

Syllabus for Doing Business in China: A Managerial Perspective

Peking University
Spring 2010

Instructor: Li Ma

Credits: 3

Prerequisite: None

Level: Junior / Senior

Time: Tue 1:30 pm – 4:20 pm

Classroom: Hist.108

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. Because of the lack of textbook, we will use materials that are interesting, relevant, and academically rigorous. You will learn from the lectures, interactions with 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 learned in your college curriculum. This course, however, focuses on China-specific facts and action tips, and does not intend to replace the requirement of that 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 China or East Asian background, and interact with Chinese organizations. Ultimately, the knowledge, skills, and understandings you develop in this course can help you to become a more effective contributor in any group or organization that you join, especially when you want to do your business in China.

Teaching/Learning Methods

You are expected to take 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 processes to enhance your learning effectiveness. Research has shown that 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.

Lectures: Lectures will be given in English. Shortened versions (for pedagogical purposes) of lecture notes will be handed out to you before each class.

Discussions: Before each class, students are expected to read the assigned reading materials. Students’ participation in class discussion is encouraged and

required.

Presentations: Students' groups are expected to present twice in class (two topics/papers, or one topic/paper and one case). 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.

Case analyses: We are going to use a number of cases throughout this course. Student groups will present their analyses of the cases and lead discussions together with your instructor. Case analyses shall focus on what you learn from the cases.

Final project (Go to China!): Group project requires students to form groups. Each group is expected to identify a real company that has not done its business in China and design 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 shall be the management aspects (recruiting, compensation, monitoring, motivation, employment relationships, etc.). The group project paper will be due before the field trip starts (April 18th). To be well prepared, please start early. Plagiarizing will not be tolerated.

Grouping (Summary): All students shall join groups with no more than 3 individuals (actual number depends on total enrollment). Each group will work together to (1) present a paper and a case (or two papers) and to (2) write a group paper and present it in the last session of class.

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, Subway, Pizza Hut, Papa John's, etc.) and summarize own experiences in the business (details follow).

Final Exam: The final exam is an open-book one, focusing on essay questions, allowing you 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. Available on different bookstores on campus. If you have not learned anything about management, this book may be worth owning and reading before and during this 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, to facilitate Chinese students' reading—such notes may

help you learn Chinese if you want.

Most reading materials will either be available online, and free to all individual users (to download and print, via EBSCO, ProQuest, or other online sources) on the Peking University campus. Peking University staff may assist you in obtaining, printing, and binding these materials. Copyrighted materials, such as Harvard or Ivey cases, will be purchased by Peking University in advance and handed out to you in hard copies. All these materials will be available to you upon the beginning of the course.

Detailed Course Plan

Session 1. (Jan. 19) 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. (Jan. 26) Business Context and Its Development in China

Case Analysis:

- 2_1. Paine, L. S. 2008. Haier Hefei Electronics Co. (A, B, and C). *Harvard Business School cases* (9-308-075, 9-308-076, 9-308-077)

Readings:

- 2_2. Walder, A. 1989. Factory and manager in an era of reform. *The China Quarterly*, 118: 242-264. [This paper is long, but you can focus on the major points only.]
- 2_3. 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_4. 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.

Session 3. (Feb. 2) Individual attitudes and behaviors in China

Readings:

- 3_1. McEwen, W., Fang, X., Zhang, C., & Burkholder, R. 2006. Inside the mind of the Chinese consumer. *Harvard Business Review*, 84(3): 68-76.
- 3_2. Jacobs, L., Gao, G., & Herbig, P. 1995. Confucian roots in China: A force for today's business. *Management Decision*, 33(10): 29-34.

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 4. (Feb. 9). Interpersonal behaviors in China

Readings:

4_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.

4_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)

No class on Feb 16. Enjoy the holiday of traditional Chinese New Year!

Session 5. (Feb. 23) Leadership in China

Case Analysis:

5_1. Mao Zedong

5_2. Liu Chuanzhi

Readings:

5_3. Fernandez, J. A. 2004. The gentleman's code of Confucius: Leadership by values. *Organizational Dynamics*, 33(1): 21-31.

