

A Review of Management and Organizational Research on China in Leading North American Journals

Qin Yuan Jiang¹

School of Management, Edith Cowan University

Xue Li Huang

School of Management, Edith Cowan University

Introduction

The economic growth in China, coupled with its long history of strategic management and international business, has attracted significant research efforts worldwide to the areas of management and organizational behaviors. This is reflected by the numbers of papers published in the top management and business journals (Peng, Lu, Shenkar and Wang, 2001). To integrate findings from and knowledge gained from the previous publications, Peng, Lu, Shenkar and Wang (2001) has comprehensively reviewed the literatures of research in Chinese management and organization, that were published in mainstream journals during the period of 1978-1997. Peng and his colleague introduced a concept of “Great China”, for the purpose to reflecting the increasing integration of Mainland China and overseas Chinese economic system. Our paper focuses on the

¹ Correspondence to:

Qin Yuan Jiang,
PhD Candidate, School of Management,
Edith Cowan University
AUSTRALIA

Email: q.Jiang@ecu.edu.au
Ph: +61 86304 5355
Fax: +61 86304 5358

Jiang, Q.Y., & Huang, X.L., ‘A Review of Management and Organizational Research on China in Leading North American Journal’.

management and organizational research in Mainland China during the period of 1998-2002, and can be regarded as an extension of Peng et.al's paper (2001). China is the most singular of the transition economies. It is the largest, the fastest growing, and the most heavily engaged in international business and investment. China is also unique because its transition continues to be planned by the State and preserves an active involvement of governmental institutions in business affairs (Child and Tse 2001). Therefore, it is necessary to separate the Mainland Chinese economy from the other overseas Chinese economies when we study the change of management and organizational behaviors.

Contributions in leading journals

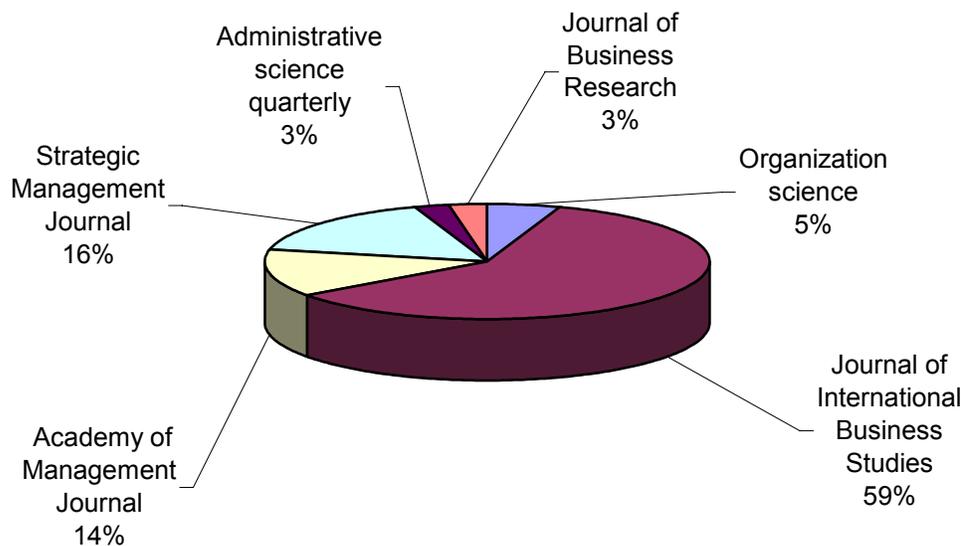
As a result of the dramatic rise of the Chinese economy, and its increasing integration with the global economy, research interest on China has greatly expanded. This article focuses on publications in a select set of top-quality, prestigious English-language, academic journals in management and organization behavior. The benefits of such an approach are (a) a precious and manageable focus on discipline journals from sociology, as well as international research that relevant to both macro organizational and micro individual issues. (b) relatively objective, and (c) consistent with the previous review (Peng, Lu et al. 2001). Thus, seven premium journals published in North America, which represents the "mainstream" for global social science research. (Boyacigiller and Adler 1991) were focused. They are:

- Academy of Management Journal (AMJ)
- Academy of Management Review (AMR)
- Administrative Science quarterly (ASQ)
- Journal of International Business Studies (JIBS)
- Management Science (MS)
- Journal of Business Research (JBR)
- Organization Science (Osc)
- Strategic Management Journal (SMJ)

These are leading discipline-based academic journals in management and sociology, are published in North America and represent primary outlets for high quality organization and management research (Johnson and Podsakoff 1994; Peng, Lu et al. 2001). We selected 1998 as the start year for the review in order to compare our work with the previous one (Peng et al., 2001). The shortcoming of this research is the inability to completely account for interdisciplinary nature of the study on China.

Another drawback of this review is limitation of the journal selection in English. As a result of the limitation of the research, this review does not comprehensively cover all relevant area of study. A total of 42 articles are identified, those primarily dealing with Mainland China, and those with a comparative focus.

