)

Several people indicated that if one wanted to have a better life, s/he should know how to do *guanxi* work with both bosses and subordinates. Otherwise, it would be difficult.

The *guanxi* expert is able to develop and maintain good *guanxi* with both the people who are above you and the people below. In the Chinese company I used to work with, there was an engineer who maintained a good *guanxi* with his boss, but poor *guanxi* with his peers. I tell you, those people made him very ineffective in his work. Thus, he could not be promoted. (interview no. 13)

It seems that sex influences the way to do *guanxi* work. Although the communists have strongly advocated the equality of men and women, the status difference between them is still very obvious. Women are often perceived as weak and incapable. Usually women are the ones staying at home and men are the ones developing *guanxi* work outside. If a woman is active in developing *guanxi* work, it is often believed to be improper.

For a man to *la guanxi* with girls is the most difficult one. Girls want to hear praises and have good treats. However, when people know that you do what girls want in order to get what you want, you will have no face, and be laughed at. Thus, people will tend not to *la guanxi* with girls. Conversely, for a girl to *la guanxi* with a man, it is the easiest of all. I think that the principle of the paternity plays a role here. As long as a girl is not afraid to ask, the man will give her what she wants. (interview no. 43)

Although informants agree in general that *guanxi* is critical for one's growth and better life, many indicate that *guanxi* is not always effective. This is especially so in the cases of organizational settings.

Leaders tend to use multiple standards to judge people, when opportunities such as promotion and hiring come. On the paper, there is always a single standard: quality. However, the force outside of the paper document -- *guanxi* -- can be very strong. So, leaders influenced by these two different forces make their final decisions. (interview no. 17)

The two standards -- the official one and the unofficial one -- all affect decision-making. Everybody knows that. So, when an opportunity comes, a person has to evaluate his or her competitors before s/he goes to *guanxi* for help. If s/he finds out that s/he is

too weak to compete, s/he might decide to drop this opportunity. In other words, *guanxi* is actually the secondary force. When you are not qualified by the technical standards, it is rare that you can have it simply because you have *guanxi*. The interesting part, however, is that if s/he is close to competitors, *guanxi* will surely come into play. You do not see these scenes, but surly you would feel the forces are fighting against each other. (interview no. 23)

Other dimensions of *guanxi* were explored. Most informants classified *guanxi* in terms of closeness between the two parties. A close *guanxi* refers to a strong connection between a petitioner and a resource allocator. A common phrase for close *guanxi* is an "iron *guanxi*," which means that there is a great probability for the allocator to do a favor. Conversely, a distant one implies a weak connection between the two parties.

Some others classified *guanxi* in terms of degree of satisfaction of *guanxi*. Degree of satisfaction comes from the history of the two interacting parties. In this dimension, "OK *guanxi*," "good *guanxi*," and "very good *guanxi*" are often used to express the satisfaction of their *guanxi*.

Guanxi was also classified in terms of length of association between two parties. In this dimension, "old *guanxi*" and "new *guanxi*" are often used.

An old *guanxi* refers to the lasting relationship between two partner. In other words, there are solid trust and obligations built between the two partners over a period of time. In contrast, a new *guanxi* is a one recently established. It takes time to strengthen such relationships. I keep up with both types of *guanxi*, because I am sure both of them will be useful some day. (interview no. 15)

Guanxi can also be classified in terms of ascription. If the two parties come from the same region, such a *guanxi* will be a "*laoxiang*" (regional *guanxi*), the same school, a "*xiaoyou*" (school-mate *guanxi*), the relative, "*qinshu*" (a relative *guanxi*).

It does not matter when, where, and how you have got your *guanxi*. The question is whether you can maintain it in such a way that it can be useful when needed. (interview no. 13)

An informant made a distinction between the quantity and quality of the *guanxi*.

The quality of *guanxi* is more important than the quantity of *guanxi*. Nowadays, if you are a son of Deng Xiaoping, you have more than enough. Your future is well taken care of without asking. If you have many *guanxi* with people like me, it means that you do not have good luck. (interview no. 28)

As mentioned earlier, a *guanxi* between two parties may grow into a *guanxi* network where more than two people are bounded with obligations. In other words, there is a clear distinction between an ingroup and outgroup. When talking about ingroups, "we," "our," and "ours" are often used. In contrast, when talking about outgroups, "they," "their," and "theirs" are often used.

Most people categorized their ingroups in a hierarchical fashion. Some others do believe that work can be considered as a low level ingroup.

I believe that there is a hierarchy of ingroups. My family is certainly at the top of the hierarchy, my other groups are in the middle, and I consider our work group as the bottom one in my hierarchy. Such a hierarchy determines your behavior. Generally speaking, if there is conflict between these ingroups, one morally goes with the group at the higher place. (interview no. 26)

Your parent family is definitely the no. 1 ingroup. Your own family cannot compare with your parent family. That is why when conflicts between mom and my wife arise, I often go along with *mama*. (interview no. 29)

As discussed previously, the Chinese authority has tried to shift these group values to the work groups. During the interviews, questions concerning the extent to which work groups are considered as ingroups

were raised. Most people indicated that they took their work groups as ingroups, but it is an ingroup at the lowest hierarchy of their ingroups.

Among the ingroups I have relationship with, I take the work group as the one I have least connections with. This is because I do not have a lot to do with the people around me. Everyone of us is assigned to work here, and every one is suspicious about each other. An ingroup is one which you have a stake and you participate voluntarily and actively. There are tremendous trust and responsibility among group members. The work group we have here is purely artificial. Especially, the group leaders who are the watch dogs for some other people. (interview no. 33)

I feel that I am still connected to the organization. Such a feeling is stronger when we are outside of the organization. One day, I found that one of the workers in our organization was fighting against another guy on the street. I did not know him at all, but I knew he was working in the same organization as I used to work with, because he was wearing the company cloth. I felt that I should help him, and I did. (interview no. 36)

However, several people indicated that they had their own ingroups within the organization.

The Relationship between Self and Group

It is obvious that Chinese fundamentally believe that human nature is relational, and the principles of behavior are created to deal with human relationships. One contributes to a group which in turn protects you. The interests and desires of self are supposedly fulfilled by a relationship or a group to which an individual belongs. *Ji ti guan nian* -- the value of collectivity -- is held strongly by the Chinese.

Essentially, you live with groups. You contributes to groups, and the groups take care of you in times of needs. For example, when you are young, your parent are responsible for raising you. When you reach the age for schooling, schools are responsible for educating you. When you are mature, you are supposed to work for your families. When you are old, your children are responsible for taking care of you. (interview no. 14)

The Chinese concept of self cannot be separated from others. The meaning of self is the belongingness of others. Self is not an independent identity. Self exists with the identity of a whole. When one thinks about oneself, others are being considered in the meantime. Self-interests are realized through the realization of others' interests. That is why we say "saving the green mountains, you will have wood to chop." (interview no. 46)

Self has two inseparable meanings. First, self means yourself, which is a small self. Second, self means a big self, which includes your families, your friends, etc. The small self exists in the big self. (interview no. 42)

An interesting question is how people feel about such arrangements. In this respect, many people indicate that it is the Way of life. However, some others complain about the inequality of such relationships. Interestingly, nobody ever complains about the inequality situation in family or any other groups they belong to, although many indicate that they have a huge financial burden to raise their parent and offspring at the same time.

It is your family, and you live with it. You cannot calculate your relationship with your family the way you do with the organization. I have to take care of three generations in my family. That is the way it is. (interview no. 13)

Role compliance and conformity to a group is necessary to keep harmony. Many indicate that one should defer to group need all the time. Being considerate for others is a value held by most informants.

We Chinese believe that one should not put self above the group s/he belongs to. When self-interests are in conflict with the group interests, it is natural we should drop the self-interests. I strongly believe that it is the way it should be. Otherwise, everything will be chaos. For example, what do you expect, if everybody ignores the traffic light? (interview no. 19)

Self does not have a place in the Chinese situation. People are taught to be selfless. Anything that is considered for the benefit of self is taken to be inappropriate. When people strive for their own needs, they are treated as having morality problems. (interview no. 15)

Chinese put group conformity above everything else. Whenever you want or do anything for yourself, you would hear that "why don't others do that?" Such a question is in fact a statement. It stops you from doing anything that is for yourself. (interview no. 33)

Over the years, self has been put in a better position than before. However, I still believe that Chinese tend to be considerate of others when conflicts of interests arise. Chinese do not like the idea of benefiting yourself, at the cost of others. People look down upon those who are self-oriented. (interview no. 42)

I consider first and a lot for my ingroup members, whenever I want to do something. I will never do things that would hurt them. For example, if I have \$500, I would send it to my parent instead of buying myself a beautiful suit. (interview no. 41)

Whenever I do something, I will think about how it will affect others whom I am concerned with. It is a constant struggle between the interests of self and the interest of others. If somebody else will suffer because of what I get for myself, I will not do it. (interview no. 25)

Under the value of role compliance and conformity, people tend to be reluctant about expressing their own wants, interests, and rights. The denial of self results from the Confucianism and Mao's ideology that self-sacrifice for the state is "the highest ideal of citizenship" (Pye, 1991, p. 443). When probed in that direction, some people indicated that people do not want to talk about self much, because of the fear of being labeled as having a selfish attitude. In addition, several informants indicate that there exist a significant difference between what one really wants and what one says that s/he wants. As Z. Wang commented:

I want a lot of things for myself. I want to have more educational training. I want to have a better living. I want to have a higher status in the organization. But, I dare not say these things openly, because it would be perceived that I am an extremely selfish person. When you are perceived to be selfish, nobody wants to look at you. So, I have to hide those wants all the time. (interview no. 23)

Viewing Organization

Jiagong Company: An Introduction

The *Jiagong* company occupies a place of about 1,800,000 square meters. I could feel the size of it, when I was walking into the company in the early morning. The company was circled by brick walls, and there is a large gate opening onto a spacious road.

People either ride bicycles or walk to the company every morning. Some people greet each other and have a conversation while entering the company. It is the Chinese tradition that one only greets others who you know. When they get to the gate, people get off their bicycles and show their IDs to the gate keepers, two well-dressed security officers at the company. The two officers take a serious look at each ID and nod their heads to the people who gave their IDs. Such a head-nodding practice means permission to come into the company.

A visitor has to have a written permission from the office of the enterprise director to get into the company. Since Mr. Gai -- my internal contact -- has arranged this already, I have no difficulty getting into the organization.

The environment of the company is clean and beautiful. After the gate, there are several major roads leading to each individual plant. Facing the gate is the Russian-style main-building, where the enterprise management and major administrative offices are located. In front of the main building, there are some trees and flowers.

The main building is divided into three parts. The center of the building is four-stories, and the two sides of the building are three stories. At the top of the center of the building, there are large national symbols -- a red star and a red flag -- waving with the wind. Right

beneath the star and the flag, the company name is inscribed. At the top of the two side buildings, there is a four-character slogan on each side. The one at the left -- *jian ku fen dou* -- says "thriving thriftily and diligently," and the one at the right -- *zheng xian chuang you* -- says "pioneering in production and in quality."

The hall of the main building is bright and spacious. On the left wall, there are directions for major administrative offices. On the other walls, there are pictures of the "excellent workers" at the enterprise. Each picture is large and every person took the picture with a large red flower in front of their chest.

The Cultural Legacy of Jiagong

Jiagong company was established in 1958. It became one of the largest wood-making enterprises in China. *Jiagong* company is a truly comprehensive company whose products are diverse -- ranging from woodworking to man-made boards, forestry products and products for chemical industry, and machinery and electricity, and it has over 10,000 employees.

Although the enterprise has been owned by the government, the managing relationships between government, the Party, and the enterprise has been a changing one throughout the enterprise's history. Until the early 80's, the institutional arrangement between the state and enterprises can be described as follows (Rawsky, 1980):

1. The state owns all capital goods held by the firm.
2. The firm is governed by a bureau (*ju*). The *ju* controls the inputs and outputs in the forms of materials and human powers, and claims

the residual on behalf of the state budget. The *ju* also decides how to allocate earnings between the state, the enterprise, and the individual.

3. The firm does not have contractual rights.

4. Wages are fixed by the state, and the firms can only use bonuses and other incentives such as housing and kindergarten to motivate people.

Under such institutional arrangement, the enterprise functions as a branch of the governmental organization. In other words, the enterprise does not function as an entity which is responsible for economic profits and losses. Instead, the enterprise management is responsible for implementing governmental plans for production. If the enterprise intends to grow, the enterprise management will submit a plan document to their *ju*, and wait for the decision to be made.

It is worth mentioning that in the early 60's there existed an attempt to replace the plan target with a profit target in the country. Liu Shao-qi, the then vice-chairman of the Central Committee of the Communist Party of China, was instrumental in initiating such a change. This change was often referred to as Liu Shao-qi's line. In contrast to the traditional system, the enterprise's power was significantly enlarged. Literally, the enterprise had all decisive powers for enterprise management. The new policy activated and stimulated the national economy (Laaksonen, 1988). However, this policy did not continue for long, due to the failure of the movement.

Since the early 1980's, the government has taken a pragmatic approach to modernization and economic development and has made this pragmatic development a central task. A significant move along this line is to invigorate the state industries. This move includes two salient

aspects which are relevant in this context. One of them is the establishment of a national market. This means that the commodities traditionally controlled by the plan system are gradually regulated by the market instead. By 1992, only about 10 percent of the commodities were regulated under the plan system and the rest of them by the market.

The other aspect is "to make the enterprises adapt to the market and become self-managing, economically self-responsible, self-developing, and self-restraining organizations."⁴ It encompasses differentiating the tasks between the Party and the administration, and between the administration and the enterprises. What is most relevant here is empowering industries.

To carry out its responsibilities, the enterprise has a legal entity to deal with business matters in the market system. Conversely, the government has the right to coordinate, supervise, and manage in appropriate ways, since the state owns the enterprise. In detail, the government has the following rights, according to the recent management reform principles⁵ :

- (1) Auditing the enterprise's performance.
- (2) Deciding the allocation of profits between the state and the enterprise.
- (3) Deciding whether or not to support the production programs which require the technical and financial help from the government.
- (4) The right to make decisions affecting bankruptcy, and the right to decide the identity of an enterprise, such as strategic alliance between two or more enterprises.

⁴ *Juan min shuo you zhi gong ye qi ye zhuan huan jing ying ji zhi tiao li* (State industries and state enterprises management reform principles), July 25, 1992, p. 1.

⁵ See footnote 4.

(5) Deciding major financial matters which affect the revenue of the government such as appreciation rates and equipment investment.

(6) The right to decide or permit the hiring of enterprise directors.

(7) Initiating rules and regulations for property management, and the right to supervise such matters.

(8) Protecting the rights of the enterprises and assisting the enterprises to solve major problems.

Governmental plans are gradually reduced, and the enterprise has to be responsible for its own profits and losses. In the case of *Jiagong*, governmental planning activity began to decline in 1986, and was almost entirely eliminated by 1992.

The Concept of Organization and Job

The Chinese emphasize the importance of human being more than anything else. The Chinese tend to view the organization as a system of interrelated human beings. During conversations, informants often described the organization by the metaphor of family or community. Interestingly, few people mentioned about the material or technical aspect of an organization. When I probed, an informant explained:

We believe that human beings are the most complicated, and we human beings come together to form an organization for a purpose of living. Materials are nothing but being used by human beings to achieve such a purpose. (interview no. 4)

The emphasis on human beings can be traced far back in the history of China. Confucius once said that "in the world of heaven and earth, *ren* (human) is more important." Laotz also said that "among the four greats -- the great way, the great heaven, the great earth, and the great *ren*, *ren* is the greatest of all." Under such an influence, the traditional Chinese place more emphasis on literature and humanity than science

and technology. According to Zhou (1988), in a period of 4500 years, among the 356 most known people in Shandong -- the most historical place in China -- the philosophers, writers, calligraphers, and politicians make up 71.2 percent of that group and the scientists and technologists take only about 4.7 percent and it is believed that such a proportion is representative throughout the country.

During conversations, every senior leader in the enterprise agreed to the notion that the enterprise is structured and organized more as a community. Apart from a funeral home, the company has every function to support human livelihood. The enterprise is taken as a place for people to live. Most people are born, educated, and work in the organization. In fact, the community where the enterprise is located is a company town. The company plays a dominant role in the whole community. Most workers are employees of the community. The enterprise provides social services such as health care, education, and housing to employees and their families.

Under such a concept of organization, the meaning of job deserves attention. When people are employed, they stay with the organization until they are retired. Most young employees are the families of those old organizational members. In the past, the enterprise was responsible for training family members to work in the organization.

However, each year, the enterprise is able to get at least several college graduates to work in the organization. These graduates are assigned by the government to work there, and they are treated as important assets for the company. Most graduates are assigned to work in the administrative or technical divisions. These people generally expect to get married, have a family, and stay with the organization.

Our company is organized more or less as a city. It is designed to sustain human living, apart from producing. For examples, we provide housing to them and their families. When they are sick, they get free health care. When they get married, we will help with ceremonies. When they die, we will help organize the funeral. With respect to their families, as soon as an employee has a baby, we will give family leave for his or her mama. After a while, the baby will be taken care of in our kindergarten. Then, go to our schools. After graduation, if they do not have the opportunity to pursue higher education, we have to try to arrange jobs for them. When they are sick, they will come to our company hospital. (interview no. 6)

The Simultaneous Systems

Simultaneous systems are characterized as one of the Chinese organizational characteristics (Schermerhorn, 1987; Schermerhorn & Nyaw, 1991). Simultaneous systems refer to the phenomena that there are several systems -- life support system, socio-political support system, and business and operations system -- that operate simultaneously in an enterprise in China (see Figure 5).

The business and operation system is the core system which serves production and economic purposes of the enterprise. In this system, there exist 31 factories and workshops which employ up to 8000 people. The structure of this system is further elaborated later in this chapter.

The life support system is designed to assist workers fulfill their life needs such as housing, child care and education, health care, and recreation and entertainment. At *Jiagong*, there exist a large system focusing on housing construction and maintenance for all of the employees, a large nursery for child care, five elementary schools and a middle school for worker's families, a large hospital for workers and their families.

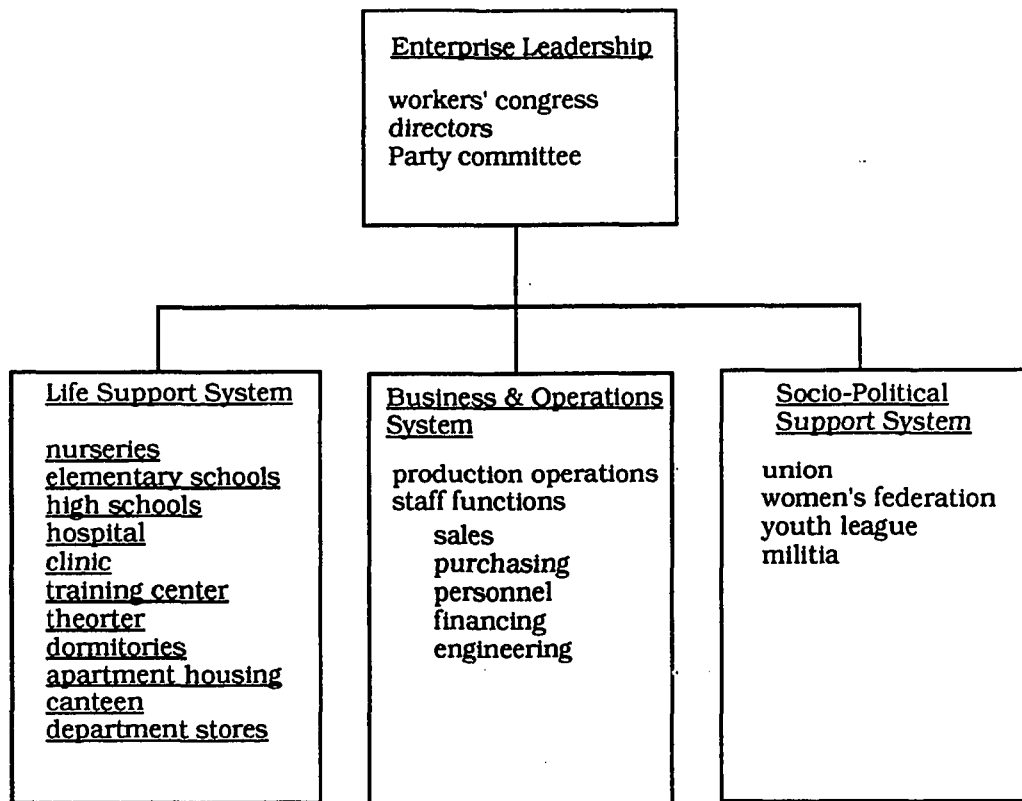


Figure 5. The simultaneous systems at *Jiagong*

The sociopolitical support system is designed to advance socialist ideology. Due to the emphasis on ideology, the Chinese company is truly a political organization. At *Jiagong*, such a system includes the Party organization, worker's union, communist youth league, and militia. All of the organizations are designed to work with various types of employees -- communists, cadres, political activists, communist youth leagues, and ordinary workers -- for the benefit of the enterprise.

The Party organization plays an important role at *Jiagong*. There are almost 1300 Party members there. The Party organization is mainly

responsible for organizing communist members, having them to conform to the political lines of the Party, and taking a lead in improving the enterprise performance. Each year, every Party member is evaluated by fellow members and Party leaders. The Party organization also periodically promotes "excellent Party members" activities to motivate people. Further, the Party organization is responsible for elevating the mass's political consciousness, recruiting political activists, and disciplining workers.

Among these organizations in the socio-political support system, the worker's union is also important to note. It is designed to support both management and worker participation. According to All China Federation of Trade Unions, the trade union is designed to "enthusiastically support the implementation of the system of the director assuming full responsibility, guarantee his exercise of command in production, management and administration," but in the meantime is required to "guarantee the workers' right to participate in democratic management and safeguard their status as masters of the enterprise."

Management Functions and Responsibilities

The whole organizational structure of the business system at *Jiagong* is simply too big to show it here. In Figure 6, the major management functions at the enterprise level and a typical factory -- the WM plant -- in relation to the whole enterprise is presented.

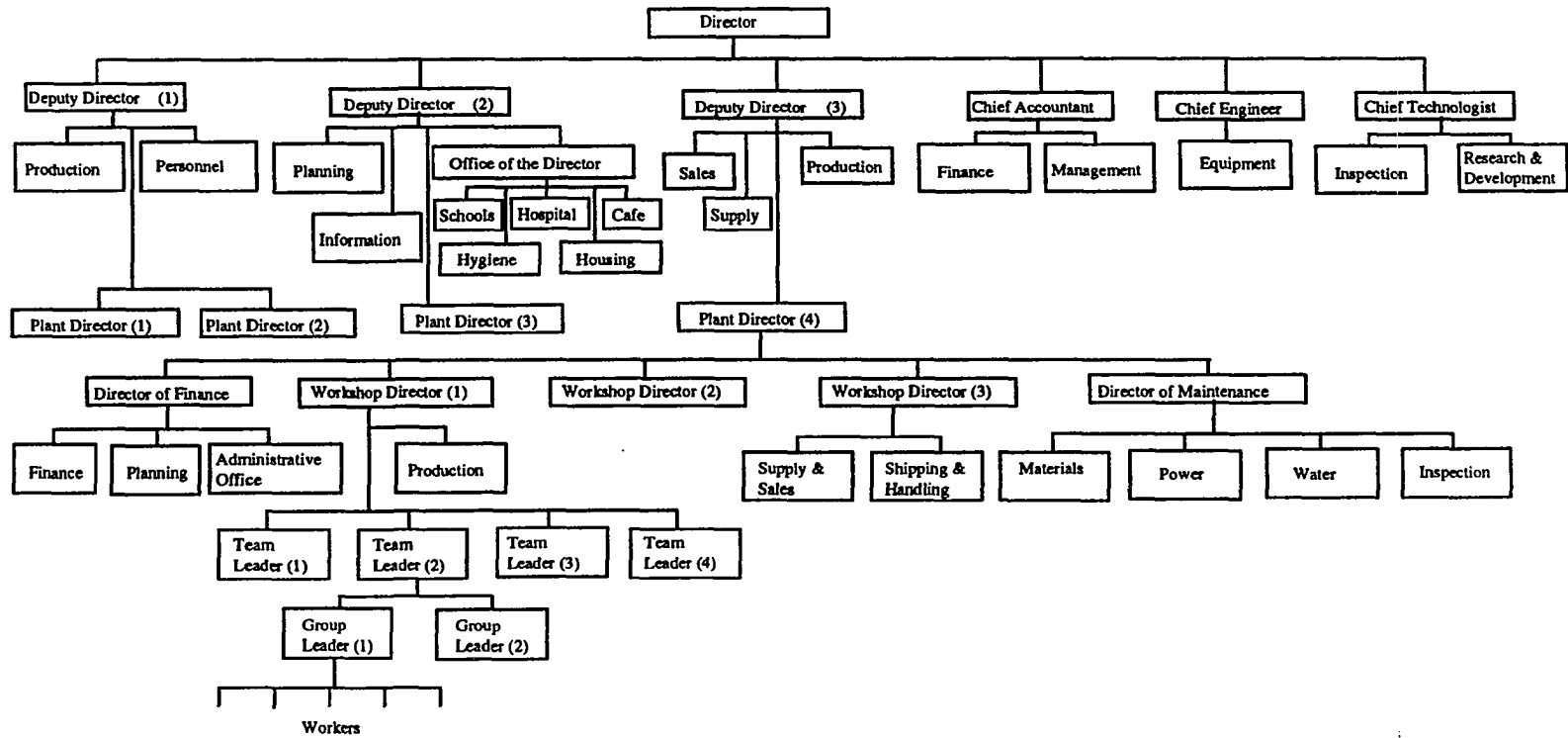


Figure 6. A demonstration of the management structure at *Jlagong*

The management system at the enterprise is characterized as the "director responsibility system." Under the current system, the enterprise director, Mr. Ding, is in charge of the whole enterprise. As the figure shows, Director Ding is assisted by several deputy directors and "professionalists" who in turn have different functions and responsibilities. Their functions and responsibilities are summarized as follows:

Deputy director (1): production, personnel, and operations of two other plants.

Deputy Director (2): supervises information, and social activities and social benefits such as education, housing, hospital, and cafe.

Deputy Director (3): supplies and marketing, and plant supervision.

Chief Accountant: budgeting, financial management.

Chief Engineer: production technologies.

Chief Economist: the economic operation.

Office of the Director:

- 1) enterprise research and information collection;
- 2) production planning, and supervising plan implementation;
- 3) meeting coordination;
- 4) documentation management
- 5) social activities coordination and management.

Supply & Sales: responsible for material purchase and marketing of products.

Financing: in charge of financing of the enterprise

Personnel: in charge of personnel planning, recruiting and wage management

Planning: in charge of long-term and short-term plans for the enterprise.

R & D: in charge of research and development

Production: supervising plan implementation, and coordinating efforts from a comprehensive perspective

Hygiene: in charge of hygiene environment for the enterprise

Housing: in charge of residence allocation, housing maintenance

Management: in charge of enterprise reform, legal work, and computer center.

Inspection: in charge of quality inspection

Information: information management

At the plant level, Director Li is responsible for the WM plant's operations. As the figure shows, there is a parallel staff functions to the enterprise, and their functions and responsibilities are similar but limited to the WM plant. In fact, these staff functions are designed to work with their corresponding staff functions at the enterprise level. In terms of production functions, the workshop director is responsible for the whole workshop. In the WM workshop, there are four work teams, each of which has a team leader. Under each team, there are two shift work groups which are comprised by individual workers.

The Parallel Authority Structures

As shown in Figure 7, in the enterprise there exist parallel authority structures. Although the recent reforms have increased powers for the enterprise management, enterprise party organizations are still part of the formal, elaborate structures and have some major influences over major decision making processes.

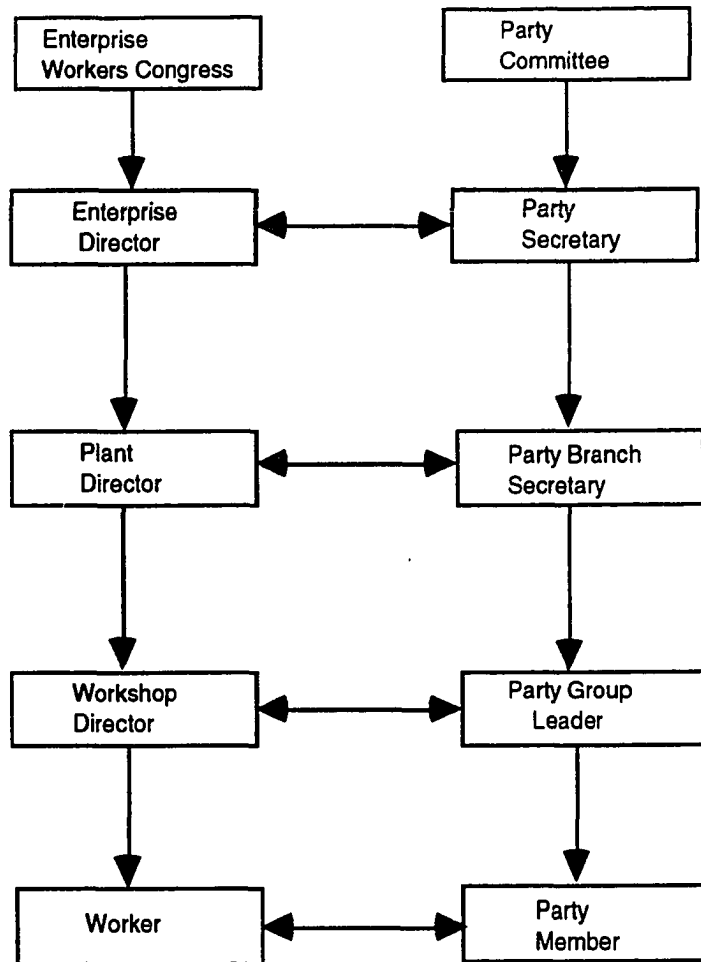


Figure 7. The parallel authority structures at *Jiagong*

In the past, the Party's function went far beyond the ideological work at *Jiagong*. It was literally running the business of the whole organization. Currently, the Party is officially separated from managerial functions of the enterprise.

However, this does not mean that the Party has no powers over the enterprise. In the organization, the Party is still very powerful. First, the management has to consult with the Party for the senior appointments

that the Director wants to make, and the Party has the formal power to approve or disapprove them. In the past, the Party makes all of the personnel decisions. The current enterprise director was in fact appointed by the Party. Second, the Party has organized power over all of the enterprise. Most group leaders on the shop floor, section chiefs, and senior managers, including the Director, are Party members. Moreover, the Party leads the union organization, organizes and even manipulates congresses of workers and staff. Furthermore, the Party still has the right to "make sure policies and regulations are correctly followed" and that "democratic procedures and the mass line are followed, and the masses' opinions consulted." Finally, the last source of power of the Party lies in its ability to offer the director help in resolving business and ideological problems. In the enterprise, it is widely acknowledged that the Party played a major role in the promotion of the enterprise.

Motivation to Work

In a Chinese company, there exist three types of motivational mechanisms -- ideological education, economic incentives, and punishments.

Ideological Education

As a motivational mechanism, the ideological education focuses on moral encouragement which aims at shaping and enhancing employees' consciousness in being masters of the enterprise. People are encouraged to "love the motherland, love the enterprise, and love the work" and to cultivate the spirit that "I am proud, when the enterprise is flourishing; I am ashamed, when the enterprise is failing," and so forth.

At *Jiagong*, the political organization -- the Party organization -- utilizes rewards to enhance people's ideological consciousness. Each year, the enterprise evaluates performance of workers and work groups, and honors model workers. The people with pictures in the hall of the main building are those model workers for the year of 1991. In the course of each year, the enterprise may also conduct numerous movements to motivate people to make contributions. During such activities, those excellent workers will be selected and properly rewarded. For example, in 1989, the enterprise underwent a "believing in ideals and comparing contribution" competition activity, in which thousands of people participated. Such an activity brought significant results to the enterprise.

To make people value ideological work, there exists a characteristic mechanism in the Chinese organization. At *Jiagong*, each worker has a *dangan* kept in the personnel office. *Dangan* refers to a file of information where a person's degrees, positions, and political and ideological history are recorded. If a person is selected as a model worker, it will be recorded in her *dangan*.

The Economic Rewards

The emphasis on ideological education has been changing. Traditionally, especially during cultural education, ideological education was the main mechanism to motivate people to work. In the recent decade, the economic incentive has been given attention by the enterprise management.

The economic incentive system encompasses forms of economic incentives such as wages and bonuses. Wages are the monthly salaries

that employees get. *Jiagong* employs grade systems for workers, technicians, and cadres. For example, a 1-8 grade system is applied to workers. Between two grades, there is about a seven *yuan* monthly difference. When new workers are assigned jobs in the company, in the first year -- the probation period -- they earn 41 *yuan* per month. Usually after one year, they become No. 8 ordinary workers and earn 51.5 *yuan* per month. If they perform well, they will be promoted to No. 7 after one year, and so on. The highest grade -- No. 1 -- makes 95.5 *yuan* per month. For technicians and cadres, similar systems are employed. But their corresponding wages are slightly higher than those workers. Such a grade wage system is based on the principle of seniority, and their attitude towards work.

Thus, until recently, wages were distributed in a relatively egalitarian way. There was no significant wage difference between cadres and workers, and technical laborers and physical laborers. However, since 1991, the enterprise has changed its position. Now, there is a tendency to elevate the wage incomes of the managers, technical workers, and the production workers. For example, managers and technical cadres can get as much as double the average wage of workers.

Bonuses are a form of incentives for extra work and performance. In the enterprise, it was created as a form of reward in the beginning years of the 60's. However, during the Cultural Revolution, such a system was discontinued. Since wages are in general static, bonuses have become the most important leverage to motivate people to work.

In 1991, the average bonus per person per year was about 350 *yuan*. Bonuses are distributed unequally, depending on attendance rate, type of work, and group performance. For example, in the last year, the PB

workshop exceeded production quotas and met all of the quality requirements. Consequently their bonuses were about twice as much as the bonuses made by the workers at the WH plant.

A characteristic feature of the motivational system is the group emphasis. Usually, performance is evaluated on a group basis. Each year, model groups are also selected and rewarded. Bonuses are often distributed to groups by the management, according to their performance. Then, the groups distribute bonuses further to individuals.

Apart from wages and bonuses, employees at *Jiagong* enjoy generous health care coverage and retirement benefits. The enterprise hospital can handle general illness, and everything is free of charge. For major illness, people will be sent to any large hospital in the nearby cities, and almost all of the cost except food are covered by the enterprise.

Ordinary workers retire at the age of 50 for women and 55 for men. The engineers and managers retire at the age of 60. Retirement pensions are 75 percent of their base wages plus some supplement.

Punishments

Punishment is another source of motivation at *Jiagong*. There exist several types of punishment. For those employees who violate rules and regulations in a minor way, they will receive *pi ping jiao yu* -- criticism and education. This means that those violators may have serious talks with managers or may even be reprimanded. Such a punishment may not end, until violators admit mistakes and promise not to make them again. Examples of minor offenses are being absent without any reason and refusing to take orders from the management in the workplace. For those who conduct more serious violations such as damaging equipment due to

ignorance of normal work procedures, they may be *pi ping jiao yu* plus some fines. For those who violate more seriously, they may be punished in the form of arrest, *xing zhen jing gao*, *ji xiao guo*, *ji da guo*, and firing. *Xing zhen jing gao* refers to an official warning which may lead to other more serious punishments such as *ji xiao guo*, *ji da guo*, or firing.

These latter three punishments are recorded in *dangan*. When people have this kind of record, it almost means there is no future for promotion at any governmentally-owned organizations. This is because wherever people move, their *dangans* will go with them. However, usually, punished persons are often given some opportunities to correct their mistakes. If the management agrees to stop such a punishment, such a record is supposedly removed from her *dangan*. *Ji xiao guo* refers to a relatively small mistake, and *ji da guo* refers to a relatively large punishment received. Examples of *ji xiao guo* resulting in *ji da guo* include fighting in the workplace, being absent for long terms, or stealing.

In 1989, *Jiagong* decided to strengthen disciplinary measures. Six hundred and forty-three people received *pi ping jiao yu*; 215, *pi ping jiao yu* plus fines; 16 people were arrested; 5 people, *xing zhen jing gao*; 7 people, *ji xiao guo* or *ji da guo*; 7 ordinary workers and 36 contracted workers were fired.

Hierarchy

In the organizational setting, the high consciousness about hierarchical relationships is manifested in the arrangement of artifacts and interpersonal behavior. There are two elements contributing to such

a hierarchical structuring of interpersonal relationship. One is the official positions and the other is age.

Senior executive officers are all located on the second floor. Since there are no elevators in the building, the second floor is taken as the best one in a building. The enterprise director's office and the Party secretary's office are located in these prominent places. At *Jiagong*, only the senior managers at the enterprise level and the plant level have individual offices. All other managers share offices with employees. As soon as one gets to the second floor, it is easy to find them.

There is no receptionist at the director's office. All of his assistants are in the office of the enterprise director, and usually, one has to ask one of them for permission to see the enterprise director.

The enterprise director's office is very spacious, and clean. The black, shiny executive desk produced in the furniture plant is located at the south side of the room. On the desk, there is a pile of documents waiting for him. Right by the pile, there are a phone and a walky-talky. At *Jiagong*, only the enterprise director and the Party secretary have walky-talkies. Right behind the desk, there is a large window with white curtains. By the window and on the desk, there are some Chinese plants, giving the feeling of peace and beauty.

Mr. Ding, the enterprise director, dressed up in a traditional Mao's suit, was sitting behind the executive desk. When we entered the room, he stood up, came out, and shook hands with me. Then, he shook hands with Mr. Gai, which is interesting. Mr. Ding simply stood there and reached out his right hand, while Mr. Gai used his two hands to grasp Mr. Ding's right hand, and bowed. Such behavior is a ritual. In the Chinese tradition, it means respect and humility to a superior or elder.

In a situation where there is no existence of hierarchy, hand-shaking is as simple as the practice in the West.

Such a consciousness for hierarchy is also clearly manifested in the way people refer to each other in human relationships. In the organization, people are very conscious about each other's titles. There are different titles for different positions in the organization, and all of the people are aware of the differences of the titles. In daily activities, they refer to each other by titles, especially the lower people to their bosses. There are two parts to any title. The first part such as *chang*, *ke*, and *zhu* represents one's level in the hierarchical organization. The other part is usually "*zhang*" -- head. So, if Mr. Wang is the head of a *ke*, he will be referred to Wang *ke zhang*. If Mr. Wang is the deputy head of a *ke*, he will also be referred to as Wang *ke zhang*. This is because no superiors like the idea of being called a *vice* director, and subordinates use it as a way of enhancing the superior's face. If Mr. Wang is a director of a plant, *chang*, he will be called Wang *Chang zhang*.

The importance of age in relation to hierarchy is also manifested in the way that people refer to each other. For people who do not have leadership titles, people refer to each other in other culturally appropriate ways. For example, a young person may refer to an elder with the word "old" in front of their surnames. Conversely, the elders may refer to a young person, and the young people refer to each other, with the word "little" in front of his first name or just his first name. For another example, there are two words -- *nin* and *ni* -- meaning "you" in English. *Nin* is used by the young people to refer to an elder person or a hierarchically higher person, or by people to refer to a guest. *Ni* is used by a senior or a hierarchically higher person to refer to the hierarchically

lower person or a young person, or by the same status or age group when they refer to each other. Outside of the office setting, the same age people in an ingroup may often refer to each other on a first name basis.

The following incident illustrates the consciousness of one's position and the pervasiveness of "*zhang*" in an organization. One day, I went to see my informant -- Mr. Gai for an interview. He, the head of the Office of Enterprise Reforms, is one of my age group. Since we have met several times, I call him by his first name -- *zhongquan*. When I was entering the office, a conversation between one of the his subordinates who is also my age and me happened:

Me: "Hello, is Gai here?"

He: "Who? Oh, You must be looking for Gai *ke zhang*!"

Me: "Yes, I have an appointment with him."

He: "Sorry, Gai *ke zhang* has just gone to see Ding *chang zhang*, and he will be back in a few minutes. *Nin* sit down and have a cup of tea."

I sat and waited. While I was sitting there, I was very much interested in the way he referred to Mr. Gai and me. Then, the conversation with him continued.

Me: "What should I call you?"

He: "My name is Wang Li-jun. You may call me little Wang."

Me: "Should I also call you Wang *ke zhang* or Mr. Wang?"

Such a question made him flush. He appeared to be embarrassed, and said,

"No, no. I am none of those. Please just call me little Wang. How should I call you? Are you Mr. --"

Me: "My name is Yongming Tang. Please call me little Tang."

He: "Thank you, Mr. Tang. Please have more tea."

At this moment, Gai came in. He apologized and said:

"Little Wang, Mr. Tang and I are going to have a long conversation. Could you please get the *wolu* tea on my desk for us please? I bet he could not have such tea in the USA."

Such a consciousness is also revealed by another observation. In a group discussion, we used a conference room where there are some sofas and some chairs arranged in two circles with one surrounding the other. The sofas are arranged in a smaller circle, and the chairs are arranged in the outer circle. When people walk in, they automatically choose to sit on the chairs. As more people come in, the chairs were filled up, leaving a young person standing. He politely asked an old worker to move to the more prestigious sofa so that he could take the less comfortable chair. The old man did not want to, but he was encouraged to by the two people sitting by him so he did move to the sofa. As another young person came in, he went and sat on the sofa by the old worker. As soon as he sat there, he was ready to look for another old person to switch seat with, and he did.