5_4. Fu, P. P. & Tsui, A. S. 2003. Utilizing Printed Media to Understand Desired Leadership Attributes in the People's Republic of China. *Asia Pacific Journal of Management*, 20: 423-446.

5_5. Alon, I. & Higgins, J. M. 2005. Global leadership success through emotional and cultural intelligences. *Business Horizons*, 48(6): 501-512.

Chapter 4: Basic Motivation Concepts (Robbins)

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

Chapter 10: Leadership and Creating Trust (Robbins)

Session 6. (Mar. 2) Influence and Communication in China

Readings:

6_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.

6_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 7. (Mar. 9) Guanxi, power, and politics in China

Case analysis:

7_1. Cotte, J., & Yang, A. W. 2002. Worldwide Equipment (China) Ltd.: A sales

performance dilemma. *Ivey School of Business case.*

Readings:

7_2. Alston, J. P. 1989. Wa, Guanxi, and Inhwa: Managerial principles in Japan, China, and Korea. *Business Horizons*, 32(2): 26-31.

7_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.

7_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 8. (Mar. 16) Conflict management and negotiation

Case simulation:

8_1. Recruit in China (will be handed out in class)

Readings:

8_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.

8_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 9. (Mar. 23) Organizational structure, culture, and change

Readings:

9_1. Tsui, A. S., Zhang, Z.-X., Wang, H., Xin, K. R., & Wu, J. B. 2006. Unpacking the relationship between CEO leadership behavior and organizational culture. *Leadership Quarterly*, 17: 113-137. [This paper is fairly academic, and you can focus on the major findings but pay less attention to the technical details.]

9_2. Beer, M., Eisenstat, R. A., & Spector, B. 1990. Why change programs don't produce change. *Harvard Business Review*, 68 (6), 158-166.

9_3. Barboza, D. 2009 (July 27). China steel executive killed as workers and police clash, *The New York Times*.

9_4. Hempel, P. S. & Martinsons, M. G. 2009. Developing international organizational change theory using cases from China. *Human Relations*, 62(4): 459-499. [This paper is fairly academic, and you can focus on the major findings but pay less attention to the technical details.]

Chapter 13: Foundations of Organizational Structure (Robbins)

Chapter 16: Organizational Culture (Robbins)

Chapter 17: Organizational Change and Development

Session 10. (Mar. 30) International HRM and Expatriates

10_1. 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_2. Fernandez, J. A. & Underwood, L. 2005. Succeeding in China: The voices of

experience. *Organizational Dynamics*, 34(4): 402-416.
 10_3. 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. (Apr. 6) Group presentations

Each group will present the “Go to China” project. The group project paper due before the field trip starts (April 18th).

Session 12. (Apr. 13) Final exam

An open-book exam, focusing on essay questions.

Rules students must follow

All registered students are expected to (1) actively attend the lecturing sessions, (2) complete all assignments (including case analyses and presentation) on time, (3) contribute fairly to group assignments, and (4) perform well in the final exam. Details follow.

(1) 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. Active participation (you speak up in class and what you say actually contributes) will be rewarded.

(2) Assignments shall be submitted on time. No late assignments will be accepted or graded.

(3) Every group member shall contribute to group assignments. Free-riders, upon peer group members’ report, will be penalized and obtain a lower grade from the final project (compensating the other group members).

(4) The final exam will be an open-book one. There will be questions that require you to understand the MOST important content in class and to apply the theories into certain situations (e.g., providing suggestions for a dilemma).

Course Assessment

Course participation	20% (including attendance, classroom etiquette, and contribution to class discussion)
In-class presentations	20%
Group project	30%, including <ul style="list-style-type: none"> • 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%], and • oral presentation [5%].

Note: All group members will have a same grade but free-riders will have a lower one, compensating the hard workers if I hear complaints.

Final exam	30%
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In the event of a grading dispute—which would most likely occur following the final project and final exam—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.

One final note:

I will not accept “retroactive excuses” by students. By this I mean students bringing up ameliorating circumstances to justify their poor performance after the 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.