Figure 1: Contribution in seven leading Journals 1998-2003



In Figure 1, it has been found that the between 1998- 2002, AMR and ASQ have not published any articles about Mainland China. This does in line with the early finding, Pierce and Garven(1995) reported that between 1978-1994, AMR and ASQ only published 4 and 5 China-related articles, respectively. JIBS has published 22 articles (or 59%), taking a leading role in publishing China-related articles, followed by SMJ (6 articles, 16%), and AMJ (5 articles, 14%).

Individual contributions

Further analysis has been conducted, to summaries the individual contribution to the Mainland China management and organizational research in the past five years, as shown in Table 1.

Table 1: Contribution of individuals 1998-2002

Authors	Journal name
Boisol, M. and J. Child (1999).	Organization science
Chan and Wright (1999)	Management Research News
Chen and Ku (2002)	Asia Business and Management
Chen, H. and T. J. Chen (1998).	Journal of International Business Studies
Child, J. and D. K. Tse (2001)	Journal of International Business Studies
Christmann, P. and G. Taylor (2001)	Journal of International Business Studies
Easterby-Smith, M. (1999)	Academy of Management Journal
Eden and Lenway (2001)	Journal of International Business Studies
Guillen, M. F. (2003)	Journal of International Business Studies
Harrison, G. L., J. L. McKinnon, et al. (2000)	Journal of International Business Studies
Isobe, T., S. Makino, et al. (2000)	Academy of Management Journal
Keister, L. A. (Keister 2002)	Organization science
Kwok, C. C. Y. and D. M. Reeb (2000)	Journal of International Business Studies
Lau, C. M., D. K. Tse, et al. (2002)	Journal of International Business Studies
Li, H. and K. Atuahene-Gima (2001)	Academy of Management Journal
Li, H. and K. Atuahene-Gima (2002).	Strategic Management Journal
Li, J., K. Lam, et al. (2001)	Journal of International Business Studies
Lin, X. and R. Germain (1998)	Journal of International Business Studies
Lovett, S., L. C. Simmons, et al. (1999)	Journal of International Business Studies
Luo, Y. (1998)	Journal of International Business Studies
Luo, Y. (2001)	Administrative science quarterly
Luo, Y. (2001).	Journal of International Business Studies

Luo, Y. (2002)	Strategic Management Journal
Luo, Y. (2002)	Journal of International Business Studies
Luo, Y. and S. H. Park (2001)	Strategic Management Journal
Luo, Y. and M. W. Peng (1999)	Journal of International Business Studies
Luo, Y., O. Shenkar, et al. (2001)	Journal of International Business Studies
Neelankavil, J. P., A. Mathur, et al. (2000)	Journal of International Business Studies
O'Connor and Chalos (1999)	Multinational Business Review
Pan, Y. (2002)	Journal of International Business Studies
Pan, Y. and P. S. K. Chi (1999)	Strategic Management Journal
Pan, Y., S. Li, et al. (1999)	Journal of International Business Studies
Pan, Y. and X. Li (2000)	Journal of International Business Studies
Pan, Y. and D. K. Tse (2000)	Journal of International Business Studies
Peng and Tan (1998)	Journal of Applied Management Studies
Park, S. H. and Y. Luo (2001)	Strategic Management Journal
Peng, M. W., Y. Lu, et al. (2001)	Journal of Business Research
Peng, M. W. and Y. Luo (2000)	Academy of Management Journal
Ralston, D. A., C. P. Egri, et al. (1999)	Journal of International Business Studies
Tsang, E. W. K. (2002)	Strategic Management Journal
Zhang, Y. and N. Rajagopalan (2002)	Journal of International Business Studies

Two important points in Table 1 need to be pointed out. First, a group of Chinese academic in American has emerged as a driving force of research on Chinese management and organizational behavior. Pan Yigang and Luo Yadong are probably two of the leading contributors, who has 5 and 8 appearances respectively. Second, the number of articles about Chinese study published in North American or European journals is still quite small, compared with other countries, such as Japan. For the period of 1970-1993, a survey was conducted to reveal the geographic scope of JIBS coverage. The survey found that there were 93 articles on Japan (15.4%), and 84 articles for Great Britain (14%). (Thomas, Shenkar et al. 1994)

Finding and Discussion

To be consistent with the previous review (Peng et al, 2001), the classification framework used by Peng et al (2001) was used in grouping the articles reviewed in this paper. Accordingly, three categories were used and they are: *organizational behavior* that deals with the cultural and institutional aspects of management; *strategic management* that is concerned with the corporate-level and business-level strategies; and international management that focuses firms and individuals working in the Chinese market.

Studies on organizational behavior

Studies on organizational behavior can be further broken down into two sub-categories: cultural and institutional ones. Both are now discussed in the following sections.

Culture Study in Chinese Organisation. Organizational Behavior theories and concepts have attempted to reveal the micro-macro linkage between the organizational factors and organizational performance. Hofstede, in his innovative book, “Culture’s Consequences”, firstly introduce the thought of ‘Cultural’ as an important factor that has direct impact on organizational behavior and performance (Hofstede 1980).