The notion of seniority, which implies administration by elders, has become an important feature of leadership in the Chinese culture. The Chinese believe that elders have wisdom and experiences that younger people do not have. Whenever a situation in which people need leadership arises, they always look to the elders. At *Jiagong*, among several hundreds leadership positions, only two people were less old than some of the people they led.

It seems that when the eldest is a leader, everything is tranquil. If someone younger rises to be a leader, the tranquillity and harmony is broken. People do not intend to break such harmony. In the Chinese

mind, avoiding such actions is their top priority, even if this means to suffer economic deficiency or anything else. For example, Mr. Li is an elder in the Office of Enterprise, and Mr. Gai -- eight years' younger than Mr. Li -- is the director. Before Mr. Gai was promoted to the position of directorship, the two had a very friendly relationship. Mr. Li treated Mr. Gai well, and Mr. Gai respected Mr. Li in many ways. However, as soon as such a change occurred, the relationship between the two became difficult. Although Mr. Gai continued to show his respect to Mr. Li, Mr. Li often treated Mr. Gai as a kid. He calls Mr. Gai little Gai, and often criticizes or blames Mr. Gai whenever things go wrong. Sometimes, he refuses to accept task assignment by Mr. Gai. Since Mr. Gai is reluctant to discipline him, he often ignores him -- treating him as a deadbeat.

For another example, in an administrative section, most employees believe that the Chief -- the eldest in the section -- is not a good leader. He is described as conservative, lacking energy, and un-entrepreneurial. The associate Chief is in contrast very energetic, aggressive, and entrepreneurial. However, it seems that everybody still follows the Chief's orders quite well. One participant said:

To tell you the truth, I don't think he is a good leader at all. However, he is a nice man. He has been working in this office for almost twelve years. He got promoted two years ago, and he deserved that. (interview no. 38)

When asked how he dealt with the problem between efficiency and respect, the Associate Chief said:

It worries me a lot. We are in a competitive market now, and we are losing the fight. Partly this is due to our conservative attitude in our promotion. He is afraid of making mistakes, and our sales staff do not work hard enough. . . But with all of this happening, I just wish the year would pass faster, because next year he will retire. Chief Qian is a nice person, and he cares about me and the others a lot. I do not want to hurt him by any means. (interview no. 40)

There is also a clear status difference between the different kinds of employees, which is manifested in the labeling of different employees. Employees working in the administrative offices are called cadres. These are the people who have the opportunities to be promoted. There are several kinds of employees -- technical workers, normal workers, and contract workers. The technical workers usually have technical training in professional schools. Normal workers do not have any degrees, and they do the manual jobs. Contract workers are those who are employed by short-term contract, and they do not have retirement benefits.

The labeling is very characteristic of China. The Chinese have a passion for the classification of everything, according to Needham (1956). The way to understand the nature of the universe is to create a man-made scheme, as exemplified in the Book of Changes (Redding, 1990). Such a scheme is highly hierarchically organized. Since the Chinese tend to view the relationships among human beings as the way they view the nature of universe, the labeling of different people with different status is very important. Such a tradition is passed on to the new China. People have been categorized by classes -- Rightist, Leftist, Red Five Element, Black Five Element, etc. In the company environment, it is common to see such slogans as "Five Stresses, Four Beauties, and Three Loves."

Another cognitive characteristic of the Chinese seems to be the dialectical thinking style. In my interviews such a pattern repeats itself. It appears that people look for thesis and anti-thesis to reach a synthesis. In the interviews, people often use phrases such as "on the one hand," and "on the other hand." In a document, the relationship between economic work and political work is written as follows:

There are many elements that affect workers. The political element and the economic element are two of the major ones, and they interact with each other. . . . In order to stabilize the workforce, we should do political work from an economic perspective, and do the economic work from a political perspective. (Yearbook, 1989, p. 68).

The origin of dialectical thinking may come from two sources. One is the traditional dialectics in ancient China. In Taoism, the *yin-yang* is one of the original dialectics. The other one is the materialistic dialectics in Marxism, which originated from Hegel's dialectics.

The status hierarchy between sexes is also noticeable. None of the senior leaders at the enterprise level or the plant level are women. There are some section women leaders, but in proportion to the number of women employed, there are few. Among workers or office cadres, women are often the ones to clean offices and to receive guests. In front of men, women tend to be quiet and withdrawn.

The Mentality of the Leaders

Another feature of the leadership in China is the absolute authority of the leaders over the led. Subordinates perceive that their fate is controlled by the leaders. Thus, the leaders have the authority to excise his or her power.

In China, your boss can control your life. I am not exaggerating, when I am saying this. Until now, we have not had any freedom in terms of choosing what one wants. As soon as you are assigned to the job, the rest is dependent on your *guanxi* with your boss. Since you can not change your job, he can control your future in the organization. If he does not believe that you are good and loyal, your future is literally gone. Since you depend on the organization for your livelihood such as housing, he can control your personal life. Hence, you had better try to please him and follow whatever he says. (interview no. 36)

During conversations, many leaders indicated that leadership is intimately related to authority, and a good leader should know when, where, and how to exercise his or her authority.

It is critical that you make your people know that you have got power and they should respect you. Should you let them disrespect you once, you will never get over with it. Your people may disobey you, and even make fun of you. I used to have a boss like that, nobody took him seriously. He clearly failed himself. (interview no. 17)

There are several reasons for a leader to be powerful. First, for the sake of productivity, the leader needs power to influence the led to finish tasks. A leader should be able to give the order, and your people follow it right away. Second, most subordinates, especially those who just got here need to be directed and corrected. For their sakes, you need to use your authority to correct some of their disrespectful behavior. Third, by being able to use your power, you gain respect and loyalty from your peers as well as your subordinates. People will look down upon you, if you can not even control your office. (interview no. 19)

With such a power-oriented mentality, leaders expressed their liking of decisiveness, skillfulness, and directing employees.

I appreciate those leaders who are capable and can get jobs done. These are my models and I also try to achieve these, while I am a leader of the section. (interview no. 3)

A leader should be decisive, even though s/he might be wrong. I just do not like those leaders who keep looking around, and never get a decision made. (interview no. 9)

A leader should be the one who is a master of business. S/he should know how to do it. So, he has the responsibilities to train those who follow you, and especially those new comers. (interview no. 3)

I tell them what to do and how to get it done. I have to be responsible for every piece of the work out of my control area. I examine every piece of the work they have done. They have to be good. Otherwise, I will have them redo it. (interview no. 11)

When asked how they made decisions and how they would like to make decisions, many indicated that they either made decisions by themselves or consulted with the vice-directors.

I am the one making all of the decisions. I wish that I could discuss them with somebody, but I do not have a vice-director to talk to. (interview no. 11)

I work pretty closely with my assistants (vice directors). Whenever there is an important decision to make, I call up a meeting, and we three talk about it. However, I am the one who makes the final decision. (interview no. 15)

Several others indicated that they liked to consult with some of the workers on some decisions, especially those decisions which would affect the workers in significant ways. When probed, these people would only do things like this with those workers who were close to them. As one commented:

I would like to talk to some of my people about some of the decisions such as housing allocation and salary promotion. These are the people that I can trust and with whom I have a close relationship. After talking to them, at least I can have their perspectives on the decisions I have to make and be responsible for. (interview no. 8)

When asked what kinds of employees they liked best, many managers indicated that they liked people who were diligent, respectful, *tinghua*, and loyal.

I am quite proud of the people who work under me. They are well-behaved and productive. They are also very loyal, and I can count on them. (interview no. 4)

I believe that the most important thing is loyalty. If you have a person who is not loyal to you, you have to be very careful. I used to have a guy who often reported my behavior to my superiors. I had a very rough time. I have to watch my people very carefully, now. (interview no. 18)

I am very proud of my people in the office. Whatever I tell them, they obey and do it. They are ready to listen and act. (interview no. 12)

There used to be one person in our group, and I kicked him out. He had a very bad personality and often refused or even ridiculed what I said. I am glad he is gone. (interview no. 16)

The Mentality of the Led

When asked how they felt about being controlled and repressed, people expressed willingness to accept this reality. Further, such control is perceived as caring by the leaders.

My boss has got a poor personality, and he often scolds me and also others. Sometimes it does hurt. I feel angry inside. However, when it is over, I can always understand why he did what he did. I would probably do the same thing, if I were in his shoes. (interview no. 34)

Personally, I feel that it is good to be controlled by any way your boss likes. It means that he cares about you, and wanted to help you. What is really scaring is if he does not want to have anything to do with you. Then, your future is in deep trouble. In this society, it is just frightening to be left alone. Then, you have no one you can trust or who is loyal to you. (interview no. 36)

I happened to observe the following situation. When the company was in the process of salary promotion which rarely happens, I could feel tension everywhere. Even though the policy was clearly stated that each office or section team had a strict quota, the special cases exempted from this policy were overwhelming. This put the leaders in a very difficult position. People who believed that they should get a promotion wanted to talk to the leaders in every possible way. The office managers and production leaders also tried very hard to get some extra quotas to solve their own problems. The enterprise leaders were trying to be fair.

One morning after breakfast, I was in my office picking up a few things. I overheard Mr. Ding was brutally scolding Mr. Gai for his selfishness. When I walked out, the scolding stopped, and they acted as if nothing had happened, and they changed subjects. Later on, I asked

what that was about. Mr. Gai said that all he was trying to do was to explain the difficult situation he was in. However, as soon as he mentioned this, Mr. Ding began scolding him. When I asked how he felt about being scolded, he said:

It is all right. You know that we young people have to go through this kind of thing from time to time. You are being scolded, criticized, and even punished by those people who are in charge of your life. In retrospect, he was right. I was being selfish. Just think these days he must be surrounded by people like me. I might be angry too, if I had been in his position. (interview no. 8)

During conversations, it did not appear that the way the leaders made decisions bothered employees. When asked what traits they like about a leader, many indicated their liking of strong, directive, and skillful leaders:

I like a leader who is clear and precise. I can not bear a boss who is vague all the time. Otherwise, you tend to be blamed for the things which are not well done in his or her opinion, when you actually think you get it done precisely the way s/he wants. (interview no. 13)

I like a leader who is decisive. S/he can be wrong, but not indecisive. That is why I still think Mao Zhedong is a great leader. He never hesitated, even if human lives were involved. (interview no. 3)

I respect a leader who is experienced and skillful. If you have such a leader, you feel comfortable. I cannot stand it when you clearly know that your boss is stupid, and you have to follow his or her way of doing things. (interview no. 11)

In the organization, it seemed that the value of obedience is so paramount that people tended to accept whatever came from the top. One day, as I was entering the organization, I was stopped by a security officer standing at the main gate of the enterprise. The reason for him stopping me was that I was carrying a bag. There was a regulation that everybody can only carry a transparent bag when entering or leaving the enterprise. This regulation was established to prevent people from

stealing of the enterprise property. During my conversations with several employees about this, almost nobody even complained about such a regulation.

At the inter-organizational level, the values of submission to higher powers are still strongly held. The enterprise is heavily controlled by the governmental organizations at various levels. Although the City Forest Bureau is the supervisor of the enterprise, other governmental agencies such as the Financial Bureau, the Planning Bureau, the Bureau of Personnel, the Bureau of Material Supplies, the Bureau of Pricing, and many others all have some supervisory powers over the enterprise. Further, since it is one of the largest enterprise in the country, the governmental agencies at the provincial level and the state level all have a say directly or indirectly over the enterprise.

In this respect, two phenomena are worth noting. First, although the enterprise has been granted powers and autonomy, the phenomenon of submitting to authority from the various governments is prevalent. The bureaucrats who have higher authority are favorably treated. As indicated earlier, the enterprise allocates a significant amount of money to host the bureaucrats every year. Whenever the bureaucrats want something to be done to benefit either the public or the individuals, the enterprise is inclined to do it. The case of the pressing board mentioned later under "a case of *guanxi* work" is a typical example of benefiting individuals.

Another example is the *tan pai* phenomenon -- the government's imposition of various fees on the enterprises in addition to tax. Each year, local governments impose such burdens on the enterprise, and the enterprise has to "contribute" hundreds of thousands to the government.

Interestingly, most of these fees are violations of the central government's policies, and the enterprise does conform any way.

We do not want to offend these people by any means. We have had lots of extra burdens in recent years, and most of these fees are irrelevant to our enterprise. However, we want to give face to those people, especially those old friends in the governments. If we don't, who knows what kind of trouble we shall get later?
(interview no. 9)

We are just like one of the grandsons of the state. We have to listen to them, follow them, and keep them satisfied. We cannot fight against them and we literally receive whatever comes.
(interview no. 6)

The governmental officials are supposed to serve the enterprises and the society as a whole -- "the servant of the people." The traditional Confucian state emphasized benevolent conduct of a leader or the state authority. However, most informants indicate that in practice this is not so, and the Chinese government is probably one of the worst in the world:

I dare say that most governmental officials are power-hungry and blood-suckers. Look at the way they work. All of the normal, procedural matters are stopped, and you have to beg them to get things done. You have to maintain a good *guanxi* with almost everyone of them. Otherwise, they will get revenge later. When they come, our major leaders have to host them with expensive foods and hotels. (interview no. 11)

Now, the state loses control. I believe that the state does want to reform, and the governmental officials do not. This is because the reform is reducing their powers over us. For example, according to a state document, we have the right to deal with international companies for cooperation. However, when we actually tried to do that, the governmental officials told us that we could not.
(interview no. 14)

The submission to power and authority is further illustrated in a case recently reported. A painting product company in Lanzhou had a garage which had not been well maintained. In March, 1992, the company spent about 6000 *yuan* to have the walls repaired. This behavior was consistent

with the current policies. However, one year later, when a representative from the District Bureau of Land came to visit and found that the walls were repaired without permission from the bureau, he attempted to fine the company 22500 *yuan* because the company violated a policy made previously in 1987. The company leaders had to talk to the bureau over this problem, and ended up being fined 2000 *yuan*.

Secondly, in the case of organization, several managers indicated that they felt somewhat paralyzed by the sudden transformation from the traditional plan system to the market system. One of the main reasons was that the government stopped giving plans and orders to the enterprise, and the enterprise did not have the capacities to thrive in a relatively free market environment. As quoted earlier, one of the enterprise directors complained about the "uncaring" attitude of the government by saying that "current reform is like stopping the feeding of a baby suddenly" (interview no. 6).

During discussions with the people from the government, it seemed that the bureaucrats did have a tendency to hold onto the powers they used to have. Many indicated that the current reforms were attacked by some of the bureaucrats, and the ineffectiveness of the recent reforms were taken as causes for the acute problems. During my research trips, a frustration faced by the government was that the dramatic measures taken in recent years have not received very positive results from the state enterprises. Most state enterprises continued to lose money. In the province I visited for example, in the first quarter of 1992, two-thirds of the state industries continued to lose money, and signs for the rest of the state industries were not good either. Recently, I was informed that the province I visited had to borrow money from another province to

cover the wages of the governmental officials, due to a lack of tax revenue.

To the governmental organizations, the current reforms are nothing but depriving their powers and privileges. They are not only scared, but also attempt to do everything possible to hold onto those powers they used to benefit from. I had some interesting conversations with people at that level. One person said that "if we lose these powers to the enterprises, who will want us?" (interview no. 64)

The Leader-Led Guanxi Work

Another feature of the leadership in China is the *guanxi* approach to leadership. During conversations, most leaders indicated that to a large extent, their job was to do *guanxi* work which includes an upward *guanxi* with his or her bosses and a downward *guanxi* with subordinates.

Personally, I believe that being an effective leader means to develop *guanxi* work with both your supervisors and your subordinates. If one does well in this respect, the rest is easy. To have a good *guanxi* with your bosses, you will get special treatment and protection. They will think about you, when opportunities arise. You do not have to ask them. To have good *guanxi* with your subordinates, is to have loyal, committed followers. Before you even ask for help, they are already doing what you want. (interview no. 8)

In terms of doing *guanxi* work, a leader tends to assume responsibilities as a father figure for his or her subordinates. They appear to be caring about them far more than official relationship allows. In fact, when asked about using metaphors to describe a leader, most mentioned a father.

When asked about how to treat subordinates, almost everybody says that they have responsibilities to take care of their subordinates' lives and their future. One said:

I want to treat my people well. I want to treat them the way I wanted to be treated when I was just like them. (interview no. 8)

I treat these people just like my sons and daughters. I want to be there, whenever they need me. If a single person comes, I want to be part of choosing a spouse for him or her. I am also willing to fight for their housing, education, and other benefits. . . They have to be well taken care of, otherwise they come to work worrying about their family lives. I cannot allow that to happen. (interview no. 12)

I feel that I have lots of responsibilities for my subordinates. These responsibilities far exceeds what is required to do the normal job in the organization. As a leader, I am also responsible for how to teach them to become mature, capable persons. I treat most of them, especially those young one, just as the way I treat my kids at home. (interview no. 14)

I cannot allow my people to misbehave in any circumstances. Last year, a person in our office was obsessed with *majiang*. He kept playing every evening and weekends. His wife could not persuade him to go home, and she came to me. I tell you, I reprimanded him for about an hour, and he ended up crying. From then on, he never did that again. (interview no. 3)

Thus, in order to do *guanxi* work, a leader is committed to help subordinates' normal work as well as personal lives, which is further illustrated in the following case.

The case of a funeral

On the morning of June 10, 1992, I had an interview appointment at 10: 00 am with the enterprise director. I was there five minutes early. As soon as I came into the office, one of his assistants told me that an employee's father just passed away, and the director was busy with helping the family.

Mr. Wang's father had been hospitalized for a while, with lung cancer. His boss in the office had been very helpful. Mr. Wang got leave with full pay, and his boss arranged some of the people in the office to take turns to help the family in any way they could.

When the father died, the enterprise director dropped everything and called upon a few people to discuss how the funeral along with many other things should be done. As the end of the meeting, several decisions were made. First, a committee designed to take care of the funeral was established. Second, the enterprise would pick up all of the hospital costs and other major expenses relating to the funeral. Third, the enterprise would use other resources such as cars and trucks, if necessary. Then the enterprise director, along with other vice directors and the Party secretary went to the family to express their sympathy.

After the funeral, the thanking party was organized. Mr. Wang was quite moved by the caring of the management, and in tears expressed his gratitude to every major leader.

When asked whether they maintained such *guanxi* work with subordinates equally well, most people indicated such an impossibility.

I would like to, but I cannot. Among these people, there are some who are my favorite, and they come up at the top of my list. These people help you a lot when you need them, and when the time comes you have to do them good. There are also those who are so-so with you, and they come second. There are always some others who you do not get along with very well, and they will be at the bottom of my list. (interview no. 15)

I believe that it is natural not to treat your followers equally well. You just cannot do that. Look, even your fingers have long and short ones." (interview no. 18)

Several people indicated that it was strategic to manipulate *guanxi* work, since it was impossible to have the same *guanxi* with everybody.

I think it is strategic not to treat everybody equally. Your caring to them is a type of incentive, and a leader should know how to use it. If you try to protect everybody the same way, people will take it for granted. You do not necessarily get their help, when you need them. (interview no. 3)

During conversations with employees, most indicated that they would like to develop and maintain good *guanxi* with their bosses.

Since everybody's life is in the hands of the leaders, you have to be very careful. The best thing to do is to become one of their favorites, and then you get a good future. So, I believe that *guanxi* work is very important to everybody. The one who gets no *guanxi* work in the organization is the saddest. (interview no. 21)

When asked if one will do *guanxi* work with any boss, most indicated no. Generally, people believed that considerate, caring leaders were the ones to develop and maintain *guanxi* with. This is logical. However, most also indicated that their bosses were considerate and caring.

I like a leader who is considerate. This is especially true for those of us who are just out of school. You do not know what to do about lots of things. You do need help. Your boss usually is the person you go to ask for help. (interview no. 26)

My boss is very caring. He fights for our interests. Last year, in order to improve our housing, he put in tremendous efforts in doing that. Sometimes, he had to skip lunches, and be even criticized for his "selfishness." We all appreciated his doing that. Just imagine, with such a leader, how can you not work as hard as you can for his sake? How can you not forgive any mistakes he makes? (interview no. 27)

I enjoy a mentor-like boss. I had one before. He was just great. He taught me not only things about work, but also things about being human. Most are those I could never learn from books or schools. (interview no. 28)

When asked about steps to develop *guanxi* with their bosses, various ways of doing that was described. The first and the most important one was to lay out the foundation work, because everybody, especially your boss, is watching. Such a step is to lay out good impressions and gets you assimilated into the situation. Further, it is very important to find out the kind of relationship between individuals or ingroups. Several people indicated that there could be dangers that people should watch

for. If one made a wrong move, the rest of his or her life could be miserable.

The first step is very important. It is the step that gives your boss a good impression of you. My advice is that when you enter the office the first day, keeps working. Be diligent and humble. Keep dust off the tables, and thermos filled with hot water. Do not talk much and keep observing. See how things are arranged, and how people relate to each other. How your boss is related to his or her bosses. Make sure to keep a distance to any of the people in the office. Do not get close to any of them. If some people ask you to socialize with them, do not go. (interview no. 12)

When the situation, especially the dynamics of human relationships, is completely mastered, a second step should be started. Such a step is to explore a relationship with your boss or his ingroups. In other words, it is a stage that a commitment is begun to be made.

In this step, it is important for you to be prudent. You want to get closer to your boss or his ingroups. But you do not want to be hasty. You want to keep working hard, and do something to impress your boss. Especially, you want to do something for him or her before s/he even asks, which will be a personal touch. All in all, you want your boss to like you at this stage. (interview no. 12)

A final step is to consolidate the relationships established in the last step.

This is the step to take you as one of your boss's ingroup members. It is very important for you to be supportive to him or her, no matter s/he is right or wrong. It is a test of commitment and loyalty. Most people fail at this stage. (interview no. 12)

Inter-organizational Networking

Previous chapters have shown that *guanxi* work has been very important for both individual's and departmental successes. The pervasive phenomena of *guanxi* work is also prevalent at the inter-organizational level. In China, under the old, rigid planning system in which all types of resources are centrally controlled, factory managers have used various connections to get wanted resources. "To be a Factory

Director today, the most important thing is not whether you understand metallurgy or materials science, but whether you have a good command of connectionology" (Jiang, 1982).

During conversations with enterprise managers with several organizations, the importance of networking was highly recognized. Senior leaders indicated to me that *guanxi* work had been taken as one of the major means for enterprise effectiveness. In the past years, the enterprise leaders devoted much attention to maintain *guanxi* with the people at the governmental level and their suppliers and customers.

"Developing and maintaining good *guanxi* has been very important to our enterprise. For the benefit of the enterprise, we often use *guanxi* to get the resources we need, the kind of support we need from the government, and sell our over-stock products. It proves to be an efficient way of doing business in China. To tell you the truth, without *guanxi*, we would not have had the fame of being a first-class enterprise." (interview no. 6)

The importance of *guanxi* work for the organization is illustrated in the following case.

A case of guanxi work

Mr. Wang works is one of the major leaders in the Provincial Bureau of Forestry which supervises *Jiagong*. Since he holds a strategic position in the government, he certainly has the respect from the enterprise.

Two year's ago, Mr. Z. Zhang -- one of Mr. Wang's old *guanxi* -- went to him for help to get the new pressing board products which are in great demand. Mr. Zhang has his own trading company, and he knew he would not be able to get any pressing boards by directly going to the enterprise. After having a few drinks at a dinner party, Mr. Zhang asked Mr. Wang to do a favor for him. Without explaining fully, Mr. Wang understood

everything and promised he would get two rail-way car loads of pressing board for Mr. Wang.

One day, Mr. Zhang showed up in Mr. Ding's office, with a hand-written note from Mr. Wang. The note was short, polite, and clear: Mr. Zhang needs these boards this month! Such demand is impossible to be met, since all of the products for several months have been planned and sold. So, Mr. Ding explained that Mr. Wang had been very helpful for the development of the enterprise, and he ought to provide these boards as soon as possible. He apologized to Mr. Zhang that he could not do it in this month, and he promised to squeeze him in next month. Mr. Zhang seemed to be understanding, and left the enterprise gracefully.

However, a few days later, Mr. Wang personally called Mr. Ding on this matter. Mr. Wang appeared to be unhappy about Mr. Ding's behavior and wanted Mr. Ding to solve Mr. Zhang's problem this month. Since there was no way of doing that, Mr. Ding explained the situation once again to Mr. Wang. However, Mr. Wang refused to accept the explanation and hung up the phone.

As promised, Mr. Ding provided two railway car loads of pressing boards in the next month. Mr. Ding was happy and believed that their *guanxi* should be happy about it.

One year later, *Jiagong* was being evaluated in terms of status. The team of evaluators consisted of representatives from the national government, the provincial government, and the municipal government. Mr. Wang happened to be on the team. *Jiagong* was well prepared for this occasion, and especially most people on the team had good *guanxi* with the organization. Ding and other senior leaders were quite confident that the evaluation process would go smoothly.

However, things did not move as they predicted. The team "uncovered" one problem after another. For a while, it seemed that no matter what the enterprise did, the team would not be satisfied. The evaluation process was prolonged for another month. Later, an insider leaked the truth: Mr. Wang was determined to "discipline" *Jiagong*. Mr. Ding suddenly understood why.

Such a phenomenon was further explored with an executive at a wholesale company.

"*Guanxi* is the only means for us to prosper. I started the company because of the kind of *guanxi* I had. I used to work in the sales office of several large organizations, and I developed good *guanxi* over many years. After I retired, I began to set up the company to do trading and wholesale. . ."

"What does *guanxi* exactly can do to your business?" I asked.

"It does everything. Via *guanxi*, I can get the kind of materials other cannot get in the market. I can get low-priced construction materials and sell it for big profits. I can get trains to ship my materials whenever I want it. . . Without *guanxi*, we cannot survive."

During conversations with sales representatives in the company, it was clear that the kind of *guanxi* the executive had was very particularistic. In other words, he had the kind of *mianzi* that others can not have.

His *guanxi* has been maintained for many years. He is well received by those business partners. Whenever he shows up, these people will host him as an old friend. They are old friends, indeed. Whenever he asks for something, these people will not say no to him. Nobody else in the company can have a *mianzi* like that. I personally attempted to do things like that, I never succeeded, although I am his daughter. (interview 22)

Summary

In this chapter, the major characteristic cultural mechanisms -- artifacts, espoused values, and basic assumptions -- that sustain the Chinese culture are discussed. Specifically the fundamental values and beliefs that influence behavior are examined at the level of self, group, organization, and society. As a way of summarizing this chapter, the following figure is presented.

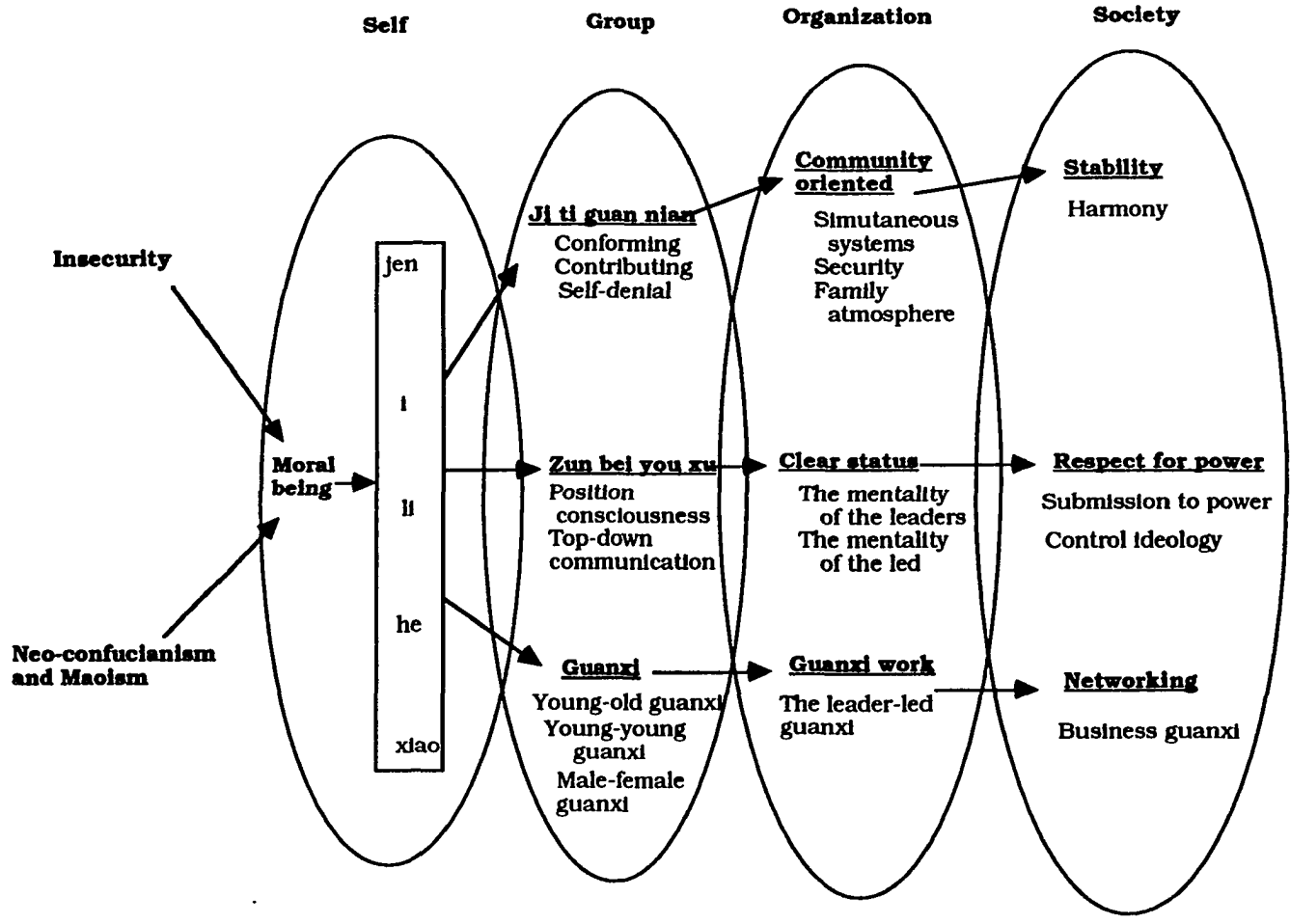


Figure 8. The Chinese culture and behavior

CHAPTER FIVE

THE CROSS-CULTURAL CONVERSATION: RELATING THE EASTERN CULTURE TO THE WESTERN CULTURE

Introduction

In the preceding chapter, the native perspective on culture and behavior in the Chinese culture was presented. With such a level of conversation, a rich understanding about cultural uniqueness in terms of cultural values and beliefs associated with behavior is developed. However, a critical disadvantage of such an approach should be noted. Such an approach prevents us from viewing the culture from a comparative perspective, since its focus is on the emic aspect of the culture. For the study of cultural transposition in cross-cultural transfer of organizational practices, we have to go beyond the ideographic perspective.

The present chapter is designed to fulfill this purpose. It intends to locate the Chinese culture in the cross-cultural context, so that further understandings about the Chinese culture and behavior can be reached. At this level of conversation, some of the major cultural dimensions or cultural patterns, relevant cross-cultural research on Chinese and Chinese societies, and some cross-cultural informants' own views will be interwoven together.

Some Major Meta-constructs

As discussed in Chapter Three, to relate the local culture to other cultures, some meta-constructs -- typologies (Schein, 1992) -- are employed. One kind of typology used in this study is cultural dimensions. The most significant development in this respect so far is the four dimensions derived from the well-known IBM study in over 50 countries. These dimensions are: power distance (from small to large), collectivism vs. individualism, masculinity vs. femininity, and uncertainty avoidance (from weak to strong). Power distance refers to "the extent to which members of a society accept that power in institutions and organizations is distributed unequally" (Hofstede, 1980). It is believed that such a norm exists in the value system of both the leader and the led, and is reflected in the structure and functioning of all organizations, including society. In this respect, all societies are unequal. The only difference is that some may be more unequal than others.

Uncertainty avoidance refers to "the level of anxiety within the members of a society in the face of unstructured or ambiguous situations" (Hofstede, 1980). The dimension opposes rigid to more flexible societies. Weak uncertainty avoidance means risk-taking, and strong uncertainty avoidance means little risk-taking.

Individualism "stands for a preference for a loosely knit social framework in which individuals are supposed to take care of themselves and their immediate families only; as opposed to collectivism, which stands for a preference for a tightly knit social framework in which individuals are emotionally integrated into an extended family, clan, or other group which will protect them in exchange for unquestioning

loyalty" (Hofstede, 1980). This dimension compares "alone" with "together" societies.

Masculinity "stands for a society in which social sex roles are sharply differentiated and the masculine role is characterized by need for achievement, assertiveness, sympathy for the strong, and importance attached to material success; as opposed to femininity, which stands for a society in which social sex roles show considerable overlap and both the masculine and the feminine role are characterized by a need for warm relationships, modesty, caring for the weak, and importance attached to the non-material quality of life" (Hofstede, 1980). This dimension opposes tough to tender societies.

More recently, another attempt to search for culture-free dimensions was made. In this attempt, four dimensions of a national culture were found (The Chinese Culture Connection, 1987). They are: moral discipline, human-heartedness, integration, and Confucian work dynamism.

A comparison of these four dimensions and the four dimensions derived from Hofstede's studies is very interesting. It is found that power distance is similar to moral discipline, the dimension of individualism vs. collectivism is similar to integration, and the dimension of masculinity vs. femininity is similar to human-heartedness (The Chinese Culture Connection, 1987). This suggests that these three dimensions are universal ones.

Confucian dynamism is unrelated to any of the four dimensions derived from Hofstede's studies. The fact that this dimension did not show up in Hofstede's study is attributed to the cultural bias of the researchers who share a Western way of thinking (Hofstede, 1991). The

fifth dimension was discovered when researchers headed by Michael Harris Bond used a questionnaire designed by Eastern minds. Similarly but conversely, none of Bond's four dimensions is correlated with uncertainty avoidance because of the differences between the Eastern minds and the Western minds.

Pattern variables are another typology to describe cross-cultural differences and similarities. They are important because the pattern variables describe not only value standards of a culture but also the cultural orientations with which people create and sustain their activities (Parsons & Shils, 1952). In other words, the pattern variables reflect patterns of cultural orientation.

The following are some of the useful dimensions for cross-cultural understanding (Parsons, 1951; Schein, 1992), which to a large extent complement the dimensions discussed previously:

(1) Self or collectivity orientation, which concerns whether an actor's action is based on self values or group values.

(2) Ascriptive or achievement orientation, which is about whether rewards are distributed on the basis of family or clan membership or actual performance.

(3) Universalistic or particularistic orientation, which asks whether the same criteria are applied to all members of a given role or status or different criteria are applied to given actors in their specific situation.

(4) Diffuse or specific orientation, which concerns whether individual actors should relate to a situation or to each other along multiple dimensions or if such a relationship should be limited to a single dimension.

(5) Affective neutrality or affectivity dimension, which concerns whether human relationships are emotionally charged (affectivity) or emotionally neutral (affective neutrality).

In what follows, combined with the experiences of the cross-cultural informants, some of these major typologies are used to have a meta-understanding of the indigenous observations.

Self or Collectivity Orientation and the Individualism Dimension

If one takes the Western individualistic culture as one extreme, it is generally believed that China goes to the other extreme (e.g., Redding & Martyn-John, 1979; Bond & Hwang, 1986). Similarly, in the dimension of individualism, Hofstede (1980) shows that the overseas Chinese lie at the high collectivism or low individualism end of the continuum, representing the close relationship between one person and others. In other words, the Chinese society is based on human relationship rather than the individualistic self, as it is believed that no individual object or human being can survive. As Pye (1991) puts it, 'in Chinese culture the individual's identity has been consistently derived from particularistic relationships with others. It is always some relationship, such as position within the family or other particularistic consideration, which determines self-identity for the Chinese.' (pp. 444-445).

A general consensus among informants is that there exist different logics for organizing a society. In China, the individual is viewed as a member belonging to a collectivity. In contrast, the collectivity notion is lacking in the West, especially the USA.

In China, collectivity comes first, and self comes second. In the USA, it is just the opposite. For example, in China, if there is a fire, the gate keeper has to do whatever he can to put it out. If you

did not do that, you would be punished. In the USA, it is very different. The first thing the gate keeper should do is to escape and then call 911. It is the rational thing to do. (interview no. 44)

The Chinese say "there will be no water in the branches, if the main river is dried out." The Americans say "there will be no water in the main river, if there is no water in the branches." Both make sense. (interview no. 43)

Due to the emphasis on collectivity in China, there exists a transformation of the meaning of the term -- self. The Chinese *wo* -- self -- means more "us" than "self". Several informants spoke about the difference between *da wo* -- the bigger self -- and *xiao wo* -- the small self.

The Chinese view self as including family, friends, or other ingroup people. The Americans view self just as self. (interview no. 45)

There is a difference between *da wo* and *xiao wo*. *Da wo* refers to a group to which an individual belongs. In contrast, *xiao wo* refers to self. (interview no. 42)

During conversations, it was clear that most informants were critical about the Chinese logic of organizing the society. The denial of self in China was frequently talked about. The Chinese society treats the concept of self as undesirable and unhealthy. Both Confucianism and Maoism deny the autonomy and self-assertion of the individual (Pye, 1991). The attitude toward individuals is further illustrated in a famous writer's experiences in China:

We were taught that the true way to start on the revolutionary path was through self-negation. The first political term we learned was bourgeois ideology, which we were told was synonymous with individualism -- although nobody could ever explain to me where natural self-interest ends and selfishness begins. (Liu, 1990, p. 16).

Complaints about the lack of room for individual interests and rights were common during the conversations. In general, informants believed

that there should be something reserved for self, even though relationship is emphasized.

This society refuses to recognize the self aspect of human being. It treats individuals as social animals, denying anything that belongs to an individual. In fact, everyone has individual needs to be met. I dare say that anyone who does not agree with me on this is a liar: Feng Lei was portrayed as a selfless person. Either he was a liar himself, or the people who made him look like so were liars. (interview no. 50)

Self denotes negative meanings in China. It literally means individualism. The whole society is against it. Your parents, your school teacher, your boss, and even your trusted friends will challenge or discipline your behavior that lead to personal benefits. They all want you to conform to group norms and group goals. Our culture is very repressive compared to the Western culture. (interview no. 52)

The American self embeds many dimensions. They have their rights which we do not have in China. For example, many things like age, marriage, and salary are all private information. In China, everything like these is public information. Each of us has a *dangan* kept by our organization." (interview no. 48)

Several people talked about the undesirable consequences of denying self. They believed that the negative attitude towards self actually impede people's creativity and initiatives which are so valued in the Western culture.

I firmly believe that the lack of emphasis on the individual's initiative and creativity is one of the major reasons leading to economic backwardness in China. Since the reforms, China has made great improvement in this respect, thus is more successful. We have a better balance between the interests of self, group, and society. People are allowed to own property and businesses. (interview no. 53)

In China, one cannot be prominent in a group. "The gun shoots the bird that flies first." Especially, your boss wants you to become one of the mediocre in the group. Anybody who is innovative is often viewed as disobedient. I think that the belief that "emperor is emperor, minister is minister, father is father, son is son" influences this kind of thinking. (interview no. 42)

It is clear that in the Chinese society self is minimal. An interesting question is how people feel about the contributing relationship between self and collectivity. Most informants indicated that there was too much that individuals had to contribute to a group, but the individuals received little in return. The Chinese collectivity requires an individual's deep devotion to a group, in return, the individual receives most returns in materialistic forms.

There is an interesting relationship between self and collectivity. People are expected to contribute to whatever collectivity s/he belongs to. In return, they also expect that their needs and desires are met by supports from the collectivity. Most often, the latter case is not true. When I was in China, I felt that nobody cared much about me. I say this because nobody was there when I needed them, especially for emotional situations. We made contributions to our families or any other collectivities. What we got back was mostly limited material benefits. (interview no. 54)

To a great extent, people do not volunteered to be part of any collectivities in the organization or the society. In fact, people are forced to be so. To tell you the truth, I dislike the forced collectivity very much. In my life, I have been frustrated by the fact that such collectivity does very little for individuals. Instead, people get abused in such collectivity. (interview no. 56)

On the other hand, informants were generally critical about the logic of organizing society in the USA. Several informants indicated that there existed too much individualism in the USA, and the notion of collectivity important for a harmonious society was lacking.

The American concept of self is a blind one. One cannot live alone. They have to realize that your freedom and democracy is not necessarily others'. Without the common nature, the individualistic nature will not exist. It is fascinating for me to observe the way Americans talk about family values. The foundation of this society is based on individualism. That is why their family members get abused and neglected, and why crime is everywhere. (interview no. 46)

In our American company, everybody has his or her own turf, and nobody else is allowed to touch it. Although people talk to each

other, cooperation for work is very low. The main thing people are concerned about is his or her success record, which is very useful in future promotions. They do not understand that the group spirit we Chinese value. It is too bad. (interview no. 49)

It is interesting for me to observe the team process in our company. Since I came to the company a few years ago, I have personally been involved in several teams, all of which ended with failures. At the beginning, everybody seemed to be enthusiastic about it. However, over time, conflicts kept arising and the teams fell apart. My opinion is that there is a significant lack of commitment and loyalty to a team in the company. For any team to succeed, it needs our notion of center-directing force, which can not exist in this culture. It is simply too individualistic, aggressive, and heroic in this culture. (interview no. 44)

Now, I have indeed experienced the taste of the individualistic capitalism. I feel like I was left in a dark, dangerous forest in the organization. I have to protect myself all the time. I have to be very aggressive. Otherwise, people take advantage of you. (interview no. 46)

Being aware of the disadvantages of both approaches in China and the USA in organizing societies, several informants indicated that a better balance should be obtained, and the nature of human beings should be dialectically observed.

