Syllabus for

Doing Business in China: A Managerial Perspective

Peking University
Fall 2010

Instructor: Dr. Run Ren **Credits**: 3
Prerequisite: None **Level**: Junior / Senior
Time: Tue 6:30 pm – 9:20 pm **Classroom:**
Contact Information: renr@gsm.pku.edu.cn; 6275-6239.
Room 344 of Guanghua No. 2 Building
Office Hours: Tuesday 3:00 pm – 5:00 pm, or by appointment.

BRIEF COURSE DESCRIPTION

This course targets to help you understand and manage the human side of doing business in the context of China. You will learn concepts, theories, research results, and successful management stories related to this domain. There is no required textbook; instead, we will use materials that are interesting, relevant, and academically rigorous. You will learn from the lectures, your classmates, as well as your own explorative learning activities.

Because this course is about the "human side" of doing business (in China), it is closely related to "Organizational Behavior" which you may or may not have learnt in your college curriculum. This course, however, focuses on China-specific facts and action tips, and does not intend to replace the regular OB course.

COURSE OBJECTIVES

The knowledge and skills you develop in this course will be critical to you as you plan your business and career, manage your relationships with co-workers, bosses, and subordinates who have a Chinese or East Asian background, and interact with Chinese organizations. Ultimately, the knowledge, skill, and understanding you develop in this course should help you to become a more effective contributor in any group or organization you join, especially when you want to do your business in China.

TEACHING/LEARNING COMPONENTS

You are expected to learn this course through a combination of lecturing, class discussion (cases or general problems), case analyses, a group project, and class presentations. You are expected to be actively involved in these activities to enhance your learning effectiveness. Learning by doing (or formally called, experiential learning) is the best way for adults to learn. Our class will be highly interactive, with students involved in presentations, discussions, games, and exercises, orchestrated by the instructor.

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Lectures: Lectures are important class component, but not the only one. Shortened versions (for pedagogical purposes) of lecture notes will be sent to you before each class.
Discussions: Before each class, students are expected to read the assigned reading materials and prepare questions/comments for class discussion. Students' participation in class discussion is encouraged and required.
Presentations: Students are expected to present three times in class during the semester (one individual presentation and two group presentations). For group presentations, students should form groups of 2 or 3 (actual number may vary based on total enrollment). For simplicity, groups will be the same for the two group presentations. Peer evaluation will be used to determine each group member's grade in group projects.

1. Reading material presentation (individual): Students are asked to pick one article from the reading list and present it in class. In presenting, students are not expected to present exactly what the author(s) wrote, but focus on the major topic that the paper is addressing. The paper is simply a convenient source, and of course, using other sources is encouraged (and awarded). Specialized or technical details in the paper can be omitted in presentations. Focus on (1) why the topic is interesting and important, (2) what this paper (and other sources, if any) tells us about the topic, and (3) what we learn from it. This presentation shall be around 10 minutes, no longer than 15 minutes.
2. Case analysis presentation (group): We are going to use a number of cases throughout this course. Students will present their analyses of the cases and lead discussions together with the instructor. Case analyses should focus on topics related to the course.
3. Final project (Go to China!) presentation (group): The project includes identifying a real company that has not done its business in China and designing specific strategies for that company to start its business in China and to profit. Use the concepts, theories, and research results you learn from the course, and search the literature specifically related to the question. Your analyses may cover all major aspects of business (such as product and price, sales and promotion, staffing, technology, location, and so on) as a basis for discussion, but our course's focus is the **management** aspects (recruiting, compensation, monitoring, motivation, employment relationships, etc.). The group project paper is due on the presentation day (Nov. 23rd). To be well prepared, please start early. Plagiarizing will not be tolerated.

Exploring China: Each student will be asked to explore their own experiences in being a consumer in an international franchised restaurant, cafeteria, or other consumer product company (e.g., McDonald's, KFC, Starbucks, Friday's, Subway, Pizza Hut, Papa John's, Apple, LV, Coach, Swarovski, Walmart, Carrefour, etc.) and summarize your own experiences and observation in these places. This is not graded class components, but students are strongly encouraged to exchange their experiences in class.
Final Exam: The final exam is an open-book one, focusing on essay questions, allowing you the freedom to creatively utilize the knowledge you learn in and outside classroom to comment and solve problems.

TEXTBOOK AND READINGS

[Optional] Robbins, Stephen P. 2004. *Essentials of organizational behavior* (7th. Ed.).

Beijing: China Renmin University Press.

The book is available in different bookstores on campus. If you have not learned anything about management, this book may be worth owning and reading before and during the course. The book is published in China with copyright-transfer agreement, and is very affordable. It has notes printed in Chinese, at the margin of each page.

All course reading materials (e.g., cases, articles, etc.) will be available to you upon the beginning of the course.

COURSE CALENDAR (Please refer to the appendix for detailed course plan.)