In light of the great work of Hofstede (1980), 8 articles have been identified that adopted the culture thought, and gave evidences that culture could influence the organization’s decision making in investment and strategy, eventually the performance of the organization.

On top of the Hofstede’s three cultural dimensions, namely, individualism, power distance, and masculinity. More dimensions have been identified. “Confucianism” has been identified uniquely in the Chinese Culture. “Individualism” has been defined as a self-orientation that emphasizes self-sufficiency and control with value being given to individual accomplishments. Conversely, “Collectivism” has been defined as the subordination of personal goals to the goals of the group with an emphasis on sharing and group harmony(Morris, Davis et al. 1994). “Confucianism” has been a deep-rooted foundation of Chinese life over 2,000 years. The existing of Confucianism can be
Jiang, Q.Y., & Huang, X.L., ‘A Review of Management and Organizational Research on China in Leading North American Journal’.

identified in every aspects of the Chinese social structure, in particularly, family value, social relationship with the community.

The large number of empirical studies in this field has suggested that the influence of national culture on firm performance is significant. National culture has been shown to have a greater impact on employees than a firm's organizational culture. National culture can influence managerial decision-making, leadership style and human resource management practices. All these factors influence a firm's performance in acquiring and deploying resources (Li, Lam et al. 2001). Social culture may also be seen as part of company resources, which in turn can influence the behavior and performance of the organization. These influences can be recognized as comparative advantages. The comparative advantage of firms could be derived from the most rapid accumulation of specialized assets and skills, sometimes due solely to great commitment. Dunning and (Dunning and Bansal 1997) further suggested that this great commitment might well be based on cultural values observed in some countries, and not in others. When a societal culture offers its firms advantages over those of others, the nation may be said to have a culturally competitive advantage. The individualistic culture, as that in the US, may have been advantageous in technological assets, while many collectivistic cultures, such as Japan, may benefit from the ways in which they organize their workforce and establish relations between contractors, suppliers and joint venture partners.

China is the largest economic system in transition. More important factor is, the process of the transition is under direct control of the central Government. It has been reflected by the traditional cultural value, such as "Collectivism", or "Confucianism", still playing predominant role in the social and economic reform. Through the initial discussion of Ralston and team (1999), a survey has been conducted to identify the level of significance influence of the Western culture impact to the new generation of Chinese. The survey revealed that the decreasing in Confucianism concepts is significant. However, the finding does not logically lead to the conclusion that the Western culture will replace Confucianism as the guideline for the younger generation of Chinese. Ralston and colleague (1999) further suggested that their survey strongly implies that the likely

change to some form of capitalism will not result in a mirror image of Western capitalism. In fact, given the multitude of dialects and provincial-orientations, a variety of forms of capitalism will likely flourish within China – at least in the short-term (Ralston, Egri et al. 1999).

The shortfall of the Cultural School is that, it lacks evidence to reveal the direct linkage of cultural factors and the organization's macro-performance. The importance of the cultural thought as an international business theory is obvious. But it could not explain the firm's performance independently. The cultural factors must combine with other relevant factors, such as institutions and technologies, to provide systematic explanation that may be able to uncover the micro-macro linkage of firm's factors and performance. For example, Li, Lam, and Qian (2001) found surprisingly that Joint Ventures (JVs) that were established by firms from East Asian collectivistic cultures failed to achieve a better performance than those from individualistic cultures. This suggests that a similar culture was not always the most valuable resource affecting firm performance.

Institutional perspective to explain organizational behavior in Chinese Firm.

Institutions are social, economic and political bodies that articulate and maintain widely observed norms and rules (North 1990; Scott 1995). The "Institutional School" has a broader range of variables than "Cultural School", to explain relations between organizations and environment. "Institutions" refer to social, economic and political bodies. Institutions and their effects have been a common focus in firm-behavior research in transitional economies across various disciplines including economics, sociology, political science, and international business. First, institutional forces influenced both individual- and firm-level perceptions of organizational changes. Second, these influences occurred at the societal, firm and individual levels as the key actors (managers and workers) seek for legitimacy for change. Third, how institutional forces affect individual workers can be understood through their cognitive schemas (Lau, Tse et al. 2002).

Child and Tse (2001) suggested there are three institutional spheres affecting the operations of firms in China – Government, the structure of industries and firms, and business-relevant intermediated institutions.

Chinese Central Government has been the primary driving force of economic reform. Compared with the more aggressive economic reform in the former socialist countries in Eastern European and Russia, Chinese government has been planning and implementing a more pragmatistical policy to conduct social and economic reform. The policy follows a principle to ensure that the social stability proceeds economic benefit. The Chinese Central Government has adopted three fundamental reform processes and they are likely to continue. They are marketization, decentralization and privatization (Child and Tse 2001).