Ren is not just a simple individual. *Ren* is a social being. One person serves others and others serve you. If selfishness explodes, the society will fall apart. (interview no. 42)

We should view the nature of *ren* dialectically. On the one hand, *ren* is an individual being. *Ren* is physically independent, and he has his own needs. On the other hand, *ren* is a social being. Any *ren* has to rely on social relations to meet his own needs. In China, there is too much emphasis on collectivity and self-denial, which neglect individuality. In America, there is too much emphasis on individualism, which neglect the importance of collectivity. I wish that there would be a society which has a better balance between self and collectivity. (interview no. 53)

Due to the different approaches to organizing societies, Hsu (1971b) claims that the Western individualistic hierarchy of needs will not be applicable in the Chinese culture. Similarly, Nevis (1983) suggests that

Maslow's need hierarchy theory needs to be reconceptualized to reflect the emphasis of group needs or relationship-oriented values in China. Such an argument is supported by several informants.

The West is based on the concept of self. Thus, they can talk about the hierarchy of personal needs . . . However, such a concept will not be adequate in China, where self is completely inseparable from the group. (interview no. 42)

Based on the relational approach, Hsu suggests that the human being has three basic needs, sociability, security, and status, and these needs are satisfied through interpersonal transactions. He does not describe these basic needs in terms of hierarchy. In contrast, using a Western perspective, Nevis (1983) attempts to develop a hierarchy of needs for the mainland Chinese people. After theoretical examination and empirical testing, he suggests that the Chinese have a hierarchy of four needs starting with the lowest level belonging, then physiology, then safety, and ending with the highest level -- self actualization in the service of society. In other words, fulfillment comes from the continuing harmonious relationship among the individuals and Chinese emphasize belonging more than anything else (Ketcham, 1987, p. 111).

Nevis further elaborates that, based on the emphasis on relationship, self-realization has different meanings, compared to the West. In the West, self-realization or self-actualization refers to the process that unfolds the individual's creativity, rights, and autonomy. In the East, at least in China, self-realization refers to the moral advancement "with no appreciation of liberty and individual rights" (Pye, 1991, p. 446). Confucianism sets moral standards for people to conform to and follow. That is why Nevis (1983) discovers that the Chinese has the self-actualization for the service of the society as the highest need.

During conversations both in China and the USA, many informants talked about their value of *shi ye xin*, which roughly means the driving ambition for the establishment of enterprise which serves their ingroups as well as societies.

I think that we Chinese tend to have a larger purpose, that is, the *shi ye xin*. I view myself being here is a means for my such larger purpose. I will not be satisfied just by making money. Compared with some of my friends in China, I have been making lots of money. . . There is something else which is much more important than money. In my mind, that is the contribution I can make to my families, my friends, and the society. (interview no. 46)

The differences in cultural orientations lead to different behavior. One of the differences is the way of describing self. Bond (1991) notices that Chinese describe themselves in less positive terms than Americans do.

Describing and evaluating oneself is very difficult. I was confronted with such difficulty, when we need to do self-evaluation every year. I am faced with a paradox. On the one hand, I do not want to say too many poor things about myself. If you do so, your boss may truly believe that you are a poor performer. On the other hand, I cannot say too many nice things about myself, either. Otherwise, your boss and others may get offended. So, based on my self-evaluation, I am mediocre every year! (interview no. 42)

In this respect, China has a "culture of humility," which means that people are humble in behavior. In contrast, America has a "culture of arrogance."

The way of presenting or describing oneself is very different between China and the USA. We tend to value talking less, modesty, and humility. We tend to describe ourselves at 8 points, if we are actually at ten. In contrast, Americans tend to be good at self-promotion. If they have 10, they will say 12. (laugh). (interview no. 45)

We Chinese tend to be critical of ourselves. When we describe ourselves, we tend to say a lot of negative things about ourselves, and say less good things. Americans are very different in this respect. They will say a lot of wonderful things about themselves, and little about negative stuff. For example, when we were recruiting an engineer last year, my boss showed us a guy's resume. Let me tell you, it sounded like the guy was a master of

many things, and I truly believed he could be my master. However, when he was hired, I found out he did not have half of my abilities in most jobs! (interview no. 50)

Even if one is a prominent student in China, no one actually says: "I am the best!" (laugh). (interview no. 41)

This cross-cultural difference has serious implications for the meaning of cross-cultural communications. In the West, people tend to talk about their ideas and feelings in a straight forward way. In China, however, such a way of communication is to be avoided. As one of the informants said above, "talking less" is valued. Confucius once said "Clever talk and a domineering manner have little to do with being man-at-his best" (Confucius, Book 1).

Further, some informants mentioned that a characteristic way of communication in China is that people may say things which are exactly the opposite to what they want. Chinese tend to value "*ke qi*," a concept referring to an effort restraining selfish needs in a social situation. For example, people will not ask for anything to drink or eat when they are the visitors in somebody else's home. When the host asks if they want anything, they would say no, even though they may be very thirsty or hungry. In this case, if the host perceives that they are indeed hungry or thirsty and insists on serving them food or drinks, they would appreciate it and say the host is very accommodating.

The value of "not asking" is typical in organizational behavior, too. In an organization, people tend to perceive what each other wants. In China, we communicate by perceiving. We do not ask what people want, because you always get "no," even though they may indeed want something. We perceive what people want, and then accommodate.

Such comments remind me of the experience I had with my father and my American professor and his wife during a train ride in China. At lunch time, my father bought lots of food and asked me go and give half of them to them, I said "let me ask if they wanted." My father lost his temper suddenly: "Why do you have to ask? Get these to them!" From my father's perspective, I would be rude to ask if they wanted any food. It was lunch time, and of course people needed food. However, in the American perspective, being served something without asking may be seen as a violation of their rights to choose, or a waste of money.

Thus, Chinese people tend to use action to communicate. Ironically, such a style of communication is often misunderstood by Americans and not appreciated.

In terms of meanings and styles of communication, we differ a 180 degree. What we value is what they despise, and vice versa. For example, we value doing more than talking, and they value more talking than doing. I am devoted to getting things done in our company, and I don't believe that my contribution is adequately acknowledged. I compare myself to the Americans in my office who keep talking about the ideas I have been using in my work, and I can see that they are the ones being rewarded. (interview no. 52)

I think we Chinese are believed to be "under-achievers" by Americans. We tend not to be talkative. We tend to be quiet in group settings. We are not articulate, due to language problems. Thus, no matter how hard work and how productive we are, the Americans are just blind to all of these. (interview no. 45)

Americans love to promote themselves. I have been here for many years now, I still can not get used to the American idea of "mingling" -- self-promoting. Whenever we have so-called happy hour for social activities, I feel like having an "unhappy hour" (laugh). We are so different, and I am afraid that I will never be able to blend in with them. (interview no. 44)

Such a cross-cultural difference has some serious implication for those of us in the USA. When I got my doctorate degree a few years ago, I did not know how to be interviewed in the USA. After several interviews, I lost my confidence in finding a job. Then, I went to do my post doctorate in a school which is less prestigious than the

one I got my doctorate from. After one year, I got this job. You know what? I do not believe that I got this job because I learned some great stuff. I got this job, because I learned to deal with these American interviewers! (laugh). (interview no. 45)

Another significant difference in terms of style of communication was pointed out during conversations. The Chinese people tend not to present an idea to others, especially the leaders, if they think such ideas are not mature enough. If one can not defend his or her idea, s/he will not present it at all. Otherwise, a negative consequence may be achieved. In contrast, Americans are very straight forward.

I can not get used to the idea of "brain-storming" in the USA. It is nothing but with a group of people sitting there bull-shiting their stuff which I would not call ideas at all. Whenever I was in that setting, I was laughing in my heart. It is a waste of time. I have never seen such sessions as useful. (interview no. 52)

It is important to note that in the literature there seem to exist some disagreements over whether the Chinese culture is individualistic or collectivistic. As Pye (1991) points out, in contrast to the conventional collectivistic argument, there seems to exist another strong view that the Chinese culture is individualistic. Such an argument stands, because the Chinese do exhibit different behavior in different settings, some of which may well be individualistic behavior. When the famous Mr. Gai Yat-sen organized the Chinese during the anti-feudalism revolution, he openly complained that the Chinese people were "like a plate of sand." After observing some people from Hong Kong and China, Ng argues that "the logic of Confucian collectivism used to operate primarily and principally in the traditional Chinese family. Whether it still applies today, especially in the workplace, is problematic." (1990, p. 316).

Such individualistic behavior is also observed by some foreigners. Pye indicates that Dean Acheson in his 1949 White Paper about the "fall" of

China argued that the collectivistic communism was incompatible with the individualistic Chinese tradition, and hence communism would fail. After the Lu Gang Incident during which several Americans and a Chinese were killed by Lu Gang, a few American friends questioned me about the unbearable aggressive behavior of the Chinese. Realizing that the back-stabbing phenomenon is very pervasive among Chinese students in the USA, some Americans asked me how this could be explained, if China is truly collectivistic.

Although it seems that nobody has offered a solid explanation about such a paradox, two observations may shed some light on this issue. One observation focuses on the psychology of the individual. In the Chinese familism and collectivism, each individual is locked into an elaborate role structure. Throughout his life the individual constantly struggles with problems concerning his relations with others in the complex kinship circle (King & Bond, 1985). It is found that the anxiety arising from these difficult relations is connected to the typical self-centered voluntarism of the Chinese, which is underdeveloped in the family system. This voluntarism manifests itself in various ways when the individual is free from the bonds of the family (King & Bond, 1985). As Eberhard (1977) points out:

As the Chinese must suppress all aggression within the family, the outer worlds is the field in which aggression finds its outlets. . . . Only with complete strangers, such as in encounters in a modern big city, or in a foreign country where one is sure that the contact is casual and not lasting, is the individual free and can discharge this aggression directly as the individual in Western society may feel free to do. What counts in such contacts is aggressive intelligence, making the most of every chance as often as one can without risking too much.

The other observation focuses on the expectation for the individuals in a family or any other ingroups. Family socialization practices play

prominently in cultivating ingroup or collective consciousness and responsibilities of members. The same type of practice is used to sharpen the individual's sense of responsibility towards commune, district, and the country (Ho, 1979). Failure was taken as a disgrace to the ancestors. "The disgrace, however, was not the burden of any single individual, but rather was shared by the members of the extended family" (Chu, 1985). A characteristic Chinese notion of face is that it is a collective property (King & Bond, 1985) as reflected in the proverbs: "The children's misbehavior is the fault of the father," "The ugly things should not go out of the family gate," "A man needs face like a tree needs bark."

Thus, it is not difficult to see that harmony is achieved not by desires, but by the hierarchical and collective pressure. An individual is expected to contribute to the group for the common good. Such contributions range from materialistic ones to spiritual ones. A child is expected to study hard to become one of the high-performing students, thus bringing fame to the whole family. A man is expected to fight for the family or state to win glories for them.

A third explanation was discovered during conversations with informants. When asked how to explain this kind of behavior, most indicated that our beliefs about the outside world led to such individualistic, aggressive behavior.

The belief that the outside world is full of coldness leads to our aggressive behavior. When we are in such a world, we tend to believe that everybody whether it is a Chinese or an American is a threat, and we keep fighting to protect ourselves. As the saying goes, "If one does not think of his own interest, neither Heaven nor Earth will save him." (interview no. 54)

It is important to note that the Chinese do not tend to describe such behavior as "egocentric" or "individualistic." These are the descriptions by

the Western observers. To them, it is a natural behavior, and is perfectly justified. Further, such behavior often lead to some results not for himself or herself but a group s/he belongs to. A recent newspaper article reports that a township business issues a "special reward" to innovative workers. If an individual's contribution to the enterprise is acknowledged, the enterprise will send a team of people to show a free movie to that individual's whole villages. Reportedly, such an incentive is believed to be superior to any other rewards. A comment from such a rewarded worker: "To show a movie to all of the people from our village is like putting a layer of gold on my face, and I treat it as the highest reward I can get." In this kind of situations, the traditional Confucian norms and values cease to be relevant (King & Bond, 1985). Further,

We Chinese tend to value belonging to a very solid, pragmatic group. Everything beyond the group will be the field to fight. (interview no. 48)

The selfish behavior is defined within the context of group. You do not want to consider your own interests at the cost of others in a group. "A rabbit does not eat weeds around his home." However, once you are out of the group setting, you are expected to fight and to be selfish for yourself or your group. Such behavior are still justified. (interview no. 50)

The Particularistic or Universalistic Orientation

Human relationships in the East are particularistic rather than universalistic. The Confucian principles are used in relationships and situations, and are not applicable to the whole society. According to Yum (1988):

The East Asian countries have developed elaborate social interaction patterns for those whose social position and relationship to oneself is known, but there is no universal pattern that can be applied to someone who is not known. (pp. 378-379)

In contrast, the West is characterized by the universal rules of behavior. As Yum (1988, p. 379) indicates, "applying different rules to different people and situations may seem to violate the sacred code of fairness and equality that accompany the individualistic values." During conversations with informants in the USA, such cultural differences were widely noticed.

I used to stay in a small town, where everybody greets everybody on the street. When my Chinese friends came and saw that they greeted or talked to me, they said "How well you have done! You just come here for a few months, and you have made so many friends." I told them that these people are not my friends at all. They are just a bit strange. That is all. (interview no. 56)

Clearly, Americans relate to each other in a very different way from ours. A company with which a good friend of mine works had a position opened. He gave me the information first, and encouraged me to apply. I thought I had a good chance, with his help. . . It turned out that he did not even try to talk to the people who were doing the recruiting. If it were in China, I would have gotten the job. (interview no. 53)

Compared to China, I like the relationship between the leader and the led. Generally speaking, my boss uses the same rules for almost everybody. In China, it is very different. When I was working there, my boss used different rules for different people. (interview no. 52)

Such a universalistic approach in dealing with people seems to violate the moral principles of the Chinese society. For example, the Chinese perceive that the elders in the USA are "unequally" treated. When I probed, it was clear to me what was meant was that the elders were not respected enough.

I still do not feel comfortable with the way Americans behave. For example, old people are not treated with enough respects in our company. The young people not only argue with them, but also makes jokes about the old employees. Somehow, I feel it is just not right. (interview no. 59)

In the USA, old people are in many ways are at a disadvantage, compared to the young ones. They are the ones with gray future.

When you are old, people do not take them as seriously as we have in China. If a company lays off people, old employees will be among the first to be cut. I think it is a bad phenomenon. Old people have much more to contribute. (interview no. 48)

Another characteristic of the particularistic relationship is that there is a clear distinction between ingroup and outgroup. As Yum (1988) puts:

Mutual dependence as prescribed by the Confucian principle of *i*, however, requires that one be affiliated and identify with relatively small and tightly knit groups of people over long periods of time. These long-term relationships work because each group member expects the others to reciprocate and also because group members believe that sooner or later they will have to depend on the others. People enmeshed in this kind of network make clear distinctions between ingroup and outgroup members. (p. 379)

Yum (1988) points out that in the East people exhibit different behavior when they are in different situations. The Confucian Principles of behavior are designed to work for the ingroup setting. There is no specific principle to follow in an outgroup setting. Such an observation is confirmed by many. In contrast, the West does not distinguish between ingroups and outgroups as much as the East. "Alliance to a group and mobility among groups are purely voluntary, so that both the longevity of membership and loyalty to a particular group are limited" (Yum, 1988, p. 379).

I never treat American friends as my ingroup people at all. I have some good friends in the company. But compare with my Chinese friends, they are nothing. That is why I never invite them to socialize with us at home. However, I have parties with my Chinese friends all the time. Americans will never understand our way of friendship. (interview no. 48)

Americans like to take advantage of you without appreciation. When I was in college, I often invited several American friends to have dinner with me. I always spent lots of money and time on such parties. These people would come and finish up everything. Further, since they liked your food, they would come and ask for it. They never invited me back to their home. (interview no. 58)

Ascriptive or Achievement Orientation

The particularistic, hierarchical relationship in the Chinese culture can be identified with the ascriptive orientation. As described in the last chapter, in China people are judged and rewarded on the basis of seniority. *Guanxi* and *mianzi* affect resource allocation in the didactic relationship between a resource allocator and a resource petitioner (Hwang, 1987). The sharp distinction between ingroup and outgroup and the asymmetrical relationship among people also lead to ascriptive orientation (Yum, 1988).

Most informants were aware of such differences, and they liked achievement motivation better. Everybody interviewed indicated that they were satisfied with the pay and benefits they received in the USA, compared to their situation in China. Most people also believed that pay was not tightly tied to performance in China, and it is one of the major reasons for low productivity there.

In either the USA or China, equity is a key to improved productivity. In the USA, pay is closely related to an individual's performance. For example, my boss raises employees' salary, based on an individual's contribution. In the Chinese organization I used to work with, everybody was poorly paid, and it did not matter whether you worked hard or not. People tended to work as little as possible, and if you worked hard, it might cause some tension between you and the others. It was a spiral-down motivation. (interview no. 53)

One of the sources of satisfaction in the USA is the lack of complicated *guanxi* work. I can concentrate myself on my professional job, and am rewarded that way. In China, I had to spend half of my time and energy on *guanxi* work. (interview no. 51)

In the USA, everybody is judged by performance, and your contribution is recognized by your boss. In China, to a large extent, everybody is judged by *guanxi*. If you have a good *guanxi* with your boss, you will get special treatment. (interview no. 53)

However, when talked about whether Chinese were equally treated as Americans, opinions seemed to be largely divided. In two group interviews, informants heatedly debated this. Several people perceived that they were treated as second-class citizens.

There exist a certain level of racism in our company. Our boss is an American. Because of color and relatively poor language skills, he treats we Asians differently from Americans. For example, if he is not in a good mood, he will shout at we Asians. But he dares not do this to Americans. That is very disturbing to me. (interview no. 51)

In the USA, we foreigners have to give much more than Americans, in order to get equal treatment. If Americans work at a level 10, we have to make it a level 20. Such a pressure can only be experienced in a foreign country. (interview no. 51)

It is impossible for us to lead Americans. No matter how good we are, we are not going to be promoted to a supervisor or a manager's position. Don't even dream about it. I have met many Asian friends. They are very upset when they realize those poor-performing Americans are moved up to their boss. That is why so many Asians quit their jobs and open their own companies. (interview no. 45)

I have a friend who is a Vietnamese. He is very smart and capable. When he was leading his unit, they were doing extremely well and made lots of money. Then, he hired an American with a master's degree. This guy back-stabbed his boss many times, and the Vietnamese was fired. When this American became the boss, the economic performance fell very quickly. Can you say this is fair? (interview no. 49)

According to the American criteria, we Chinese are mostly taken as under-achievers, no matter how hard we work and how good we are. In our company, I have a feeling that I will not be promoted to a manager's position. I can have pay increases, but not positional promotion. The reason is that I do not value the American way of communication and leadership skills. For one thing, they only know how to talk and do not know how to get to work. For another, they value aggressiveness and I do not. (interview no. 45)

The other side believed that Americans were relatively fair and equal. The reason for these people's mistreatment was attributed to their lack of some abilities.

I believe that Americans are fair and value true talent. I perceive that the reason that most foreigners are not promoted to be leaders is because they do not have the qualities defined by Americans. We Chinese tend to measure people with technical competence, and de-emphasize things such as leadership styles and communicational skills. To be honest with you, I have not seen many Chinese who have the leadership traits defined and valued by Americans. For Americans, you do not have to be technically excellent to take a leadership position at all. (interview no. 53)

Affective Neutrality or Affectivity Orientation

It is clear that human relationships are much more emotionally charged in the East than in the West. In the East, the family-style particularistic relationship mixes together personal relationships with public relationships. According to Yum (1988, p. 380), "The Confucian concept of *i* leads to a strong distaste for a purely business transaction, carried out on a calculated and contractual basis." According to the principle of trust and mutual reciprocity, when a personal relationship is developed, a public or business relationship will follow (Yum, 1988). In contrast, "in the United States, there is a rather sharp dichotomy between private and public life. Since the primary task of the individual is to achieve a high level of autonomous self-reliance, there is an effort to separate the two lives as much as possible" (Yum, 1988, p. 380).

The interpersonal relationship in the East is long-term, asymmetrical reciprocity, according to Yum (1988). People are forever indebted, and thus reciprocally obligatory, to each other. The Chinese norms of *bao* (reciprocity) and the Japanese principles of "*on*" are more intense in the East than in the West (Hwang, 1987). Further, human relationships in the East are not calculated. "To calculate would be to think about

immediate personal profits, which is the antithesis of the principle of mutual faithfulness, *i*" (Yum, 1988, p. 379).

In contrast, human relationships in the West are symmetrical-obligatory, calculated for immediate benefits, or contractual. Each individual is independent and equal in interacting with others (Varenne, 1977). Thus, long-term commitments and obligations are viewed as threats to one's autonomy and rights. In addition, people tend to relate to each other, based on immediate payoff or on a contractual base so that obligation can be fairly and formally formulated.

There is an interesting way of expressing friendship which we will never get used to. For several times, some of my American friends asked me to have dinner together in a restaurant. I thought we had a deeper feelings for each other. Otherwise, they will not invite me to dinner. However, when I hear them say "separate checks, please" to a waiter, I had a sudden feeling that our friendship is a split one. So, I never go out with them again. (interview no. 56)

Such a cultural difference has some important implications for international business. In the East, human relationship is both personal and public, and a personal approach to business development is critical. For example, there are several steps to follow in order to develop an effective business relationship in Korea (Lee, 1983): (1) have frequent contacts over a relatively lengthy period of time, (2) establish a personal and human relationship, (3) if possible, create some common experiences such as sports, drinking, or travel, (4) foster mutual understanding in terms of personality, personal situations, and the like, and (5) develop a certain level of trust and favorite attitude.

Similarly, the *guanxi* approach to do business in China is pervasive. The saying -- "harmonious relationship leads to business" -- explains this. During conversations, an informant talked about Americans' frustration in dealing with Chinese business partners.

I can say that Americans do not know how to do business in China. An American businessman told me that he could not understand why a Chinese company he was dealing with would rather pay much more money to do business with his competitor. His competitor has a long term *guanxi* with the business people in the Chinese company, and that is why they get the business. (interview no. 46)

During conversations, several people expressed a lack of humanistic feelings in their organization, due to the different conceptualizations of organizational designs.

Compared to the organizations in the USA, our Chinese organizations are more humanistic. The Chinese organizations are designed to support human living. When I worked in China, the organization was the place I got all of the help I needed. . . In the USA, the company is the place I get nothing but money. "Another day, another dollar" is my working principle now. (interview no. 46)

Many people indicated American's coldness in human relationships. Many complained about the lack of *renqing* and the pervasiveness of individualistic behavior in the USA.

Working relationship in the USA is plain and simple. When you come, people will say a few nice words, expressing their welcome. When leave, people wish you good luck. That is it. Do not expect much from them. Of course, you do not have to feel bad. This is America. (Interview no. 51)

One thing I miss very much is the caring from my bosses in China. In China, whenever I had a problem of any kind, I could talk to my boss and he would do his best to help. There was lots of humanness in this respect. In the USA, I do not have that kind of feeling any more. People come here for money, and it is not a place you can find help from your boss or anybody else. (interview no. 46)

The Americans show their caring at a very superficial level. You see that they smile and talk to you. However, people do not care about you that much. When you talk to them about your problems, they would say, "sorry to hear that," and that is it. You do not expect them to care about you the way we Chinese care about each other. (interview no. 53)

Since I got here, I have been frustrated by the way Americans treat me. They seem to be very friendly -- greeting each other with smiles -- during working hours. However, when they are off, they do not seem to know you anymore. (interview no. 55)

In a way, the American relationship between the leader and the led is quite cruel. If you fail once, your boss may help you in some way. If you fail again, you are judged as inadequate for the job. He or she would say: "too bad. But you have to leave." (interview no. 50)

I miss the warm, caring atmosphere in the Chinese organization I used to work with. In the USA now, on the surface, people are nice to each other. In fact, people are very cold. The individualistic flavor is manifested in every aspect of their behavior. Look at the way they talk, "I" is always first. Now, I have to learn to fight for myself. I have to fight for a better working schedule with my boss, because if you do not do that, he would schedule for the convenience of himself." (interview no. 47)

Several informants indicated that they had tried every way to improve *guanxi* between themselves and Americans, and they failed. It was clear that the way of *la guanxi* in China did not work in the USA.

It is difficult to socialize with Americans. This is not only because we have language barriers. More importantly, the cultural barriers between us are just too large. Whatever I do to them, it seems that my relationship with them stays there. It is a cold culture. (interview no. 41)

Guanxi does not work in the USA. In our school, it was clear that some of our Chinese fellows made some major efforts to develop *guanxi* with Americans and they were very frustrated by it. One of them did almost everything he could to get financial support from his boss. However, he ended up being losing support, due to his inability to work with his boss. (interview no. 44)

Power Distance

Hofstede's studies (1980a) show that the overseas Chinese have a large power distance. The particularistic relationships in the East are essentially hierarchical. Respect for tradition, ancestor, and age have been the main values of the people in old China (Laaksonen, 1988). Age,

here, refers both to generational and chronological age. As explained in Chapter 4, the ordering of the hierarchical relationship comes from the hierarchical nature in the universe. Hofstede shows that the Chinese society in Hong Kong has large power distances. The major characteristics of such a society are (1) an order of inequality, (2) superiors are inaccessible, and (3) power holders are entitled to privilege, and (4) power holders have unquestionable authority (Hofstede, 1984b). In contrast, the West, especially the USA, has a smaller power distance.

Hofstede's view was confirmed by a consensus among the informants.

In China, the feeling of hierarchy is very real. When your boss or an elder is present, you have to show your respect. This means that there exist certain criteria for you to behave properly. If you do not know that, people believe that you are a uneducated or uncivilized man. In contrast, in the USA you can be more equal with your boss, although he or she is in charge of you in your work. However, apart from this, s/he has no right to even ask a question about you. (interview no. 53)

The Chinese value for hierarchy causes lots of problems for human relationships in organizations. When I was part of an office staff, it was very comfortable with my peers surrounding me. However, when I was promoted, suddenly the whole thing was changed. People who used to be close to me began to keep a distance from me. The culture in the organization was very cruel and repressive. Throughout the hierarchy, reprimand was the key to get people to work. I did not want to do that. However, I knew I was not an effective leader at all. People refused to work hard, without being reprimanded. (interview no. 42)

The working atmosphere here is very different from the one in China. Here in the USA, there is almost no social norms about how you should behave. I do not have to be careful about my behavior which may offend somebody. People refer to each other on a first name basis in our organization. I feel more relaxed and can concentrate on my work. (interview no. 52)

During conversations, most people indicated the negative effects of the high power distance in China. While an adequate respect for

hierarchy may be necessary, too much power distance between leaders and subordinates may impede innovations and motivation to work.

In the USA, everybody's talent is valued. I feel that I can throw out my ideas for improvement at any time, and it is well received. In China, I intended to do the same thing and failed badly. I remember that right after graduation I was very ambitious and wanted to change the world. In the organization I used to work with, I was eager to use new ideas. People did not appreciate that kind of behavior at all. Some people even criticized me for being fuzzy. One year later, I knew that I lost all of my vigor and interest in work. Amazingly, when we had an annual class-mates party, almost everyone complained about this problem. It is certainly cultural. (interview no. 54)

In China, I was often criticized by my boss for this and that. Sometimes, I did not know what was wrong and what to do next. In retrospect, I was full of anxiety and depression. Here in the USA, what you get is the direct opposite. What you get is encouragement and positive reinforcement. (interview no. 52)

Similarly, most informants criticized the high power distance which lead to undesirable consequences in the Chinese society.

I am very much ambivalent about our hierarchical system in China. On the one hand, I understand that such a hierarchy is important for maintaining social order. On the other hand, it is not conducive to human development. I can never forget an incident which almost paralyzed me psychologically. When I was in the sixth grade, we had a teacher who used so-called interactive teaching style to teach us mathematics. He would ask everybody questions, while he was teaching. Everybody usually responded together to his questions. One day, I made two mistakes, answering his questions together with other students. When I made the first one, he stared at me and did not say anything. Everybody knew it was a punishment. However, as soon as I made the second one, he screamed at me: "Don't give me stupid answers! Just shut up!" From then on, I was so fearful that I could not raise my head to listen to his classes, let alone interact with him. My mathematics has not been good, and I knew that is part of the reason at least. What I am saying is that this kind of hierarchical system can psychologically traumatize people. In contrast, I wished I had been raised in the USA. Just look at how children are treated by their parents, teachers, and others. How lucky they are! (interview no. 55)

I think the authoritarian relationship in China has led to what I call "distorted self-respect" for those seniors. What I mean is that

such a system makes them on top of us all the time, which kills our young people's initiatives and creativity. For example, I pointed out a mistake made by my teacher in front of other students when I was in the high school. She pulled her long face right away. After the class, he got me in her office and criticized my misbehavior. Then, she talked to my parent about my unrespectful behavior. In the US, I do not feel that way at all. I often give out my ideas in the class, and what I receive is appreciation and encouragement. (interview no. 41)

The state is very much feudalistic. The constitution is nothing but a piece of paper. The state has overwhelming power over individuals. To tell you the truth, sometimes I cannot tell the difference between the current state and other dynasties we had in the past. Now, we still have an emperor like leader of the state. The state is controlled by a huge state bureaucracy. It is still very repressive to individuals. We as individuals do not have any obvious rights. Your boss, your parents, your teachers are all of your gods. You just listen to them. (interview no. 50)

While I was working in China, I had a friend who was married. We all know it was not a happy marriage at all. He had little in common with his wife. He wanted a divorce and could not. All of the traditional forces -- his families, his wife, friends, and public opinion -- made him stuck with his wife. However, he developed an intimate relationship with one of the nurses in the hospital. When his wife found out, she went to the hospital to ask for help from the leaders. The leaders believed that he was absolutely immoral and phoned the Public Security Bureau. This poor guy ended up in prison. Finally, when he got out, he divorced his wife, and married happily with the nurse. (interview no. 50)

All of the things said and structures established may show that we are the masters of the country. We are absolutely not. The People's Congress in the country does not represent real people but rather the leaders themselves. Look how they are elected as our representatives: They are hand picked by the leaders just as the representatives in the worker's congress, and go through a formality to let us elect them. If they are not elected, they would redo the process again. People like me do not care about this anymore. Whoever the leader or a representative, it is none of my business anymore. You want him? Fine, I will elect him. (interview no. 52)

Power distance has important implications for participation in decision making. However, it seems that my informants have had some difficulties in dealing with participation in decision-making in the USA.

In China, these people were taught not to be concerned about matters beyond their tasks. Thus, it may be difficult for them to get used to the American way of managing. When talking about participation in decision making, several informants shared their confusion about the American way of doing such things.

I think that the American way of decision making is interesting. People like me are asked sit on several teams or committees. I can understand that when technical designs are concerned, I may be able to make some contributions. But for those matters such as budget and plans which are obviously the concerns of the management, people like me should not be part of it. When I was sitting there listening to these issues, I did not have anything to say. (interview no. 53)

Another difficulty some of my informants had is the lack of clarity from the bosses. In the high power distance society, they were used to clear task assignment and getting explicit instructions from their superiors. Now, they are in a country which has different concepts and ways of management.

Working here in the USA is very different from working in China. In China, you will get detailed instructions for your tasks. Here in the USA, your boss does not want to do that. At the beginning of my job, my boss told me to develop a simulation model for parts of electrical circuits in our workstation. He did not tell me how to do that and what kind of simulation tools he wanted me to use. I was literally stunned and worried. Such a task assignment leaves no criteria to judge its outcomes. Since I was not sure about which way to go, I ended up with exploring several ways of doing that, and he seemed to be very happy about it. (interview no. 53)

Summary

A cross-cultural perspective is applied to account for culture and behavior in this chapter. Both the Western culture and the Eastern culture are discussed in relation to each other, so that knowledge

obtained at the level of the Eastern conversation and the Western conversation can be transcended or subsumed.

Particularly in this effort, five pattern variables or universal dimensions -- self or collectivistic, particularistic or universalistic, ascriptive or achievement, affectivity or neutrality, and power distance -- are utilized to relate the two cultures, which is summarized in the following figure.

Cultural patterns or universal dimensions	The Eastern culture	The Western culture
self or collectivistic	collectivistic	self
particularistic or universalistic	particularistic	universal
ascriptive or achievement	ascriptive	achievement
affectivity or neutrality	affectivity	neutrality
power distance	high	low

Figure 9. Comparisons between the Eastern culture and the Western culture

CHAPTER SIX

IN SEARCH OF MEANINGS AND STRATEGIES FOR CROSS-CULTURAL TRANSFER OF ORGANIZATIONAL PRACTICES I: PROBLEMS AND REFORMS AT JIAGONG

Introduction

In Chapter Four, understandings pertaining to the peculiar features of the Chinese culture were discussed. Chapter Five, then, attempted to go beyond such an understanding by locating the Chinese culture and behavior in the cross-cultural context.

The cross-cultural perspective is continued in the present chapter. Based on the understandings achieved in the previous chapters, this chapter will bring us into the concrete realities -- the cultural interplays -- at *Jiagong*. In the first section, the direct clashes between the Eastern culture and the Western culture is illustrated. Then, various perspectives on organizational problems and reforms will be examined, as the imported organizational practices are implemented at *Jiagong*. As argued earlier, it is important to know how organizational groups construct realities of their own and the reality they all share together. Further, the discussion on various problems and reforms at *Jiagong* will center around cultural interplays. Furthermore, a short discussion on using the Western organizational theories to diagnose the organizational problems was made.

Direct Clashes between Tradition and New Practices

When the Western organizational practices are implemented in the Chinese situation, cultural clashes are expected, due to the significant cultural differences between the East and the West. The following case is an ideal illustration of such cultural interplays.

The case of the fax machine

During my first visit in April, 1992, Mr. Gai and I were having a conversation about how we could maintain communication between us after I went back to the USA. He mentioned that they had just acquired a Japanese-made fax machine. He also mentioned that it was kind of difficult to use it, because it did not work automatically. Each time somebody wanted to send a fax, she had to first phone somebody in the office to turn it on. Then she had to dial again to send a fax. Obviously the twelve- hour time difference between the USA and China made such communication more difficult.

However, I was puzzled by the lack of automatic function of the fax machine. Then, I asked why the machine could not receive a fax automatically. He said it could not and they had to arrange three employees to stay with the machine day and night. After listening to him, I was more puzzled. Then I explained what I believed, and asked him whether we could take a look at this strange machine.

At around 9 o'clock that night, we went to the place. Mr. Zhang was on the shift and warmly welcomed us. We explained why we were here and wanted to take a look at the machine. It was a high quality Sharp machine. I took a look at the manuals which were printed in three languages -- English, Japanese, and Chinese. In it, it was clearly stated

that this machine could send and receive faxes automatically, just as any other fax machine. Unbashfully, I showed them how to do this and asked them to call somebody to send a fax for a trial. I noticed a sign of reluctance on Mr. Zhang's part. I guessed that he was embarrassed by this. Nevertheless, he did that, and of course it worked. Mr. Gai and I were very happy, because now we had one more modern way to communicate with each other. Mr. Gai was thrilled. He told me that this would be treated as an innovative idea for organizational efficiency. I could get a reward from *Jiagong*, because such an idea could save money since the three people used everyday to work here would not be needed.

When I came back from the first trip, I did try to send a fax to them, but it was not successful. I thought it was due to the phone line problems in China. During my second visit I asked Mr. Gai about this, and he said that it was not the phone line problem, and he changed subject to something else. I began to be more interested, and then I asked again. He said:

Little Tang, I am sure that you do not understand. When you stay here longer, maybe you will. Everything is more complex than you can imagine in this enterprise. (interview no. 8)

It was helpful. But it was not an answer to my question. Having noticed his reluctant behavior associated with his suggestive comment, I became more curious about this. In order not to put him in an awkward position, I decided to find out more about this by myself. So, one day, I called Mr. Zhang up and asked him if I could buy him lunch. He was glad to hear me again, and we had a lunch together in a nearby restaurant.

After a long conversation with him about his views about the enterprise, I began to probe about the fax machine case. This was the following conversation:

"Why didn't the machine work the way I showed you last time?" I asked.

"My job is to take care of the machine, and I have to do whatever I am told to do."

"Who tells you what to do?"

"My boss."

"Does he also tell you how to do it?"

"Yes."

"Did you tell him that the fax can send and receive faxes automatically?"

"Yes, I actually mentioned the whole matter to him."

"What did he say? Wasn't he glad to hear this?"

"As a matter of fact, no. He actually reprimanded me for letting you enter the fax machine room."

I was shocked to hear this. I was actually expecting a yes.

"I am so sorry to know that you got into trouble because of us. But, did he tell you not to change the way it works?"

"No, I even did not dare to ask him that. I just stuck to the old way of doing things, which seems to keep him happy. Besides, to turn the fax machine off must be good in terms of prolonging its life. Your way of doing it can be dangerous. It may cause fires and burn the machine."

Zhang's explanation about not using the way I proposed did not make much sense to me. However, I found the way of his boss's dealing with this matter intriguing. So, I decided to talk to him. Mr. Gai helped me arrange an interview session with him.

Mr. Bing Wang, 45 years old, had been working with WH for 12 years. He had held various positions starting as a worker. During a long conversation, I asked about his perspective on innovation, he said:

"Innovation itself is not the end. We have to ask ourselves about the purpose of any innovation. Whatever we do, we have to evaluate its consequences, *i.e.*, its impact on our goals."

"What are your goals?"

"My own goals in the office are varied. I have to keep my bosses satisfied. As important as the first goal, I have to keep workers in the office satisfied. These two major goals are not necessarily complementary. I sometimes find them in conflict. For instance, I am right now torn by the pressure from the top to cut the budget and the pressure from the below to improve the workers' welfare."

"Do you think that your own goals are consistent with the organizational goals?"

"That I do not know any more. Sometimes, I wonder about this a lot. This is a very important question to study. In the old days, we were doing very well, and improving workers' welfare was one of our top priorities. These days, the whole enterprise is in a mess. It seems to me that there exists a lot of pressure to improve economic efficiency."

"Are you saying that there might be a shift in institutional priorities?"

"That is what I wonder. Nobody makes it clear. On the one hand, they will say that we will continue our traditional values. On the other hand, peoples benefits are being cut. . . . I am scared, too. Now there is a new initiative to cut the administrative staff by almost half. My people are directly affected. Some of these people have been following me for many years. I know them well. I know their families well. And I know they are hurting by inflation and more lower living standards. In recent years, my top priority has been protecting my people in every possible way. In order to do that, I have to fight for maintaining if not increasing my budget. That is the key. If my budget is cut by half, I have no way to take care of them."

"How do you do that?"

"For example, I have to justify that I need three people to stay with the new, fancy fax machine 24 hours a day. It is not only us who do things like this. Many other organizations in the city do this, also. If we take the initiative to change this, who knows how many people will be affected by this idea! Besides, if something goes wrong, who can afford to take this responsibility?"

In this case, the Western approach to innovation is in conflict with traditional values. In the West, organizational efficiency is of paramount importance, and innovation is the key to lead to organizational

efficiency. In this case, however, the traditional values of stability, collectivity, and harmony are incompatible with the Western approach to innovation.

Major Managerial Problems and Interpretations of the Roots of the Problems

The Government's Perspective

Since the enterprise reform is significantly influenced by the government, it is necessary to know the government's perspective about the problems existing in the enterprises. Because I was unable to have access to the governmental organizations which supervise *Jiagong*, their perspective was not obtained. However, from the printed documents and my interactions with the researchers and the think tanks of the provincial government and the central government, I have grasped some important ideas about the government's perspective about the problems in the enterprises.

During conversations, it was clear to me that the main concern of the government was how to stimulate industrial growth. In conversing with advisors and researchers from the national and provincial governments, a paradox was indicated. The aim for the transformation from the plan economy to a socialist market economy is clearly to invigorate national economy. However, the frustration was that the dramatic measures taken in recent years had not received very positive results from the state enterprises. The situation was perceived getting worse than before. Most state enterprises continue to lose money.

The lowering economic performance in the state industries in China was pervasive. In the province I visited for example, in the first quarter of

1992, two-thirds of the state industries continued to lose money, and signs for the rest of the state industries were not good either.

A major problem observed by the government is that in the past it had too much control over enterprises. Under many governmental constraints, the enterprise could not act as a whole organization responsible for its own performance. As a result, the government made some important decisions to change the situation. These decisions include providing more power and responsibility to the enterprise and changing the traditional plan system to a new socialist market system described later.

During the discussions with the people in the government, several other problems surfaced. One was that some of the governmental organizations did not want to decentralize their power to the enterprises. They used every reason they could find to control the enterprises, as indicated in the following case reported by Chen and Feng (1993).

The case of wall repairing

A painting product company in Lanzhou had a garage which had not been well maintained. In March, 1992, the company spent about 6000 *yuan* to have the walls repaired. Such a behavior is consistent with the current policies.

However, one year later, when a representative from the District Bureau of Land came to visit and found that the walls were repaired without permission from the bureau, he attempted to fine the company 22500 *yuan* because the company violated a policy made in 1987. The company leaders had to talk to the bureau about this problem, and ended up being fined 2000 *yuan*.