Date	**Session content**
Sep. 7	1. Introduction: International business and China
Sep. 14	2. Business context and its development in China
Sep. 21	3. Organizational structure, culture, and change
Sep. 28	4. Individual attitudes and behaviors in China
Oct. 05	National Holiday Break
Oct. 12	5. Interpersonal behaviors in China
Oct. 19	6. Leadership in China
Oct. 26	7. Influence and communication in China
Nov. 2	8. *Guanxi*, power, and politics in China
Nov. 9	9. Conflict management and negotiation
Nov. 16	10. International HRM and expatriates
Nov. 23	11. Group presentations **(Group project paper due in class)**
Nov. 30	12. Final exam

COURSE ASSESSMENT

Course participation	15%, including: attendance, classroom etiquette, and contribution to class discussion
In-class presentations	25%, including: • Reading paper presentation [10%] • Case presentation [15%]
Group project “Go to China”	30%, including: ● Quality of paper (interestingness and importance of topic, comprehensiveness of knowledge incorporated, accuracy in applying the knowledge, reasonableness and clarity in recommendations) [20%] ● Clarity of writing [5%] ● Oral presentation [5%]
Final exam	30%

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In the event of a grading dispute, the procedure is as follows:

(1) Think hard about why you believe your grade should have been different.

(2) Write down the reasons why you believe your grade should be changed.

(3) Give me the written explanation in email, no later than Dec. 15th, and I will respond to it as quickly and fairly as possible.

(4) It is very important that you understand that if I decide to re-grade an assignment, it will be a TOTAL RE-GRADE. This means that I will not only re-grade the portion of the assignment/question which is in dispute but will start from scratch on the WHOLE ASSIGNMENT.

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A FEW FINAL NOTES

1. Honor Code: Students should finish their assignments, exercise, and exams on their own. Cheating and plagiarism can cause the student fail the course.
2. Attendance: Those who missed three times of lecturing will fail. Tardiness (e.g., being late or being inattentive at class) will be noticed and penalized.
3. Assignments shall be submitted on time. No late assignments will be accepted or graded.
4. I will not accept "retroactive excuses" by students. By this I mean students bringing up ameliorating circumstances to justify their poor performance after the assignments are due or after class ends. If there are unique or unusual circumstances that prevent you from doing as well as you normally might—such as illness or severe family situations, etc.—you must inform me at the beginning of the class, or as soon as it happens. I make no guarantees as to what is acceptable and what is not, but I encourage you to communicate any problems to me sooner rather than later, so that we can try to work around it.

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APPENDIX: DETAILED COURSE PLAN

Note: Readings from the textbook (Robbins, 2004) is optional.
Additional readings will be handed out in class when necessary.

Session 1. (Sep. 7) International business and China

Readings:

1_1. Lieberthal, K. & Lieberthal, G. 2003. The great transition. *Harvard Business Review*, 81(10): 70-81.

1_2. Tung, R. L., Worm, V., & Fang, T. 2008. Sino-Western business negotiations revisited--30 years after China's open door policy. *Organizational Dynamics*, 37(1): 60-74. [This paper is long, but you can focus on the "within-China difference" part.]

1_3. Gadiesh, O., Leung, P., & Vestring, T. 2007. The battle for China's good-enough market. *Harvard Business Review*, 85(9): 81-89.

Chapter 1: Introduction to Organizational Behavior (Robbins)

Session 2. (Sep. 14) Business context and its development in China

Case Analysis:

2_1. Paine, L. S. 2008. Haier Hefei Electronics Co. (A). *Harvard Business School cases* (9-308-075)

Readings:

2_2. Schlevogt, K.-A. 2000. Doing business in China: I. The business environment in China--Getting to know the next century's superpower. *Thunderbird International Business Review*, 42(1): 85-111.

2_3. Zhang, M. 2009. Crossing the river by touching stones: A comparative study of administrative reforms in China and the United States. *Administration and Civil Service Reform*, 69(Special): S82-S87.

2_4. Huang, Y. 2010. Debating china economic growth: the Beijing consensus or Washington consensus. *Academy of Management Perspectives, 24* (2), 31-47.

Session 3. (Sep. 21) Organizational structure, culture, and change

Readings:

3_1. Beer, M., Eisenstat, R. A., & Spector, B. 1990. Why change programs don't produce change. *Harvard Business Review*, 68 (6), 158-166.

3_2. Barboza, D. 2009 (July 27). China steel executive killed as workers and police clash, *The New York Times*.

3_3. Canaves, S. & Areddy, J. T. 2009. Murder Bares Worker Anger Over China Industrial Reform. *Wall Street Journal, Asia Business,* July 31, 2009.

Chapter 13: Foundations of Organizational Structure (Robbins)

Chapter 16: Organizational Culture (Robbins)

Chapter 17: Organizational Change and Development

Session 4. (Sep. 28) Individual attitudes and behaviors in China

Readings:

4_1. McEwen, W., Fang, X., Zhang, C., & Burkholder, R. 2006. Inside the mind of the

Chinese consumer. *Harvard Business Review*, 84(3): 68-76.