The Chinese government has the ownership for many firms in China. This is one of the fundamental political principal for a socialist country, as China before 1979. For a long time, firms and governments were welded together into a closed system of networked relationships through ties of state ownership and reciprocal benefits. A state own enterprises (SOEs) itself is a social institution. The government asserts control over people through SOEs internal operation. A SOE is not only the organization an individual works within, but also the place where he or she conducts social and political activities. However, marketization, decentralization and privatization continually change the firm's ownership and governance structures since 1980's, and the proportion of SOEs in the Chinese economy has decreased. By 1998, SOEs accounted for only 28 percent of industrial output. On the other hand, urban and rural collective enterprises account for approximately 38 percent of industrial output, firms with foreign investment 15 percent, and private firm 17 percent (Statistics 1999).

The Third Industry, primarily comprise the legal, accounting, technological, finance, distribution and management education systems, is another institutional sphere related to business that consists of the systems supporting the operation of firms. The third industry only had a small proportion of the national GDP in early 80's. The reason of

underdevelopment of the third industry can be partly explained by the SOEs' predominant role in the national economy. The nature of the SOEs, made the SOEs as a "small society". Traditionally, A typical SOE operates its own self-contained business support systems for the firm. For example, some of the very large SOEs operate its own legal firm, bank, distribution network and even schools. Following the phase of the reform in the area of SOEs, the third industry experiences significant booming. The further changes in the business support systems are promote by both external and internal factors. Internally, the privatization of the SOEs is likely to completely separate out the unprofitable and less efficient business support systems from the core business. Externally, China's entry in the World Trade Organization (WTO) implies that rules of international business will begin to apply.

The above studies have focused on organizational levels, Lau et al (Lau, Tse et al. 2002) focused on the cognitive processes of organizational changes by managers and workers within various types of firms in China. Their study suggests that there are variations in change schemas within a firm. Sharp contrasts were found between senior managers, middle managers, and workers. They also provided a detailed description on risk taking behavior. When in risk, people are motivated to engage in risk adjustment strategies so as to exercise ex ante and ex post control. Their study also confirms the links between change schema to firm commitment and to job satisfaction. Individuals with higher change salience and valence show stronger firm commitment and job satisfaction. The more favorable individuals perceive the change will bring to them. The more committed and satisfied they will be.

Chaos and complexity perspective. The third thought, emerging as a theme for organizational behavior, is chaos and complexity perspective. "Complexity" has undergone some important transformations in recent years (Boisol and Child 1999). From this new perspective, organizations are treated as instances of adaptive systems, that is, systems that have to match in a nontrivial way the complexity of their environment, either to achieve an appropriate measure of fit with it or to secure for

themselves a degree of autonomy with respect to whatever constrains it might impose (Varela and Thompson 1991).

As a theme for organizational scholars, complexity was firstly discussed in the professional literature of the 1960s and 1970s. The concept of “complexity” has expanded significantly in recent years (Boisot and Child 1999). This perspective focuses its attention at the micro-level and suggests that the diversity and variety are the sources of innovation and order, and that a firm’s strategy is more likely the result of group dynamics and interactions. It has also provided sufficient context to examine and illustrate the business theory. Compared with Cultural School and Institutional Thought, the Complexity thought is still in infant stage. Thus, very few articles have been identified in this discussion. Given the complexity in the Chinese management system both at the national and a firm’s level, the complexity perspective can provide much promises as a new area of research of organizational behavior.

Boisot and Child (1999) investigated the complexity-handling modes and contingencies that may bear upon the choice between them. In their paper, they argued that cultural, societal and organizational factors can either reduce or absorb complexity. They also suggested that there is a stark contrast between Western market capitalism and East Asian network capitalism in handling environmental complexity. Western, especially American, firms show a strong preference for the *reduction approach* towards coping with the complexity, while Chinese organizations are more likely to adopt an absorption approach to coping with the complexity.

Strategic Management

Only few articles reviewed focused on strategic management. This may be partly due to the way we classifies them. Some articles have an overlapping focus. For example, Boisot and Child (1999)’s paper is very relevant to strategic management in the Chinese organizations. Interestingly, a significant proportion of articles reviewed focused on the strategic management of international firms, or Chinese joint ventures with foreign firms.

This may be reflected by the fact that we are moving progressively toward a world in which national economies are merging into an interdependent global economic system, commonly referred to as Internationalization(Hill 2002). At the level of firm, strategy can be defined as the actions managers take to attain the goals of the firm. International strategic management is a comprehensive and ongoing management planning process aimed at formulating and implementing strategies that enable a firm to compete effectively internationally (Mahoney, Trigg et al. 2001).