A reason pointed out by the people from the government was that the enterprises did not have adequate leadership and personnel in working with a market environment. As one person commented:

Our enterprises are used to the plan mode of production, and people are trained that way. In my opinion, they do not have the capacities to work in a market environment yet. . . The major reason is that they do not have adequate personnel to make the shift from the planning mode to the market mode.
(interview no. 63)

Another reason for this pointed out and agreed upon by many was that the enterprise did not have enough courage and motivation to make such a shift. As another person said:

My experience with the industries is that the enterprise leadership is not motivated to make such a shift. The current system is not as complete as to make the enterprises fully responsible for their businesses. . . Such a shift is not easy for them, and it would cause some other problems. They would rather rely upon the government than responsible for everything they do.
(interview no. 61)

The Management's Perspective

My first effort was to listen to the managers' talking about the acute problems they are facing, as a way of gaining their perspective. In talking with several major enterprise leaders, it seems that an ambiguity of the problems exists. In an interview, when I asked the enterprise director what he saw the root of the problem was, he was silent for a moment, and said:

Put this way, I don't know. However, to be honest with you, I know that everything seems to be falling apart at the present time. Since I took the job two years ago, I have been working very hard to take care of the whole company and employees' benefits. We were doing very well in the past. But today, the picture is very different. I found the whole thing is overwhelming. People begin to complain a lot. My reputation is on the line. . . . (interview no. 6)

One of the reasons for such confusion was clearly identified as that the degree and the extent of the problems are overwhelming to them. In recent years, the company has been increasingly faced with many serious problems. Apparently, the problems snow ball, causing great concerns for the management and employees. Paradoxically, as the enterprise progresses towards being responsible for its own profits and losses, its economic performance decreases year by year. In the past two years, economic performances has greatly declined. In 1992, it was predicted that most plants would lose money. The WM plant alone would lose eight million *yuan*.

Another problem -- the human problem -- was also indicated by most managers. This problem refers to the lowering of spirits for work among workers. The worker's absentee rate has been high, the quality of work has been also declining. In the WM plant, the current product-to-material ratio is around 35, compared to an average of 50 in the early 80's.

Some of the problems described above were confirmed by an observation I made.

An observation

One afternoon, I found myself dressed up in a worker's uniform at the WM workshop with one of my informants Mr. Wang. The environment in the workshop was somewhat unbearable. All equipment were running, whether they were being used or not. As a matter of fact, about half of the equipments were not used but running. The whole place is very much noisy. However, the noises did not seem to stop the workers from working and clowning around with each other. They seemed to be having

lots of fun. I asked Mr. Wang why they did not stop machines while they took a break. He said that they were supposed to work and it was not a break.

At the other side of the workshop, there was another group of workers carrying lumber from one place to another. The shift leader was running around literally yelling here and there. I could not hear what was being said, but it was obvious that he was forcing these people to do it faster. Most of the workers are young and seemed exhausted: They carried a minimum load and walked very slowly. When we walked by, a worker threw his load onto a junk pile and quickly buried the load with wastes, while mumbling: "what a hell!"

Such a problem caught a lot of attention from the enterprise management. A consensus among the senior managers was that the old style motivation -- ideological work -- no longer worked now.

In these days, ideological work does not excite people. I believe that all of us know that it is a pure formality now. The reason for it to exist is because the Party is still existent in the enterprise, and they have to make sure people follow the Party's guidelines. If the Party organization were gone, such an emphasis on ideological work would not exist. (interview no. 4)

They perceived that the change of values among workers hurt the enterprise too much. In an enterprise meeting with about 1000 in the audience, I observed the enterprise director openly criticized the "misconduct" of some workers. He advocated that "the value to work and make contribution to society should not be lost in the time of change. Such a value is the foundation of socialism we are after."

Several senior executives indicated that people's values were changed, and the traditional motivational system was no longer working. When

asked about his perspective on the human problem, the Party secretary commented:

It seems to me that the value of workers is changed even faster than the reform. On the one hand, I fully understand that the pressure on them is high, and they have some economic problems to deal with. On the other hand, I am amazed by their attitude towards work and the management. They complain too much and work too little. The old values such as collective consciousness and socialist spirit are no longer attractive to them. What they value most now is money. The state of the masses can be best described as "a plate of sand" now. (interview no. 7)

During conversations, the Party secretary commented:

"There is no doubt that ideological education is still one of the major motivational mechanisms. Its purpose is to make sure people are consistent with the Party's course on modernization and development for the country and to excite people's consciousness so that they love the country and the enterprise. However, I do not believe that ideological education alone can work any more."

"Why not?" I asked.

"In the old days, political redness meant a lot to people. By being red, people can have a good future, regardless of his or her technical competence. Nowadays, nobody values political redness much, and technical excellence is valued instead. Further, people are after more about values. . . I would say, among all of the problems we have now, the loss of spirit is the most difficult one. The spirit of the people in the enterprise today can be described as a pile of sand which has no forces among them. We used to have something called *ning ju li* (synergistic energy) among the people. . . People are more materialistic and selfish than they used to be. They are more after their own *shihui* (materialistic benefits). People, especially the young workers, no longer have the willingness to contribute, to work hard, and commit themselves to lofty goals. It is getting very bad."

"What has led to the value changes?" I further inquired.

"Many things. First of all, reforms in recent years have had some negative effects on people's lives. Some people's living standard actually went down. Their materialistic needs are high. Second, the whole country is more pragmatic than it used to be. Economic development is the top priority. There is not much emphasis on spiritual life any more. Third, enterprise reforms have actually reduced the Party's power position. The Party's role in the enterprise is changed from decision-making to

consulting and checking. You do not see many political activists any more." (interview no. 7)

During conversations with the managers, most indicated their frustrations in trying to motivate people to work with economic incentives. I was especially interested in how they tried to satisfy the workers' materialistic and selfish needs.

People are after nothing but money. Interestingly, the workers' stomach for money is like a bottomless cave. You can never keep them satisfied. We have meant to use salary and bonus increases to motivate people to work. However, my personal view is that such an attempt has backfired. Now, people consciously reduce their performance to wait for more money. If we do not provide much money for them, they will not work hard. (interview no. 15)

When asked how they tried to motivate workers to work in the past, various new systems were briefly described to me. The workers' behavior was described as unresponsive to the motivational mechanisms.

In recent years, we have witnessed the declining performance of our enterprise. The cost is rising, and the product quality is decreasing, which makes us lose money every year. Apart from some other reasons, I believe that workers are the problems. The absenteeism is very high, and even though they come, they will be lazy. (interview no. 18)

To motivate people to work, we have done as much as we can in our power. One thing is for sure: Our motivational system does not work. People are not responsive to such systems. We have tried to educate them the socialist ideals for many years. We have tried to improve the reward and punishment system many times. It seems that no matter what we do in our power, the performance of our workers is decreasing. (interview no. 3)

A specific case was described to support their perspective, as shown in the following case.

The case of unresponsive behavior

Since the early 80's, worker's real income declined and dissatisfaction for work was prevalent among workers. Since the enterprise had no power

to increase the worker's salaries, the enterprise managed to subsidize the worker's income in the form of bonuses. The bonus was distributed in an egalitarian way. That is to say, among recipients there was no significant differences between young workers and old workers, workers and cadres. Also performance was not tied to bonus compensation.

As the capacity to subsidize worker's income in the form of bonuses fluctuated, dissatisfaction among workers was again high. When bonuses were reduced, absenteeism was high and complaints among workers were prevalent.

In early 1992, to increase the incentives for work, *Jiagong* created a motivational package -- the responsibility system -- to experiment in the WM plant. Under this package, bonus was tied to the worker's performance which was measured in terms of quality, cost, and quantity. In the first quarter, production was significantly increased. However, the enterprise discovered that it had no money to pay for the bonuses. One of the reasons was that although production was high, most of the products were not sold. Instead, they were stocked in warehouses and open fields. Then, the management quickly modified the system in such a way that each individual's bonus was capped, and the difference between cadres' bonus and workers' bonuses was widened significantly. The worker's performance then was characterized as irresponsible to motivational mechanisms.

A workshop director said:

What I see is that we have a negative spiral here in our enterprise. A few years ago, we were doing relatively well, and the workers did get significant bonuses. Now, we are doing less well than before. The plant is losing money, and we do not have much money for bonuses. Then, the worker's feelings are hurt and they do not work hard, which in turn leads to more decreases in bonuses and even salary cuts. . . . I do not know how soon we can turn this negative

spiral into a positive one. One thing I do know is that if we cannot do that, we shall fail completely. (interview no. 9)

Realizing the limitations of the reward and punishment system, many other ways of improving performance were suggested during the conversations. The most significant one was to be tougher.

I personally believe that the reason for not working is our leverage is too small to move the big mountains. The power of the bonus system is too limited. Workers still feel that they can get away with almost everything, since we can not fire them. I think we should move towards wage cut and even firing them. We have to be tough enough for them to realize the severity of it. (interview no. 8)

Such a position appeared to be dominant among the management. In the WM plant, a responsibility system -- the Quality-Cost-Quantity-Piece-Rate (QCQPR) system -- which ties wages and performance together is being implemented. Under such a system, the plant or workshop is held responsible for controlling the quality and cost of the products, and rewards or punishment will be applied accordingly. For example, if the cost is more than the level agreed upon by both the enterprise and the plant, the plant will be responsible for compensating 10% of the extra cost. If the cost is smaller than the level agreed upon by the two parties, the plant will be rewarded 10 percent of the amount saved. If the quality does not meet criteria, the plant's wage budget will be cut 10 percent.

Another significant perspective is that one should be careful using bonus or any other economic incentive system to motivate workers. Several people, especially workshop directors, indicated that the reward-punishment system has been detrimental to work group cohesiveness and harmony. For example, there has been some "red eye" diseases which make people antagonistic against each other. Such a metaphor refers to the phenomenon that some workers are jealous of others' high performance and high incomes.

I have seen some negative effects of the piece rate system. Such a system drives everybody to work as selfish individuals. The old, family feelings about each other are gone. In the past, people helped each other technically and personally. Now, the "red disease" is prevalent here. You see people are accusing each other, and withhold their technical skills. I tell you, the loss of the collectivist spirit is just too great. Besides, I do not believe the piece rate system is actually improving people's performance. (interview no. 9)

I don't believe that our workers are lazy, selfish, or unresponsive to the motivational mechanisms. I think we just don't have the right system to motivate people to work. Several retired workers set up their own wood-processing plant, and they work day and night making huge amount of money. How can you say they are lazy? (interview no. 11)

We have to admit that we do not have a sound motivational mechanism yet, although we have had several of them. I have argued over and over that we should have a holistic package of motivational mechanisms to make this place work. But few have listened. What we have done to date is nothing but alienate people. It is very scary to know that people began to actually hate this place. For example, for a long time, many people have been dissatisfied by the separation of workers and cadres. The current mechanism aggravates this problem. The workshop managers now make much more money than workers. It is just unacceptable to the workers. (interview no. 8)

In the time of transition, the meaning of organizational effectiveness has been changed. A consensus among the managers I interviewed was that the enterprise was effective in the "good old days." It was a period that *Jiagong* as a whole was proud of. When people talked about this, they were sensational about it. In those days, *Jiagong* as an organization did very well, indeed. The enterprise was growing rapidly, and received various rewards from the government. *Jiagong* became one of the few first-class industries in the nation. Compared to the current situation, employees were better off in the past.

Under the traditional plan system, *Jiagong* functioned more as a branch organization of the government than a profit-driven company. The main objective was to meet the production target set by the government and maintain or improve the livelihood of the people at *Jiagong*.

Compared to the current situation, it was relatively simple to manage *Jiagong*. Everything was controlled by the government, and the government was responsible for planning production, expansion, and things like budgeting. We the managers had to meet the plan targets every year. *Jiagong* had the best production equipment and technical personnel to fulfill the governmental plans each year. *Jiagong* was doing quite well. (interview no. 6)

Many people suggested that the way *Jiagong* was effective in the past could no longer work with the current environment. As the government progressively reduces its production plans for enterprises, *Jiagong* has to rely increasingly upon itself to maintain its survival.

The changes in the environment require a revolutionary mode of organization which *Jiagong* does not have at this point. . . In the past, we just kept producing and expanding our enterprise, and did not have to worry about the market for our products. Nowadays, it is the exact opposite. We are controlled and punished by the market environment. (interview no. 8)

They told me that "the time has changed." Now, they are responsible for the economic performance of the enterprise. Yet, they have not learned how to work in a market environment. The following case illustrates such a problem.

The case of expansion and the punishment of the market

Until 1989, the WH plant had operated on twenty-two year' old equipment to produce industrial alcohol. In early 1989, the enterprise management decided to close down its production for technological

innovation. Since the Yeast Plant was operationally connected to the WH plant, the Yeast Plant was also closed.

At that time, it was not clear about when the new production line could be installed. In order to reduce overhead cost, the enterprise decided to merge the Yeast plant into the WH plant. It turned out that the workers and cadres were reassigned jobs in the WH plant. Most of the workers were reassigned jobs to repair old buildings and remove old equipment.

Under the assumption that new technology would bring better products to the organization and the pressure to open production again, the enterprise management went for a loan and bought a new production line from Russia. As the new equipment arrived and was installed, it was clear that it was economically in-feasible to produce any product. Tens of millions were spent, and for the first time, the enterprise had to close down the plant which left over 400 employees jobless.

When asked about the current meaning of effectiveness, most informants indicated that *Jiagong* has to become a "profit-driven" organization. In other words, profitability has to be the top priority.

It is clear to me that *Jiagong* has to transform itself into a profit oriented company. In other words, the company has to be run in the Western style -- everything else is driven by the pursuit of profit. Such a change is radical, because profit was not even a major concern of ours. (interview no. 9)

Apart from economic profitability, several other managers suggested that the satisfaction of organizational members was another top priority at *Jiagong*.

In my mind, the current criteria for effectiveness should be economic efficiency and the satisfaction of our people at *Jiagong*. The two are interrelated. If we don't do well economically, we can

not keep people satisfied. Conversely, if we can not keep them satisfied, we are unable to improve our economic performance either. (interview no. 5)

It was clear to the management that the mentality and the logic of organization had change, in order for them to be successful in the new market environment. However, it was pointed out by some informants that such a revolutionary change was extremely difficult to design and implement, as people's mentality was saturated with the old system. Especially, because such changes touch upon the issues of power and prestige, which are very difficult to deal with, as illustrated in the following case.

The case of lack of autonomy

The organization is structured in such a way that each individual plant does not have independent operation of its own. The major decisions are made at the enterprise level and the plant does not have control over its own resources, personnel, and finance. Such a design has caused some major problems for the plant.

One of the exemplary problems is the lack of cooperation between the WM plant and Supplies in the enterprise which leads to economic losses even before the materials are processed. In May 1992, the WM plant received 20 train loads of logs from several suppliers. Since there was no information about the type, quality, and quantity of the material, the plant had to record what was being unloaded. As soon as this is done, the WM plant sent this information to the Supplies. Then the logs were processed. Three weeks later, information about the material came to Supplies. When Supplies discovered that there existed great differences between the information supplied by the suppliers and the information

provided by the plant, it was already too late to do anything about it. The plant ended up with losses.

Further, a simple economic calculation concludes that most shipments lead to economic losses to the plant. Materials and sales are controlled by the Sales and Supplies at the enterprise level. Further, supplies and sales are calculated by volume rather than profits. Under such a system, materials are brought in by Supplies, and produced by the WM plant, and sold by Sales for the enterprise. None of the functions considers economical viability on the whole. Among 10 shipments in June 1992, it is predicted that only one shipping is economically profitable.

When the cry for changing the system was high, the enterprise decided to experiment first. As a result, in 1992 a Sales section was created within the plant. However, the old way of doing business continued. Both the enterprise Sales and the plant Sales are responsible for selling the plant's products. The new office at the plant level has only one-tenth of the sales plan of the enterprise office. Further, the operation of plant Sales is very much controlled by the old one at the enterprise. For example, the plant office does not have the right to organize shipping. As Mr. Gai, the head of the Sales at the plant puts it,

There is clearly a status difference between the two offices. We are literally the grandson of the old office. We have to listen to them in every possible way you can think of. Symbolically, we have control over something. In fact, we do not. (interview no. 17)

Mr. Liu, the current plant director, said:

Such an experiment is autonomy in disguise. It shows again that the enterprise does not want to lose their power over the plant. I believe that the traditional plan system should be responsible for this. When you ask around, I bet you will find that nobody claims the responsibility. Certainly, our plant is not responsible for this.

We have been doing whatever we can about the situation.
(interview no. 13)

During talks with the managers of Sales at the enterprise level, it was clear that they did not like the idea of creating a Sales office at the plant level. Mr. Wang, the head of the old office:

I personally do not see any advantage of creating a sales branch at the plant level. So far, I believe it has created some conflicts between the two offices. We are competing with each other in terms of prices, which leads to economic loss for the enterprise.
(interview no. 19)

My reading between the lines was that these people did not like such an experiment, because of something else. Such a suspicion was confirmed, when I asked about the idea of moving the whole office to the plant. Mr. Wang further commented:

I do not think it is necessary. The problem is not here. What leads to economic loss is the production process. The supply people in our offices are all for getting logs which are often wasted in the production process. The output-to-input ratio is at a historical low. Besides, our office is recognized as the enterprise office by our customers in the market. To tell you the truth, we do not want to touch this at all. Our major concern is to finish the plan of resource supply each year. It is our no. 1 job, and it is getting very tough. (interview no. 19)

Mr. Ji, one of the vice directors of the office, retiring, has a different view:

From an economic perspective, it is critical to do something about the system. We simply cannot go on like this. However, it is not easy to turn the situation around. The stumbling block is right here in this office. There is some prestige associated with this office at the enterprise level. People are not willing to go under the supervision of the plant, although they may get the same pay. In addition, people may not want to change the situation at all. Some people are actually profiting from this messy situation.
(interview no. 20)

The Employees' Perspective

During conversations with workers, most appeared to be dissatisfied. Several sources leading to dissatisfaction was talked about. The dissatisfaction with pay was prevalent. Most people indicated that their living standards were lower than before. Under financial pressure, some workers told me that they had got second jobs, and several others had been thinking about getting another job. Further, the way the enterprise was going made them fearful. Several years ago, the enterprise stopped trying to get jobs for the young who just got out of the high school. This caused considerable concerns for those who have children at home. Also, they were afraid that one day they may lose their jobs, although they have been working hard in the enterprise for a life time. As one person said:

I am becoming increasingly upset. No matter how hard I work, my family is struggling to make ends meet. I am also afraid that someday I will be out of work. (interview no. 23)

I have been working in this place for almost all my life time. I have been working very hard. I always thought that by working hard in the organization, my children and I would have a better life. Things are exactly opposite now. Our living standards is getting lower and lower. I have to retire next year, which means that I will get less benefits. I am very worried now. (interview no. 35)

It was clear to me that the employees had increasingly separated their own identity from the enterprise. They viewed that the enterprise was no longer a safe place that they could depend on. When talking about their relationship with the enterprise, one of the informants expressed with a sarcastic saying: "The enterprise is my home; just takes whatever I need." In this respect, many indicated that they missed the family atmosphere they used to have in the enterprise.

It was a place that people sought protection and in turn contributed. Now, things are very different. In my opinion, it is a place for people to compete for their own interests. I personally missed the old *Jiagong*. (interview no. 37)

I think the major problem the enterprise faces is the loss of trust and commitment of the workers. With the way it is going, we don't feel the kind of security we used to have here. Nowadays, we have to worry while we are working. Besides, it does not matter much whether you work hard or not. So, who cares about working hard? (interview no. 33)

Indeed, the poor motivational mechanism was identified as one of the problems. When talking to workers, most people did not even view ideological work as part of the motivational mechanism in the enterprise. The masses did not seem to appreciate the Party's protection of their interests and benefits, nor did they like the Party. During conversations with employees, most people were sarcastic about the ideology in general.

For many years, I unconsciously shut down my mind whenever the leaders talk about the importance of ideological work. Those slogans do not make any sense to me, and frankly I am getting very tired of it. If they want to continue this, it is fine with me. (interview no. 23)

I can not believe the ideological work will work at all. I do not think those people who are doing the work believe so, either. It is purely for show. I am a very practical person. Hence, pure talking does not mean anything to me. (interview no. 27)

Nobody is interested in the Party now. Times have indeed changed. Some people may still work closely with the Party. But I believe their interest is to make the Party a spring board for some opportunities. I don't think that they believe in the communist ideology anymore. (interview no. 25)

I am a communist member. I do not think there is anything that I am proud of. In the past, in order to get a promotion, you had to be a Party member. It is different, now. Instead, people may make fun of you, just because you are a communist. (interview no. 27)

Another major source of dissatisfaction indicated by many was the lack of humanness in the enterprise which had not received serious attention from the management.

Over time, I feel that I am disconnected with the enterprise. My work place used to be fun, and I looked forward to being here everyday. There was a sort of attachment. People helped each other in many ways. Now, people fight against each other for higher pay or bonuses. People even stab each other behind the scene. In our work team, two technicians used to be very good friends. Now, they treat each other as foes. It all started when the competition was heavily involved. It is very sad. I do not have that kind of feelings any more. I literally drag my body here everyday. To tell you the truth, if I am allowed to leave this place, I will quit tomorrow. (interview no. 29)

The workers' feeling towards the management can be described as antagonistic. Some workers expressed their concerns about the way they are treated, such as the benefit differentiation between workers and others. Some workers indicated they were being treated like animals rather than human beings. In their talking, there is always the difference between "they" and "we." When talking about this problem, emotion among employees runs high.

The management blames us for the poor performance of the plant. I think they should be held responsible. The whole place is filled with mismanagement. Look at the poor quality of the material we get. How can we produce high quality products out of this kind of junk? Also, we work hard to produce, and the products are kept in the open fields. If you cannot sell, why do we produce them in the first place? If this continues, I am sure that we will be closed sooner or later. (interview no. 33)

I don't like blaming. But I have nothing to say but blame. Our plant was doing quite well in the past. Then, the management wanted to transform our plant to produce alcohol. It was driven by expansion for fame. You see the whole enterprise had great prestige -- May-First Enterprise, First Class Industry of the country, and so on. What did we workers get from all of these? Nothing but to stay home with little pay! (interview no. 38)

Perspectives on Reform

There are three perspectives: government, enterprise management, and employees.

The Government's Perspective

Since early 1980's, the government has taken a pragmatic approach to modernization and economic development as the central task. A significant move along this line is to invigorate the state industries. This move includes two salient aspects which are relevant in this context. One of them is the establishment of a national market. This means that the commodities traditionally controlled by the plan system were to be gradually regulated by the market instead. By 1992, only about 10% of the commodities were regulated under the plan system and the rest of them by the market.

The other one is "to make the enterprises adapt to the market and become self-managing, economically self-responsible, self-developing, and self-restraining organizations."⁶ It encompasses differentiating the tasks between the Party and the administration, and between the administration and the enterprises. What is most relevant here is the empowering of industries. In 1984, ten rights were provided to enterprises. In 1992 more radical reform measures are taken, leaving the enterprises with the kind of powers they need to control the organizations.

A characteristic of the government's perspective on reform can be described as radical. The government has frequently called upon the masses to "reform boldly," and to not fear failure. As discussed in Chapter One, "the breaking three-iron movement" was an example of the government's radical approach.

⁶ See footnote 4.

The Management's Perspective

The management' perspective I gained from visiting several industrial organizations and the research at *Jiagong* can be described as paradoxical. On the one hand, the consensus seems to be that reforms are needed to deal with problems in the organizations. On the other hand, the reforms had not had significant effects. Further, they believe that the pace and the extent to which current reforms are undertaken are not necessarily good for the enterprise. Thus, the management's perspective can be labeled as conservative, in comparison with the radical approach taken by the government.

During a conversation, one of the enterprise directors commented:

What we have is nothing but a mess. In our organization, we are faced with numerous problems which come from the mismanagement of the past. . . Now, we have to change everything. But how? One, we still do not have enough autonomy to do business as a Western company has. Two, our equipment was out of date a long time ago, and the government will not grant loans to change the technologies. Third, I believe that we have to consolidate the reforms we had before, and we are not doing that. (interview no. 5)

During the discussions with the enterprise management at several organizations, many voiced the concern for harmony and stability. Facing the pressure for reform from the government, they do not have confidence that the general descriptions on reform will bring miracles to the benefit of the enterprise. In their views, the traditional values and practices are not necessarily bad either. Further, they are concerned about the unpredictable consequences as the reforms go on. What they do not need is more chaos because they have got enough already. The research at *Jiagong* shows that the concern for harmony and stability is prevalent. For them, over 400 workers out of jobs cause them great

concerns. What they fear most is seeing more people laid off in the future, as economic performance is still declining.

The enterprise management sees that the nature of the organization is not consistent with the current reform movement. The enterprise is viewed and organized as a community, which has multiple goals. Literally, the enterprise has taken care of their workers and their families and the community they live in. The whole city is in fact a company town. However, the current reform focus only on economic performances, and other goals are not even mentioned. One of the enterprise leaders said:

I want to use a metaphor to illustrate the problem. The company is like your family, and the reform is like forcing you to sell your children and some precious furniture passed down from your ancestors to make money. That is what we are facing today.
(interview no. 4)

Such a concern is related to the incompatibility of the new practices brought by the reforms and the social, cultural situation in the organization. Such a concern is consistent in all of the organizations I visited. Most voiced the concern that the current practices will bear unpredictable consequences to the already difficult situation. One of the enterprise directors said:

The situation is very complicated. Our enterprise has been entrenched socially, culturally, economically, and historically. It is easy for them (the government) to voice reform in a big way, when it comes to an organization like ours, everything is very difficult. To be honest with you, the decade's reform, including using so-called modern management techniques, does more harm than good to us. Our organization at this point is nothing but full of crisis.
(interview no. 13)

I believe that we need to reform, but not the way it is. Current reform is like not feeding a baby suddenly. What do you expect, if you do that? I mean the government is simply not caring! We used to get a lot of pressure to expand and produce. Now, we get a lot of pressure to cut production and reduce personnel. It is easy for

them to say, and it is tremendously difficult for us to do. What do you do with the workers if you sharply cut the production? Where do you send the over-staffed members if you fire them?
(interview no. 6)

Another major concern voiced is that more successful experiments for the Western organizational practices are needed to show how to go about integrating them into the Chinese organization. As one of the enterprise directors said:

We are literally forced to use the so-called modern management techniques in our enterprise. The way it is done concerns me a lot. We have streams of documents to follow. They are all descriptions, no live examples. Who knows how we can use the Western practices in the Chinese situation? To tell you the truth, I am concerned about what these foreign practices will do to my company. In my opinion, these practices are difficult to apply in our enterprise. (interview no. 6)

Although such concern exists, it seems that reforms roll on in the enterprise. When conversations about reforms were further conducted, it appears that there exist some differences in terms of ways of reforming *Jiagong*. The major differences center around how to redefine the relationship between the WM plant and the enterprise. The WM plant is the largest plant in the enterprise, and most enterprise leaders expressed that reforms there should be carefully designed and carried out.

One view is that the old-style relationship between the whole enterprise and the WH plant should be continued, while some more autonomy should be granted. Basically, this means that the traditional status quo is not changed, while some changes may happen. This position corresponds to the cry for harmony and stability perspective. In an interview with the enterprise director, he has this to say:

I am inclined to maintain the stability we have with the plant now. I am fully aware of the worsening situation there at the plant. However, I do not want to take any dramatic measures to reform it. If this one goes wrong, our whole enterprise will collapse. . . The

reason for me to think this way is that I am not sure too much autonomy for the plant is good for the whole enterprise as well as for the plant. Past experiences show that some of the reforms cost more to the plant than gains. Especially, at the plant level, the quality of management is considerably lower than that of the enterprise level. . . On the other hand, I can envision that they would do things like buying fancy cars which leads to alienation and instability to the enterprise." (interview no. 6)

However, not all of the senior leaders in the enterprise agree to such a position. In contrast, another position is that a revolutionary change should be done to save the plant. Traditional ways of doing business no longer work and a redefinition of the relationship between the enterprise and the plant is needed. As one vice-director voiced:

I think that we ought to go forward with delegating autonomy to the WM plant. They should have enough power to manage the plant as an economically-responsible organization. We should give them the power to establish their own financial account. . . I have seen that the status quo is not working at all. If we do not do something about it, sooner or later we have to close it. (interview no. 11)

Such a disagreement over the reform leads me to some other conversations with the plant level management. It is clear that the plant management favors the radical approach to change the relationship between the enterprise and the plant. Mr. Li, the Party secretary who is very familiar with the situation, has this to say:

I believe that it is high time that this enterprise be shaken up, and the old way of working has to be stopped. It is just wasteful and inefficient. Look at the overstocks we have had, and you will understand the situation better. I do not think it is stock anymore, because nobody wants it, no matter how low the price is. It is under the current system that these products are made. It is under the goal of production and expansion. . . I am fully aware of the problems which may be brought about by the reforms. However, it is the only way I see making difference in the long run. (interview no. 13)

The WM plant has a new plant director. Since he came here a few months ago, he has been dealing with all kinds of problems. He said:

I am fully amazed by the nature and depth of the problems. In terms of the relationship between the plant and the whole enterprise, the current one is absolutely ridiculous. The current situation is such that the more we produce, the more we are economically inefficient. In addition, workers are running out of patience. What is frustrating is that there is nothing that I can do about these problems. (interview no. 11)

The Employees' Perspective

During conversations with employees about reforms, most indicated that radical changes needed to be made, in order to change the situation. Especially, the traditional structure of the organization should be the one to change first. In a survey completed by the employees in the wood-making plant with respect to the lowering economic performance of the plant, 90 percent of the employees believed that the inadequate management system was the main cause of all of the problems, including raw material supplies, and they believed that the management should be held responsible for these problems.

Many also indicated that the current management was incapable of moving the enterprise forward in the market environment. One of the reasons indicated was the lack of entrepreneurship in the management. Several others indicated that even if they had the spirit of entrepreneurship, they still could not make this place work because of the current reward system. As an engineer said:

I believe they (the management) need to be reformed first. The mentality of theirs is too old to work in the new situation. Further, I do not believe they care much about the situation, since they are the beneficiaries of the reform. Many people believe that if the plant is leased to a good person, we can at least make it even instead of losing millions every year. (interview no. 38)

Such a perspective was reinforced by a retired worker who opened a small wood-making company nearby. I found him, while he was picking up the small pieces of wood from outside a workshop. He came here to buy these pieces at a very low price. He then reprocessed them into products. He told me that he had a good business and he hired several people besides his family members. He commented about the problem:

Among all of the problems I see that the worst is the lack of adequate management at *Jiagong*. Just look at how they manage the place, and you will know why. They get the wrong materials in with a high price; they process the material into products wanted by nobody; they throw away the materials for us to pick up to make a profit. The problem is that nobody cares about this place like the way I do with my little plant. (interview no. 39)

It was also clear that the employees did not like most of the direction of the new practices being implemented at *Jiagong*. They still viewed that the enterprise should be able to provide living necessities for employees and their families. The direction that *Jiagong* was heading -- transforming itself into a profit-driven, Western style company -- was scary to most informants. Such a direction to them meant losing security. Many expressed that they did not know what they would do, if they were laid off. Thus, they would prefer to stick to the traditional organizational practices they used to have.

I believe that the main problem is that we have not adapted to the market environment. It is not the old practices that have led to the problems. In the past, we worked hard and made this place a famous one. I believe that we can still do so, if we can sell our products to the market. We are hard-working people. (interview no. 27)

I personally have not seen any benefits for us in the new practices at *Jiagong*. The new practices have actually alienated many people. All of the conflicts and chaos are the consequences of these new practices. (interview no. 30)

Summary

This chapter presents several important issues pertaining to cultural interplay between the East and the West. The focus of this chapter is on the cultural interplays between three major groups -- the government, the management, and the employees -- in the context of cross-cultural transfer of organizational practices. It was an attempt to examine how these groups constructed their own realities, and how they shared a reality since they were the major players at *Jiagong*. To sum up the various perspectives on the problems and reforms at *Jiagong*, the following table was developed.

Areas of Focus	The government	The management	The employees
Disposition	To introduce modern organizational practices to stimulate industrial growth.	New changes should strengthen status quo and help maintain harmony and stability.	Need to reform the management structure and job security should be upheld.
Perceived problems	The plan system impedes economic efficiency and effectiveness .	The radical change in the environment and the changes of human values and beliefs leads to chaos.	Mismanagement leads to poor economic performance and alienation.
Action taken	To push enterprises to establish independent, self-responsible organizations to compete in the market environment.	To find ways to restore harmony and stability. Status quo.	Protesting by lowering performance, complaining, and even sabotage.
Consequences of actions taken	Decreased performance and increased frustration.	Resistance to change.	Increased barrier between the management and the employees.

Figure 10. A comparison between various perspectives on organizational problems and reforms

CHAPTER SEVEN

IN SEARCH OF MEANINGS AND STRATEGIES FOR CROSS-CULTURAL TRANSFER OF ORGANIZATIONAL PRACTICES II: CASES OF INTEGRATION

Introduction

In the previous chapter, the various perspectives on organizational problems and reforms associated with the new imported organizational practices at *Jiagong* were discussed. I discussed the specific problems emerging with the implementation of the new organizational practices, how the changes of values and beliefs impacted on the organizational practices, and how different groups of people constructed their organizational realities.

This chapter continues to deal with the interplays between the native culture and transferred organizational practices with the aim of achieving organizational effectiveness. However, the focus of this chapter is on the specific cases of integrating the Western style organizational practices with the Chinese culture. Specifically, the chapter emphasizes how the Western style organizational practices are assimilated, redefined, or reinterpreted to fit into the traditional culture and practices; how the traditional values and beliefs have to be modified to integrate with the new organizational practices; and how the two aspects have to be changed to make it work.

A Theme for Strategy Exploration

Transferring the Western style organizational practices to the Chinese culture is a complex task. The previous chapters have shown that Chinese culture is very different from Western culture, and that Western organizational practices are not entirely compatible with the Chinese culture. The preceding chapter further showed that during the processes of such transfers serious cultural clashes occurred.

As previously discussed, it is my belief that strategies for cultural transposition need to be developed. The Western style organizational practices associated with the Western culture and the Chinese culture need to be tuned to fit into each other in order to improve organizational performance. Based on this belief, I investigated some of the cases that integrate the Western organizational practices and the Chinese culture.

After analyzing such cases, a theme for strategy exploration is developed, and for the convenience of discussion such a theme is presented (see Figure 11). According to such a theoretical formulation, where there is a fit of the Chinese culture and the Western practices, the specific organizational practices can be transferred into the Chinese situation without changing cultural values and beliefs in a significant degree. If there is not a fit between them, several possible strategies exist. In some circumstances the specific Western style organizational practices may have to be transformed to fit into the Chinese culture. In other circumstances the specific Western style organizational practices and certain values and beliefs in the Chinese culture may have to be transformed to fit into each other.

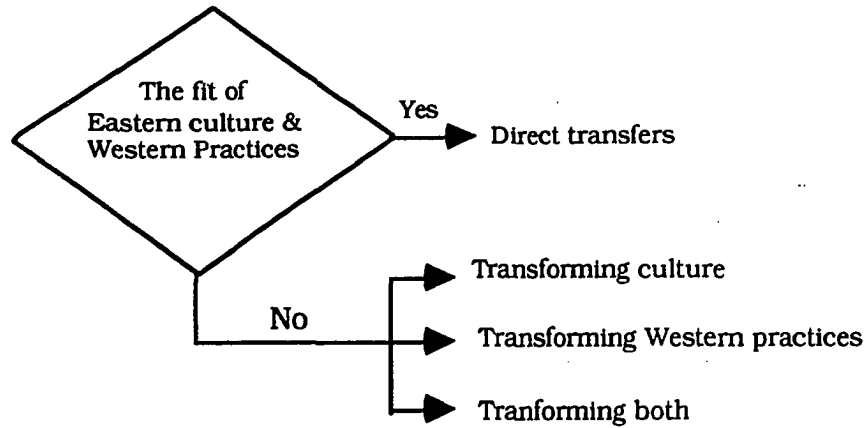


Figure 11. A theme for strategy development

In what follows, we shall examine how such strategies are utilized in the Chinese enterprises. Most of the cases come from *Jiagong*, although there are a few examples from some other enterprises.

Functional Values and Beliefs of the Transferred Practices: The Case of Information Technology

During discussions with my informants, it was clear to me that they most wanted "hard technologies" from the West. It was widely perceived that technologies were universal and the West was advanced in technologies. In 1984, *Jiagong* imported MDF -- a press wood technology -- production line from Sweden, and such a technology transfer was legendary at *Jiagong*. The quality of products was significantly increased, and many new products were developed. The MDF plant was one of the few profiting plants at *Jiagong*. Workers in that plant were also quite satisfied with the introduction of the new production line. None of the workers was laid off or transferred to another plant, due to this

technology transfer. Since their production was high, workers made more bonuses than they used to.

A more relevant example was the adoption of an information system in management at *Jiagong*. Prior to 1987, every piece of information was done manually, and the management was frustrated by the delay of information feedback about performance. In another enterprise where everything was still done manually, the enterprise director told me that he did not know the performance of the company until the end of the month.

In 1987, *Jiagong* purchased several computers (mainly 286 DOS machines). In the same year, two college graduates with computer science degrees were recruited. One year later, computer programs such as "Production Efficiency Report," "Product Cost Calculation," "Personnel Record and Index" were designed and implemented. In 1988, the computer center was established, which was an important step towards "systematized, programmed, and standardized management" (1988 Year Book, P. 43). In 1992, several plants purchased new computers, and new programs were implemented. One of the programs was designed to have a speedy comprehensive performance report to the senior management at *Jiagong*. The information feedback delay was shortened to a couple of days.

The effect of adopting computer technology in management is further illustrated in another case at *Lingong* company.

The Lingong Miracle

Lingong is a forest industry located in the same area with *Jiagong*. It has a massive log operation, with an average daily output volume of

5,000 cubic meters. One of the problems was the poor inventory management system, which led to a loss of millions every month, according to vice-director Hu. The major problem was that the amount of logs and the types of logs constituted overwhelming complexities to the management, and nobody knew the exact numbers of logs coming in, coming out, and in the inventories. Such a difficulty led to prevalent misconduct of some workers. According to Hu:

We knew that we did not have control over inventory. Consequently, some people took advantage of it and profited from it. We knew that incidence of "losing" logs was prevalent. Some customers would bribe our workers to actually steal our logs. Due to the nature of the situation, we could not solve the problem. In this way, we lost at least millions every month. (interview no. 61)

In August, 1990, a computer technologist, Mr. Yuan, came back to *Lingong* after two years' training at Canada. He suggested developing a computer inventory system to strengthen the management of resources. His idea was adopted. A half year later, the system was installed. I went and saw and played with the system. It was a primitive one. However, the categorization used, the speed of calculation, and the control of inputs and outputs on a daily basis led to a better control of the logs. Every log was numbered and the volume was calculated. Thus, they controlled their inventories on a daily basis. When these logs were shipped out, they immediately knew the cumulative amount shipped.

Such new practices led to effective control of inventories, leading to tremendous savings to *Lingong*. As a result, Mr. *yuan* was promoted to the director of the computer center, and was rewarded with 2,000 *yuan*.

The examples above show that new organizational processes were implemented along with the use of computers in management, which lead to successful results. If the old processes remain unchanged, the use

of computers would not produce any significant results. This was the case at *Gunlun* -- a real estate firm.

Gunlun spent millions on building a computer center in 1990. As soon as I walked into the center, I realized that it was a fancy center. The whole spacious room was well furnished and decorated, VAX II system, and ten other 286, 386, or 486 machines were installed. The computer technicians were dressed in white clothes. Some of them were learning typing, some of them were playing games, and some others were programming a table of some sort.

My friend, Mr. Hei, had been working with this organization for years. He informed me that such an investment caused a lot of heat recently, and the general manager was very frustrated. The general manager approved the computer center during a financially hard time at *Gunlun*. Several other senior managers disagreed with him about this investment. The major problem was that the computer center had not produced anything in almost two years, and the old practices remained at *Gunlun*. Further, the failure in this case Mr. Wang, the general manager, commented:

To tell you the truth. I personally approved the investment. I did so because I was informed that such machines would improve our effectiveness. It has been almost two years now, and I have begun to realize the power of these modern machines: I used to have 8 people making tables and charts for the management, and now we need 11 people who use the computers to make the same tables and charts. The difference is that I have to add three technical staffs to use keyboards instead of pencils and papers to produce the same thing!

Transforming Organizational Practices to Fit into the Culture: The Case of Firing

In this section, I shall describe how the Western style organizational practices, specifically the practice of firing, was transformed to fit into the cultural orientation in China. To better understand the context in which such practices were transformed, I shall briefly present the traditional practices at *Jiagong*, the Western style practice of firing, and the salient features of the new practices.

The Traditional Practices and its Institutional Framework

As described in Chapter 4, people usually have a *tie fan wan* ("iron rice bowl") -- a life-long security with the organization, as soon as he or she is hired at *Jiagong*. It means that a person could not be laid off due to whatever reasons. Such policies were derived from the collectivistic and emotionally affective orientations of the Chinese culture. Everyone belongs to a collectivity, and everybody has the right to food and other basic needs for living.

