

Chinese Managers and Motivation For Change: the challenges and a framework

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Synopsis

Chinese enterprises, both large and small, face enormous challenges in the next few years. For managers to deal with these changes in a productive and constructive way requires changes in management culture. This paper:

- 1) briefly summarises the main challenges being faced by Chinese enterprises in the short and long term;
- 2) compares extant literature on management practices and culture in large and small firms in China and the west;
- 3) develops and applies a conceptual framework for analysing Chinese management culture and change, based on Triandis' dimensions of HI/HC/VI/VC.

The main conclusions of the paper are that:

- Chinese management in both SOEs and SMEs tends to be higher on Vertical Collectivism than equivalent western management. This tends to reduce managers motivation for making the changes required to meet the challenges they face.
- Increasing use of HC by Japanese and Taiwanese JVs in China (and by some more innovative firms like Haier) is changing the way managers manage the supply chain and large-small firm relations in China.
- To motivate Chinese managers to more effective management practice, there is a need to change from the inflexible vertical practice to horizontal practice with more emphasis of individualistic values. This suggests that SOEs need to learn from SME practices and the way they accommodate Chinese culture and challenges.