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Does “Global Management”  
Exist?:  
Evidence and Experiences  
from China

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Question:

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We talk about “global business”, “global supply chains”, ...

Does it make sense to talk about global *management*?

One Answer:

It depends upon who you ask

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## Macro (organizational) level

Strategy

Mergers & Acquisitions

Multinational Corporations

**Generally agree**

## Micro (individual) level

Motivation

Leadership

“Values”

**Generally disagree**

# Can these *both* be correct?

## Macro (organizational) level

Strategy  
Mergers & Acquisitions  
Multinational Corporations

Generally agree

## Meso (middle) level

Organizational Change  
Strategic HRM

## Micro (individual) level

Motivation  
Leadership  
“Values”

Generally disagree

Cross-level  
Multi-level

Can these *both* be correct?

Yes.... and No

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Structures, and often strategies, are showing *convergence*, but implementation must be adapted to fit local conditions

Meso level

Organizational Change

Strategic HRM

Cross-level  
Multi-level

**Businesses do the same things, but they do those “same things” *differently***



# Example 1



Managing Employee Performance

# An Example: Performance Appraisal

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- Most organizations now have individual performance appraisals
- **Question:** What is performance?
  - That's pretty obvious, isn't it ! ?

# Performance Appraisal in the Hong Kong Police Force

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- Chinese and British officers/managers have been in the same organization for 20 years (on average)
  - Same training, job experiences
  - Same organizational culture
- Both Chinese and Western managers described subordinate performance
  - Would expect to see similar appraisals of subordinate performance



Findings:

## Performance Descriptions

### ■ Chinese Manager

- Enthusiastic
- Committed
- Initiative
- Common Sense
- Motivated

**About the person**

### ■ British Manager

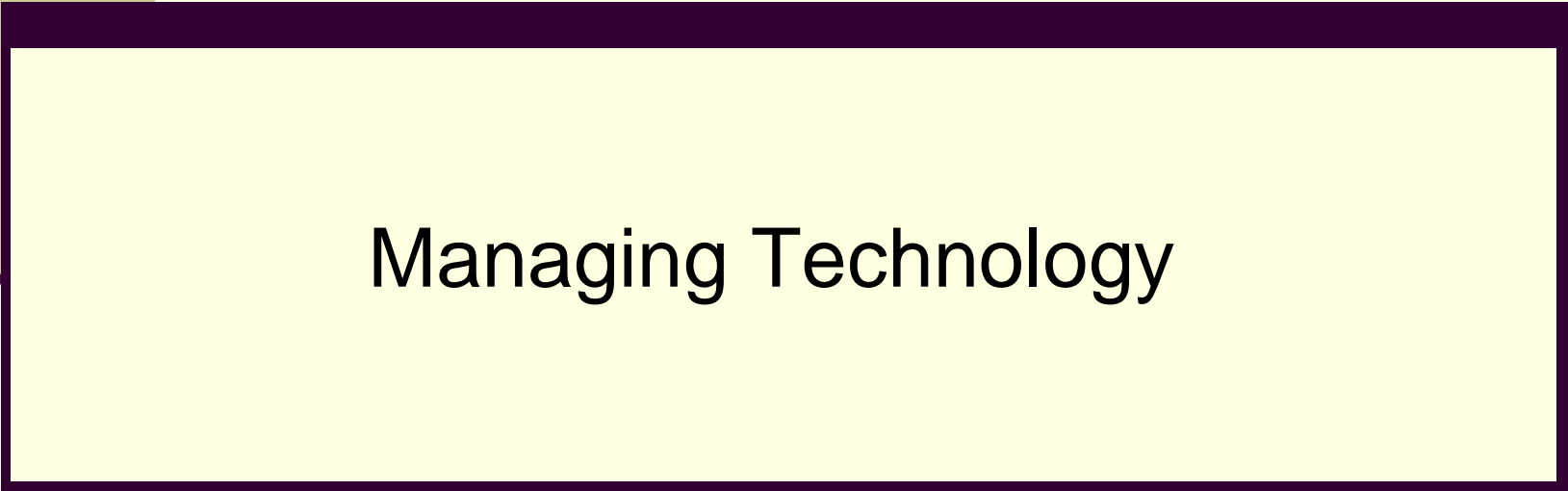
- Careful planner and organizer
- Sets priorities and clear objectives
- Delegates effectively
- Shows balanced judgment in reaching decisions
- Well developed analytical skills

**About behaviors**

**What does tell us about “global” performance management systems?**



# Example 2



Managing Technology

Another Example:

## Taiwanese Tech Companies

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- “Fact” 1: Taiwanese companies follow traditional Chinese management (i.e., top-down, etc.)
- “Fact” 2: Technology companies require employee involvement in decision making, etc.
- Isn't this a contradiction?
- **Question:** Why have so many Taiwanese tech companies been successful?