Peng and Tan (1998) raised a question that how individual firms craft and implement business strategies to achieve growth in China. Based on their fieldwork in the literature on business strategies in China, they suggested that the firms in China settle on a network-based strategy of growth, building on strategic alliance and interorganizational networks (guanxi) based on interpersonal networks cultivated by managers. Park and Luo (2001) conducted a survey study, obtained data from 128 firms across various industries in Central China. Park and team present an integrative framework of guanxi utilization based on firm-specific attributes and examines its impact on firm growth and internal operation. Through their research work, it provides empirical evidence to the claim that guanxi utilization is heterogeneous across firms and depends on the institutional, strategic and organizational settings of each firm. Underdeveloped nature of China's institutional structures has decided that the micro-macro link between managerial networks and firm growth may be one of the key factors behind the Chinese economic booming (Peng and Tan 1998).

International management

International management can be further divided into organizational behavior and strategic alliances. We describe them in the following sections.

Organizational study of international business. The micro organizational research aims to identify the organizational structures and internal control mechanism that international businesses use to manage and direct their global operations (Hill 2002). The

relevant articles have been published in the area of managerial attachment (Peng and Luo 2000; Luo 2001; Luo 2002), and organizational structure (Luo and Peng 1999; Christmann and Taylor 2001; Luo 2001; Luo and Park 2001; Luo, Shenkar et al. 2001; Li and Atuahene-Gima 2002).

Using survey data from China, Luo (2001) found that manager's micro interpersonal ties with top executives at other firms and with government officials help improve macro organizational performance. Interparty attachment is a binding force between exchange partners that can promote maintenance of an existing relationship. It is manifested in personal relationships (personal attachment) or ties between exchange partners at an organizational level (structure attachment).

It is multi-factors that underlie the development of personal attachment. Either transaction cost theory, or social exchange theory, alone is unable to decipher the underlying determinants of personal attachment. Luo's study further found that, under the complex and uncertain environment in China, attachment saves transaction costs because it counters environmental uncertainty, reduces moral hazards, and provides benefits to the Joint Venture from local managerial connections to the host business community. Obviously, this analysis extends theory development in trust building by revealing how interpersonal attachment is developed in a cross-cultural and interorganizational context, set in a complex and unpredictable institutional environment. Peng and Luo (2000) confirmed long-held belief that managerial ties are crucial for business success in their study. However, they revealed the limitations of managerial ties. A firm also needs to have capabilities in areas such as quality and advertising in order to perform well.

In addition to the personal attachment analysis, Luo (2002) distinguishes between personal and structural attachment and examines how these two types of attachments stimulate exchange in International Joint Ventures (IJVs). Luo (2002) suggested that the rate of contribution of personal attachment to IJVs profits, and the positive influence of structure attachment on both sales and profits diminish as attachment increases.

Moreover, the interaction between personal and structural attachments has a positive influence on IJV performance, suggesting that the two types of attachments strengthen each other in promoting IJV performance. The structure attachment offers an institutional framework within which personal attachment proceeds, while personal attachment fosters Interparty bonding through formalization and routinization. The important of structure attachment reflected in the MNC-Government relations. Although MNC-Government are not the sole determinant of operational success, cooperation with host governments represents a powerful predictor of performance variances(Luo 2001).

IJVs control involves the use of power, authority, and other systems to monitor and influence the activities and outcomes of a firm's subunits and its members. Luo, Shenkar and Nyaw (2001) indicated that, while overall control executed by a foreign parent is important to its satisfaction with IJV performance, overall control is not associated with Chinese firm's satisfaction. Chinese partners seem to attach greater value to acquiring knowledge and skills from foreign partners than to overall control of IJV operations.

Luo and Peng (1999) discussed that the theory of organizational learning provides the firm some valuable suggestions to impact the survival of IJV in complex and uncertain environment in China. First, their study highlights the importance of learning-induced, host country-specific experience in international expansion. The acquisition of country-specific experience clearly represents a critical competitive edge for multinational enterprises (MNEs) operating in transition economies. Second, their study implies that country-specific experiences are more important to performance in the early stage than in the late phase of overseas operations. Third, their study suggests that the contribution of experience to performance is moderated by environment conditions.

Entry strategy and strategic alliances. Entry strategy and strategic alliances are often concerned with three closely related topics: (1) the decision of which foreign markets to enter, when to enter them, and what scale; (2) the choice of entry mode, and (3) the role of strategic alliances. Strategic alliances are cooperative agreements between actual or potential competitors. Strategic alliances have advantages and disadvantages and a firm

must weigh these carefully before deciding whether to ally itself with an actual or potential competitor (Hill 2002).