As discussed earlier, the enterprise is supposed to take care of not only their organizational members, but also the families of their organizational members. When their families graduate from school, and cannot find jobs themselves, the enterprise has to somehow fit them in. In the late 1970's, the enterprise adopted a policy that when a member retires, one of his or her family members could take his or her place. Usually, such new workers did not have adequate education and training, and they turned out to be low performance workers. In addition, the enterprise had to recruit graduates every year, since these technical workers are needed for production. In this way, the members of the organization kept growing in an alarming rate. In the 70's, on the

average 520 new members were brought into the organization each year. As a result, every department or workshop had more workers than needed.

We used to have 4 people in our office. Now, we have 11 people doing roughly the same amount of work. I know that my people spend time on reading novels, relaxing, and physical activities during their working hours. That is fine, because we do not have a lot for them to do. (interview no. 18).

As the economic performance has been declining at *Jiagong*, the overstaffing problem became a severe one. I was told that the administrative offices were over-staffed by almost two-thirds and the workers by about half.

The Firing Practice in the Western Context

In the West, especially the USA, organizational practices are based on emotional neutrality and individualism, as compared to the affective and collectivistic orientations of the Chinese culture. Firing practice is so pervasive that people in the West usually take it for granted. A fundamental difference is that the Western companies take people as cost, and the organizations are not responsible for the livelihood of the individuals. In contrast, China takes the ideological position that people are more important than anything else, and their work and pay must be guaranteed.

Thus, in the West, a company can literally lay off whole staffs during an economic down turn. Although unions have some power to negotiate with the management, the management usually has the upper hand.

The New Practices and its Institutional Forms

The practice of firing was not introduced until the decision was made to close down the hydrolysis plant. As explained earlier, this decision did

not come easily at all, because it was the first time in the company's history that people had to leave their jobs. There were about 400 people working in the plant. Before the final decision was made, the enterprise management had several meetings and widely consulted with the Party organizations and the unions.

A strategy was used to reframe the practice of firing because firing was unacceptable to workers as well as the management. Workers felt that they had the right to work and get paid. The management felt that these people should not be forced out of the job forever, and they promised to take them back as soon as they opened the plant again.

The reframing of such practices is manifested in several aspects. First, the management carefully reworded such layoff practice. The phrase -- *jie gu* or *kai chu* -- for firing was never used. Instead, the practice was reframed as "on vacation." During a conversation with one of the managers who was part of reformulating such practices, he commented:

Such reframing was necessary, mainly for psychological reasons. The Western concept of firing is simply too strong, and both the management and the workers would not accept it. For the management, putting people "on vacation" makes them look not as bad as firing. For the workers, they can also relatively accept this. If instead management said that workers were fired and that workers were given some stipend, workers would rebel. I bet they will rebel against you. Using the reframing "on vacation," you can make them stay out of the organization as long as necessary without lots of trouble. (interview no. 8)

Those workers who were sent off "on vacation" received 70 percent of their salaries. Further, workers were promised to get their jobs back, as soon as the plant was reopened. For the enterprise, 70 percent of the salary was only a small trouble, since *Jiagong* did not have to cover other benefits such as bonus and health care. During the conversations, it was

clear that the management redefined the practice of firing and took advantage of it for their ends:

The 70 percent of their basic salary is a small trouble compared to something like a strike. The promise of hiring them back is also an empty one. In the meantime, some people will reach the age for retirement, and some others will actively search a new job. I believe this is indeed a good strategy to reduce the burden to the company. (interview no. 13)

Although it turned out to be for a relatively smooth transition, this was not easy for most of the managers, especially for Mr. Ding who was elected a year ago as an enterprise manager. It was the first serious problem he came across as the enterprise director. At the end of my first research trip, he asked me if I could help them explore collaborations with the Western companies to save the plant. In a conversation I had with him:

I felt at that time, my heart was bleeding. I had no choice but to accept the suggestion to close the plant down temporarily. I felt very sorry for those workers. . . I still feel a great pressure to get these people back to their work. In a sense, I suffer more than they do. (interview no. 6)

Not all of the people were laid off. Mr. Jiang, the plant director, and a few other engineers were redeployed to explore new product development.

Mr. Jiang:

I wished I still had those workers at that time. I felt terrible. Some of those are the people whom I have known for over twenty years. But there is nothing we can do now. I often go to see them, and some of them often come to ask us when they can come back to work. (interview no. 17)

The brother of Mr. Gai was one of the workers in the plant. He was in his late 30's, and was searching for a new job. When we were talking about this, he said:

When the decision came, most employees were shocked. I knew they had to do something, but not even close to this. To most of us, this was not our problems. We worked hard and deserved better

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Since the beginning of 1992, about 60 people have voluntarily left the company, and almost everyone of them kept their rights to come back to work. Mr. Zhang, one of the salespersons at *Jiagong* who left the company to set up his own trading firm for wood products, commented:

I was very happy about the flexible policies at *Jiagong*. The amount of money I was getting is nothing, compared to what I am making now. . . I do not want to lose the option to work in the company. It is a backup position for me now. I somehow still feel that I am part of *Jiagong*. (interview no. 38)

Transforming Culture Case I: The Case of Structural Reform

In this section, a case of transforming cultural values and beliefs to fit into the Western organizational practices will be described. The similar pattern continues. Traditional practices and institutional forms, the organizational practices in the Western context, and the new institutional forms and organizational practices will be discussed.

Traditional Practices and Institutional Forms

The organization is structured in such a way that each individual plant does not have independent operation of its own. The major decisions are made at the enterprise level and the plant does not have control over its own resources, personnel, and finance. Such a design has caused some major problems for the plant.

Before 1987, *Jianan* was just a branch of construction and installation. *Jianan* was under the leadership of the Construction Section of the enterprise. Its major functions and responsibilities were to construct buildings and install major equipments for all of the plants in the enterprise, according to the plan made by the Construction Section.

It was just like the other plants: The enterprise provided money to *Jianan* and *Jianan* made whatever the enterprise wanted.

A major problem was the lack of expenditure control. *Jianan* did not have to worry about the money they spent on buildings and other constructions. Since *Jianan* did not operate as an economic center, *Jianan's* spending grew at an alarming rate. Further, when there was no work to be done, *Jianan's* 1500 personnel stayed idle.

Another major problem was that worker satisfaction was poor. The general manager:

Before the reform, the organization was structured such that nobody cared about the company. Our management did not have enough autonomy to be responsible for our operations. We were nothing but a *zhu* of the enterprise. Worker's absenteeism was high.

The Organizational Practices in the Western Context

In the West, a branch company usually functions as an economically independent organization or a profit center. A branch company will have adequate rights and responsibilities for its own operation. For example, matters pertaining to personnel, material, and finance are decided at the branch company level.

Such a structural relationship is based on the value of local autonomy and independence, which is essential for improving organizational performance.

New Practices and its Institutional Forms

To improve economic performance, on February 7, 1987, the enterprise decided to merge the administrative function -- the Construction Section -- with *Jianan*. In early 1988, the enterprise installed a profit contract system to make *Jianan* accountable for construction responsibilities.

This contract system has some new and important features. First, *Jianan* would act much like a contractor in the West: *Jianan* negotiated any construction contract the enterprise had. The enterprise would no longer subsidize any construction project when money was short. If *Jianan* did not realize the contract or if it lost money, up to one-third of the worker's salary would be reduced by the enterprise. Second, *Jianan* had complete control over the profits from any construction project. Third, *Jianan* further sub-contracted projects with the required construction teams. Fourth, *Jianan* had the freedom to contract projects outside of the enterprise and to keep up to 80 percent of the profits.

Since this system was introduced, the economic performance of *Jianan* has increased dramatically. In 1991, *Jianan* showed more than 3 million *yuan* profits, and the quality of the construction projects met every single criterion.

The spirit in *Jianan* appeared very high. The management was highly motivated to make more contracts in the market, apart from the projects within the enterprise. Mr. Zhang, the general manager of *Jianan*, had this to say:

Since the new system was introduced, I dare say that an all-around success was achieved. The company's economic performance was significantly improved, worker's satisfaction and working spirit are high. (interview no. 11)

Ding said:

This is a success we are all proud of. Since the reform, the enterprise has saved millions and the quality of services from *Jianan* is much improved. . . It proves that when people's creativity and initiatives are in command, we will make it work. (interview no. 6)

However, the workers' perspective is somewhat different. Although their economic benefits were improved, compared to the previous

situations, their dissatisfaction seemed to be still high. The reason was that such a reform led to increased status differences between the managers and the workers. The managers' incomes was significantly improved, compared to what workers were getting. Several workers expressed that they were exploited by the management. One worker explained:

I am very angry about the way those managers treat us. They are the ones getting big money now and big power. Our fates are in their controls, and they treat us like animals. My boss sometimes even screams at us. I can not bear that. (interview no. 21)

The current motivational mechanisms lead to higher salaries and more bonuses to those who are not producing. These people are the staffs, managers, and technicians. They work in clean offices and read newspapers, and they get big money. For example, our team leader gets about 120 to 200 *yuan* for bonuses, 6 to 10 times higher than mine. Don't you think it is exploitation? I think it ought to be reversed. (interview no. 24)

Transforming Culture Case II: The Case of Salary Promotion

Traditional Practices and Institutional Forms

Salary as a form of motivation in traditional practices was already discussed in earlier chapters. Suffice to say here that in China people are judged and rewarded on the basis of seniority. Under the value of harmony and respect, people are encouraged to have a collectivistic behavior, when such opportunities come. In other words, personal aggressive pursuit is viewed as an inappropriate behavior to collectivistic ends. Also from earlier discussions, particularistic as well as ascriptive considerations count in the process of salary promotion or any other kinds of organizational activities. *Guanxi* and *mianzi* affect resource allocation in the didactic relationship between a resource allocator and a

resource petitioner. In addition, wage is distributed in a more egalitarian way.

The Western Practices and its Institutional Forms

The Western practices and its institutional forms were also discussed in Chapter Two and Five. Briefly, in contrast to the traditional practices in China, in the Western context achievement motivation is the dominant form of organizational practices. It is usual that pay is distributed by skills and contributions, as against the Chinese practice of pay-by-seniority. Personal aggressiveness and competition among members are encouraged, as against the Chinese value of harmony and collectivity. It is normal in the West that individuals will go and ask for a promotion, where in the East such behavior is laughable. Further, the Western promotion process can be viewed as a fair one. *Guanxi* and *mianzi* have little influence on the process.

The New Practices and its Institutional Forms

During my second visit to *Jiagong*, the management in the enterprise was busy deciding who should get raises. Such an opportunity came because *Jiagong* was promoted to be one of the first-class industries in the country.

In order to promote innovation and high performance at *Jiagong*, the management decided to apply "modern" practices of promotion, one based on skills and contributions. In a widely circulated document, it was emphasized that "the promotion process must be fair and people should be judged on their achievements rather than seniority."⁸ The

⁸ See the Principle for First-class Enterprise Promotion, 1992.

promotion was highly selective -- only 10 percent of the workforce had chances for promotion.

As usual, the Joint Committee of Salary Promotion (JCSP) at the enterprise distributed the number of candidates across the board on a percentage basis, and the administrative organs as well as the branch organizations were asked to submit their candidate(s) to the JCSP for evaluation.

The Office for Enterprise Reform was experiencing a difficulty. As there were only 7 people in the office, there could only be one candidate to be submitted for salary increase. According to the rules and regulations, only the best performer could be submitted. Mr. Fang, a computer technician had contributed significantly to the enterprise. He designed several computer software programs for practical applications at *Jiagong*, and published several articles in his fields. His contributions were unanimously recognized. So, in principle he should be the one for this promotion.

However, he voluntarily dropped such an opportunity, which was admired by many in the office. During a conversation with him, he commented:

I know that I should try to be promoted this time, according to the rules and regulations. But I decided not to go for it, because I am fully aware of the situation in the office. Other people need a promotion as much as I do. Besides, I got promoted last year.
(interview no. 22)

Although Mr. Gai appreciated Mr. Fang's move very much, this did not ease Mr. Gai's problem -- who to recommend for a raise. He was restless for several days, trying to figure out what to do next. Two other people wanted a promotion. One of them, Mr. Zhanshan Jia, who had been working in the enterprise for almost thirty years and would retire

next year. A promotion for Mr. Jia meant increased retirement benefits for him. He was very concerned about this promotion, he said:

I believe that these years, I have been underpaid. My families' living standard is getting lower and lower. . . I qualify for another promotion, which is the last chance for me in my thirty years' service here. I also believe that *Jiagong* had mistreated me in the past. I had several good opportunities to be promoted to a higher position, but I did not get it. I don't want to miss this opportunity. (interview no. 23).

One of the positions he missed was that of office director, now held by Mr. Gai. When this position was open, Mr. Jia was hoping to get it, since he had the longest experience among the candidates. Instead, Mr. Gai, who was much younger, got the job. Since then, Mr. Jia had a difficult relationship with Mr. Gai. Mr. Jia would often question Mr. Gai's authority, and often refused to accept task assignments from Mr. Gai. Mr. Gai would tolerate all of these, and wished that he could retire sooner. Mr. Gai would never force Mr. Jia to do anything he did not want to do. Mr. Gai commented:

What can I do with him? He is my father's age, and I am truly sorry for his not getting the job. He was a very good performer in the past. The way he behaves is because of his perception of the unfair treatment he has gotten from *Jiagong*. . . I often ignore him, because I do not want to upset him. Otherwise, it will be tougher to do my job. People may view me as narrow-minded, and not having the stomach for tolerance. (interview no. 8)

The other candidate, Mr. Jun Wang, had been working in the office for five years ever since he graduated from college. He was young and energetic, with high marks in almost every aspect of his performance evaluation. He said:

I have been working hard since I came here. I believe that my performance is second only to Mr. Fang. Since he does not go for it, I believe that I should be promoted. This opportunity is very important to me. I have not gotten any promotion, since I came here. It means not only more money which is needed by my family,

but also status and dignity associated with such a promotion.
(interview no. 25)

Mr. Gai was deeply troubled by this. In his mind, both of them deserved a promotion, and Mr. Gai was under tremendous pressure to choose one of them. Mr. Gai did not want to upset an old, respectable worker who had been so committed to his work. In the meantime, he felt that Mr. Wang also needed this opportunity for growth. In the past five years, he in fact out-performed Mr. Jia in almost every category of the performance evaluation. Obviously, what Mr. Gai faced was the clash between the traditional standards and the so-called modern standards. He felt that the two of them were both important. He commented:

I wish I could just follow the rules and regulations made by the JCSP and give Mr. Wang this opportunity. But that will violate my own principles, and people may say that I am inhuman. If I gave this opportunity to Mr. Jia, it violates the principles of this promotion. I would regret what I did later. It is too difficult.
(interview no. 8)

Then, Mr. Gai decided to take this case to the JCSP and hoped he could get another position for the office. The JCSP agreed that they would consider this situation, but he was told that the chance for both of them to get promoted was very small. A few days later, Mr. Gai received an answer from the JCSP. They would not give an extra promotion, but they would promote either of the two candidates.

This message indeed forced Mr. Gai into a corner. He could not do anything but try to figure out what to do next. He told me that the only way to go about it was to try his *guanxi* in the senior management. Usually since there were always some exceptional cases, the JCSP would reserve some limited resources. Mr. Gai then talked to several senior managers and asked for their help. After a few days, the JCSP told him that they would promote two of them.

An interesting phenomenon is that in this case the traditional organizational practices and the newly introduced Western organizational practices co-exist. Usually, in the process of introducing new innovations, the traditional practices will be displaced. To find out whether this was happening at *Jiagong*, I interviewed a member on the JCSP who said:

In my opinion, it (the new practice) has not been replacing the old one. In a sense, we had a value for better performance, although it was not as strong as the value for seniority, etc. Now, the new practice has been introduced, the consideration for seniors is still here. I do not expect the old practice is gone at all. For example, there are many people who are promoted and should not be, according to the regulations. I believe that the traditional values will hold in the future. (interview no. 18)

Transforming Culture and Practices Case I: The Case of Management by Participation

The Traditional Practices and Institutional Forms

In Chapter Four and Five I have presented the traditional patterns of authority and leadership. To summarize, the leaders have a strong mentality to lead, and the workers have a strong mentality to obey. Workers are here to work, not to think, and thinking is the leader's job.

However, in the history of *Jiagong*, there existed attempts to encourage workers to participate in management decision making. The system of "two participations" and the system of "three-in-one combinations" were implemented at *Jiagong* in the late 50's and early 60's. The system of "two participations" refers to management's participation in productive labor and worker's participation in management. "Three-in-one combinations" -- managers, technicians, and workers in the formulation and implementation of decisions affecting the

enterprise's operations. However, these participatory management practices did not continue.

It is important to note that during these periods of participatory management, not all of the workers were allowed to participate in management. The workers who had such opportunities were selected from the masses. Two criteria were set. One was that the workers must be "*hong*" -- following the communist ideology closely, and the other one was that the workers must be "*zhuan*" -- technically sound. At *Jiagong*, there were only about one-sixth of the workers who participated in these practices.

During conversations with several people at *Jiagong*, the main reason to discontinue such practices was that the management believed that it was chaotic and professional management was ignored. Several old workers had a different view, as one of them commented:

I felt it was a great time for us. There was little status differences between the management and the workers. The managers were with us most of the time and dressed like us and worked with us. We workers were invited to participate in most of the decision making processes. At one time, I was one of the workers to help decide whether to build the plant I am working in right now." (interview no. 35)

To reinforce the ideology that workers are the masters of the country, *Jiagong* was among one of the large enterprises to establish the worker's congress to participate in the management of the enterprise. During 1958-1961, the workers congress was an adjunct to the factory management committee who was running *Jiagong*. When the Party rose to manage the enterprise in the early 60's, the workers congress persisted, and was instituted under the leadership of the Party. However, in both periods, the congress' principle task was limited merely to

reviewing the performance and advancing criticism of the enterprise management.

During the period of cultural revolution (1966-1976), the worker congress was suspended, and the enterprise was controlled by the revolutionary committee. Until the early 80's, there was no formal mechanism for workers to participate in the management of *Jiagong*.

Management by Participation in the Western Culture and its Institutional Framework

In the Western society, participatory management is based on the Western ideology that everybody has a right to participate. Organizational leadership is drawn from a wide social base rather than from a few individuals. All members in an organization are allowed to participate in decision making. In other words, the participatory management practice is developed on the principle of universalistic orientation in the West. In contrast, participatory management in China is a practice limited to managers at various levels and a few employees that have a closer relationship with the management. In other words, such a practice in China is based on the particularistic orientation of the culture.

Management by participation in the West is used as a mechanism to promote equality among organizational members. Such a practice happens between the hierarchical relationships -- employees and managers. It is driven by the ideology that individuals need such opportunities to achieve the satisfaction of independence and self-actualization. In contrast, such a practice in traditional China is

designed mainly to conform to the communist ideology. The individuality of the employees is a secondary concern.

Management by participation in the West is also based on the instrumental ideology that such a practice is important to improve organizational efficiency. Thus, such a practice happens in circumstances of affective neutrality. In contrast, management by participation in China is mainly based on the emotionally affective orientation of the culture. It is used to promote the feelings of belonging and a sense of mastership of the country. In the literature, such practices are often blamed for low efficiency and chaos.

Hence, management by participation in China has a different meaning which is at odds with its meaning in the Western context. However, both share some superficial features. In both cases, employees are given opportunities to help formulate decisions which may or may not affect the whole of the organization. Regardless, the immediate benefit of the practice is the increasing commitment of the employees.

The New Practices and its Institutional Forms

An institutionalized form for democratic management -- the workers' congress -- was created in 1981 at *Jiagong* (see Figure 12). The workers' congress at the enterprise level is composed of over 400 worker representatives. In the enterprise, there exists two levels of workers' congresses -- the enterprise level and the plant level. The workers' congresses are mainly organized by the workers' union. The union organizes the workers congresses and their two annual conferences. The union then functions as a regular office to insure that the decisions made by the congresses are carried out. The creation of workers'

congresses at *Jiagong* was to guarantee the rights of workers to participate and to reinforce the ideology that workers are the masters of the country. Accordingly, the workers' congress at *Jiagong* is designed to function like a board of trustees in the West. It has the power to remove, validate, or elect the management in the enterprise.

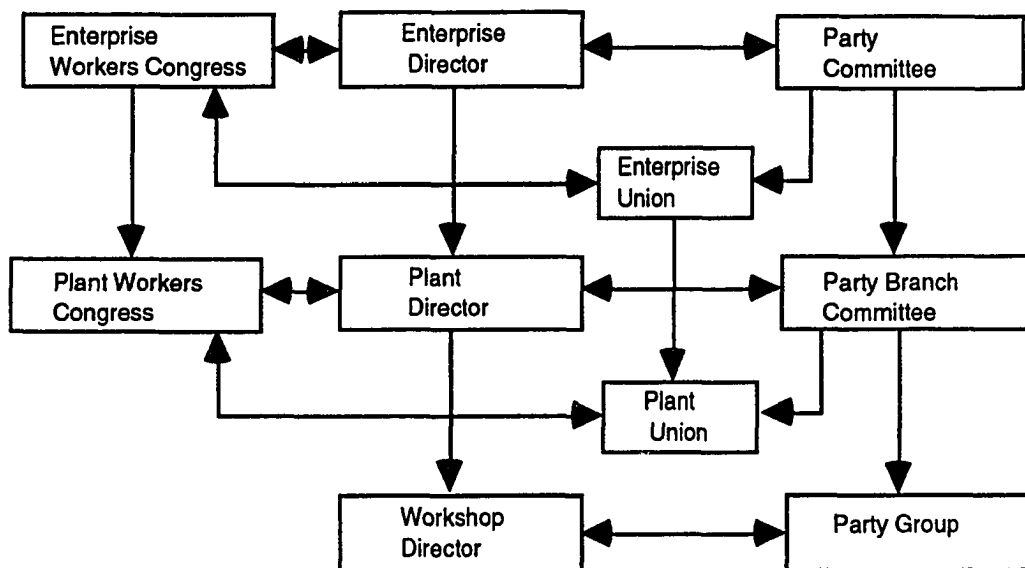


Figure 12. A structural demonstration of the Chinese system of management by participation

Thus, the management has to seek legitimacy of their roles and positions from the congress. In this way, worker participation has formal channels. The workers have these channels to voice their ideas for improvement, and also provide a mechanism for complaints which the management must then take seriously. In the last session of the congress in 1991, 89 proposals were put forward by the workers'

representatives. Most of them were about the existing problems ranging from administrative problems such as salary promotion to petty problems such as road lighting. Such proposals were taken seriously by the management, and most of them were solved half a year later. The principle was to attempt to solve the problems voiced by the workers in every possible way. For those which could not be solved for various reasons, the management would offer explanations to the workers' representatives who voiced such problems.

During conversations about participatory management with managers, most of them immediately talked about the function of the workers' congress. It was clear to me that such a formal channel for democratic management did have significant impacts on the management.

Mr. Shi, the Party secretary, commented:

I firmly believe that our democratic management has achieved a lot. On the one hand, such a system does put workers into power, and their wisdom can have some important impacts on the direction of the enterprise and its management. This helps increase worker satisfaction. On the other hand, the management also benefits a lot from the workers' participation in management. Each year, there are some important ideas coming from the workers' representatives, and most of them are adopted by the management. (interview no. 7)

Mr. Ding, the enterprise director, commented:

In general, I think this structure works well. It can get a lot of worker's inputs in the plans drafted by the management. The regular sessions also unfold with many ideas for improvement. We have to be very carefully in preparing our annual reports and new plans for the future. Officially, they have the right to criticize, change, and reject our plans. (interview no. 6)

In general, most workers were excited about this formal structure. To them, the creation of the workers congresses gave the workers potential for unprecedented powers. Lin Zhixiu, an old worker, said:

I have been here for over twenty years now. I experienced a lot. I think the current system is a major improvement, compared to any other system we have had in the past. We, the workers, actually elected the two enterprise directors in the past four years. I am not saying this is a perfect system, but it is indeed a major improvement. (interview no. 38)

Some workers felt that their voice was stronger, with the creation of the workers' congress at *Jiagong*. A workers' representative commented:

I begin to like such a system very much. Last year, I represented a major concern of the workers in our workshop to the management. I thought it would not be taken seriously. However, they listened and solved the problem two months later. I was very much impressed. It is the first time that I feel the workers do have some power in this place. (interview no. 25)

However, many also indicated that such a formal structure was only a formality for democratic management. One of the workers' representatives said:

In my view the workers congress is a show. It does not have the rights it says it has. Not many people take the congress seriously, because the congress is in many ways manipulated by the management and the Party. Workers do not believe the congress will help them much, and they are in general not serious about it. (interview no. 36)

Such allegations are manifested in the selection of workers' representatives. In this selection process, the management and the Party wanted to make sure that their favorite people were selected.

In my opinion, they are very smart. They do not want to have those people they do not like to be in the congress each year. I personally do not trust those people. They are either Party members or political activists or the favorites of the management at various levels. People like me will not give my ideas to them. (interview no. 33).

Since such allegations were pervasive among workers, I talked to some of the managers again about it. Surprisingly several of them acknowledged such problems, as one commented:

I think that they are right in this respect. Most of the representatives are heavily influenced by the ideology of the Party and the management. One of the principles is to select those representatives with good qualities. However, nobody defines the criteria for such a concept. As a result, the process of selecting workers representatives is influenced by the management. (interview no. 37)

During conversations with several worker representatives, it seemed that there existed a fear for real participation in management. Such fear came from the unchanged authoritarianism at *Jiagong*. It suggested that participation was not only a formality but also short-lived. People would not try to offend the management because it might lead to miseries later in real life. One of the worker's representatives described the situation during the sessions of the congress:

I do not feel that this system realizes the democratic rights a worker should have. In every session, the representatives tend to be not critical about the issues. In my opinion, there is a feeling of fear among the representatives. They fear that they will somehow be punished if they are too critical about the behavior of the management or the policies they attempt to pass through the congress. (interview no. 36)

Another worker's representative commented:

I would not be very critical about the management's perspective. I have to be careful about what I do during these sessions. Usually, I keep quiet and watch the situation carefully. I have not seen that anybody who is outspoken is actually appreciated at *Jiagong*. Surly the management will not like it. (interview no. 34).

The reason for fears was that the workers congress was not a voluntary, independent organization at *Jiagong*. It was organized by the Party and the union which was under the leadership of the Party. To confirm this fear, an administrator in the Trade Union office commented:

Among some people, the fear is real. The congress may look like an independent organization, but it is not. Our office is under the leadership of the Party committee, and the Party committee usually works very closely with the management on important policy issues. Thus, it is not unusual that in the congress sessions you

see representatives just raise their hands after calls by the management and the Party leaders. (interview no. 16)

Several Party workers and union leaders voiced their frustration about the lack of enthusiasm for participation, and the fear was further admitted. The union director said:

I believe that fear does exist, especially in the first few years when the system was instituted. I think the fear comes from our history, especially the chaotic period during and after the cultural revolution. However, I believe such fear disappears quickly. Each year, I sense the improvement of participation. . . My concern is how to encourage people to participate. In our enterprise, it seems there is a lack of enthusiasm for participation, compared to the West. I believe that structurally, we have a system better than the West in terms of empowering people. My understanding is that we have a system which does put workers in charge, and it is not so in the West. (Interview no. 18)

The system of workers congress was complemented by the *min zhu dui hua* -- democratic talks with the management. Each year, the management held regular forums with workers to listen to their concerns and *he li hua jian yi* -- innovative ideas and suggestions. Reportedly, in 1988, there existed 66 such forums. Out of 172 problems 159 of them were more or less solved. Among the 439 *he li hua jian yi*, 361 of them were implemented, resulting in extra income of 188,442 *yuan* and 77 innovations. In 1989, 1192 ideas for improvement were advanced, and 768 of them were adopted, and reportedly produced 260,000 *yuan*.

Another major part of the participatory management implemented at *Jiagong* was that many decision-making powers such as production plans, sales, and material handling were delegated to the lower level management. In order to boost production and push sales, the lower management was also rewarded by their performance. Consequently, the lower level management gained higher status than before. It was found out that such a reform was so pervasive that people believed that this

was the meaning of management by participation in the West. In a Westerner's perspective, this is delegation rather than participation.

When such a reform was introduced to me as a form of management by participation, I could not help asking whether they made a distinction between management by participation and delegation. One of the managers who helped engineer the plan responded:

"We believe that delegation is the true meaning of management by participation. Most of the powers were held by the higher management before. Now, the lower management can participate in the decision making by having real power. I think it is the way it should be."

"But, what are the roles of workers in management by participation?" I further asked.

"Oh, as you know, we are experimenting with the "*ban zhu min zhu guan li*" system at the work group level. Workers should have some powers for production control, and they are the right ones for it."

The *ban zhu min zhu guan li* system refers to democratic management at the work team level. In most of the work teams, there were *ba da yuan* -- eight managing members -- production planner, quality controller, equipment manager, material manager, safety manager, personnel manager, health and benefit manager, and budget manager. These *ba da yuan* managed most of the daily production activities in the workshop. These *ba da yuan* were usually recommended by workers and appointed by the workshop director. They were still under the leadership of the workshop management. However, most of the daily activities were delegated to the *ba da yuan* who were held responsible.

It seems that the scope of participation in these systems was rather limited. Most workers felt that their powers for voicing problems were stronger than before, with the implementation of such democratic management systems. However, the kind of pervasive management by

participation in the West was literally non-existent at *Jiagong*. Such practices in the West encourage employees to participate in their daily activities. In contrast, in the situation at *Jiagong* it seemed that workers were allowed to participate in the mechanisms outside of the traditional authoritarian system. The traditional leadership system was not fundamentally changed much by the new practices implemented.

Further, the Chinese form of participation actually increased the power of the lower management, which created some tension between the lower management and the workers. In the past, the lower managers in many respects were not much different from their subordinates. They were together as a group. The new reforms seemed to break this tradition.

When we were talking about the impact of these changes, a workshop director, Mr. Feng was referred to. He used to stay with the workers all day long, and dressed up as a worker. Now, he kept himself very cleanly dressed, and people told me that he even changed his way of walking.

During conversations, he said:

I have been very excited about the new reforms. Finally, we have got the kind of powers we need to make the place work. The company was structured in such a way that we could not participate. We acted like one of the workers, following the command from above. Now, I have got almost all of the power, and I want to make a difference. Otherwise, I can not face my superiors. (interview no. 18)

The workers certainly felt the changes. During conversations with them, they generally believed that the current reform had separated themselves from the lower management. One of the workers in Mr. Feng's workshop commented:

Just look at the way he is treating us. You will know we like it or not. He used to be a very nice person, and everyone of us liked him. Now, he behaves like a big boss: He pull his long face in front

of us all day, and he sometimes even screams at us. He is now just one of the those people. (interview no. 29)

During talks with the managers about how they implemented participatory management in their usual work, many managers indicated that the workers had formal channels to do things like that, and they did not intend to implement such practices in their daily work. One of the managers said:

I support their participation in management. But they have formal mechanisms to do that. In our office, there is little need for their participation. I have to be responsible for the decisions that I make. (interview no. 13)

I do not think it is appropriate to discuss decisions with your people, especially those who are affected by the outcome. Otherwise, it not only prolongs the process but also disrupts harmony among people. For example, last year, we had an opportunity to send a cadre from our office to join a training program. After thinking about it, I decided to talk to the people to see who was interested. For me, it did not matter who went. However, after I did that, several people were fighting to get this opportunity. The tension between them was so high that I perceived it would cause a bigger problem if it was not dealt with correctly. I decided not to send anybody, and I found an excuse to do that. (interview no. 11)

I know what you are up to when you ask this kind of question. I also have read ideas about participative management. But my experience is that it will not work well here. The company has some normal channels for workers to participate. That is the way they are supposed to do. In our section, I am the one who is held responsible. If something is wrong, I will be punished. I do not want anybody else to mess up my work. (interview no. 16)

I used to let anybody get involved in the decision-making process. But I found that the other leaders and some of my people did not like that. I was viewed as a bad leader. People saw me as indecisive or lacking leadership quality. (interview no. 12)

Not all leaders are against sharing the decision making process with their subordinates. One of the leaders interviewed shared his liberal approach to decision making:

We three together make decisions. However, I prefer to talk to the group about the matters involved just to see how they feel. I encourage them to talk about their opinions on the table. There are several advantages in doing that. First, I do not want them to gossip behind us. Second, it gives us a chance to see how they feel about the decision we want to make. This kind of meeting provides some feedback for us. Finally, this is a chance for them to participate." (interview no. 4)

During conversations, it did not appear that the way the leaders made decisions bothered employees. When asked what traits they like about a leader, many indicated their liking of strong, directive, and skillful leaders:

I like a leader who is clear and precise. I can not bear to work for a boss who is vague all the time. Otherwise, you tend to be blamed for the things which are not well done in his or her opinion, when you actually think you got it done precisely the way s/he wants. (interview no. 13)

I like a leader who is decisive. S/he can be wrong, but not indecisive. That is why I still think Mao Zhedong is a great leader. He never hesitated, even if human lives were involved. (interview no. 3)

I respect a leader who is experienced and skillful. If you have such a leader, you feel comfortable. I cannot stand it when I clearly know that my boss is stupid, and I have to follow his or her way of doing things. (interview no. 11)

I was surprised that people did not mention a thing about their opinions about participation in decision-making. When probed in this direction, most indicated that leaders were there making decisions, and they should not be part of it.

I do not understand why you ask this question. It is their job to make decisions. I do not care about how they make decisions. I only care about whether they are fair or not. (interview no. 25)

In this organization, it does not have room for that kind of thing. I learned this the hard way. I was a student leader when I was in school, and I got used to being part of any decision-making process. When I got here, I quite often talked about the likelihood of the decision being made by the leaders in this section. Then, I

found that people did not like my behavior. They thought that I was way off line. Well, I think that they are right. (interview no. 33)

One should obey your superiors. Your boss has the legitimate power to instruct you. Besides, if you do not obey, they will be upset, which lead to trouble for you down the road. (interview no. 35)

Ting hua is important for your life. It is also very important for others. You have to do the same in the USA, don't you? I bet that it is natural and universal. (interview no. 38)

Interestingly, when I talked to two people who worked under the manager who liked the participatory management, they had an interesting perspective. One of them had this to say:

I am ambivalent about his leadership style. On the one hand, I can see that he cares a lot. He is kind to everybody. Whenever there is a decision to be made, he would ask around for suggestions. . . On the other hand, I believe that he is not a strong leader. Because of his character, people take advantage of him. People often demand this and that, and he does not know how to respond. (interview no. 29)

When asked how they could provide their input into the decisions which affect their daily work and effectiveness, most people indicated their frustrations:

In front of your boss and other people, never talk about new ideas for business. As soon as you open your mouth, your boss will kill your idea, whether it is good or not. (interview no. 31)

Let me be clear. Your boss always likes the kind of people who listen well, follow orders well, and behave well. So, just follow whatever your boss says. You cannot go wrong. (interview no. 37)

However, when employees did have wonderful ideas, they tended to have their own ways of communicating such ideas.

You can not just talk about your wonderful ideas, and expect people to take those. People do not appreciate too much talking. If you keep talking, people think you are crazy. My experience is that the best way to provide your ideas is to try it first by yourself in your work. If it works well, then talk to peers and let them to try it also. If they believe it is a good idea, then they will use it. If it is

good for the work, when your boss finds out, he or she would appreciate it. (interview no. 36)

When I have ideas for improvement, I will not say it until I am absolutely sure about it. There are several reasons for it. First, if it is not a well-thought out idea and it is not useful, what you get from your boss and your co-workers is often discouragement. You may be perceived as somebody wanting to be more prominent than others. Second, if it is a potentially good idea and you say it, others may pick it up and develop it into a big idea. In this way, you are not recognized. (interview no. 38)

During my conversations with them, it seemed that the workshop management liked the *ba da yuan* system much. One of the points was that the responsibilities of the workers were clear and they could be held responsible. Mr. Fu, a workshop director commented:

Under such a system, it is a lot easier to manage the workshop. Prior to such a system, we had to run around to make sure everything was all right. We were doing the jobs mostly done by the *ba da yuan* now. . . Besides, workers enjoy such a system also. They feel empowered. (interview no. 18)

The feelings of the workers seemed to be divided. Many indicated that such a system increased their commitment to the work group and gave them a stronger sense of purpose. Although there was no extra pay, their satisfaction seemed to increase.

I like it a lot. I am a materials manager, and I am responsible for the organization of materials in our work group everyday. I used to be kicked around to do this and that. Now, I literally control the operation of the whole team. Don't you think it is different? (interview no. 38)

Several others argued that nothing was fundamentally changed. The power of the management was still significant, and they could come and intervene in the group process any time. The difference was that workers' responsibilities were more clearly defined, and some of the workers were decorated with a worthless "*yuan*."

Transforming Culture and Practices Case II: The Case of Team work

Traditional Practices and Institutional Forms

Team work exists throughout the history of *Jiagong*. In the wood-working workshop of the WM plant, four work teams were established. Since there were three shifts a day, there were 12 production teams. In each production team, there were first sawer, second sawers, and third sawer, which constitutes a whole production line. In each production team, there were about 50 workers.

Another characteristic of the production team was its lack of criteria for production efficiency. Each production team was over-staffed with lower level workers. In the whole plant, over 90 percent of the workers had only an elementary school education.

There was also a lack of motivational mechanisms to promote production and product quality. Most workers were under paid. Their salaries ranged from 62 to 110 *yuan*. The bonus system was capped. On the average, every worker could only get about 25 *yuan* every month which was not motivating to the workers. However, the production team leader could get five times the workers bonus. Among the five products, only the production of the lumber for automobile industry was tied to the bonus system. Every finished cubic meter of such products resulted in a two *yuan* bonus. The way of distributing bonuses was the egalitarian approach. The technicians had only a few *yuan* difference with the other non-technician workers. In some other instances, such differences did not exist.

During my first research trip, when the old team was still in existence, I had a talk with Mr. Chen, a team leader. He told me that the

most serious problem facing him now was the lack of motivation among workers. The absenteeism was very high. Even if they showed up, they were lazy, and not wanting to work. As we were talking, Mr. Chen pointed to the workers who were a bit far from where we were standing. They were sitting on piles of lumber, talking and playing, as if they were taking a break. He walked over to them, so they began to stand up, walking slowly, and doing something. Mr. Chen was yelling something, trying to speed up their walk.

The work group was hierarchically organized. The production team leader was the boss. The deputy team leaders' job was to assist the team leader. The next status was technician, and then manual worker. I asked what his job was, and Mr. Chen said:

I am responsible for the operation of the production team. I have to make sure that our target can be met every day. I make the major decisions for the production, and I see to it that they are carried out. (interview no. 10)

As discussed previously, at *Jiagong* participation in management was strongly discouraged. The company was permeated with an authoritarian management style.

Another problem was that there was not a *ning ju li* among group members. As mentioned earlier, *ning ju li* refers to group synthesis and cohesion. In a Chinese ingroup, everybody willingly contributes to the ingroup. Consequently an ingroup was viewed as more powerful than a collection of the same number of people. Many informants told me that they did not view their work groups as one of their ingroups. In other words, they did not feel there was any strong ties between the self and the work group. Most workers were assigned to work as a group, and there was a distance between them.

The Western Practices and Institutional Forms

Work teams in the West take various forms. The type of work teams *Jiagong* has been trying to assimilate is close to the self-managing team (SMT). Thus, in this section I shall describe the features of such teams and the cultural orientations on which such work teams are based.

In a Western SMT, the work team tends to be small. However, such SMTs tend to have complete functions for a product, project or service. the work arrangement among members of the team is horizontal. There are no visible leaders and the members assume many management responsibilities. In contrast, in the traditional work team in China, there exists clear vertical structure, although participation up the line and horizontal participation are not rare. Workers tend to have very limited decision making power. Mostly, workers trouble shoot and make suggestions which is close to the meaning of quality circles.

The SMTs are based on the principle of universalistic orientation in the West as against the particularistic orientation in China. Work team members in the West are treated equally. Little attention is paid to age difference or new or old members. In contrast, the work teams in China usually have the meaning of *ning ju li*, and group members tend to have personal relationships with each other.

Similar to management by participation, the SMT in the West is used as a mechanism to fulfill individual's satisfaction of independence and self-actualization. Such a practice is based on the cultural orientation of affective neutrality. In contrast, such a practice in China is mainly based on the emotionally affective orientation of the culture. It is used to promote the feelings of belonging and harmony.

Thus, the SMT in the West is very different from the work team practice in China. However, both types of teams share some common feature. For example, both of them are based on the instrumental ideology that such a practice is important to improve organizational efficiency. Such practices will increase production and commitment to work from the employees.

The New Practices and Institutional Forms

The assimilation of the Western team work practices to *Jiagong* can be nothing but radical. For several years, the management had realized that small changes will not achieve optimal results. Thus, they have been trying to take a revolutionary approach to fundamentally improve team work at *Jiagong*.

Such a revolutionary approach is first manifested in the total break up of the traditional work teams, and in the swift establishment of new ones. Such a practice is called *you hua lao dong zhu he* -- meaning optimal reorganization of labor. It is designed to improve production efficiency through the introduction of competition mechanism into the process of group reorganization. All workers are invited to compete for each position. Those who are not chosen to work in a work team will be reassigned to work in a worse situation or even laid off.

The reorganization process is followed by the principle of mutual choice. The leaders and workers can select each other. First, the plant director appoints a team leader or decides to hire a team leader based on the recommendation of the masses. Second, the team leader selects deputy team leaders and/or assistant team leaders from the candidates to establish a team of leaders. Third, the team of leaders makes hiring

decisions for group leaders and sawers from the candidates. Fourth, sawers choose assistant sawers from the candidates. Finally, the whole group decides to fill the rest of the positions which are mainly manual workers.