4_2. Jacobs, L., Gao, G., & Herbig, P. 1995. Confucian roots in China: A force for today's business. *Management Decision*, 33(10): 29-34.

4_3. Bozionelos, N.& Kostopoulos, K. 2010. What accounts for job satisfaction differences across countries? *Academy of Management Perspectives, 24* (1), 82-84.

Crocodile construction (will be handed out in class)

Chapter 2: Foundations of Individual Behavior (Robbins)

Chapter 3: Personality and Values (Robbins)

Chapter 6: Perception and Individual Decision Making (Robbins)

Session 5. (Oct. 12) Interpersonal behaviors in China

Readings:

5_1. Chan, A. K. K., Denton, L. T., & Tsang, A. S. L. 2003. The art of gift giving in China. *Business Horizons*, 46: 47-52.

5_2. Redding, S. G. & Ng, M. 1982. The role of "face" in the organizational perceptions of Chinese managers. *Organization Studies*, 3(3): 201-219.

Carter Racing (will be handed out in class)

Chapter 7: Foundations of Group Behavior (Robbins)

Chapter 8: Understanding Work Teams (Robbins)

Session 6. (Oct. 19) Leadership in China

Case Analysis:

6_1. Mao Zedong

6_2. Liu Chuanzhi

Readings:

6_3. Fernandez, J. A. 2004. The gentleman's code of Confucius: Leadership by values. *Organizational Dynamics*, 33(1): 21-31.

6_4. Alon, I. & Higgins, J. M. 2005. Global leadership success through emotional and cultural intelligences. *Business Horizons*, 48(6): 501-512.

6_5. Bernthal, P. R., Bondra, J., & Wang, W. 2005. Leadership in China: Keeping pace with a growing economy. Development Dimensions International, Inc.

Chapter 4: Basic Motivation Concepts (Robbins)

Chapter 5: Motivation: From Concepts to Applications (Robbins)

Chapter 10: Leadership and Creating Trust (Robbins)

Session 7. (Oct. 26) Influence and communication in China

Readings:

7_1. Leong, J. L. T., Bond, M. H., & Fu, P. P. 2007. Perceived effectiveness of influence strategies among Hong Kong managers. *Asia Pacific Journal of Management*, 24(1): 75-96. [This paper is fairly academic, and you can focus on the major findings and pay less attention to the technical details.]

7_2. Rinner, D. 2005. Communication: Cross culturally--It's not what you say ... It's how you say it! *Canadian Managers*, 30(4): 14.

"Dear Mom and Dad" (will be handed out in class)

Chapter 9: Communication (Robbins)

Session 8. (Nov. 2) ***Guanxi*, power, and politics in China**

Case analysis:

8_1. Cotte, J., & Yang, A. W. 2002. Worldwide Equipment (China) Ltd.: A sales performance dilemma. *Ivey School of Business case*.

Readings:

8_2. Alston, J. P. 1989. Wa, Guanxi, and Inhwa: Managerial principles in Japan, China, and Korea. *Business Horizons*, 32(2): 26-31.

8_3. Li, S., Park, S. H., & Li, S. 2004. The great leap forward: The transition from relation-based governance to rule-based governance. *Organizational Dynamics*, 33(1): 63-78.

8_4. Pearce II, J. A. & Robinson, R. B., Jr. 2000. Cultivating guanxi as a foreign investor strategy. *Business Horizons*, 43(1): 31-38.

Chapter 11: Power and Politics (Robbins)

Session 9. (Nov. 9) Conflict management and negotiation

Case simulation:

9_1. Recruit in China (will be handed out in class)

Readings:

9_2. Strutton, D. & Pelton, L. 1997. Scaling the Great Wall: The yin and yang of resolving business conflicts in China. *Business Horizons*, 40: 22-34.

9_3. Sebenius, J. K. 2001. Six habits of merely effective negotiators. *Harvard Business Review*, 79 (4), 87-95.

Chapter 12: Conflict and Negotiation (Robbins)

Session 10. (Nov. 16) International HRM and expatriates

Case analysis:

10_1. From regional star to global leader. 2009. *Harvard Business Review*, 33-36.

Readings:

10_2. Ahlstrom, D., Bruton, G., & Chan, E. S. 2001. HRM of foreign firms in China: The challenge of managing host country personnel. *Business Horizons*, 44(3): 59-68.

10_3. Fernandez, J. A. & Underwood, L. 2005. Succeeding in China: The voices of experience. *Organizational Dynamics*, 34(4): 402-416.

10_4. Lynton, N. & Thogersen, K. H. 2006. How China transforms an executive's mind. *Organizational Dynamics*, 35(2): 170-181.

Dining etiquette in China (Business and informal)

Session 11. (Nov. 23) Group presentations

Each group will present the “Go to China” project.

Session 12. (Nov. 30) Final exam

An open-book exam, focusing on essay questions.

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