In the past five years, China became a most attractive location for foreign direct investment (FDI). It also obtained interests of mainstream researcher in the study of entry strategy for the market of China. China as emerging economies makes political and economic transitions towards more market-based systems, MNEs have shown greater interest in that. However, China has tremendous amount of uncertainty and difficulty. MNEs have to address a basic question: will they be better off investing early in these economies despite all the start-up difficulties and risks, or will it be wiser to wait and see. Pan and Chi (1999) found that MNEs that started their production in China in an earlier year had a higher level of profit than those that began in a later year (Pan and Chi 1999). Luo (1998) also found that early investors outperform late entrants in market growth in the host country. His study further demonstrates that early entrants of FDI achieve superior asset efficiency, but are inferior in terms of the 'first three years' accounting profitability (Luo 1998). Based on the entry information of U.S Fortune 500 firms in China between 1979 and 1996, Gaba, Pan and Ungson (2002) show that larger firms with greater level of internationalization and scope economies are likely to enter foreign market earlier. In addition, non-equity modes, competitor's behavior in the product market, and lower levels of country risk are significantly associated with early entry. Isobe, Makino and Montgomery (2000) conducted a questionnaire survey to more than 1,700 Chinese executives of Japanese manufacturing subsidiaries in Shanghai, Hangzhou, Beijing, and Dalian in China. The survey revealed that early movers tended to attain superior economic performance in China relative to late movers implies that a wait-and-see approach may not always be a better strategy in emerging economic regions.

There has been an extensive literature on IJV. Entry mode can first be viewed as a choice between equity versus non-equity choice. Pan and Li (2000) suggested that Fortune global 500 firms acquired a higher level of equity stake in the IJVs in China than non-Fortune global 500 firms. IJV had a higher profit level than cooperative operations or wholly foreign-owned subsidiaries (Pan and Chi 1999). Taking consideration of the

impact of four source country factors, namely as, cost of borrowing, exchange rate, export capability, management orientation, on equity ownership in IJVs in China. Pan and Li (2002) suggested that firms are more likely to acquire a higher equity ownership in overseas IJVs, when it is less costly to borrow at home and when the exchange rates are more favorable.

Interfirm linkages and cooperative alliances have received considerable attention from strategic management researchers. Li and Atuahene-Gima (2002) adopted agency business activity as an Interfirm alliance between high technology new venture (HTNV) in China. Their study suggests that environmental uncertainty is positively related to the adoption of agency business activity, because HTNV market knowledge and other unique competencies in the Chinese market are prime resources required by foreign firms to reduce their risks in entering the market. The article further revealed that perceived industry growth and venture size are negatively related to the adoption of agency business activity. Zhang and Rajagopalan (2002) discussed the role of inter-partner credible threat in IJVs. Inter-partner credible threat refers to the certainty of either partner's retaliation given the other partner's earlier cheating. The study argued that inter-partner credible threat represents the first order determinant of partner payoffs. When it is present, partners gain balanced payoffs in the IJV. When it is absent, partners' relative management control, the second-order determinant, determines their relative payoffs.

Conclusion

In the last five years, China accelerates the process of economic transition. The proportion of non-state-owned equity constantly increases, which will lead to further privatization. As the most dynamic economic system, China gradually became the second largest foreign direct investment absorb country, marginally behind United States. The development of China's economy enriched the context of international business. The research on China increasingly appears in leading disciplinary journals.

The recent development in the organizational behavior in China has indicated the important contribution of the research on China to the conceptualization and theory framework. Although the substantial progress has been achieved in Chinese cultural and institutional study, much more of future work is still needed in the following the areas. First, comparative cultural study has identified and highlighted the “Confucianism” as a unique characteristic in Chinese cultural. Since China initiated economic reform twenty-five years ago, “individualism” as Western cultural thought gradually influences the younger generation born in late 70’s last century, labeled as “little emperor”, as direct result of strict birth control policy conducted by the Chinese Government for more than twenty years. The younger generation easily absorbing the new concepts, represented as “individualism”. How many traditional cultural remained? How do these two cultural concepts interact, and eventually impact on the firm’s operation? The past literature indicated the limitation of the knowledge of the above questions.

Second, the dynamic market in China means dramatic institutional change brings uncertainty and instability to the firms’ operation. Unemployment rate constantly increases particularly in the past decade. Large amount of industry workers lost their jobs, and reentry the labor market when their state-own-enterprise claimed bankruptcy. The structure unemployment takes significant proportion of the unemployment population, due to the age and lack of training available for the mature age formal industry workers to obtain new skill and knowledge. Third industry development will be distinguished in the institutional research in China. It is in line with the Chinese Government’s macro-policy to adjust industry structure. Chinese Government is planning to generate more jobs through the development of business intermediated institutions. Current institutional study concentrated on the manufacture industry in China. It is a matter of urgency for the academic and researcher to provide conceptual and theory framework for the development of services industry in the largest transition economic of the world.

Third, ‘Complexity’ as a theme for organizational scholars, has emerged as an important field of the mainstream research. China is the world’s largest social system, and one

whose form of complexity (Child and Tse 2001). The distinctive characteristics of the Chinese economic system provide new research topics for the further study in the 'Complexity' theory.

Considerable amount of articles has been published in the field of international business management in China. However, it is found that only a few of them have significant large sample collected from diversified provinces. Taking into consideration for the large size of the economic system, and complexity of the system, we need to take cautious view of the research output. It seems that a few Chinese scholars in North America, namely Peng and Luo, have emerged as the leading contributors of the research in organizational and management of China in North America. There were limited evidences to indicate the interactions and collaborations between the leading contributors and the academic scholars in China. The significant differentiations in theoretical and methodological issues, and lack of language skills, may contribute to the inactive corporation between Chinese researchers and offshore Chinese researchers.