Several principles are applied to the group formation process. The first is the principle of "openness, equality, and formality." "Openness" refers to the commitment to an open, fair competition in the reorganization process. All of the positions available have to be open for all of the competitors, and nobody is allowed to make promises to individuals or clan members without open competition. "Equality" here refers to the commitment to treat everybody -- cadres, tenured workers, and contracted workers -- as equals in the group formation process. Further, group leaders may choose group members, and group members also have the right to choose groups. "Formality" means that all of the formal regulations created in the competition process have to be understood by every candidate so that *zhu kong zi* and *zhou hou men* will be avoided.

The second is the principle of selecting the best. When a position is opened, it must go through a competition process to select the one who is best qualified for the position.

The final one is the principle of avoiding nepotism and back-door phenomenon. All of the unhealthy phenomena must be prevented from happening. Leaders at various levels are not allowed to call for favors, write notes, or conduct any other back-door behavior. The leaders are not allowed to intervene for their families and relatives in the reorganization process. To prevent illegitimate influences on the group formation process, a mutual audit process -- leaders' auditing workers and workers' auditing leaders -- is established.

It is obvious that such principles are designed to follow the universalistic and achievement orientations of the Western culture. All of the particularistic and ascriptive orientation of the Chinese culture are to be avoided. Following these new principles, all of the candidates' work records are carefully checked and decisions are made. Such a reasoning was made by many senior leaders at the plant level. Mr. Li, the plant director commented:

These principles are designed to select the best qualified individuals on these teams. In the past, there were lots of complaints about the unfair processes of selecting workers on work teams. Poor performing workers were even chosen to work on important positions; back door phenomena were not rare at all; people did not have the right to chose or be chosen, and workers were assigned to work together whether or not they worked well with each other. We want to change all of these, via this new process. (interview no. 11)

During conversations with some of the workers who went through the process, it seemed that they were quite positive about this process. One of the workers -- a major sawer -- commented:

It is the most fair process that I have ever seen at this place. It is the first time that people's skills are taken more seriously than anything else. I have been working hard to sharpen my skills and now I see the importance of it. . . Believe me, my skills, were not worth a thing in the past. (interview no. 23)

A question was whether the traditional *guanxi* work was avoided at all. During conversations with the management, several of them indicated that they believed such considerations were still existent but to a limited degree, and the change made a synergistic integration of both the Western practices and the traditional practices at *Jiagong*. Such an argument was presented in one of the managers' comment:

I personally do not believe people's feeling for each other can be abdicated in this process of reorganization. It is part of our history and culture. You cannot prevent *guanxi* from happening overnight. In fact, I think such a practice is a synergistic combination of both

the new and the traditional practices. We did agree that *guanxi* can not influence the process unless the candidate was a good performer with sound technical skills. When several candidates had equal qualities, *guanxi* may have played a role. I think this is important, because these people will work together from then on. A good *guanxi* between them is valuable for them to work as a family. (interview no. 12)

During conversations with workers, most believed that *guanxi* still made some differences in the process. One of the candidates which did not get a technical position attributed much to the lack of *guanxi* work he had:

I think I lost the opportunity to be the first sawer because I did not have good *guanxi* with the leaders. I was at least as qualified as the other two competitors. The principles are something on paper. In reality it is still very different. (interview no. 37).

In the workshop that was reorganized, people's spirit was very high. About one-third of the positions were removed, and the new teams had better quality people. People seemed to appreciate each other's capabilities, and it seemed that workers formed themselves into a close ingroup.

I am very glad that I was selected by my boss. He did not look down upon me. I will absolutely work as hard as I can to repay his *renqing*. (interview no. 38)

This is a group that to a large extent came together in a spontaneous way. Nobody forced anybody into this at all. We have had a very good relationship with each other, and I believe that we can do a much better job together. (interview no. 41)

I met with one of the team leaders and he seemed to be very excited.

He commented:

This is the kind of group I have dreamed of for a long time. I like everyone of them. I took them to a restaurant to show my appreciation for choosing me to work with them. Conversely, they all appreciated my choosing them, and they vowed to work together as the best team they could be. (interview no. 43)

In order to make the new teams work better, some new motivational mechanisms were developed. A minimum set of criteria for production and product quality were negotiated between each team and the management at the plant level. If they did not meet these criteria, workers' salaries were cut 20 percent as a punishment. If extra production efficiency and quality were achieved, 40 percent of the extra income would be distributed to the work team. Thus, work performance is closely tied to bonus allocations for the team. The team as a whole decided how to divide bonuses among various kinds of team members.

Workers attitude was obviously changed. The ways of working together was also significantly changed, compared to what I observed during my first research trip. The workers were helping each other and taught each other about new skills. They took responsibilities for themselves, instead of waiting for orders. New ideas for improvement were strongly encouraged.

The tradition of *ba da yuan* was continued. Each individual worker was some sort of *da yuan*, taking specific responsibilities. The team leader still had authority to manage the team, and the hierarchical feature was still a significant one. However, after the team leaders assigned work tasks for people each day, the team itself took off.

The change was in many respect a success. Later, I was informed that productivity was about 20 percent higher than before, along with higher quality and higher waste reduction. The workers' satisfaction continued to be high and strong.

Summary

In this chapter, cases of integrating the imported organizational practices and cultural values and beliefs in China are examined. Several strategies for guiding cultural transposition are developed. As a way of summarizing the chapter, the following figure is developed.

Case illustrations	the host cultural orientations	Western cultural orientations	Importing strategies	Organizational implications
The transfer of information technology	The value of high efficiency	The value of high efficiency	Direct transfers	Acceptance when high efficiency is produced; reject when efficiency is not improved
Firing	Security. Collectivism Paternalism Affectivity	Non-affectivity Individualism	Transforming Western to fit into the Chinese culture	Acceptance as a result of reinterpretation of the practice
Structural reform	Wholeness Stability Hierarchy	Autonomy Efficiency	Transforming traditional values and beliefs	Acceptance of new values and beliefs and new practices
Salary promotion	Seniority Harmony Collectivism Particularism Ascriptism	Achievement Universalism Individualism	Cultivating new values and beliefs.	Traditional practices and new practices function side by side.
Management by participation	Hierarchy Authoritarianism Particularism Affectivity	Universalism Individualism Instrumentality Non-affectivity	Transforming both traditional orientations and new practices simultaneously	Increased power for troubleshooting and the continuity of authoritarianism
Team work	Harmony Affectivity Collectivism Hierarchy Particularism	Non-hierarchy Universalism Individualism Non-affectivity Instrumentality	Synthesizing traditional values and beliefs with new ones.	High efficiency and increased Employee satisfaction.

Figure 13. Cases of integrating imported organizational practices and the native culture

CHAPTER EIGHT

META-CONVERSATION: RESEARCH AS A REFLEXIVE PROCESS

Introduction

True to a traditional research format, the previous chapters have done what the researcher set out to do: The native perspective about the organization of the Chinese society was discussed; the cultural orientations that constitute the mechanisms for interpreting the cross-culturally transferred organizational practices were explored; an effort to put the Chinese culture in the context of the world cultures was made; and on these bases the meanings and strategies for cross-cultural transfer of organizational practices were also presented. In other words, the research questions asked in Chapter one were answered, and usually this is the time and the place to write the final chapter, concluding the research.

However, this is not the case in this study. The reason is simple: The research outcomes of this particular research are not completely covered yet. As previously discussed, this particular research is guided by the second order constructivism (Steier, 1991). Accordingly this particular research was designed to have a meta-conversation. That is to say, the research results are co-produced or co-constructed by the researcher and the researched. However, so far, I have not made any account for what my roles were and how I might have influenced the research one way or another. So far, the research findings have been presented as if the

research were designed by first order constructivism. In other words, the researcher studied how the research objects constructed their realities in an objective manner, since the role of the researcher was almost invisible in the study.

This chapter is devoted to an account of the researcher's role in the research, and the outcomes associated with the researchers' impacts on the research process. Such findings come from the ability to observe the research process in which the research is deeply involved. It is an ability to stand out of the research situation and view the research process at a meta-level.

In this chapter, I shall try to describe my past cross-cultural experiences as part of the research data. Further, I shall attempt to surface some of my assumptions, values, and beliefs that might have influenced the research one way or another. I shall also discuss the dynamic interactions between the researcher and the researched, as well as the research outcomes associated with these interactions.

The Cross-Cultural Experiences of the Researcher

In this section, I shall describe my past cross-cultural experiences which I believe have tremendous impacts upon the study. As argued earlier, without such experiences I do not believe that I would be interested in and able to do such a study.

A non-traditional aspect of it is that my past experiences are taken as valid research data. In this part of the research, a unity of the researcher and the informant is established: I am a researcher, and also an informant.

Past Experiences in China

In terms of understanding the relationship between organizational practices and culture, I will mainly describe my work experiences in two Chinese organizations. Right after graduation from college in 1984, I got a job as an assistant professor in the same college I graduated. Since I was one of the newest and youngest ones in the department, I got a heavy teaching and research load without any extra benefit. Since it was natural to me and the others, I had no complaint and enjoyed my job in the beginning.

However, as time went by, I realized that it was a very stressful job to me. One source for stress came from the fact that I was at the very bottom of the hierarchy, and I was in fact ignored most of the time. The fact that all others were my teachers when I was a student made things even worse. I was an ambitious man at that time, and wanted to do a good job. I had some innovative ideas for improvement, but nobody even listened. As I was enthusiastically talking about my ideas to the department Chair, he literally cut me off and told me "just do your job." I never went back to talk to him.

Another source of the stress was that I found myself experiencing difficulties dealing with several groups of faculty members fighting against each other. There existed literally hatred among these groups, which resulted from the cultural revolution. The tension between these groups was very high, and literally these groups did not talk to each other. There I was a young faculty member, and all these group members taught me. I was supposed to be respectful to all of them, and I could not do that since they were fighting against each other. I found myself

caught in the middle almost everyday. When I was talking to one of the people, I was afraid of being caught by the members of the other group.

Another source of stress was the limited right and autonomy I had at that time. After I took the job, I took part in a national examinations for studying abroad. Such an examination was to select those young teachers who had good foreign language skills to go abroad to study. I was one of the few who passed such an exam in the university. I was extremely excited about it because I thought I could go abroad just as the others did. I waited and waited, and such an opportunity never came to me. Later, I found out my place was taken by a daughter of a vice-president of the university. I was angry and outraged, and had a fight with the administrator who was responsible for the job. Soon after that, I had another opportunity to go to Switzerland to study. A professor there liked my research and offered me a research assistantship for two years. I again talked to the department chair, and I was criticized as being "selfish and undisciplined."

In less than a year, I found the job unbearable. I found the university in China was the most conservative one, and was eager to get out of the situation if I could. I was looking for another job outside of the university, and I got one soon. But I could not go, because the university did not allow me to go. I did not have the right to work wherever I wanted.

As my spirit was running lower and lower, I finally got an opportunity to leave the university. The provincial government was recruiting officials with good foreign language skills. Working in a government job was not an ideal place for me at all. However, it allowed me to leave the "hell."

One month later, I began to work in the government as an official in the foreign affairs office.

My boss was an idealistic man, and we liked each other. He was helping me in many ways: He taught me wisdom, assisted me in my job, and encouraged me all the time. In the meantime, I was working very hard, not wanting to lose his face. We gradually established a good, personal relationship.

Such a relationship benefited me a lot. In the meantime, it caused me lots of trouble. Soon after I took the job, I found that an atmosphere similar to the university also prevailed in the government. He had some people fighting against him in the organization, and my involvement with him caused some serious tension between me and some of them. However, my boss protected me in any way he could.

Due to the nature of my job, I had opportunities to interact with "foreigners" -- mostly Westerners. Such experience was double blessings to me. On the one hand, it gave me some precious opportunities to get to know about the West and Westerners. On the other hand, I was experiencing pains in the jungles of cross-cultural conflicts.

There was an experience which I would never forget in my life. In 1987, the province held an international conference on higher education. There were several dozen people from the European countries and the USA. After the conference, several groups were organized to tour the country, and I, under the leadership of my boss, was hosting one group with people from France, Switzerland, Germany, and the USA.

In order to establish harmonious relationships with these Western guests, we did what we could to impress them. We asked for a relatively small amount of money, and gave them a grand tour across the country.

To help them understand China and save money, we arranged various accommodations for them -- the Foreign Expert Residence in two locations and fancy hotels in some other locations. Knowing that the conditions were much poorer in China than the West, we worked particularly hard on the trip before, during, and after the trip. We were expecting some appreciation and cooperation from our guests.

However, soon after we began our trip, I found out that we not only could not get what we expected but also we could not fulfill these Westerners' expectations. As soon as we stopped at the Foreign Expert Residence in a university with which we had a connection in Beijing, there were some dissatisfactions expressed. Several people expressed that they were tourists and they deserved to be hosted in a Western hotel. A person asked us whether they could move themselves to a fancy hotel. We said no. The reason we gave was that we were a group, and we should stay together.

One location after another, we were organizing their sight-seeing, doing translation, getting the buses ready, and other thousands of details for the trip. I do not remember one time in which I had a full meal. My energy was running down, and psychologically I began to feel upset.

Before leaving Beijing several people demanded to have some changes of schedules. I needed to talk to the people in our next location, and I could not. I tried for four hours to make a long-distance phone call, and could not. I was getting worried and very frustrated. I tried to explain this to these people. But as soon as I said what happened, one guy said "I do not believe it at all." After hearing that, I was very upset. They simply did not accept the fact that I could not make any long-distance

call without going through an operator who would take hours to connect me.

Such conflicts came to a climax when we got to Xian. As soon as we arrived at the Foreign Expert Residence of another university, an uproar was started. Some people yelled and screamed at me for such an "unreasonable" arrangement. They literally had a strike, refusing to go inside the residence. They kicked us out, and had their meetings for strategies to deal with us.

I personally experienced nothing like that in my life. I was trying to patiently explain things to them. But there was a big wall between us. On the other hand, I could not believe what these Westerners had been doing to us. They were not appreciating our work at all. They literally treated us like their slaves on our land! My boss helped me reflect on the Chinese experiences, when the Western "Eight Country Alliance" was taking over China including Xian hundreds of years ago.

I still could not articulate what I had experienced. Maybe such feelings were so complicated that words were too simple to describe them. But at least, I can say I experienced confusion, contradiction, frustration, betrayal, and confrontation. All of these amounted to much stress which led to my emotional breakdown right there.

Later on, under a mediator -- one of the members from the USA -- there were some attempts from both sides to communicate and understand each other. The rest of the trip went smoothly and peacefully.

One of the lessons I learned from the trip was that we -- the Easterners and the Westerners -- had different ways of thinking about human nature and human behavior. The West and the East had different

criteria for acceptable behavior. Further, the criteria were based on different logics, and each side could not convince the other.

At that time, I was interested in studying in the West. Part of the interests came from such experiences in China. I was very much interested in learning about the Western perspective. After the trip, my interest became stronger than ever. In August, 1988, I got an opportunity to study and work in the USA.

Past Experiences in the USA

Within the past half a dozen years, I have had some extended cross-cultural experiences. (Although I have been to Japan and Australia, my experience with the USA and China is most relevant here.) These experiences have tremendous impacts on the development of myself, because I have to constantly struggle with the cross-cultural conflicts within and without.

On August 30, 1988, I took a 19 hour flight from a Chinese metropolitan city with a population of about 10 million to Yellow Springs, Ohio, population 4500. My purpose was then to study for a master's degree and gain some actual administrative experiences at Antioch. As soon as I landed, I found myself in a very strange place, nothing even close to what I had been familiar with. I also found the jet-lag phenomenon unbearable. It took me a week to overcome it.

However, jet-lag is nothing compared to the "misbehaviors" of those students and sometimes the teachers at Antioch. I had been a student for a long time and a college teacher for more than a year, I certainly knew how a student and a teacher should behave in classes. Most Antioch students came to classes inadequately dressed. They would not

sit still, and sometimes lay down on the floor. They would interrupt the teacher as often as they wanted. They often talked for ten minutes, while still lying on the floor. The teacher would "pretend" to ignore all of the messes in the class, letting students to do whatever they wanted. He often had to skip lots of notes he had carefully prepared for the class.

After a few days, I felt I was learning little. I thought that my time was being wasted by the misbehavior of the other students. I felt like I was loosing a great deal whenever the teacher skipped over his notes. I was under so much stress that I felt pressured all the time. In a morning class, after a student's long, "worthless" comment, I openly protested. I said that I was totally overwhelmed by the behavior of my classmates, and I wished that we would let the teacher teach! I also wanted to say something to the teacher, but I did not. I did not want the teacher to lose his face in front of students. After my angry comment, I heard some noises coming from the class. Some talked to each other about what I just said, and I could not hear what it was. Some even whistled which was very sarcastic to me. I was further offended. These classmates did not know how to respect others! When the class was over, the teacher came up and asked me whether I could go with him to talk. I felt that I was in deep trouble, because I knew that it was not a good sign at all. I thought: What a hell. I believed that I was right. The teacher talked to me about some other things for about 20 minutes which was totally irrelevant to what I thought he had in mind. I guessed he was trying to make me relax. On the contrary, I felt more and more stressed. Finally, I asked him why he took me here. Then, he asked me again why I was angry in the class. I patiently explained what I thought about it, and also wished him to be more strict about class orders.

It is clear to me that the East and the West have conflicting values, beliefs, and behavioral patterns in the arena of school. The values and beliefs I hold in the Chinese culture do not work well in the West. Further, it is easy for me to misinterpret what happens in the Western world, since I am culturally biased. For example in the story, I interpreted that students did not have respect for the teacher, and the teacher was sloppy and irresponsible. On the contrary, the American view has a pedagogy of a different kind, and mutual learning is more important.

Not only did I find my behavior as a student in trouble, I also had some problems in a working environment. While I was a student, I also had a job as a visiting administrator at Antioch. Because I had worked as an official in a provincial government for almost four years, I was more confident about it than the classes. I was doing my job as hard as I could. I respectfully greeted each person, including my boss, every morning. As I was the youngest, I often came in early, and cleaned the dust on the table, and got things tidy. Occasionally, I would make some Chinese tea for them. For the rest of the day, I would work as hard as I could, while the others might stand, talking. I would not interrupt others, while they were working. If I had a question, I would wait and ask politely later. I would call them by not only last name, but with their titles before their names. When others came to me, I would warmly welcome them: I would stand up, see them seated, and make or pour some tea. They might try to make me relax a little bit, but I thought that I had to show my hospitality to the guest. Occasionally they made some jokes which made no sense to me. Then they left, and I got back to my work immediately.

I was quite happy with my work until one day when my boss talked to me over dinner. He asked me how I felt about my experiences in the offices. I told him that I was quite satisfied, compared to the bad experiences I had in the classes. He later told me that quite a number of people in the office said my behavior had made them feel "a little uncomfortable." As soon as I heard this, I was totally shocked. I must have been paralyzed for a moment, because my boss said some other things, but I could not hear a word.

For a long time, I could not believe it was true. I was very frustrated. How the hell could I have made these people uncomfortable? I was doing everything that was appropriate in the Chinese culture. I should have received encouragement and compliments. Instead I got exactly the opposite! However, such a hardship began to open my eyes. I began to observe how they related to each other, and to model their behavior. Needless to say, such an effort bore some fruit, since nobody complained to me about my inappropriateness thereafter.

What I did was to cultivate Western values and beliefs, to assimilate myself into the Western culture. Over several years, I was doing quite well. It was quite easy for me to relate to Americans, and things went smoothly for me. Some Chinese friends admired my capacities to be an "Americanized" Chinese.

However, things did not always go well, especially when I had the opportunity to move across cultural boundaries. Recently, I traveled back twice to China. During the first trip, I was accompanying an American university president delegation to visit China and to negotiate educational collaborative programs with the governmental organization where I used to work. My role was to translate not only at a language

level but also at a cultural level. Most of my colleagues still worked there, so I had some interaction with them. After the trip, my old boss in China, my mentor, talked to me about some of my behavior that he saw as "unhealthy." I was very embarrassed and asked him if he could be more specific. He then said it was just some little things such as joking with elders, addressing people inadequately, eating in improper manners, etc.

The biggest trouble I had occurred during the second trip, during which I traveled with one of my American teachers and his wife, along with my father and one of my sisters. This group stayed together for about a week which made me feel miserable. My father was impatient at the beginning, and then began to yell at me. It seemed that I had done nothing right. To my father, I did not sit properly, I did not respect my professor and his wife properly, I did not host them properly, I should not have let him carry luggage . . . Later, in order to save myself, I pleaded to my professor not to do this and that.

These experiences have taught me a lot. I am deeply struck by the close relationship between cultural values and beliefs and concomitant behavior. Between the East and the West, there must exist different sets of assumptions, values, and beliefs. Under the influence of culture, acceptable behavior in one culture may turn out to be unacceptable behavior in another. It further implies that if one wants to accommodate behavior from another culture, her values and beliefs have to be changed.

The Studies of Western Organizational Theories

The exploration of the Western culture and management begin with my studies in the USA. I came to Antioch to study management for a

master's degree, and continued to pursue a doctorate in similar areas. Since I left China, I have been committed to the studies of Western management theories and practices to prepare myself for future ventures.

I am confident that I have gone through every major management and organizational theory. Of particular interest, in my early studies, I was aware of the three major classical approaches to the study of management and organizations -- the mechanistic perspective, the humanistic perspective, and the systems perspective. Such an awareness resulted from two reasons. First, China has been interested in and worked with the mechanistic perspective. Second, the mechanistic perspective reflects a Western mode of thought -- specifically the separation of mind and body. In contrast, the traditional thought in China was the whole of mind and body.

In the mechanistic perspective, the technical aspect of organizations is emphasized. Further, humans are viewed as machines, which are parts of the organization. Management and organization theorists (e.g., Taylor, 1911; Fayol, 1916) in this perspective emphasize the rationalization and mechanization of the bureaucratic organization. They all "try to generalize about the nature of managerial work; Fayol from the top of an organization down, Taylor from the shop-floor up" (Waelchli, 1989, pp. 59-60).

In contrast, the humanistic perspective views humans as special and humans have needs to be met. Humans are superior to machines, and are the force behind organizational success. Such a perspective is reflected in the writings of Mayo (1933), Maslow (1943), McGregor (1960), and many others.

The systems perspective views the organization as a complex system with interacting parts. To a large extent, such an approach to the studies of management and organizations encompasses the perspectives of the other two perspectives described above. I have a particular interest in the systems perspective, because there seem to be a connection between the ancient systems perspective in China and the Western systems perspective. In fact, my doctorate studies concentrate on the applications of systems theories and cybernetics to the field of management and organizations. Such a holistic perspective is manifested in the writings of Emery and Trist (1965), Thompson (1967), and Beer (1979, 1981, 1985).

The Researcher's Assumptions and Their Impacts on the Research Design

In this section, I will present the major assumptions, values, and beliefs which have influenced the research process. In Chapter One, I discussed my assumptions which lead to a position different from the universalistic organizational theories and practitioners. In this section, however, I shall, in a subjective manner, focus on exploring how they might have influenced the research design. In any research, what we look for determines what we find, and we always find what we look for (Herbert, 1985).

First, I assume that values and beliefs are among the important factors determining human behavior. Under such an assumption, the research was designed to search for human values and beliefs associated with human behavior. Although culture researchers and theorists disagree on whether values and beliefs alone can determine behavior or not, they all share that values and beliefs are important elements that

influence behavior. Adler (1986) proposes that "individuals express culture and its normative qualities through the values that they hold about life and the world around them" (p. 9). Hofstede (1991) conceptualizes cultures as manifestations at different levels -- symbols, heroes, rituals, and values. He further suggests that these levels exist in an onion diagram with values as the core. Redding (1990) posits that although values and beliefs are determining factors, there exist some contingency factors such as legal structure and economic system. These contingency factors can either restrain or promote the influence of values and beliefs on human behavior.

Second, I assume that every culture has its own world view, and to understand a culture, it is imperative to understand it in its native perspective. Every culture has a certain logic for explanations, although the logic and explanations may not make sense to outsiders. However, for insiders, they are all that count. Further, it is fundamentally wrong for an outsider to judge a culture. As indicated earlier, no culture is intrinsically better than another (Maturana, 1980). Thus, to understand a culture the researcher has to become part of "the original coherent network." Geertz (1983) explains that understanding a culture is much like understanding a game. One has to know the basic terminology and rules of the game before one can actually play it. Many cultural anthropologists use such an approach to understand a culture. For example, Hamada (1991) writes about how she takes an ethnographic perspective in studying American enterprise in Japan.

This research set out to find out the cultural mechanisms for explanations, and it was designed to use the native perspective. Since I

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enables a researcher to see the larger whole as well as appreciate other paths which may lead to this larger whole.

Under this assumption or value, the research was designed as having several conversations with several partners. As discussed earlier, I have had conversations with organizational theories and practices in the West, native informants in China, cross-cultural informants in the USA, and the research process itself.

Also under the same assumption or value, the research was designed to search for the varieties of organizational realities constructed by different organizational groups. In an organizational setting, it is important to learn how different organizational groups construct their own organizational realities; and it is equally important to know how different organizational groups with different perspectives share one reality. In his research, Ogbor (1990) fruitfully explores such different realities. It proves that different groups in an organization interpret organizational phenomena differently, and yet they share an organizational reality, since they are all living in the same organization. In the research I have looked for the different realities constructed by the government, the management, and the employees. In the meantime, I keep looking for how they construct the reality they shared, since they work in the same organization. Their shared reality about the phenomena of hierarchy and *guanxi* are the exemplary outcomes of such an approach.

Fifth, I believe that in the study of cultural transposition in the context of cross-cultural transfer of organizational practices, it is strategically important to have a meta-understanding of the Chinese culture. A meta-understanding here means to subsume or transcend

other understandings (Steier, 1991). The conversations with the Western organizational theories and practices and the native Chinese can be viewed as conversations leading to these other understandings. These other understandings simply involve different domains (Steier, 1991) or different joint specifications (Becker, 1991).

In this research context, two meta-conversations were attempted. The first one was the attempt to have an understanding of the Chinese culture in the context of world cultures. This is a meta-conversation because it enables us to understand the Chinese culture in relation to other cultures, which is obviously important for the development of universal organizational theories and practices. In this meta-conversation the research domains were enlarged to encompass the different domains where the other two conversations were involved. Two strategies were applied in this meta-conversation, in order to reach such effects. One was that some of the meta-constructs -- pattern variables (Parsons & Shils, 1952) and universal dimensions (Hofstede, 1984a; The Chinese Culture Connection, 1987) -- were used in the conversation. The other one was that the cross-cultural informants were invited to talk about how their cross-cultural experiences were constructed, shaped, and maintained.

The other meta-conversation is the subject of this chapter. It was a conversation between the researcher and the research process in which the researcher was deeply involved. In other words, the researcher observed the dynamic interactions between the researcher and the research process, and between the researcher and the researched. In order to have such a conversation, the researcher had to stay above the

situation in which he was embedded. It was a research process bending back to itself (Steier, 1991). The results are presented in this chapter.

Sixth, I believe that current organizational theories and practices are culturally determined, and in most cases they can not be directly applied to a culture which is different. Most of the organizational theories and practices are developed in the West, and they are deeply influenced by the Western cultural orientations. In the famous IBM research, Hofstede (1984) shows that most Western theories need to be modified or reconceptualized, in order to be used in other cultures. Under such a belief, this research was partly to explore the cultural clashes when the Western organizational practices were applied in the Chinese situation.

Seventh, a related belief is that different cultures can learn from each other, and a cultural synthesis can be achieved in the process of cross-cultural transfer of organizational practices (Hofstede, 1984a). Synthesis means to produce something bigger than the addition of the two alternatives. Under such a belief, the research was designed not only to understand cultures and cultural differences, but also to seek strategies for inter-cultural transposition. The cases in the preceding chapter, especially team management and the structural reforms of *Jianan*, are good examples of such integration.

The Impacts of the Researcher's Behaviors on the Research Process

In the last section, the researcher's assumptions, values, and beliefs and their impacts on the research design were explored. Similarly, this section is to explore how the researcher's behavior influenced the research process.

In traditional research, the interaction between the researcher's behavior and the data is often ignored. In some cases, the researcher's varying behavior leads to different outcomes, where upon the data is taken as distorted and thus discarded. In this research, the reverse is true. I am very much aware of my influence on the data I collected. Every piece of information is constructed by the collaboration between me and the researched. Further, as argued earlier, I consciously observed and collected the kind of information that resulted from the interactions between my informants and myself.

Additional Knowledge Obtained via Observing the Research Process

A benefit to observing the research process is that it helps reveal things that would otherwise go unnoticed. An example of this is given in the following case.

The case of note-taking

I noticed that some of my internal contacts who were with me during my research were impatient about what I was doing, especially when what I was doing delayed us for doing other things that we were supposed to do. I was constantly writing about what I saw, and I was fascinated by what I had observed. Some of them asked why, because the things I observed appeared to be trivial or meaningless to them. Evidently, they were emerged in the organization so much that they took almost everything for granted.

One day, Mr. Li appeared to be very uneasy about something while I was furiously recording an observation in a workshop. I noticed that, but I thought he was just like others who were impatient about what I was

doing. Thus, I ignored him and continued my note-taking. He walked back and forth a few times, and tried to open his mouth but for some reasons he did not speak a word. I quickly finished my notes, and we were on the way to another place.

Interesting enough, at lunch time, Mr. Gai, the person who was coordinating all of the activities, asked me about what happened that morning. I thought he was just being polite and considerate, and I explained what we did. However, he then asked what I was writing in English. To my astonishment, I suddenly realized that Mr. Li was troubled by my writing in English, and he reported this to Mr. Gai. Then, I explained that I was very bad in Chinese now, and sometimes I used whichever language came handy to do my notes. Mr. Gai then in a joking manner said that he thought that I was associated with the CIA which would get them in deep trouble! At that very moment, such a joke meant a very serious, valid concern. I suddenly regretted what I did and apologized to him. Further, I felt that it was important for me to explain the kind of research I was doing. Hence, I explained what I did and why I did it, promised that I would not write in English again, and asked him not to take me to any of the sensitive areas.

I believe that such an observation was an extra bonus in my research. On the one hand, it told me that they were very protective of the company. They were sensitive to any people coming from another country, and tried to avoid trouble. On the other hand, it meant to me that they did not completely trust me, which led me to pay attention to the phenomenon of trust in China.

The lack of trust between my informants and me was further noticed during interview conversations. Before my first interview, I asked my informant whether it was all right to tape the conversation. I also explained that I would not do that, if he did not feel comfortable with it. He said that I could do it the way I wanted. However, the conversation did not go well, and I noticed he glanced at the tape recorder from time to time. The same thing happened in my second interview. Then, I decided to ask one of the internal researchers who had some experiences in research. He commented:

I think you had better throw away your tape recorder if you want to know what people truly believe. I never tape when I want to interview somebody. The reason is that people are afraid that somebody may use the tape against them someday later. As you know, in the past only the security people were allowed to use tapes to spy on people. Somehow, people seem to associate taping with such people. . . Such fear is very real in China, as you know what happened during political movements, especially the great cultural revolution. Such kind of movement may come back some day. So, if you tape my conversation with you, I would not say much to you. (interview no. 8)

Such a case meant more than the lack of trust between me and the informants. It led me to pay attention to the issue of trust among the organizational members as well. Since we find what we look for, the lack of trust among them is also amazingly pervasive, which was also noticed in my first group interview.

During the first group interview, six employees from different work teams were grouped together. It was absolutely a failure. No matter how hard I tried, I could not get the conversation going. It went so badly that I decided to quit after an hour. Unfortunately, it did not lead me to continue the research on what happened. If it did I would have conducted individual interviews with them about the group interview.

Later on, I speculated that the problem may have been the lack of trust between them and me. I also speculated that the lack of trust among the informants was another possibility. As we know now, if people do not view each other as members in an in-group, Chinese people tend not to trust each other.

Such a speculation about the lack of trust between informants was confirmed by another group interview in the USA. On my interview list, there were two people from the same company. I thought that it would be better, if I could get them together to talk about their experiences. It would be interesting to see how two Chinese construct their own realities, and how much they shared their organizational reality. So, I asked them whether they felt comfortable about it. They all gave me positive answers.

However, the two hour long conversation got me very frustrated. Each of them talked a lot, but I did not believe that they talked about what they truly believed. Every sentence could be judged as "politically correct." They were very positive on almost everything which was very unusual in my conversations with other informants. Later on, I found out that although these two people seemed to relate to each other well, they did not trust each other much. Later on, I had a conversation with one of them which was quite productive. I also intentionally asked what was going on during the group interview. He told me that he had to be careful about what he said in front of him, because of the lack of trust.

Establishing trust with informants is very critical in almost any research. In the USA, people tend to be quite open toward each other, and such an issue may not be so critical. My experiences are that we researchers can go into a situation to do interviews. Only a few words

explaining why we are here to do the interview are enough to get people to talk. In China, it is very different. Seldom could I get people to talk much with such American-style research methods.

As I learned in the on-going research that *guanxi* was the key to opening the mouths of my informants, I intentionally worked on it. Since then, I consciously tried to get closer to the internal researchers as much as possible, and also let them understand why I was doing what I was doing. Later, I got so close to them that the internal researcher who reported to Mr. Gai about my "misbehaving" apologized to me about what he did.

Further, I took advantages of the networks of the internal researchers in the organization and got closer to the people who were becoming my informants. I asked the internal researchers to be the intermediaries for me to establish my new *guanxi*. I arranged a few conversations about the USA, since there were some people who were interested. One of the informants needed a few dollars for his daughter's registration fee for TOEFL, and I gladly gave it to him. I played Chinese chess with three of my informants. I was very glad that I had not forgotten how to play as they were very enthusiastic about my skill. One of them came back in an evening to play chess with me. As I predicted that it would be a long-lasting match, I decided to do an interview with him over the game. We talked and played over a four hour game during which I gained lots of insights. It was probably the best interview I ever did.

Another thing that I learned over the taping incidence was that the Chinese had a peculiar way of communicating which appeared to be a paradox to me. I asked the two informants about taping and they both responded with positive answers, although in their hearts they felt quite

uncomfortable with it. Such a difference between the espoused theory and the theory-in-use led me to pay attention to the Chinese way of communication which was presented earlier. Without such an incident, I may not have discovered such cultural differences.

The Multiple Roles of the Researcher and the Emotioning Phenomenon

Literally, I -- the researcher -- have acted as several researchers in this particular study. That is, in each of the conversations, I have been involved and have played a different role. I had to use different perspectives when I was having conversations with different groups in different settings. In the conversation I had with the Western organizational theories and practices, I had to use a Westerner's mind to understand them; in the research I did in China, I had to use the Chinese mind to converse with my informants and to understand my observations; in the conversations I had with the cross-cultural informants in the USA, I acted as cross-cultural person also; finally, in the conversation I have been having with the research process, I acted as a meta-researcher -- researching the research process of which I have been constantly part.

This is something unique to non-traditional research. In traditional research, the researcher is not allowed to have variations in perspectives. Otherwise, the research outcomes are not to be trusted, and even discarded. However, in this particular research, such outcomes are to be valued.

Having done the research, I am quite certain that it is not easy for a researcher to "perform" as different individuals with different

perspectives. The fact is that I am a person with multiple perspectives which are sometimes complementary and sometimes contradictory. Another fact is that I can not mechanically switch myself from one perspective to another as a machine can. These perspectives exist in a single mind, and often interact with each other, producing a perspective of my own. Thus, it is not very accurate to say that I can act like a native Chinese, a native American, a cross-cultural person, or a meta monster.

When my own perspective clashed with the perspectives I was supposed to take in these "plots," I almost always felt "emotioning." I often found that such a research brought challenges to the assumptions, values, and beliefs that I held. In other words, I often discovered what I take for granted. During the conversation with the native Chinese, most of the time I was viewed just like my informants in China. People often started with "as you know," even though I might not know at all. For example, when an informant viewed autonomy as a favor given by superiors and that they had to return such *renqing* in the future, I could not stop myself from saying: "Don't you think it is something you should have and deserve to have?" Such a different view of autonomy was a challenge to the perspective that I held or took for granted.

Admittedly, such live experiences in the early stages of my research were not fun: I was quite frustrated. Later on, in retrospect, I had to accept that the same behavior may mean very different things to people with different cultural backgrounds. Then, I began to appreciate different explanations provided by organizational members, and I learned to consciously search for different meanings which surprised me from time to time. The internal researchers who were with me most of the time during my visits there, often provided some meanings I lacked. The

following example illustrates a discovery about myself, about which I will never forget.

The case of concentric circles

As described earlier, I perceive that the world is constituted by many concentric circles: the core is self, surrounding that is group, surrounding that is organization, surrounding that is society. An assumption underlying such a perspective is that self is the basic unit of a society, and everything else is related to the values and beliefs at the level of self. Under such an assumption, I designed my research schedule in such a way that questions about values and beliefs at different levels were asked.

However, not long after I started the research, I was troubled. After a few interviews, I was not satisfied with the data I collected. I simply could not get people to talk about the meaning of self, no matter how hard I tried. When questions concerning self were asked, the answers were often related to a relationship or group rather than the level of self that I wanted. Two informants just answered "self is just self," and that was it.

I was aware of the Chinese culture in that self was de-emphasized or even denied. However, it is very important to know the values and beliefs at the level of self, after all a Chinese individual is still the basic unit of society. Thus, I stuck to the way I designed my research, until I had an "aha" experience.

I was having an interview with one of the managers at *Jiagong*. He was knowledgeable and easy to talk with. After I asked the questions about self, he did not talk much. However, he provided lots of valuable

information on the levels of group, organization, and society. I decided to explore with him why I did not get people to talk about self. He said:

I think that you may have a problem with your questionnaire. The way you phrased your questions do not seem to reflect the Chinese way of thinking about the society. As you know, we view that the society is organized as onion rings, which is similar to your concentric circles. However, there is one difference that I can see. The core of the onion ring is a human relationship such as a family. It is definitely not the single self. (interview no. 9)

After hearing such a comment, I realized how much I was stuck with the Western conceptualization of the world. The concentric circles were designed to be discovery-oriented, however, the assumption that self is the core of a society did not hold true in the Chinese society. One may argue that physically, self is the smallest component of the society. But psychologically and socially, such an assumption does not hold water in China. After rethinking about it, I literally redesigned my research schedule. Since then, the exploration always began with the meaning of a *ren* -- a human being.

Based on such a change, I derived the Chinese perspective, which took a relationship as the basic core of the society. I believe that such a change was terribly critical in the kind of research outcomes that I found. Although I could find out some information about self by sticking to the original design, I do not believe that I could obtain the kind of model presented in Chapter 4.

The emotioning phenomenon was more pervasive in the conversations with the cross-cultural informants. Further, I was not the only one who was emotioning. The informants were emotioning, too. During the group interviews I had, lots of disagreements occurred. People disagreed on similarities and differences between the East and the West, as well as

the approaches for integrating the two cultures. Evidently, different individuals have shaped their own perspectives, even though they may have had similar experiences.

It seems that different informants have held different values, as outlined by Ravn (1991), in shaping their constructions of realities. Inspired by Leibniz and Bohm's perspective, human experiences can be classified into two categories -- unity and diversity. Ravn (1991) defines:

The unity principle says that the unity experience is good; it is good to see wholeness and meaning through any part or aspect of one's life. The diversity principle says that it is good to appreciate that the same experience of unity can be had from many other perspectives that are equally legitimate and worthwhile. (p. 111).

Ravn further suggests that the two principles can be combined in a two-by-two matrix, which is an attempt to see the two categories as mutually inclusive ones rather than mutually exclusive ones. When the two are put on each axis respectively and each of them is divided into a high and a low, four possibilities are given. One of them is unity without diversity which means "the unity experience is present maximally and the diversity experience minimally" (Ravn, 1991, p. 102). Under such a value, a person takes an absolutist attitude to view the world. In other words, such a person sees only one right path in life and does not appreciate other paths.

The opposite case is diversity without unity, where the unity experience is minimally present and the diversity experience maximally. Taking a relativistic attitude, a person appreciates different paths in life and sees no connection between these paths.

Another interesting alternative -- "the good life" -- is a synthesis of the above two alternatives. Taking such an approach, a person is able to

see the larger whole as well as appreciate others paths which may lead to an even larger whole.

During conversations with informants, I found that although participants in the USA are all bi-lingual and bi-cultural, the values they hold may be different. Some may hold the unity without diversity, some may have the value of diversity without unity. Some others may have the value of "the good life." Consequently, the realities are constructed differently, as values guide reality construction (Ravn, 1991). Further, the different realities lead to arguments over the same issues, as exemplified in the following conversation.

C: "I believe that Americans treat people equally, in contrast to the Chinese case. For example, I got a four percent salary promotion this year. At the beginning, I was upset. I knew that I had been working hard. Then, later I found out that others might not have a raise as high as mine, and I realized at least I was treated with equity."

D: "Very obviously, I have a different opinion. At the very beginning, you were given the lowest salary possible. On this basis, a small raise is not a big deal to them at all. However, when you want to have a raise in positional status, it is extremely difficult in this culture."

T: "If you work with five other Americans, and your performance is better than them, do you think you will be raised to a supervisory role when such an opportunity comes?"

D: "Not at all."

Z: "I do not think you can make absolute judgment on the issue of equality. In this society, it can be said that sometimes people are equally treated, and sometimes not."

D: "Those who are equally treated are the extreme ones -- these people have prominent capacities."