# Taiwanese Tech Companies: A Field Study

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- Conducted in-person surveys of GM or HR manager of 20 indigenous Taiwanese companies
  - 10 technology companies
  - 10 “old sector” companies

# Taiwanese Tech Companies: Management Style

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- “Because [the business] was a family clan, it had a culture which is absolute devotion. Family members must take the lead. This group of people lead and influence the rest of the employees.”
  - General manager, construction company  
A
- "The management style of our company is democracy with a certain degree of autocracy. We do not want to be too democratic, but not too autocratic either."
  - General manager, electronics company

# Taiwanese Tech Companies: Hiring based upon *Guanxi* (關係)

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- "We Chinese should always consider this."
  - General manager, shipping company
- "We have to consider that our own people also want promotion, so if we hire a person recommended by someone, our own people might think this person is hired because of *guanxi*.
  - HR manager, telecommunications technology company B

# Taiwanese Tech Companies: Harmony in Working Relationships

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- "We emphasise harmony. Of course, emphasising individual displays of achievement has its merits, but I am afraid that it would create confrontations among staff."
  - Owner, accounting company
- "Chinese people tend to take work related arguments as personal attacks. I spend a lot of time mediating relationship problems. It is a big part of my job."
  - HR manager, telecommunications technology company A

# Taiwanese Tech Companies: Personality and Moral Character

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- "Moral character is very important... Every company is the same. We all very much emphasise moral character, but we have difficulty in identifying them [applicants]."
  - General manager, shipping company
- Personality is a very important criterion. Even if your professional knowledge is very strong, if you can not work with others we will not consider hiring you.
  - Administration manager, multimedia company



# The Same, but also Different?

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- The previous quotations show that, in some ways, management in technology companies is the same as in traditional companies
  - But, there are also differences
  - What is the nature of these differences?

# A Key to the Differences

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**Interviewee:** "She [the boss' wife] interferes a lot. We will not confront him or her, but we try to make him see how these things would not work. They still have the old style idea that they are reluctant to release any power to us..."

**Interviewer:** "But you said your competitors are not like that."

**Interviewee:** "*Because they are all technical people, not business people.*"

*Head of Sales for a small telecommunications technology company*

# Taiwanese Tech Companies: Basic Findings


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- “Old Sector” companies conform to traditional Chinese management
- High-tech companies adopt “Western” management (i.e., empowered, merit-based, etc.)
  - Required by nature of work
  - Demanded by employees

# Taiwanese Tech Companies: So, Just Like the West?

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- Empowerment proved difficult to implement:
  - Employees disagreed over decisions
    - Earlier, boss resolved conflicts by making the decisions
  - Professional conflict turned into personal conflict
- One solution was to minimize conflict by minimizing diversity
  - Effect on creativity/innovation?



# Example 3



Managing Change

# Business Process Re-engineering & Organizational Change

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- Studied 8 cases of Chinese companies implementing BPR
  - Followed cases over 5-10 year period
- Will focus upon these aspects of change:
  - Change Objectives
  - Change Process
  - Change Content

# Comparing “Chinese BPR” to “Textbook BPR”: The Objectives of Change

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## Fundamental Belief

### Western

- Disrupt the status quo to dramatically improve performance

### Chinese

- Maintain existing values and structures

# Comparing “Chinese BPR” to “Textbook BPR”: The Objectives of Change

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## Underlying Theory

### Western

- Transaction cost perspective

### Chinese

- Institutional, emphasizing building and sustaining relationships



# Comparing “Chinese BPR” to “Textbook BPR”: The Objectives of Change

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## Change Objectives

### Western

- Significant improvement in organizational efficiency and effectiveness

### Chinese

- Improving organizational reputation and legitimacy

# Comparing “Chinese BPR” to “Textbook BPR”: The Process of Change

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## Employee Involvement

### Western

- Employees involved in both planning and implementation

### Chinese

- Top management made all decisions, employees follow orders

# Comparing “Chinese BPR” to “Textbook BPR”: The Process of Change

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## The Pace of Change

### Western

- Rapid

### Chinese

- Slow change  
(Unless in response  
to external shock)