There are several limitations in this paper in revealing the latest tend of study in China's organizational and management. First, how can the top academic journals be defined? In this study, we identified 10 prestigious academic journals as sources of information. Despite the significant popularity of these journals, there is not a publicly acceptable standard available for the literature review. The further study may extend our coverage beyond the relatively narrow set of 10 journals. Second, the constraints in time, resources have prevented the authors to conduct further review any of the Chinese language contributions.

Through the review, it is obvious that the organizational and management in China obtained more and more attention in mainstream research. The transition of the Chinese economic provides new resources for the development in International Business concept and theory. It has presented opportunities and challenges for the researchers to participant in the exciting study field.

References

- Boisol, M. and J. Child (1999). "Organisations as adaptive systems in complex environments: the case of China." *Organization science* **10**(3): 237-252.
- Boyacigiller, N. and N. Adler (1991). "The parochial dinosaur: organization science in a global context." *Academy of Management Journal* **16**: 262-290.
- Chan, R. C. M. and P. C. Wright (1999). "Entering the PRC market: a case-based conceptual framework for small business." *Management Research News* **22**(1): 1-10.
- Chen, H. and T. J. Chen (1998). "Network linkages and location choice in foreign direct investment." *Journal of International Business Studies* **29**(3): 445-468.
- Chen, T. J. and Y. H. Ku (2002). "Creating competitive advantages out of market imperfections: Taiwanese firms in China." *Asian Business & Management* **1**: 79-99.
- Child, J. and D. K. Tse (2001). "China's transition and its implication for international business." *Journal of International Business Studies* **32**(1): 5-21.
- Christmann, P. and G. Taylor (2001). "Globalization and the environment: Determinants of firm self-regulation in China." *Journal of International Business Studies* **32**(3): 439-458.
- Dunning, J. and S. Bansal (1997). "The cultural sensitivity of the eclectic paradigm." *Multinational Business Review* **5**(1-16).
- Easterby-Smith, M. (1999). "Cross cultural collaborative research: Toward reflexivity." *Academy of Management Journal* **42**(1): 76-85.
- Eden, L. and S. Lenway (2001). "Introduction to the symposium multinationals: The janus face of globalization." *Journal of International Business Studies* **32**(3): 383-400.
- Guillen, M. F. (2003). "Experience, imitation, and the sequence of foreign entry: wholly owned and joint venture manufacturing by South Korean firms and business groups in China, 1987-1995." *Journal of International Business Studies* **34**: 185-198.
- Jiang, Q.Y., & Huang, X.L., 'A Review of Management and Organizational Research on China in Leading North American Journal'.

Harrison, G. L., J. L. McKinnon, et al. (2000). "Cultural influences on adaption to fluid workgroups and teams." *Journal of International Business Studies* **31**(3): 489-505.

Hill, C. W. L. (2002). *International Business, Competing in the Global Marketplace*. New York, McGraw Hill.

Hofstede, G. (1980). *Culture's consequences*. London, Sage.

Isobe, T., S. Makino, et al. (2000). "Resource commitment, entry timing, and market performance of foreign direct investments in emerging economies: The case of Japanese international Joint Ventures in China." *Academy of Management Journal* **43**(3): 468-484.

Johnson, J. L. and P. M. Podsakoff (1994). "Journal influence in the field of management: An analysis using Salancik's index in a dependency network." *Academy of Management Journal* **37**(5): 1392-1407.

Keister, L. A. (2002). "Adapting to radical change: Strategy and environment in piece-rate adoption during China's transition." *Organization science* **13**(5): 459-474.

Kwok, C. C. Y. and D. M. Reeb (2000). "Internationalization and firm risk: An upstream-downstream hypothesis." *Journal of International Business Studies* **31**(4): 611-629.

Lau, C. M., D. K. Tse, et al. (2002). "Institutional forces and organisational culture in China: Effects on change schemas, firm commitment and job satisfaction." *Journal of International Business Studies* **33**(3): 533-550.

Li, H. and K. Atuahene-Gima (2001). "Product innovation strategy and the performance of new technology ventures in China." *Academy of Management Journal* **44**(6): 1123-1134.

Li, H. and K. Atuahene-Gima (2002). "The adoption of agency business activity, product innovation, and performance in Chinese technology ventures." *Strategic Management Journal* **23**: 469-490.

Li, J., K. Lam, et al. (2001). "Does culture affect behavior and performance of firms? The case of Joint Ventures in China." *Journal of International Business Studies* **31**(1): 115-131.

Lin, X. and R. Germain (1998). "Sustaining satisfactory Joint Venture relationships: the role of conflict resolution strategy." *Journal of International Business Studies* **29**(1): 179-196.

Lovett, S., L. C. Simmons, et al. (1999). "Guanxi versus the market: Ethics and efficiency." *Journal of International Business Studies* **30**(2): 231-248.