C: "However, I still think it is a equal society. I would like to compete with them. I do not like sitting there, complaining. The interpersonal *guanxi* is much more simple than the situation in China."

D: "I am not sure about that at all. Everywhere *guanxi* is the key."

Z: "In my case, *guanxi* is much more simple here than in China."

In the above conversations, C takes an approach which is in my opinion close to the relativist alternative. C sees the difference between China and the USA as two cases with direct, clear contrast. Conversely, D takes an approach which is close to the absolutist alternative. D believes that inequality and *guanxi* are universal phenomena, and he sees that foreigners are unequally treated by Americans. Z takes a sort of "the good life" approach which views the reality in a flexible, dialectic perspective. He disagrees with both C and D in that they make absolute judgment on things. In his mind, equality is yes and no.

My feeling is that such emotioning is a signal for new discoveries or new learning. Emotioning here can be viewed as the beginning of a process which produces a distinction that leads to a challenge to the original view held by an observer.

Such research is reflexive in nature, the researcher learns about himself through researching others. As Steier points out in reflexive research, activities can be viewed "as telling ourselves a story about ourselves" (Steier, 1991, p. 3). To traditional researchers, such a phenomenon is ironic, since research is viewed as extracting information out of the researched. However, for the reflexive researcher, it is valuable. After all, research is to learn, and to learn something about himself or herself is to be valued.

As Steier (1991) points out, not only does the researcher take different roles in different conversations, the researcher can be projected as having different roles in a single conversation. Jorgenson (1991, 1986) in her family research notes that a researcher can be constructed as different

people by different informants. As such constructions inevitably influence the research process, there is a need to know how the informants construct the researcher, in order to fully analyze the data collected.

In my research such a phenomenon also occurred, and it had some serious implications on my research. The enterprise director gave me a title -- consultant -- which was fancy and attractive in China. When I was taken around to meet with new people, I was most of the time introduced as a consultant. I was aware of the tradition of respect in China, and this was obviously an attempt to raise my social status, in order to gain some respect from others in the organization.

However, I gladly received such a construction of myself, until I met some difficulties in my research. When people took me as a consultant, my informants waited for my informing them instead of talking about themselves and the organizations they were in. I was put at the higher end of the hierarchical relationship. In their minds, I, the consultant was the one to give answers rather than ask questions. In an interview, after I asked several questions, the informant was obviously uneasy. He commented:

Mr. Tang, I don't think that my perspective is useful. I have had little education and I don't think my judgment is right at all. Since you are an expert with Western training, please don't be modest. I am eager to learn from you. (interview no. 24)

Having realized this problem, I had to find ways to co-construct me as a role that was conducive to conversing. Since then, I was thinking about the way to lower my "status" to the level similar to or below my informants. As explained earlier, the communication style in China is usually top-down in a hierarchical relationship. Then, I tried to shape

my informants' construction of myself as a researcher rather than a consultant. I explained the importance of it to my internal researchers, and asked them to do a plain, modest introduction of me. Such a shift seemed to be useful. In addition to the *guanxi* work I had been doing, I believed that I had collected much valuable information.

A model of Cross-Cultural Communication

Implicit in the previous sections in the chapter is the communicational problem between the researcher and the researched, and between different perspectives. In this section, such a problem is further illustrated in the context of cross-cultural transfer of organizational practices.

The literature on cross-cultural communication is vast. Here, I make no attempt to review the literature. In order to understand what cross-cultural communication is about, first of all we have to know the definition of communication. According to Adler (1986), "communication is the exchange of meaning: it is my attempt to let you know what I mean. Communication includes any behavior that another human being perceives and interprets: it is your understanding of what I mean" (p. 51). In other words, communication is not about transmitting information. Maturana & Varela (1987) note that "the phenomenon of communication depends on not what is transmitted, but on what happens to the person who receives it" (p. 196).

A simple model of communication includes a sender and a receiver. In communications a message is encoded by the sender and decoded by the receiver. Encoding is a process in which the sender produces symbols, creating a message. The message sender has to encode his or her

meaning into forms such as words and behavior that the receiver can understand. Decoding is the process in which the receiver decodes the sent symbols such as words and behavior back into messages that have meaning for them. Adler (1986) points out that the sent message is never identical to the received message. That is why we often have misunderstanding between each other.

In cross-cultural communication, such a process becomes even more complicated. This is mainly because the sender and the receiver come from different cultural backgrounds, and these different cultural backgrounds complicate the process of communicating. "Cross-cultural miscommunication occurs when the person from second culture does not receive the sender's intended message. The greater the differences between the sender's and the receiver' cultures, the greater the chance for cross-cultural miscommunication" (Adler, 1986, pp. 52 - 53). In other words, in cross-cultural communication, no matter what is transmitted on one end it may be something different at the receiver's end. As a result, cross-cultural misunderstandings caused by misperception, misinterpretation, and mis-evaluating occur (Adler, 1986), which is illustrated in the following cases.

The reason for this is that we have cultural blinders (Adler, 1986). Our interpretation of the sent message is inevitably influenced by our cultural assumptions of which we are not often aware. To reinforce this thinking, the following model of cross-cultural communication is developed (see Figure 14).

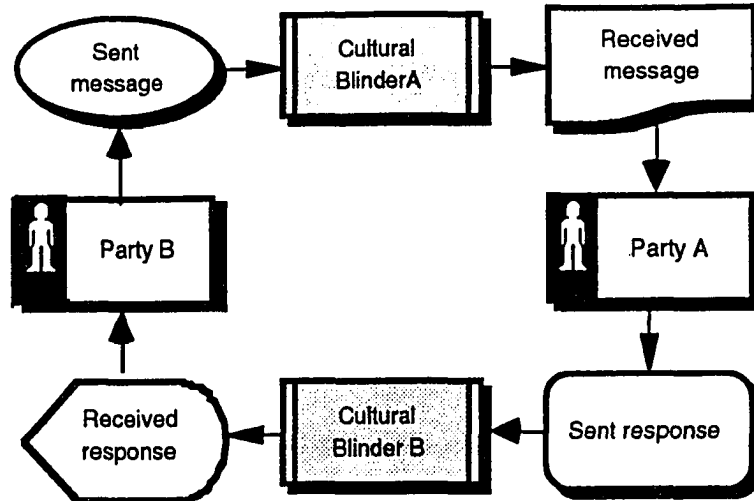


Figure 14. A model of cross-cultural communication

As the model shows, there are two parties communicating with each other, each of which has a different cultural background. If Party B sends a message -- sent message in the figure -- to Party A, such a message has to go through Party A's cultural blinder in which the sent message is transformed into a new one -- the received message. In the process of transformation, I believe that the sent message is dismembered and reconfigured in a way that is meaningful to Party A. As shown in the figure, such a message is likely to be different from the sent message. Further, Party A will encode a message -- sent response -- and send it to Party B. A similar process of transformation occurs in Party B's cultural blinder, which produces a received response that is likely to be different from the sent response.

It is important to emphasize the influence of the cultural blinders. In some cases, the sent message can be completely ignored, due to the

cultural blinder one has, which is illustrated in the case of "an American dinner party."

The case of "an American dinner party"

In early 1992 I, was invited to participate in a discussion between a Chinese delegation and their American university counterparts for a cross-cultural exchange project that I helped establish several years ago. By the end of the first dinner party hosted at the President's home, the American university president made a toast expressing his appreciation for the hospitality they received during the visit they paid to China last year. After the toast, he also encouraged people to stay and to continue their conversation as long as they wished. Such a gesture was wholeheartedly a good one, and he meant what he said. However, right after the toast, the Chinese university President expressed his gratitude to the American people for their hospitality and the delegation stood up and left. The message they were getting was that this was the end of the dinner, and it was time for them to leave.

Such a move shocked the Americans at the dinner party. When I was asked what went wrong, I explained the Chinese tradition and they all laughed.

Then, the Americans hosted a second barbecue dinner party. After about two hours' eating and conversing, the American president made another toast to the Chinese delegation, and emphasized that they did it in the Chinese way in the previous night, and insisted that tonight it had to be done in the American way. That is, they should continue their conversations and be free to leave at any time. However, as soon as he finished his speech, all the Chinese stood up and left.

In this case, the Americans sincerely expressed what they meant. They wanted the Chinese to be comfortable and relaxed. For the Chinese, Americans were giving signals for them to leave, although they heard the Americans said the opposite. Chinese tend to "listen to the meanings hidden in the talks." They figured that the Americans just wanted them to leave, no matter what they expressed in words.

In some cases, the two parties misunderstand each other due to different meanings embedded in the same expressions, as illustrated in the following cases.

The case of "bedroom and play"

We had our first native English speaker, Sally, in my last year of college. Many students took advantage of this opportunity to speak to a native speaker. Since I was her teaching assistant, she and I got to know each other quite well.

One day, she came to me obviously very upset. She told me that a student in the class made her feel bad. I was shocked at the very beginning, and I almost laughed to death when she repeated the following conversation between the student and her.

Student: "Sally, I haven't seen you for a long time! I have been thinking of asking you to come to my bedroom and play."

Sally: "What? no, No!"

Student: "Come on! Have some fun! I know you are lonely, too."

Sally: "Look, I do not like it. Just drop it! I am too old to play with you."

Student: "It does not matter! Just come and we will play."

In this case, bedroom means the student's dormitory living complex. Similarly, the word -- play -- means a gathering or party. Both words have different meanings associated with the Western culture.

The case of "hosting"

When a Chinese institution was planning to have a visit to the United States, they asked whether any of their partner organizations in the USA could host them. The organization in the USA gladly responded, and prepared to host the delegation for a few days. However, as soon as the Chinese delegation arrived, the American host -- a secretary -- took them to a car rental service and asked them to rent a van. Not knowing what was going on, the Chinese delegation did not ask any questions and just followed whatever the secretary said. She then took the group to a motel and left.

The rest of the three days went smoothly. However, the Chinese seemed not willing to discuss any serious matter with their partner in the USA, which was upsetting to Americans. The American partners were expecting to have serious discussions on long-term plans with the Chinese partners. The head of the Chinese delegation asked Americans to visit China if they were interested in continuing the talk.

Next year, the American organization wanted to send a delegation to China, and asked whether the Chinese organization could host them. The answer was positive. When the American delegation arrived, they were greeted by a group of people equal in status to the members of the American delegation. While they were chatting at the airport, the Americans' luggage was transported by car dispatched from a fancy hotel. Then the Americans were taken to the hotel.

The next day, the Chinese were ready to talk about long-term relationships. The same group of people who met the American delegation stayed with the Americans all the time. The visit was very successful, and an exciting cooperation plan was developed. This made Americans wonder why this did not occur in the United States. Over dinner, the head of the American delegation raised the question to the head of the Chinese delegation. The head of the Chinese delegation smiled and said that when they were there in the United States, the Chinese felt that Americans were too busy to talk to the Chinese. Since it did not make sense to the Americans, a member of the American delegation asked the translator who went to the United States with the delegation the same question. The translator said that the Chinese did not feel that they were hosted properly.

When the Americans were ready to leave, they found out that all of their expenses were paid for, and the same group of people came to see them off. They finally understood the Chinese meaning of hosting.

In this case, hosting means receiving or helping in the United States. But hosting in China means taking care of guests "properly."

In some other cases where concepts from one culture do not exist in another culture, this will even be more complicated. As Becker (1991) notes:

Coming to know another language, particularly a distant one, confronts the knower with silences, things in one language which have no counterpart in another. These silences are often obscure because one fills them in as what one actively hears (exuberances) or doesn't notice them at all because the distinctions don't exist in one's own language (deficiencies). (p. 232).

In such cases, the cultural blinders influence the process of transformation even more. In these circumstances people in one culture struggle to grasp their meanings by using terms close to these foreign ones. This is an attempt to use the constructed, meaningful reality to construct what an alien monster is. In a discussion on Chinese culture, an American scholar who had some appreciable knowledge about the East explained the Chinese concepts such as *ren* and *i* meant love and caring, which was clearly not so in China. Similar attempts were made in China. While I was doing the research in the Chinese organization, I found people interpreted self or individuality as *ge ren zhu yi* -- individualism, autonomy as *zhi you zhu yi* -- freedom-ism, and participation as *quan li xia fang* -- delegation.

Thus, due to cultural differences it is problematic for participants to interpret and give meaning to the researcher's questions. In my research in China, I often found myself misunderstood because of the questions I asked. When I was asking questions about individual rights and autonomy, several informants asked back: "Are you asking about individualism?" I was surprised and immediately said no. I was keenly aware what individualism meant in the Chinese context.

Conversely, it is also problematic for the researcher to interpret and give meanings to organizational behavior as well as to the informants' responses. In my research in the case organization, I also found myself often in disagreement with the interpretations given by the organizational members. As explained earlier, because I am bi-cultural and therefore I may use the Western perspective to view the Chinese situation, some disagreements could exist between the informants and myself. At the early stage of the research, I tended to provide

explanations for certain observed behavior or perceived problems. Soon enough, I found out that in some cases my explanations did not make much sense to the organizational members. For example, for the case of the fax machine problem, I clearly took a Western perspective and complained about the failure of it to one of the internal researchers. He disagreed and the later research into the case taught me a lesson about it.

It became even more problematic, when I was doing research with the cross-cultural informants. Since both the researcher and the researched can move across cultural boundaries easily, we tended to do that unconsciously, which created more confusion about cultural differences. Further, we tend to mix both English and Chinese during conversations, and we do not always make explicit whether they are meant in the Eastern sense or the Western sense.

How do we improve cross-cultural communication, then? It seems that we have to create a repetitive circular process of communication. In other words, we need to make the model a dynamic process so that each party is able to understand the other party's process of meaning construction.

In this sense, communication is about constructing shared knowledge or information which is constructed in the circular, repetitive interactions between the two parties. It is about neither sent message nor received message. In other words, the traditional definition of communication which focuses on either the sender or the receiver does not seem to be able to improve cross-cultural communication. The traditional approach to communication seems to be static, and

individual-focused. In contrast, the circular concept of communication seems to be more appropriate. As Krippendorff (1982) argues:

Circular processes of communication are such that a transitional state or message passing through a point in a cycle returns to it in some form and effects the future state or message now passing through a second and more times. By such repetition, circular processes of communications iteratively modify their own contents until the process reaches an equilibrium at which iterative modifications have ceased to be effective and if changes are then still present, they are stationary and to a significant degree predictable. (p. 13).

The discussions above also support the necessity to make a difference between language and languaging. According to Maturana and Varela (1987), language is a description produced by an observer, and languaging is an act experienced by participants. The traditional conceptualization of communication can be taken as communication at a language level. The non-traditional model described above is a communication at a languaging level. In other words, when people communicate with each other, they are languaging.

Such a model was applied in the research done with the cross-cultural informants. One trick is that I created the questions with mixed languages. The rule is that when people talk about concepts in the Chinese culture, they are spoken in Chinese, and vice versa. In Appendix III, we find many questions are framed that way. Further, the same trick is used in the writing of the dissertation. As presented in earlier chapters, I have used many Chinese *pin yin* to describe many Chinese concepts such as *ren*, *i*, *li*, *he*, and *ning ju li* in the dissertation.

A second trick is that whenever I got confused, I would stop the informant and ask for clarification. For example, when people talked about self and collectively in the Chinese sense but in English, I, the

researcher, often had to stop the informant to ask whether she or he meant this in the Chinese sense or in the American sense. Such incident occurred over and over again in the research. They enhance cross-cultural communication via circular, repetitive processes.

Finally, this model has some implication for cross-cultural translation -- a profession I have been involved in for many years. In terms of translation, a key question is how to translate ideas from one culture to another. The traditional belief is that a translator should exactly translate what is being said by the speaker. Such a belief implies objectivity.

My position is that objectivity in translation is impossible in cross-cultural communications. In other words, subjectivity or non-objectivity is involved in translation and interpretation (Becker, 1991). As explained previously what is being said may be completely different from what is meant on the receiver's end. In some other cases ideas are believed to be difficult, or untranslatable. For example, "bad behavior" in one culture might be "good behavior" in another one. In order to have effective translations, the translator has to be literate about both cultures and actually transform what is being said in order to be understood correctly. Such a translator is a language translator and a cultural translator as well, a title I was given for the project between the Chinese institution and the American counterparts.

Such a cultural translator conducts a meta-translation. The language translation is a basic level translation. If there is a cultural fit, a direct language translation alone can do the job. If due to cultural reasons, the direct translation will not work, the cultural translator has to intervene. Since a few years ago, before I did a translation, I explained to both

parties that I would not do a direct translation in some circumstances in order to make the communication effective. As a cultural translator, I also pay much attention to the behavior of both parties in order to make the exchange smooth and productive. I often intervene to make appropriate the timing for gift exchanges, speeches, hand-shaking, and so forth. In fact, I have been very deeply involved in the negotiations on program development for both parties.

Summary

This chapter is a reflexive account on the research process. It deals with the researcher's impact on the constructions of social reality in the context of cross-cultural transfer of organizational practices. In the first section the researcher's experiences are presented as research data, in which the researcher is also the informant. In the section that follows, an attempt is made to surface the researcher's values, beliefs, and assumptions, and explicate how they might have influenced the study one way or another. In the following section, an account for the researcher's observing the research process, in which the researcher is embedded, is made. Finally, some issues pertaining to cross-cultural communication are discussed, and a model for cross-cultural communication is presented.

CHAPTER NINE
DISCUSSION OF FINDINGS, CONCLUSIONS, AND IMPLICATIONS
FOR FUTURE RESEARCH

Introduction

In the introductory chapter, I challenged the idea that the Western organizational theories and practices are universal and can work in the Chinese situation without accommodating the traditional values and beliefs that sustain the society. Specially, I suggested that culture is deeply embedded in the manifestation of organizational practices, and the East and the West are culturally very different. When the Western organizational practices are applied in the Chinese situation to deal with organizational problems in China, the nature of the organizational problems becomes a different one. Essentially, different forms of organizational problems exist, due to the intervention of new organizational practices. To know the nature of the organizational problems, one has to learn the perspectives of the major players which influence the organization -- specifically employees, management, and the government -- because humans have capacities to construct their own realities and act accordingly. Consequently, a problem of meaning may arise, because the imported organizational practices may have values and meanings that do not correspond to the values and meanings in the host culture.

Further, I suggested that cultural transposition may be achieved in the context of cross-cultural transfer of organizational practices. In order to create cultural transposition, a process of cultural tuning is needed. One can change either the dominant values and meanings in the host culture or the imported organizational practices or both simultaneously to fit into each other.

Specifically, in pursuit of meanings of cross-cultural transfer of organizational practices, two research questions are raised in Chapter One:

1. What are the major cultural values and beliefs that influence human behavior, especially organizational behavior in China?

2. What are the major cultural values and beliefs by which certain imported organizational practices may be interpreted in China?

In terms of searching for strategies for cross-cultural transfer of organizational practices, two research questions are developed in Chapter One:

1. In terms of effectiveness as defined in the local culture, what are the cultural values and beliefs that either fit or do not fit into certain imported organizational practices?

2. How may cultural values and beliefs, and imported organizational practices be reorganized or transformed to fit into each other, with the aim of increasing organizational performance?

Having substantially discussed the study, it is time to draw conclusions. In this Chapter, I shall attempt to describe a model for cross-cultural transfer of organizational practices which will answer these research questions. Then, I shall focus on the conclusions of the study and its implications for future research.

Toward a Model of Cross-Cultural Transfer of Organizational Practices

After this study, a model of cross-cultural transfer of organizational practices is developed (see Figure 15). Before getting into the details of the model, I shall give a brief, holistic description of the model so that we have a view of the forest. First, organizational theories and practices are deeply embedded in the culture in which they are created. In other words, the conceptualization of organizational theories and practices is intrinsically related to the Western culture. Second, when organizational practices in the Western culture are introduced to deal with organizational problems in the Eastern culture, a process of interpreting those organizational practices occurs in the Eastern culture. In such a process, the organizational practices are interpreted from an Eastern cultural perspective. Consequently, different understandings about those transferred organizational theories and practices may arise. Finally, in order to achieve cultural transposition, a process of transformation occurs. In such a process, two kinds of tuning exist, and they may or may not have to occur simultaneously, depending on the situation. One of them is organizational practice tuning which means that the cross-culturally transferred organizational practices are transformed to fit into the Eastern culture. The other one is that the native culture has to be

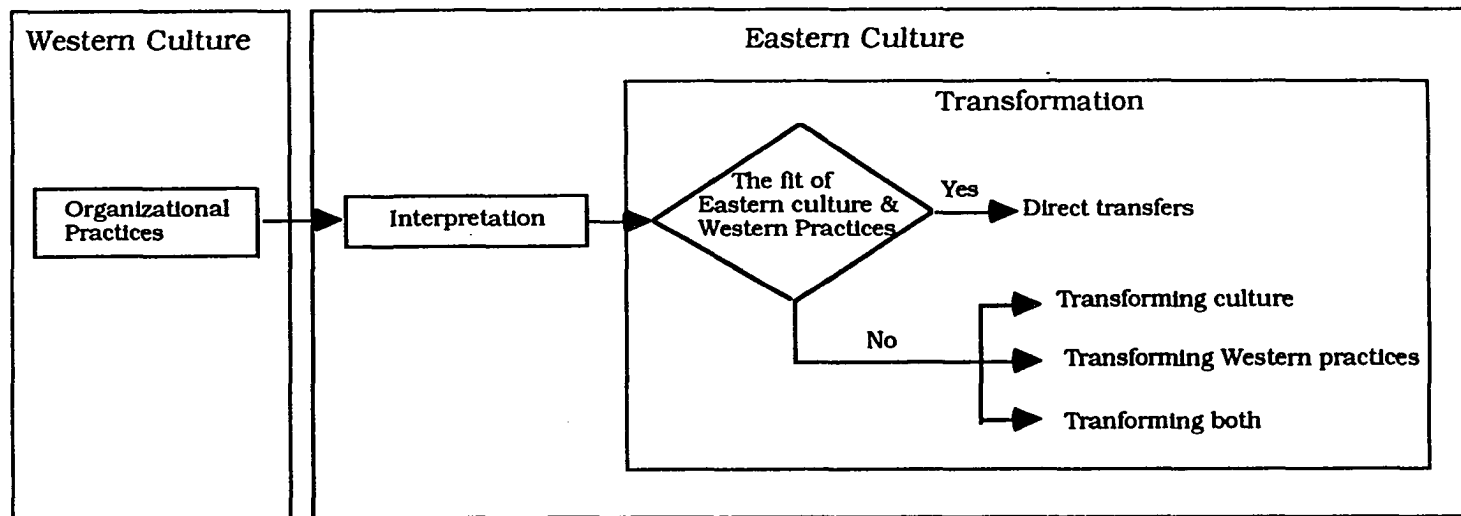


Figure 15. A model for cross-cultural transfer of organizational practices

transformed to fit into the cross-culturally transferred organizational practices. Sometimes, the two tunings may have to happen simultaneously. Finally, the process of interpretation and transformation is very much related, as will be illustrated later.

Next, I shall use some major cases in the study to illustrate such a model, with special attention to the process of interpretation and transformation. First, I shall discuss how the native culture influences the process of interpreting. Then, I shall also talk about strategizing cultural transposition.

The Cultural Orientations and the Interpretation of Cross-Culturally Transferred Organizational Practices

In this section, I shall discuss how different cultural orientations impact the process of interpretation of cross-culturally transferred organizational practices.

Collectivism and the Meaning of Cross-Culturally Transferred Organizational Practices

Collectivism as a cultural orientation has been extensively discussed in relation to human nature in the text. In the Chinese view, human beings are moral beings, which means that Chinese are after Confucian moral perfection (Hu, 1990). Behaviors are guided by the Confucian principles of *jen*, *i*, *li*, *he*, and *xiao*. All of these principles are about human relationships, and in fact the Chinese view human relationship as the basic core of the society which constitutes a significant difference from the Western culture. As discussed in Chapter Five, the emphasis on collectivity is so much that there exists a transformation of the

meaning of self. *Wo* -- the Chinese word for self -- means more "we" than "I."

Consequently, the Chinese tend to view the self as member belonging to a *ji ti*. *Ji ti* is very important in the Chinese culture, as an individual has to survive in a *ji ti*. When an individual is small, she is taken care of by her family. When outside of the family, she establish her self with new groups that provide the kind of protections that she needs. In the meantime, she is expected to contribute to such a *ji ti*, and conform to norms made by the *ji ti*. The forms by which collectivism is made manifest in the Chinese culture are family fame, group performance, group rewards, group competition, organizations as communities, subordination to group, and self-denial.

As discussed in Chapter Two, the Western organizational theories and practices are developed on the assumption that human beings are by nature self-oriented or individualistic. Consequently Western organizational practices such as pay-by-skill or pay-by-performance, and team work did not make much sense to the Chinese. Individualism has been treated as a negative phenomenon in the Chinese society, and these organizational practices are associated with individualism. For instance, although officially pay-by-skill or pay-by-performance was adopted in the organization, the collectivism orientation proved to be more meaningful to the organizational members. Mr. Dong decided to drop the opportunity for a raise because of the concerns for others. Mr. Wang and Mr. Jia both went for and received such an opportunity, although officially only Mr. Wang deserved such a promotion. In such an instance, the new practices and the traditional practices stood side by side. Another instance of this

kind was manifested in the case of the fax machine. The Western values of innovation did not hold in the battle with the concern of collectivism.

Particularism and its Impact on the Meaning of Cross-Culturally Transferred Organizational Practices

Particularism is a cultural orientation discussed in relation to the assumption of human relationship. Particularism means to have different rules for different groups of people, whereas universalism refers to the phenomenon that the same rules are applied to all of the people. The Chinese have their own word for the particularistic relationship -- *guanxi*. One can argue that the Chinese society is established by *guanxi* work. People are consciously building their *guanxi* which is viewed as more important than their skills.

As discussed in Chapter Two, the Western organizational practices are based on the universalism orientation. The assumption is that human beings are equal, and personal relations have to be kept separate from public life.

Consequently the Western organizational practices are understood differently by the Chinese. For example, the Western management by participation was viewed by the Chinese to have two meanings. One was that workers had the right to participate in the management. This matched the communist ideology that workers were the masters of the country. The other one was that workers had some skills and experiences to improve organizational efficiency. The meanings that workers had the right to participate in the daily decision making processes, and by doing so could achieve the satisfaction of independence and self-actualization were somehow lost. Or rather, they did not make much sense to the native Chinese. Treating workers as equals to the managers violated the

Chinese norm of respect for hierarchy. They viewed that such practices made the leaders appear to be lacking in charisma -- "lack of leadership quality," "indecisive." It also made workers as if they were misbehaving, since managing was generally viewed as the sole responsibility of the management. Consequently, only those people who had close *guanxi* with the bosses got more chances to participate. Further, they changed the meanings of delegation and of management by participation. Some workers were named as *ba da yuan* to "participate."

In the case of salary promotion, nobody actually believed that the process can be a fair one in the Western sense at all. In order to get both candidates promoted, Mr. Gai had to go through his *guanxi*. Another instance of this kind was manifested in the case of team work. The value of in-group was used in the reorganization of teams. Those people who liked each other and treated each other as in-group members were organized into a new work team.

Affectivity and its Impacts on the Meaning of Cross-Culturally Transferred Organizational Practices

Affectivity is another cultural orientation which contrasts the East and the West. It exists in the form of emotional and informal relationships among the organizational members. As previously discussed, Chinese tend to emphasize human relationship more than any other materialistic relationships. In other words, the organization of the Chinese society was human-centered, focusing on the expressive needs of the human beings. In contrast, the organization of the Western society emphasizes more instrumental needs which serve the purposes of the organization -- economic effectiveness (Ogbor, 1990).

It needs to be noted that affectivity is manifested in the formal structures and informal structures at *Jiagong*. The life-support system is clearly designed to support and satisfy human needs. As shown in the text, affectivity pervades almost every part of the informal structure of the organization. Some of the examples are the value of harmony, the respect for hierarchy and age, and *guanxi* work among organizational members.

The Western organizational practices serve more instrumental needs than the expressive needs of human beings. The reforms carried out in the case organization were based upon the instrumental assumption of organizational behavior. As shown in the text, this is where the cultures clash most. An instance of this was manifested in the case of firing. The management at both the enterprise level and the plant level expressed their sorrows over "sending people on vacation." Another instance was shown in the case of salary promotion. Mr. Dong gave up his opportunity due to the concerns for others. Mr. Gai worked very hard to get both Mr. Jia and Mr. Wang promoted, because of his consideration and caring for them. In the case of participation, the establishment of the workers' congress was to enhance the workers' feeling of mastership over the enterprise. In the case of team work, the feelings toward each other made some differences in terms of who got recruited to new teams. The people who were not chosen were reassigned jobs to other places of the enterprise instead of being laid off.

Ascription and its Impacts on the Meaning of Cross-Culturally Transferred Organizational Practices

Ascription is another cultural orientation by which assumption about human relationships are made manifest. As shown in the text, the

Chinese emphasize ascription as against the Western emphasis on achievement orientation. Such a cultural orientation is manifested in the form of reward distribution

As discussed in Chapter Two, the Western organizational practices are developed based on a priori assumption that humans should be judged and rewarded by their achievement. The organizational practices such as pay-by-skill or pay-by-performance are typically Western. However, when these practices were applied in the Chinese situation, cultural clashes occurred. An instance of this was manifest in the case of salary promotion. Mr. Jia demanded such a promotion opportunity for the reason that he was senior and retiring. Such a demand was obviously taken as legitimate by Mr. Gai and the people at the JCSP, and they granted the promotion to Mr. Jia. In the case of management by participation, some of the senior workers were allowed to participate just because of their seniority at the enterprise. Some other people were allowed to participate because of their close relationship with the superiors.

Large Power Distance and its Impacts on the Meaning of Cross-Culturally Transferred Organizational Practices

Large power distance is another cultural orientation by which assumptions about human relationships are made manifest. As previously discussed, the human relationships in China are essentially hierarchical, and reflect the hierarchical relationships manifested in nature. Harmony is realized through the respect of hierarchy. Large power distance is manifested in the form of the clear hierarchical structure of the organization, respect for hierarchy and age, status consciousness, the privilege of the superiors, and paternalism.

As discussed earlier, the Western organizational practices are based on the assumption that human beings are equal. Consequently, when these Western organizational practices are used in the Chinese situation, they are understood differently. An instance of this was manifested in the case of salary promotion. Mr. Jia took seniority as a power leverage to get himself promoted. Another instance was the case of management by participation. Due to the introduction of such Western practices, authoritarianism in the lower level of management was strengthened. People were not given equal opportunities in the process of decision making. Further, participatory management was interpreted as delegation rather than equal participation among organizational members. A final instance was in the case of team work. Workers in a team were not equal, and there existed a clear consciousness of hierarchy in a work team.

A general conclusion which can be made is that the meaning of Western organizational practices are constructed or reconstructed in the process of transfer. As discussed in the text (especially in Chapter Six and Seven), when the organizational practices are transferred from one culture to another, their original meanings can rarely hold. Sometimes, the original meaning is fractured or lost; and sometimes, new meanings are infused into the imported organizational practices.

This is in significant contrast with the universalists' position. As discussed previously, universalists tend to believe that when the organizational theories or practices are transferred from one culture to another, the meanings of them will be intact. In other words, the imported organizational theories or practices will be understood as the

way it is understood in the West. The question left is whether such theories or practices can fit into the local culture.

**The Process of Transformation and Strategies
for Cultural Transposition in the Context
of Cross-Culturally Transferred Organizational Practices**

This model suggests that the Western organizational practices which are developed based on the Western assumptions have to be transformed or redefined to accommodate the Chinese cultural orientations, due to the significant difference between the two cultures. The process of transformation involves organizational practice tuning and cultural tuning.

Explicitly stated, a major goal of this study is designed to explore cultural transposition -- cultural synthesis -- in the context of cross-cultural transfer of organizational practices. By cultural transposition, I refer to a process of cultural tuning for the purpose of achieving organizational effectiveness in modernization or development. An underlying assumption is that there exist traditional values and beliefs which fit into the Western organizational practices; and there are also traditional values and beliefs which do not fit into the Western organizational practices.

To achieve the goals of modernization or development at the organizational level or the society level, various strategies should be pursued in the process of cultural tuning. In the study, several strategies are identified. First, when the traditional values and beliefs fit the organizational practices in the West, direct transfers of such practices can be done. In the case of information technology transfer, because the value of high efficiency and modern technology is similar to the ones in

the West, a direct transfer of such a technology was made. At *Jiagong* and *Lingong*, especially the latter one, the importation of Western information technology made significant increases of organizational effectiveness. However, the value over information technology is not going to be persistent, if it can not make a difference. At *Gunlun*, the information technology was not well utilized, and the enterprise director who made such a decision began to feel lots of pressure.

In some cases the Western organizational practices have to be transformed to fit into the Chinese culture in the pursuit of organizational effectiveness. These cases tend to happen when the traditional values and beliefs are strongly held. Such a strategy is manifest in the case of firing. The Western practice of layoff was almost transformed into a different form of organizational practice: The term for layoff -- *kai chu* or *jie gu* -- was not used, and people were encouraged to leave the organization in a variety of ways. None of these institutionalized practices was rejected by organizational members, and the effects for savings and reducing losses to the enterprise were achieved.

In some other cases traditional values and beliefs have to be transformed to work with imported organizational practices. In the case of structural reform, the enterprise management had to abandon the traditional value of control, and delegate enough powers to *Jianan*, in order to improve economic performance. The Western practice of profit center was essentially established, and such an integration achieved a great success. In the case of salary promotion, an attempt was made to promote those with the best performance record. However, in my judgment *Jiagong* was not able to transform the traditional values and

beliefs to carry out the process in a Western way. However, it did encourage people like Mr. Wang to go for such an opportunity which would not come to him otherwise. As discussed in the text, it ended up that the traditional practices and the new ones stood side by side.

There exist some other circumstances whereby both the imported organizational practices and the traditional cultural orientations have to be tuned. Such a strategy is manifested in the case of management by participation and team work. In the former case, *Jiagong* created a Workers' congress which functioned more or less like the board of trustees in the West. Such a practice was to a great extent even more radical, since it put workers -- the lower organizational members -- on the very top of the organization. Further, the instrumental role of the workers was emphasized and they were encouraged to do trouble shooting and problem solving. This more or less changed the values that workers were only to listen and work.

The case of team work was a successful cultural tuning. On the one hand, people were judged and selected on the basis of performance, and people could make their own choices for positions. Such practices were divergent from the traditional practices. A serious attempt was made to avoid nepotism and back-door phenomenon. On the other hand, on the basis of competition according to abilities, *guanxi* work -- the traditional values and beliefs -- was allowed to play. Further, a motivational mechanism based on group performance was applied, and workers were given more powers to control the production processes.

A general conclusion which can be made from this study is that the traditional values and beliefs can be delineated to the extent so that those which fit or do not fit into the cross-culturally transferred

organizational practices can be identified. Further, both culture and imported organizational practices can be transformed to fit into each other in the pursuit of cultural transposition. As shown in the text, such transformation is a difficult, complex process. It is more complex than any type of technology transfer. And that is why I argue against the notion that achieving cultural transposition can be treated like assembling a car by importing different parts from different countries.

Several types of transformation can occur in the process of achieving cultural synergy. First, those cultural values and beliefs which do not fit into the imported Western organizational practices can be transformed in order to achieve cultural synthesis. Furthermore, for some strongly-held traditional values and beliefs, the imported organizational practices have to be tuned to fit into the Chinese culture. The tuning of the practice of firing for the Chinese culture was a good example of this. Finally, in some cases such as the case of management by participation and team work, both the traditional culture and the imported organizational practices had to be tuned to fit into each other in the pursuit of cultural synthesis.

Further Conclusions, Suggestions, and Implications

This study is about revealing the cultural interplay in the context of cross-cultural transfer of organizational practices. In the rest of the chapter, some further conclusions, suggestions, and implications are examined.

The Study of Cultural Transposition and Implications for the Study of Organization and Culture

Cross-cultural scholars continue to argue about the relationship between organization and culture. As discussed in Chapter Two, there exist two major views -- the universalistic view and the non-universalistic view. The universalistic view posits that organizations are alike and theories of organizations apply cross-culturally (Hickson, Hinings, McMillan, & Schwitter, 1974; Kuc, Hickson, & McMillan, 1980; March & Mannari, 1980; Hsu, Marsh, & Mannari, 1983). Although culture needs to be included in theory development, it is not necessary to develop culture-specific theories (Sechrest, 1977a, b; Brown & Sechrest, 1980). To include culture in the theory building, Strodbeck (1964) suggests treating cultural factors as independent variables. All of these position discourage the attempt of developing culture-specific theories (Poortinga and Malpass, 1986).

In contrast, the nonuniversalistic view treats culture as a background factor which influences the psychology of human beings (Poortinga and Malpass, 1986). It is on this basis that some scholars (e.g., Hofstede, 1980, 1991; Adler, 1991; *The Chinese Culture Connection*, 1987; Lockett, 1988) argue that organizations are culturally conceptualized, and organizational practices from one culture do not work in another culture. Further, it is found that culture also plays an important role in determining behavior (Redding, 1990), and behavior reinforce cultural values (Hofstede, 1984a, 1991). In this respect, the culture-specific school suggests that different cultures should proceed to develop their own culture-specific theories.

The findings in this study seem to have some implications for this issue. First, it seems that the cultural determinists have a point that each culture is specific. This study has revealed that China has her own perspective on how the world is organized. Chapter Four extensively discussed the nature of man, and how the values and beliefs -- the fabrics of a society -- influenced human behavior at the level of self, relationship, organization, and society. The human nature -- moral being -- is a significantly distinctive view of human beings. In the West, human beings are viewed as individualistic. Although Theory X and Theory Y generate different perspectives about the nature of human beings, the two views are nevertheless based upon the individualistic assumption in the West.

As discussed previously, the different view on the nature of human beings and human relationship has led to a different way of organizing the Chinese society. Consequently, human relationship or some kind of group is taken as the basic unit of a society. Further, *ji ti zhu yi*, *zhun bei you xu*, and *guanxi* become the three major fabrics in organizing the society. With such a world view, the concept of organization, job, leadership, and motivation takes on different meanings.

However, it does not mean that imported organizational practices will not work at all in the Chinese situation. One of the conclusions drawn from this study is that one can not be absolute in judging whether organizational practices from one culture can work in another culture. There are simply too many contingent factors in this context. According to the previous discussions in the text, the kind of organizational practices, the cultural orientations associated with these organizational practices, and the cultural orientations all have a claim to this question.

Thus, instead of asking such a broad question, a better question should take a contingent dimension: In what circumstances can the organizational practices developed in one culture work in another culture? In other words, the fit between the imported organizational practices and the local culture is more important than anything else. When there is a fit, success prevails; when there is no fit, it fails. In the case of information technology transfer, the value of efficiency in the local culture corresponds with the Western value underlying the use of information technology, resulting in successes at both *Jiagong* and *Linggong*. In this case, nothing significant in terms of either local culture or the imported organizational practices was changed. In the case of structural reform at *Jianan*, the value of hierarchy had to be changed in order to use the Western profit-centered organizational practices. In the case of firing, the Western organizational practices had to be transformed to a great extent to fit into the Chinese values. In the case of management by participation and team work, both cultural orientations and the Western organizational practices had to be transformed, interpreted, or redefined to make it work.

Another implication which can be drawn from this research is that both the culture-free school and the culture-specific school go to extremes, and their extreme theoretical views on these issues may not be useful in the context of cross-cultural transfers of organizational practices. These theorists tend to be conservative in developing and protecting their own turf, so that two untenable opposite theses are developed. As suggested by Kirkbride and Tang (1989), "It is therefore probably more fruitful to consider them not as opposites but rather as two ends of a continuum along which the specific effects of the

application of any technique or theory can be assessed" (p. 8). In other words, each organizational practice can be viewed as more or less universal.

Another, related implication is that theory development for cross-cultural management should focus on developing contingent theories. Many cross-cultural management scholars are committed to develop universal theories. However, in a cross-cultural context universal organizational theories have meanings only in a contingency sense. Since the world is full of diverse distinctive cultures, it does not make much sense to develop a theory in one culture and intend to apply it strictly to another culture.

This further implies that traditional theory development is no longer adequate to develop cross-cultural theories in management and organizations. The traditional theory development assumes that the core of a theory should not be changed when applied to other situations. When a theory or a practice prescribed by a theory is transformed, redefined, or reinterpreted, the traditional theorists view that the theory is no longer existent. As discussed above, in the context of cross-cultural transfer of organizational practices, such changes of the original theories or practices are imperative. In this context then, it may be more meaningful to develop contingent organizational theories which can be adapted to various cultures.

Although this particular study has suggested an important direction towards developing universal organizational theories, much need to be done in future research. Such an issue entails a study of enormous scope and complexity. Further research should continue to focus on the contingency approach to study the phenomenon of cross-cultural

transfer of organizational practices. This study suggests that the meta-constructs -- the major pattern variables and universal dimensions -- are important in such studies. Further, it suggests that an indigenous perspective will help enrich the understandings of the host cultures of the cross-culturally transferred organizational practices.

Future research should focus more on the synthesizing process between the traditional culture and the imported organizational practices. Such processes are important to study, since all of the cultural interactions reside in them. A limitation of this study was the lack of such a focus. Except in the cases of salary promotion and team work in which the researcher was involved to some extent, the other cases were after-the-fact studies.