# Comparing “Chinese BPR” to “Textbook BPR”: The Process of Change

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## The Frequency of Change

### Western

- Discrete and episodic

### Chinese

- Gradual and frequent change

# Comparing “Chinese BPR” to “Textbook BPR”: The Content of Change

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## Starting Point

### Western

- Clean slate

### Chinese

- Adapt and modify existing systems and processes

# Comparing “Chinese BPR” to “Textbook BPR”: The Content of Change

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## The Nature of Change

### Western

- Radical /  
revolutionary

### Chinese

- Evolutionary

# Comparing “Chinese BPR” to “Textbook BPR”: The Content of Change

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## Extent of Change

### Western

- Covers the entire organization

### Chinese

- Can often extent *beyond* the organization to partners

# Comparing “Chinese BPR” to “Textbook BPR”: The Content of Change

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## Risks and Rewards

### Western

- Large risk to achieve large reward

### Chinese

- Conservative, limit risk as well as potential benefit



Chinese BPR:

## Summary of Key Findings

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- Objectives were to enhance reputation, not increase efficiency
- Problems articulating formal business model
- Changes often constrained by business relationships

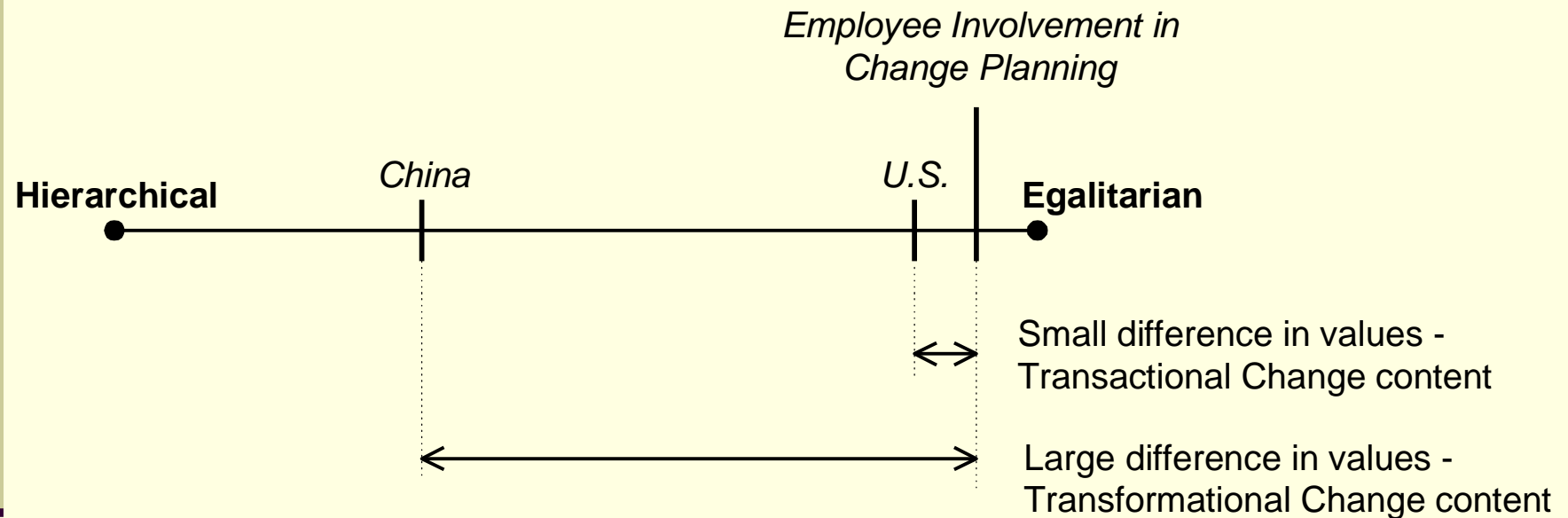
Chinese BPR:

## Actions, Values, and Change

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- ALL practices and actions have implicit value assumptions
  - When implicit values and existing organizational values do not match, change will not proceed as planned unless organizational values are first changed

# Implicit Values Underlie Managerial Actions



**Transformational Change:**  
 Change in procedures  
 requiring change in values  
 values sets

# Does “Global Management” Exist?

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- Similar types of work require similar types of managerial practices
  - but....
- Implementation is adapted to fit the people / organizations being managed

**Chinese organizations are adopting foreign managerial ideas, but these methods are sometimes unrecognizable after adaptation to fit the Chinese context**