Luo, Y. (1998). "Timing of investment and international expansion performance in China." *Journal of International Business Studies* **29**(2): 391-408.

Luo, Y. (2001). "Antecedents and consequences of personal attachment in cross cultural cooperative ventures." *Administrative science quarterly* **46**: 177-201.

Luo, Y. (2001). "Toward a cooperative view of MNC-host government relations: Building blocks and performance implications." *Journal of International Business Studies* **32**(3): 401-420.

Luo, Y. (2002). "Product diversification in international joint ventures: Performance implications in an emerging market." *Strategic Management Journal* **23**: 1-20.

Luo, Y. (2002). "Stimulating exchange in international joint ventures: An attachment-based view." *Journal of International Business Studies* **33**(1): 169-181.

Luo, Y. and S. H. Park (2001). "Strategic alignment and performance of market-seeking MNCs in China." *Strategic Management Journal* **22**: 141-155.

Luo, Y. and M. W. Peng (1999). "Learning to compete in a transition economy: Experience, environment, and performance." *Journal of International Business Studies* **30**(2): 269-296.

Luo, Y., O. Shenkar, et al. (2001). "A dual parent perspective on control and performance in international Joint Ventures: Lessons from a development economy." *Journal of International Business Studies* **32**(1): 41-58.

Mahoney, D., M. Trigg, et al. (2001). *International Business, A Managerial Perspective*. Frenchs Forest, Pearson Education Australia.

Morris, M. H., D. L. Davis, et al. (1994). "Fostering corporate entrepreneurship: Cross-cultural comparisons of the importance of Individualism and Collectivism." *Journal of International Business Studies* **25**: 65-89.

Neelankavil, J. P., A. Mathur, et al. (2000). "Determinants of managerial performance: A cross-cultural comparison of the perceptions of middle-level managers in four countries." *Journal of International Business Studies* **31**(1): 121-140.

North, C. D. (1990). *Institutions, Institutional change and economic performance*. Cambridge, Cambridge University Press.

O'Connor, N. G. and P. Chalos (1999). "The challenge for successful joint venture management in China: Lessons from a failed Joint Venture." *Multinational Business Review* **7**(1): 50-61.

Pan, Y. (2002). "Equity ownership in international Joint Ventures: The impact of source country factors." *Journal of International Business Studies* **33**(2): 375-384.

Pan, Y. and P. S. K. Chi (1999). "Financial performance and survival of multinational corporations in China." *Strategic Management Journal* **20**: 359-374.

Pan, Y., S. Li, et al. (1999). "The impact of order and mode of market entry on profitability and market share." *Journal of International Business Studies* **30**(1): 81-104.

Pan, Y. and X. Li (2000). "Joint venture formation of very large multinational firms." *Journal of International Business Studies* **31**(1): 179-189.

Pan, Y. and D. K. Tse (2000). "The hierarchical model of market entry modes." *Journal of International Business Studies* **31**(4): 535-554.

Park, S. H. and Y. Luo (2001). "Guanxi and organizational dynamics: Organizational networking in Chinese firms." *Strategic Management Journal* **22**: 455-477.

Peng, M. W., Y. Lu, et al. (2001). "Treasures in the China house A review of management and organizational research on Greater China." *Journal of Business Research* **52**: 95-110.

Peng, M. W. and Y. Luo (2000). "Managerial ties and firm performance in a transition economy: The nature of a micro-macro link." *Academy of Management Journal* **43**(3): 486-501.

Peng, M. W. and J. J. Tan (1998). "Toward alliance postsocialism: business strategies in a transitional economy." *Journal of Applied Management Studies* **7**(1): 145-148.

Pierce, B. and G. Garven (1995). "Publishing international business research: a survey of leading journals." *Journal of International Business Studies* **12**(2): 1-22.

Ralston, D. A., C. P. Egri, et al. (1999). "Doing Business in the 21st century with the new generation of Chinese managers: A study of generational shifts in work values in China." *Journal of International Business Studies* **30**(2): 415-428.

Scott, W. R. (1995). *Institutions and Organizations*, Thousand Oaks.

Statistics, N. B. o. (1999). *China Statistical Year Book 1999*. Beijing, China Statistics Press.

Thomas, A., O. Shenkar, et al. (1994). "The globalization of our mental maps: evaluating the geographic scope of JIBS coverage." *Journal of International Business Studies* **25**: 675-86.

Tsang, E. W. K. (2002). "Acquiring knowledge by foreign partners from international joint ventures in a transition economy: Learning-by-doing and learning myopia." *Strategic Management Journal* **23**: 835-854.

Varela, E. and E. Thompson (1991). *The Embodied Mind: Cognitive Science and Human Experience*. Cambridge, MIT Press.

Zhang, Y. and N. Rajagopalan (2002). "Inter-partner credible threat in international Joint Ventures: An infinitely repeated prisoner's dilemma model." *Journal of International Business Studies* **33**(3): 457-478.