The Research Design and its Implications for the Study of Meanings of Cross-Cultural Transfer of Organizational Practices

Most cross-cultural studies are done either by a researcher or researchers from one culture to study another culture, or by a native researcher or researchers. In the former case, anthropologists usually do studies like that. In the latter cases, the native researchers usually do studies like that.

The design of this study is different from most other cross-cultural researches. Multiple perspectives -- the Eastern conversation, the cross-cultural conversation, and the meta-conversation -- are used to explore the meanings and strategies of cross-cultural transfer of organizational practices. All of these perspectives are designed to look at the same monster from different angles.

I hope this study has shown the importance of understanding culture and practices from the native perspective. Our ideas, theories, or organizational practices are culturally-bounded, and one cannot use his or her own pattern of thinking, feeling and acting to make a judgment on another one (Hofstede, 1991). Otherwise, one may make a judgment which does not make sense to the native people. As discussed in Chapter Two, Westerners mischaracterize Chinese as weak-willed in their conformity and deference to leadership. In the native perspective the Chinese conformity and acquiescence may be a motive to avoid disrupting harmonious relations (Wong, 1982).

This study also revealed an argument on whether the Chinese are collectivistic or individualistic. In my judgment the argument that Chinese are individualistic (Pye, 1991; Ng, 1990) is another mischaracterization of the Chinese culture. I believe that such an argument is established by interpretations of some phenomena using the Western perspective. What is important to know is how the natives view such a phenomenon. From this study, it is clear that the Chinese view relationship as more important than anything else. Consideration for others is as strong as ever.

An important point is that Chinese exhibit different behavior in different situations. In an ingroup, all of the Confucian moral principles apply. When in a non-ingroup setting, the individuals behave aggressively for the benefit of self or group. It is true that many Chinese do not view their work groups as their ingroups, thus they behave in a non-ingroup setting.

I believe that those who view the Chinese as individualistic are probably misled by the non-ingroup behavior. The Westerners view this

as individualistic behavior. Interestingly, such behavior are justifiable in the Chinese society, although the society is harsh on individualism. As discussed in the text, such behavior may well be viewed as collectivistic. For example, one is aggressive in various competitions to win fame for the family or an ingroup. The aggressive behavior is driven by the concern of the group.

This further implies that the meaning of collectivism may be different in different cultures, and one can not impose its meaning from one culture to another. Schwartz (1990) suggests that the dichotomy -- individualism- collectivism is insufficient. One reason is that there is a difference between collectivism defined in an ingroup, and collectivism in a national culture. In China, I believe that the former meaning of collectivism is more adequate.

In fact, the idea of using multiple perspectives is not new at all. As mentioned earlier, Morgan (1986) asserts that in the study of a social phenomenon, it is always more beneficial to have multiple perspectives. What has been known is that using multiple perspectives are more beneficial than a single perspective. An additional perspective is likely to add something to the new picture. The use of multiple perspectives is often limited to perspective-shifting. "To see ourselves as others see us" is often the scheme. Hamada (1990) attempts to shift her perspectives in her study on American enterprises in Japan.

What is unusual in the study is the way these perspectives are interwoven together to produce a whole. I believe that such research bears a theoretical significance. What has been lacking is how to connect these perspectives together to enrich its meanings. In the study, such an integration attempt is made. The cross-cultural conversation is to

transcend the knowledge obtained from the Eastern conversation. Based on the information obtained from the Western and the Eastern conversations, abstract constructs -- the pattern variables and universal dimensions -- are utilized. Further, those informants who have cross-cultural experiences are selected to discuss about how cultural conflicts as well as cultural synthesis are realized in their own experiences. I believe that such an effort was instrumental in understanding the cultural interplay in the context of cross-cultural transfer of organizational practices. Meta-conversation is an attempt to have a conversation between the researcher and the research process. It is a process whereby the researcher was observing the process in which the researcher was observing. The outcome resulting from this effort includes the findings about the issue of trust, being conscious about the role of the researcher in the data collected, and modifying research methods.

However, the meta-conversation in this study is not ideal. What will be ideal is to have a meta-conversation with the organizational members in the case organization. As will be discussed later, it is unfortunate that the organizational members were not able to have such a conversation, due to the fact that they lacked the Western perspective. Future research should pursue such an ideal situation so that the tentative theoretical framework can be further refined.

Another significance of the design in this study was the approach to how major organizational forces -- the government, the management, and the employees -- constructed their own realities, and how much they shared the single organizational reality. This was an attempt to understand the sub-cultures as well as the interactions among them in an organizational setting. In traditional studies, only the management's

perspective or culture is explored, and the perspective of the employees is usually ignored.

Such a design was very fruitful. It proved that different groups of organizational forces constructed their own realities. The government had their own perceptions about the problems in the industrial organizations, and suggested a radical approach to transform the society in which the industrial organizations are embedded. The management had different perceptions, and took a different alternative to deal with the organizational problems. They were more concerned with the harmony and stability of the organization. The employees were more discriminating. They liked some of the reforms, and did not support others. They were concerned about the kind of reforms which brought less social security for them. Further, they became disillusioned by the reforms that strengthened authoritarianism in the organization.

On the other hand, they, especially the management and the employees, all shared an organizational reality. For example, the respect for hierarchy, the value of harmony, and *guanxi* work were all supported or taken for granted by them. Further, they believed that reforms were necessary, although their approaches were different. Future research should further investigate the dynamic interactions between these organizational sub-cultures or realities. This study only did this to a very limited degree.

The Cross-Cultural Transfer of Organizational Practices and its Implications for Organizational Change in a Cultural Context

In this study of cross-cultural transfer of organizational practices, an observation about the process of organizational change in a cultural

context may have a theoretical significance. In the literature, pertaining to the transfer of organizational innovation or technological innovation from one culture to another, scholars seem to reach a consensus that there are some conditions that may promote or prohibit such cross-cultural transfers. Such conditions are often phrased as "compatibility" (Levine, 1980; Roger, 1983) or norms of consistence (Staw, 1984). As Ogbor (1990) argued:

. . . these ideas . . . focus their attentions solely on "factors" and means concerning the institutionalization of change programs within the organization. The main value of these propositions is that they are primarily directed to an interest in the fate of innovation (or new institution) being introduced, rather than to a concern, too, with the destiny of the existing practice (or institution) through which the new one is directed. This presupposes situations of organizational innovation in which the new program or pattern of behavior is brought to bear on an existing behavior in order to reach some goal -- for instance, organizational efficiency. It presupposes situations of innovation in which the institution . . . has displaced or is process of displacing the existing one. (p. 351)

The findings in this study suggests that in the phenomenon of cross-cultural transfer of organizational practices the fate of innovation is only a part of the whole dynamic situation. As Ogbor (1990) arrives at his study that not all situations in which the displacement of old practices is taking place. In the case of salary promotion, the old practices and the new ones co-existed, and the organizational members seemed to agree that such a trend would continue. To a large extent, in the cases of management by participation and team work, both traditional practices and the new ones were intermingled with each other. It is hard to say that the displacement was taking place.

The co-existence of two different types of organizational practices suggest that future research in the cross-cultural transfer of

organizational practices should broaden the context. The fate of innovation is only a minor case of the whole complex process. What is equally important to know is the organizational process of importing an innovation per se, as well as impacts by such organizational process.

Further, the traditional practice of innovation also presupposes that the fate of innovation is bleak when it is incompatible with traditional values and beliefs. In other words, mostly such an innovation will not be adopted. Even though traditional values and beliefs can be changed, it is widely held that such change is difficult to make.

The findings in this study suggest that it may not always be the case. Throughout the text, the direct cultural clash between the traditional cultural orientations and the new cultural orientations associated with the imported organizational practices have been discussed. However, it seems that some of the values which do not fit into the innovations are changed in an amazingly swift manner. All of the cases investigated were adopted and implemented in recent years. One would expect that the fundamentally different values and beliefs have to take generation to change.

In order to find out the detailed process which has led to such usual changes at *Jiagong*, a longitudinal research design is needed. In absence of such a research design, categorical answers have to be awaited. However, based on the research some intelligent speculations can be made.

Several reasons may contribute to the swift changes of traditional values and beliefs in the case organization. One of the reasons is that the whole environment is changed from a plan system to a market system. Such a change has forced the case organization to transform

itself to the new environment. In recent years, the proportion of plan from the government was gradually reduced. As the trend was going strong, the management at *Jiagong* realized that they had to transform the organization.

Second, the government which is the owner of the organization is the opinion leader (Rogers, 1983), and the government is committed to importing organizational practices from the Western countries. The government can be viewed as the radical reformists. The nature of their radicalness was manifested in the bold steps toward reforming the traditional system.

Third, under the leadership of the government, the management at the case organization became the change agent, and actually implemented all of the changes. The management was clearly concerned about the stability of the situation. In their view, the changes should reinforce the stability of the situation, rather than make it chaotic. Evidently they complained a lot about the new changes they had to make to the organization. Compared with the government's position in transferring organizational practices to China, they were much less enthusiastic. However, since the government had an upper hand in such situations, the management had to implement changes anyway. Further, the crisis the case organization was facing played a significant role in the fast cultural changes made. Under tremendous pressures, the management was willing to experiment with almost anything to make the situation work, although they did not like the way the government was dealing with the situation.

Finally, the employees were supportive to most of the reforms, although they did not like some of the changes made at *Jiagong*. They

tended to support those changes which led to organizational efficiency, and were concerned about the changes which had affected their lives in negative ways. For example, they believed that job security should be reinforced rather than weakened. On the other hand, they did not have much control over the change process.

The Study of Cultural Transposition and its Implications for the Case Organization

The research findings in this study has practical implications for the case organization. First, it seems to me that the case organization needs to know more about the Western organizational practices and the cultural orientations associated with them. In other words, they need to be able to shift their perspective in the process of importing organizational practices.

In the research, I got the impression that the management viewed the whole situation from mainly a traditional perspective. They apparently held the traditional values such as harmony, stability, and expansion very strongly. When the external changes and internal changes led to chaotic situations, they had a tendency to uphold the traditional values and blame the changes. Consequently, they were suspicious about the Western organizational practices.

A general consensus among the management, employees, and the government was that the transformation from the traditional mode of organization to a new one was a very slow process. The Western organizational practices were still implemented to a small scale. Part of the reason in my opinion was that the management was not able to shift their perspectives. Entrenched in a traditional perspective, they were

likely to blame the changes. From a different perspective, an equally strong argument could be that the lack of harmony and stability was due to the slow transformations of the organizational mode.

Another possible benefit for perspective-shifting was that they could be able to stay above and view the situation dialectically. There was a tendency to discard the traditional culture and organizational practices. Such a tendency was manifested by the radical position taken by the government. The "breaking three irons" movement was a clear evidence of that approach. Such a perspective was to some extent also existent in the case organization. From such a study and other cross-cultural studies, it can be asserted that this is a very dangerous direction to go. The fast failure of the "breaking three irons" movement was an important lesson in this respect.

Further, it seems to me that the management should be able to guide the process of interpretation (reinterpretation) and definition (or redefinition) of the imported organizational practices. In the case of structural reform and management by participation, the Western practices were used to justify the inequality between the management and the employees. Such a phenomenon was manifested by the cases of increased salary distribution between the managers and the workers, and the authoritarianism of the management. Such a phenomenon had led to workers' belief that they were "exploited" or "mistreated" by the management.

The reinforcement of authoritarianism in the case organization deserves much attention from the management. One of the dysfunctional values pointed out from the cross-cultural informants was the cultural tendency of killing an individual's initiative or creativity. Such a view

was also generally supported by the employees in the case organization. This suggests that the management should be aware of the implications of the interpretation (reinterpretation) and definition (or redefinition) of the imported organizational practices.

The research in the case organization also suggests that *Jiagong* was not able to maintain a reasonable balance between change and stability. There were many change initiatives going on at the same time, and their interconnectedness was a concern of the senior management. In some cases, the management was not aware of the implications of such changes. Further, the transformation process from the traditional system to a new organization which adapts to a market-oriented environment was slower, compared to the changes in its external environment.

The Study of Cultural Transposition and its Implications for the Development of Chinese Organizational and Management Theories

One of the conclusions of the study is that the Chinese culture is significantly different from the Western culture. The traditional values and beliefs are still the major factors determining human performance. This suggests that the development of Chinese theories in organizations and management has to consider the cultural aspects.

One obvious route to the theory development is to develop indigenous theories. Indigenous theories refer to (1) that the theories are conceptualized in a native cultural perspective and in the meantime (2) that the theories are to reflect their own cultural reality (Bond & Hwang, 1986, p. 217). A merit of this approach is that it can avoid the Western ethnocentric perspective. As discussed earlier in this chapter, the Western ethnocentric perspective may result in explanations that do not make sense to the native people.

Such theories focus on the cultural assumptions and develop theories which fit those cultural assumptions. To an extent, such an attempt was made in Chapter 4. The moral man leads to three basic cultural mechanisms -- *Ji ti guan nian*, *zun bei you xu*, and *guanxi* -- which permeate group, organization, and society. Such theories will be developed specifically for the Chinese culture.

This study suggests that another approach is to develop synergistic theories of organization in the context of cross-cultural transfer of organizational practices. Such an approach is to seek opportunities to generate learning across cultural boundaries. The cases of integrating the traditional culture with the imported organizational practices are very useful for developing such synergistic theories. Especially, the case of management by participation and team work deserve attention.

I view that the synergistic approach to develop theory is more exciting than the preceding one. This is because, first, it can speed up the process of theory development in China. Compared to theory development in the West, it is my judgment that theories of organizations are primitive in China. One of the reasons may be that "the whole notion of having a social scientific framework for the study and improvement of forms of economic cooperation is itself peculiarly Western, and derives from a non-universal tradition of scientific rationality" (Redding, 1990, p. 236-237). However, such a theory development is critically necessary for the tens of thousands of large state industries in China. This is especially so, as China is entering the international market, and establishes a market system of its own. The integration of Western organizational theories and practices and the Chinese culture will speed up such a process.

Second, such a cross-cultural breeding of organizational theories will produce theories in the context of world cultures, which has wider implications for other cultures. In such a route, the Chinese culture has to be understood in relation to other cultures, as was done in Chapter 5, and the synergistic theories are intrinsically cross-cultural. Consequently, such theories may be useful in other cultures. A good example of this is that the TQM or TQC which was produced by a synergistic process between the Western organizational practices and the Japanese culture and is having tremendous impact on the Western culture and organizational practices.

It is doubly important to take the cross-cultural approach to develop organizational theories in the Chinese culture, because the Western culture has significant impacts on the changes of people's values and beliefs. Hu (1990) argues that in recent years the Western assumptions of "economic man" and "self-actualization" man are having significant impacts on the Chinese, especially the young Chinese. Human behavior is likely determined by the mixture of "moral man," "economic man," and "self-actualization man." To some extent, such an argument is supported by this study. The dissatisfaction about pay and benefit, social security, and authoritarianism reflect some interpretations. If Hu is right, the integration of the Western organizational theories or practices with the Chinese culture ought to be of paramount importance.

The Research Findings and Level of Generalization

Finally, an issue pertaining to the generalization of the research findings needs to be addressed. The level of generalization can be

discussed in terms of the persuasiveness of the research problem and the methods of inquiry which lead to the nature of the data collected.

As discussed in Chapter 1, this research was designed and conducted as a result of the awareness of the cultural clashes in the Chinese effort of transferring Western organizational practices to China for the modernization drive. Since the Chinese government owns the state industries and the decision to transfer the Western organizational practices is made by the government, such a problem is clearly a national one. This argument was further supported by the fact that such a problem of cultural clashes was found in all of the organizations the researcher visited. Thus, the problem of meaning and the problem of cultural tuning can be seen as a general problem throughout the state industries in China.

Furthermore, it is argued that the model generated from this case study is a general one, and it can be applied to the context of cross-cultural transfer of organizational theories and practices. Such a model does not provide answers or prescriptions to any concrete practices of cross-cultural transfer of organizational practices. In this respect, it is a process-oriented rather than a content oriented model.

However, it is important to emphasize that this case study is limited. Although the problem is universal, the manifested forms and solutions to the problem may be diverse (Geertz, 1973; Ogbor, 1990). In other words, in a different organization, the cultural dynamics can be manifested in different forms and realities, constructed by the different groups in the organization, can also be different.

As mentioned earlier, the level of generalization can be also discussed in terms of method of inquiry. Usually, in order to generalize research

outcomes to other organizations, a sample of organizations have to be chosen to study. Since this study was mostly done at *Jiagong*, the research findings of this study can not be generalized into other organizations. Further, since this research is done under the interpretive paradigm, it cannot produce universal knowledge. This particular research is mainly concerned with the dynamics within a particular context. However, this does not mean that generalization of the research outcomes at a theoretical level are not possible. The strategies developed in the study are at a theoretical level, and can be generalized into other organizational settings.

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APPENDIXES

Appendix I
Interview Schedule for managers*

Theme 1. Self

This is to investigate how the respondent views herself or himself in an organizational context.

- (1) How do you describe your self? How do you describe an ideal self?
- (2) What is your view of a good manager?
- (3) Do you have to make any particular sacrifices to be where you are now?

Theme 2. Relationships

This attempts to map important relationships in an organizational setting.

- (1) Who do you feel responsible for? What are the actual responsibilities? (This may include moral and material responsibilities.)
- (2) Where do you go for help?
Possible probe: describe incidents/situations.
- (3) How is *guanxi* important here in your organization? Without *guanxi*, could you be what you are today? Expand on type and extent of contact.

Theme 3. Motivation and Satisfaction

This is to investigate how satisfied/dissatisfied managers are, and managers' perspective on new policies of hiring and promotion. (1) How satisfied are you with your present job?

Possible probe: What are the three most important sources of satisfaction in doing your present job? Describe a recent incident/situation that gives you satisfaction.

(2) Are there any aspects of the work which cause dissatisfaction?

Possible probe: describe a recent incident/situation that gives you dissatisfaction.

(3) How do you like the new motivational mechanisms -- policies of hiring and promotion?

(4) Do you believe these new policies can be successfully implemented in your organization? Why? /Why not?

(5) If they are successfully implemented, are you more satisfied than before? Why? Why not?

(6) How would you feel if you are no longer a manager or even forced out of the job one way or another, as a result of new policies?

(7) How do you describe the workers' attitude to work in your organization?

(8) How are the new organizational policies affecting their attitudes? Why?/Why not?

(9) Do you think the needs of workers are provided, if these new policies concerning motivation are successfully implemented?

(10) Have you tried any specific strategy by which your subordinates are more committed to their duties? Describe the strategy, please.

(11) What are the attitudes and reactions of your subordinates toward the strategy used by you?

(12) Do you believe your strategy will help the other departments or factories, too?

Theme 4. Leadership

This is to investigate leadership styles in the organization.

(1) How do you characterize your bosses?

(2) How do you like the ways they lead? Possible probe: Describe an incident or situation.

(3) How would you like to change the way they lead?

(4) As a boss, how do you describe your relationship with your subordinates?

Theme 5. Decision-making and organizational structure

This is to investigate managers' perspective on decision-making and organizational structural reform.

(1) How do you characterize decision-making in your organization?

(2) How do you feel about the way decision is made in your organization?

Possible probe: Describe an incident or situation.

(3) In your opinion, what are the problems pertaining organizational structure?

(4) Do you believe these new policies for delegation and autonomy will be successfully implemented?

(5) Will the new policies for delegation and autonomy improve the situation? How?

(6) If you are No. 1 in the company, what type of structural change would you make to improve the situation?

Theme 6. Relationship with the State

This attempts to make sense of the managers' perspective on the interrelationships between organization and government.

(1) Based on your work experience, what should government's role be, as far as making organizations effective?

(2) Based on your work experiences, what does government do too much of and too little of?

(3) How are the new policies concerning enterprise reforms affecting your company?

(4) What suggestions would you make to the government in terms of reforming traditional businesses?

*This is just a list of questions to help the researcher get focused. Most interviews were unstructured and did not follow the order of the list. Not all of the questions were directed to all of the respondents, either. Some of the questions directed to specific situations were not on the list.

Appendix II
Interview Schedule for employees*

Theme 1. Self

This is to investigate how the respondent views herself or himself in an organizational context.

- (1) How do you describe your self? How do you describe an ideal self?
- (2) What is your view of a good employee?
- (3) Do you have to make any particular sacrifices to be where you are now?

Theme 2. Relationships

This attempts to map important relationships in an organizational setting.

- (1) Who do you feel responsible for? What are the actual responsibilities? (This may include moral and material responsibilities.)
- (2) Where do you go for help?

Possible probe: describe incidents/situations.

- (3) How is *guanxi* important here in your organization? Expand on type and extent of contact.

Theme 3. Motivation and Satisfaction

This is to investigate how satisfied/dissatisfied people are in an organizational setting.

(1) How satisfied are you with your present job?

Possible probe: What are the three most important sources of satisfaction in doing your present job? Describe a recent incident/situation that gives you satisfaction.

(2) Are there any aspects of the work which cause dissatisfaction?

Possible probe: describe a recent incident/situation that gives you dissatisfaction.

(3) How do you like the new motivational mechanisms -- policies of hiring and promotion?

(4) Do you believe these new policies can be successfully implemented in your organization? Why? /Why not?

(5) If they are 'successfully implemented, are you more satisfied than before? Why? Why not?

(6) How would you feel if you are forced out of the job one way or another, as a result of new policies?

(7) In your opinion, what are the causes of the organizational problems?

(8) If you are the boss, how would you change the organization?

Theme 4. Leadership

This is to investigate leadership styles in the organization.

(1) How do you characterize your bosses?

(2) How do you like the ways they lead? Possible probe: Describe an incident or situation.

(3) How would you like to change the way they lead?

Theme 5. Decision-making

This is to investigate the cultural differences in terms of decision-making and possibility for cross-cultural transfers.

(1) How do you characterize decision-making in your organization?

(2) How do you feel about the way decision is made in your organization?

Possible probe: Describe an incident or situation.

Theme 6. Relationship with the State

This attempts to make sense of the respondent's perspective on the interrelationships between organization and government.

(1) Based on your work experience, what should government's role be, as far as making organizations effective?

(2) Based on your work experiences, what does government do too much of and too little of?

*This is just a list of questions to help the researcher get focused. Most interviews were unstructured and did not follow the order of the list. Not all of the questions were directed to all of the respondents, either. Some of the questions directed to specific situations were not on the list.

Appendix III
Interview Schedule for Chinese Working in the USA

Theme 1. Self

(1) What is the word for self in Chinese? How do you understand the concept and identity of self from your own experiences? How do you describe the content of self? How do you like the American way of understanding self? Please provide examples.

Self 应译为什么? 结合个人经历, 谈谈你怎样理解 self 这个概念及其地位? 它包括哪些具体内容? 你怎样理解美国人的 self 观念? 请举例说明.

(2) In contrast to an American, how do you describe your self? Any changes since you came to the USA?

与美国人对比来看, 你怎样描述你自己? 自从来美之后, 有什么变化没有?

(3) What is a 集体? From your own experiences, how do you understand the identity of 集体 in the Chinese culture? How do you describe the content of 集体? What is the word for 集体 in English? How do you like the American way of understanding 集体? Please provide examples.

什么是集体? 结合个人经历, 谈谈你怎样理解中国人的集体观念及其地位? 它包括哪些具体内容? 集体应译为什么? 你如何理解美国人的集体观念? 请举例说明.

(4) From your own experiences, where is the boundary between self and 集体 in the Chinese culture? Where is the boundary between self and 集体 in the American culture? Please provide examples.

结合个人经历, 中国文化的 self 与集体的界限在哪儿? 中国文

化的 self 与集体的界限又在哪儿? 请举例说明。

Theme 2. Relationships

(1) Compare your work experiences in China, who do you feel responsible for in the USA? (This may include moral and material responsibilities.)

与在中国的工作经历相比, 你为谁负责? 具体有哪些责任?

(2) Compare your work experiences in China, where do you go for help?

Possible probe: describe incidents/situations.

与在中国的工作经历相比, 需要帮忙时, 你去找谁?

(3) From your own experiences, how do you understand the concept of 关系? What is the nature of 关系? What is 关系学?

结合个人经历, 谈谈你怎样理解关系这个概念? 其本质是什么? 什么是关系学?

(4) Under what conditions, you claim that you have a 关系 there?

How is 关系 different from freindship?

在什么条件下, 你会说我那里有关系? 关系与友情有何不同?

(5) Does American culture also have the concepts of 关系 and 关系学? What are the words for them respectively?

美国也有关系及关系学的概念吗? 他们分别译为什么?

(6) Compare your work experiences in China, how is guanxi important here in the USA? To what extent guanxi functions as a tool

for one's success in each culture?

与在中国的工作经历相比,关系在美国有多重要? 在中美两国,关系在多大程度上决定一个人的成功?

(7) In each culture, to what extent, how is 关系 important to an organization's success? Why?

在中美两国,关系对一个单位的成功与否有多么重要? 为什么?

(8) In China, how do you la guanxi with people who have have similar status -- such as your peers and your school mates? How do you la guanxi with people who have higher status -- such as elders and your bosses? How do you la guanxi with people who have lower status -- such as people who are younger and your subordinates? How does sex make any difference in terms of the way you la-guanxi?

在中国,你怎样与地位相同的人,比如同龄人或同学,拉关系? 你怎样又与地位高的人,比如长辈人或领导,拉关系? 你怎样又与地位低的人,比如比你年轻的人或你的下属,拉关系? 性别不同怎样使拉关系的方式方法不同?

(9) In the USA, how is the way of 拉关系 in the USA different from experiences in China? Does any of the above "techniques" apply to the American culuture? Please give examples.

在美国,在拉关系的方式上与在中国有何不同? 上面提到的技巧在美国好用吗? 请举例说明.

(10) How is the way of maintaining 关系 in the USA different from experiences in China?

两国相比,在维持关系的方式上有何不同?

(11) From your own experiences, how do you understand the notion of 脸 (lian) or 面子(mianzi)? What is its nature?

你怎样理解脸的概念？其本质是什么？

(12) What do you mean when you say this person 不要脸 (bùyaolián)? What do you mean when you say this person is very 要面子 (yàomiànzi)? What do you mean when you say this person does not give 面子 (miànzi)?" Under what circumstances do we say that s/he has lost 脸?

当你说此人不要脸,是指什么? 当你说这人非常要面子,是指什么? 当你说这人不给面子,又是指什么? 在什么场合下,我们说某人丢了脸?

(13) Who, the individual or the society, makes up the criteria for 要脸 or 不要脸?
是个人还是社会制定要脸或不要脸的标准?

(14) Can the value of 脸 (lián) or 面子(miànzi) be increased or decreased? How do you increase your 脸 (lián) or 面子(miànzi)?
脸或面子可以提高或降低吗? 你怎样提高你的面子?

(15) Can 脸 (lián) or 面子(miànzi) be transferred from one person to another without losing its value? In other words, can you use my 脸 (lián) or 面子(miànzi) to achieve the same outcomes just as I do it myself?

脸或面子可以从一个人转给另一个人而不失其价值吗? 换句话说,你能否用我的面子去做某事达到的效果与我本人去一个样?

(16) Does the USA also have similar concepts? What are the words for 脸 (lián) or 面子(miànzi)?

美国也有脸或面子的概念吗? 他们分别译为什?

(17) Compare your work experiences in China, how is 脸 (lián) or 面

子(mianzi) important here in the USA?

与在中国的工作经历相比, 要脸在美国有多重要?

(18) How different the criteria for 脸 (lian) or 面子(mianzi) in the two cultures? Any examples?

要脸或不要脸的标准在俩国有何不同? 请举例说明.

(19) How does the notion of lai affect a person's growth in each culture?

在中美两国, 脸或面子对一个人的成长起何作用?

Theme 3. Performance and Satisfaction

This is to investigate how effective and how satisfied people are in a comparative perspective, and possibility for cross-cultural transfers.

(1) Compare your work experiences in China, how effective are you on your present job?

Possible Probe: show the efficiency ratio, if possible.

与在中国的工作经历相比, 你现在的工作效率如何? 请举例说明.

(2) Compare your work experiences in China, how satisfied are you with your present job?

Possible probe: What are the three most important sources of satisfaction in doing your present job? Describe a recent incident/situation that gives you satisfaction.

与在中国的工作经历相比, 你对现在工作的满意程度如何? 请举出令你满意的三方面内容, 并以例说明.

(3) Compare your work experiences in China, are there any aspects of

the work which cause dissatisfaction?

Possible probe: describe a recent incident/situation that gives you dissatisfaction.

与在中国的工作经历相比, 你对现在工作有无不满意的方面?
请举例说明.

(4) What is the word for motivation in Chinese? How do you translate motivational techniques into Chinese?

Motivation 应译为什么? Motivational techniques 应译为什么?

(5) How do you like the motivational techniques in your work setting?

How can any of the motivational techniques in your organization be transferred back to China?

你如何看待你公司所用的 motivational techniques? 怎样才能将美国的 motivational techniques 应用于中国?

(6) What are the Chinese values and beliefs that you see will be congruent with these motivational techniques? Why?

你认为中国的哪些价值观及信仰能与这些 motivational techniques 相一致? 为什么?

(7) What are the Chinese values and beliefs that you see will be dysfunctional to these motivational techniques?

你认为中国的哪些价值观及信仰能阻碍这些 motivational techniques 的应用?

(8) How can these dysfunctional values and beliefs be changed to fit into these motivational techniques?

你认为怎样才能将那些起阻碍作用的价值观及信仰改变使其与这些 motivational techniques 相吻合?

(9) Assume that the cultural values and beliefs are not touched, how

can these motivational techniques be changed to fit into the Chinese culture?

假如价值观及信仰不加改变,你认为怎样才能将这些 motivational techniques 改变使其与中国文化相吻合?

Theme 4. Leadership

This is to investigate the cultural differences in terms of leadership styles and possibility for cross-cultural transfers.

(1) From your work experiences in the two countries, how do you characterize your bosses in both countries?

你怎样来形容中,美老板?

(2) Compare your work experiences in China, how do they lead differently? how do you like the ways they lead? Possible probe: Describe an incident or situation.

与在中国的工作经历相比,美国老板的领导方式有何不同? 你怎样看待美国老板的领导方式? 请举例说明.

(3) How can any of the leadership practices in the USA be transferred back to China?

怎样才能将美国的领导方式应用于中国?

(4) What are the Chinese values and beliefs that you see will be congruent with these leadership practices?

你认为中国的哪些价值观及信仰能与这些领导方式相一致?

(5) What are the Chinese values and beliefs that you see will be dysfunctional to these leadership practices?

你认为中国的哪些价值观及信仰阻碍这些领导方式的应用?

(6) How can these dysfunctional values and beliefs be changed to fit into these leadership practices?

你认为怎样才能将起阻碍作用的价值观及信仰改变使其与这些领导方式相吻合?

(7) Assume that the cultural values and beliefs are not touched, how can these leadership practices be changed to fit into the Chinese culture?

假如价值观及信仰不加改变,你认为怎样才能将这些领导方式改变使其与中国文化相吻合?

Theme 5. Decision-making & organizational structure

This is to investigate the cultural differences in terms of decision-making and possibility for cross-cultural transfers.

(1) From your experiences in the two countries, how do you characterize decision-making at an organizational setting in both countries?

你怎样来形容中,美公司的决策方式方法?

(2) Compare your work experiences in China, how do you feel about the way decision is made in your organization? Possible probe:

Describe an incident or situation.

与在中国的工作经历相比,你怎样看待美国公司的决策方式方法? 请举例说明.

(3) What is the word for autonomy in Chinese? What does autonomy mean to you? How is it conceptualized differently in China and the states?

Autonomy 译为什么? 你怎样理解 autonomy? 中美在这个概念上有何不同?

(4) How can any of the decision-making practices in the USA be transferred back to China?

怎样才能将美国公司的决策方式方法应用于中国?

(5) What are the Chinese values and beliefs that you see will be congruent with these decision-making practices?

你认为中国的哪些价值观及信仰能与这些美国公司的决策方式方法相一致?

(6) What are the Chinese values and beliefs that you see will be dysfunctional to these decision-making practices?

你认为中国的哪些价值观及信仰与这些决策方式方法起阻碍作用?

(7) How can these dysfunctional values and beliefs be changed to fit into these decision-making practices?

你认为怎样才能将起阻碍作用的价值观及信仰改变使其与这些美国公司的决策方式方法相吻合?

(8) Assume that the cultural values and beliefs are not touched, how can these decision-making practices be changed to fit into the Chinese culture?

假如价值观及信仰不加改变,你认为怎样才能将这些美国公司的决策方式方法改变使其与中国文化相吻合?

Theme 6. Relationship with the State

This attempts to make sense of the respondent's perspective on the interrelationships between organization and government.

(1) Based on your work experience in the two countries, what should government's role be, as far as making organizations effective?

根据你在二国的经验,为使公司提高效率,政府应起什么作用?

(2) Based on your work experiences in the two countries, what does government do too much of and too little of?

根据你在二国的经验,政府在哪些方面做得过多? 政府又在哪些方面做得过少?

(3) Is there anything China should learn from the USA to improve the function of the government? If yes, can they be directly transferred back to China without difficulty? Why? (Why not?)

为提高政府效率,中国应向美国学些什么东西? 什么东西能直接应用到中国去吗? 为什么?

Appendix IV

Glossary

Ba da yuan. It refers to eight managing members -- production planner, quality controller, equipment manager, material manager, safety manager, personnel manager, health and benefit manager, and budget manager -- who usually exist in a work team in a Chinese organization. These *ba da yuan* manage most of the daily production activities in the workshop. These *ba da yuan* was usually recommended by workers and appointed by the workshop director. They were still under the leadership of the workshop management. However, most of the daily activities were delegated to the *ba da yuan* who were held responsible.

Ban zhu min zhu guan li. It is a Chinese democratic management system at the work team level. In such a system, workers are empowered to manage their own work situation.

Bao. It is a Chinese term for reciprocity. *Bao* is taken very seriously in human transactions. One is obligated to return a favor offered by a party.

Chang. It is a Chinese term for factory.

Da wo. It is a Chinese term for a collectivity to which he or she belongs.

Xiao wo. It is a Chinese term for the small self -- "me" or "I."

Dangan. It refers to a file of information kept by officials where a person's degrees, positions, and political and ideological history are recorded. It is a way of controlling humans in the Chinese society.

Da ye or da be. It is a Chinese term for father's *gege*.

Didi. It is a Chinese term for younger brothers.

Ganqing. It is a Chinese term for affective component in human relationship.

Gege. It is a Chinese term for elder brothers.

Guanxi. It is a Chinese term for relationship -- the basic unit of the Chinese society. *Guanxi* refers to the kind of mutual relationships in which two parties are bonded together in terms of obligations. It is believed that *guanxi* originates from the family sphere and is also applied to other social situations.

He. The principles of *jen*, *i*, and *li* lead to the principal of *he* -- harmony. Chinese tend to treat *he* as the ultimate quest for human beings. In other words, Chinese tend to avoid open conflict or confrontation in every possible way.

He li hua jian yi. It refers to innovative ideas and suggestions provided by workers for improvement. The management in a Chinese organization uses such a system to motivate people to improve organizational performance.

Hong. It is a Chinese term for "red." It means following the communist ideology closely. In order to have a good future, the Chinese usually have to be *hong*.

I. I is another Chinese principle of human behavior. It refers to faithfulness, loyalty, or justice.

Ji ti. It refers to a collectivity. The Chinese have a significant sense of collectivity. They tend to treat individuals belonging to collectivity. In other words, individuals cannot live along without collectivity.

Ji ti guan nian. It denotes the value of collectivity which is strongly held by the Chinese.

Jian ku fen dou. It means thriving thriftily and diligently.

Jiejie. It is a Chinese term for elder sisters.

Jen. *Jen* is humanness -- what makes us human. We are not fully human simply by receiving life in a human form. Rather, our humanity depends upon community, human reciprocity. *Jen* pointed in that

direction. It connected with the Confucian golden rule of not doing to others what you would not want them to do to you.

Ji da guo. It refers to a relatively large punishment received and recording in the *dangan*. Both *ji xiao guo* and *ji da guo* can be removed later on depending on one's performance.

Ji xiao guo. It refers to a relatively small mistake which is recorded in *dangan*. Examples of *ji xiao guo* resulting in *ji da guo* include fighting in the workplace, being absent for long terms, or stealing.

Juju. It is a Chinese term for mother's brother.

Jun. *Jun* originally means a ruler.

Junzi. *Junzi* originally refers to a son of a ruler. It is also applied to the member of the upper class or "Great Man." Since the upper class members have to follow the moral principles, *junzi* also implies the superiority of character and behavior.

Ke. It is a Chinese term for department.

Laoxiang. It is a Chinese term for regional *guanxi*. People who come from the same region is naturally bonded with each other.

Li. *Li* refers to propriety, rite, or respect for social forms. The Chinese principle of *li* is taken as an objective criterion of social order. It was

perceived as the rule of the universe and the fundamental regulatory etiquette of human behavior.

Mianzi. It is a Chinese term for face-work. It means one's social position or prestige obtained by successfully performing social roles which are recognized by others. Mianzi is often used to influence the allocator. In the reciprocal relationship, mutual obligations are negotiated through face work. The consequences of such negotiations may lead to enhancing, losing, or saving one's face, which in turn may result in enhancing or weakening the relationship.

Mei jiao yang. It refers to lack of proper education which leads to improper behavior in social settings.

Meimei. It is a Chinese term for younger sisters.

Min zhu dui hua. It refers to democratic talks with the management. Each year, the management held regular forums with workers to listen to their concerns.

Ni. It is a Chinese term used by a senior or a hierarchically higher person to refer to the hierarchically lower person or a young person, or by the same status or age group when they refer to each other.

Nin. It is a Chinese term for "you" who is elder or superior. In other words, *nin* is used by the young people to refer to an elder person or a hierarchically higher person, or by people to refer to a guest.

Ning ju li. It means center-directing force. It refers to the value for a collectivity to which an individual belongs.

Pi ping jiao yu. It refers to criticism and education. This means that those violators may have serious talks with managers or may even be reprimanded. Such a punishment may not end, until violators admit mistakes and promise not to make them again.

Qinshu. It is a Chinese term for relative *guanxi*. People who are relatives are naturally bonded with each other by mutual obligations.

Ren. *Ren* is the Chinese word for human. It is written as 人, which is interpreted as two people supporting each other. In other words, it is a collectivistic notion.

Renqing. *Renqing* is the media in which *guanxi* can exist. The principle of *renqing* implies not only a normative standard for regulating social exchange but also a social mechanism that an individual can use to strive for desirable resources within a stable and structural social fabric.

Shushu. It is a Chinese term for father's *didi*.

Tian Ming. It refers to "heavenly commands to man." Chinese tend to believe that the Heaven has superior power over human beings and human beings exist to fulfill their destiny imposed by heaven.

Tinghua. It refers to the phenomenon that people have the tendency to obey instructions from superiors. Tinghua is one of the major Chinese values.

Wo. It is a Chinese term for "I" or "me." The Chinese *wo* means more "us" than "self".

Xiao. *Xiao* originally means piety towards the spirits of ancestors or dead parents. However, it is also applied to filial duty to the living parents and other superiors such as other elders in a group, which is its usual meaning in current China. Such a notion implies a hierarchical relationship in social settings.

Xiaoren. *Xiaoren* denotes "Petty Man" in contrast to *Junzi* -- "Great Man." The differences of meanings and behavior between *junzi* and *xiaoren* are manifested in some of the Confucius' sayings: "Great Man, being universal in his outlook, is impartial; Petty Man, being partial, is not universal in outlook"; He (Great Man) sets the good examples, then he invites others to follow it"; Great Man cherishes excellence; Petty Man, his own comfort. Great Man cherishes the rules and regulations; Petty Man, special favor."

Xiaoyou. It is a Chinese term for schooling *guanxi*. If the two parties graduated from the same school, they are naturally bonded with each other.

Xing zhen jing gao. It is another form of punishment. It refers to an official warning which may lead to other more serious punishments such as *ji xiao guo*, *ji da guo*, or firing.

Yen. Yen denotes tolerance. In order to maintain the value of *he yen* is believed to be the best strategy in dealing with human relationship.

Yiyi. It is a Chinese term for mother's sister.

Zhang. It is a Chinese term for head.

Zheng xian chuang you. It means pioneering in production and in quality.

Zhu. It is a Chinese term for group.

Zhuan. It is a Chinese term for "technically sound." Without *hong*, *zhuan* denotes negative meaning. In the communist ideology, *hong* and *zhuan* together are strongly valued.

Zun bei you xu. From the principle of *xiao*, it comes the value of *zun bei you xu* -- the respect for hierarchy. Different hierarchical position implies different power and status. Thus, the Chinese tend to find their own hierarchical position in any social setting. People exist at different levels of a hierarchy exhibit different behavior.

Autobiographical Statement

Yongming Tang is a native of the People's Republic of China where he taught at the college level and worked in a provincial governmental administration as an international program official. He has also worked as a visiting administrator for Antioch University, Yellow Springs, Ohio. He is currently working as assistant professor at California Institute of Integral Studies, San Francisco, California.

Yongming Tang has worked on identifying governance problems and directions for structural reforms at both the Chinese national government and a provincial government level in China, and has consulted to Chinese companies on the cross-cultural transfers of management and organizational practices, and to Sino-American collaborations to develop joint ventures and educational exchange programs.

His research has included developing systems dynamics models for complex systems, exploring meanings of and strategies for cross-cultural transfer of organizational practices, and biological research on silkworms. His current research interests range from using systems methodologies to build learning organizations that are continuously self-renewing and self-transcending to exploring inter-cultural synthesis of organizational theories and practices.

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