

Dialogue, Debate, and Discussion

Jim March and the Community of Research on Chinese Organizations

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In the last two decades, Jim March developed a strong affinity with the community of research on Chinese organizations. One reason, no doubt, came from the persistent effort led by Professor Anne S. Tsui, the founding editor of MOR, to get Jim involved in the education of Chinese scholars in this community, and Jim more than willingly welcomed the opportunity. I recall several occasions seeing him at meetings and discussion groups with Chinese scholars on the Stanford campus since the mid-2000s. As far as I am aware, Jim kept contact with a number of Chinese scholars for many years, which helped keep him afresh and updated with ongoing research activities and trends in this area. In recent years, my own conversations with Jim often touched on issues about comparisons of organizational and managerial practice between China and the West.

Another reason, perhaps the more important one, is that Jim was fascinated by the philosophical ideas expressed in the ancient Chinese culture, especially the yin-yang dialectics, that fits so well with Jim's own worldview about how nature and the world work. Intuitively, he sensed the connection between the yin-yang dialectics in the Chinese philosophy and his view about ambiguity and action. I recall many occasions when Jim inquired about the multiple meanings of Chinese characters – how they can be interpreted in different ways under different circumstances and how such characteristics create ambiguity that affect individual actions. During many of our conversations in recent years, Jim often expressed a desire to learn Chinese so as to gain a better understanding of the multiple meanings that the Chinese characters can convey in different contexts and from different angles.

A constant theme running through March's work has been the tension between individual and organization's pursuit of rational decision-making and the actual processes, psychological, political, and organizational, that often defy such efforts. In this respect, March's work joins a larger body of literature in political science, sociology, and psychology. What is distinctive in March's

approach is the insight he draws from everyday observations and make sense of them in light of organizational behaviors, such as the foolishness of technology, the role of attention, commitment, and aspiration.

March's impact on research on Chinese organization and on scholars in this area are manifold. Below I outline some aspects that I, both as a Chinese and as a scholar studying Chinese organizations, most felt in my many years of learning from and interacting with Jim.

Central to March's scholarly work is his worldview about the recognition of bounded rationality and the ramifications this simple idea/observation – as he would like to call it – brings in understanding the behaviors of individuals and organizations. In a world full of rational judgments and accounts of how organizations should be designed and managed, March's writing is one persistent voice that reminds us of the pitifulness of confidence trap, rational design, and the role of organizational learning, interpretation, and ambiguity in organizational action.

These ideas acquire special significance in the contemporary Chinese context, where top-down organizational design and social engineering have exerted a strong impact on public policies and organizational mobilization. For those Chinese who grew up in this ideological environment, including both students of organizations and those involved in policymaking and research, there is a habitual tendency in 'seeing like the state', to borrow James Scott's expression, and consciously or inadvertently contributing to the efforts in social engineering. It is against this tide that March spent his intellectual life trying to challenge, and, in that process, to educate and enlighten us. And this is no easy job. I recall the strong uneasiness I felt when I first encountered Jim's view about bounded rationality and how things work in light of this key insight. At that time, I was socialized in the intellectual tradition of historical materialism – the Chinese version, no doubt – believing in the historical law of human society. Once one can command the historical law of society, it is only logical that one can make use of this knowledge to build a better world through social engineering.

But if we recognize the limit of rationality, the ways we think about organizations, management, indeed human behaviors, would fundamentally depart from those rational images and efforts that we are so accustomed to in research, teaching and policymaking. This, I believe, is potentially March's most profound impact on the community of scholars who study Chinese organizations and management. If individual and organizational decision-making are bounded in information processing, compromised in political process, constrained by path dependent institutions, and if organizational learning is likely to absorb random shocks, we need to develop a different view about how organizations evolve and compete, how public policies are made and implemented, and how to interpret the roles and behaviors of the Chinese organizations and that of leadership in these organizations.

The second idea that is central to March's worldview is about ambiguity and multiple interpretations in human behaviors and organizations. Information is not

only incomplete, asymmetric, and costly to verify, but it is also subject to multiple interpretations; that is, information is ambiguous. The nature of ambiguity opens doors to multiple accounts and sensemaking. And organizations and institutions evolve in response to such ambiguity, exhibiting behaviors and characteristics different than those anticipated in light of the rational image.

The recognition of ambiguity inspires imaginations on theorizing about organizations and provides a thread that connects many ideas in March's writing, that learning has its disadvantages, because experiential leaning often absorbs external shocks, leading to confidence traps and path dependent evolution; that playfulness and foolishness are virtuous in human and organizational adaptation; that small things matter, such as aspiration, attention allocation, and commitment; and that skepticism and open-mindedness, and a healthy balance between exploration and exploitation, are important and have adaptive advantages in a world of ambiguity.

Again, these ideas have important implications in understanding Chinese organizations and management. The rapid economic development in China and active role of the Chinese organizations, both governments and firms, in this process has led to a wave of interest in research on Chinese organizations. Here, March's insight leads us to different paths of inquiries: Instead of focus on the role of rational design, one needs to pay attention to those unintended consequences of foolishness; instead of rhetoric on strong and centralized authority, one needs to recognize those loosely-coupled behaviors at the local level that move in directions that are often at odds with the top-down directives; instead of pinpointing one key variable/mechanism or another, one needs to make sense of its role in the ecology of other political, economic, and social forces at work; instead of looking for strategic decisions, one needs to attend to small things about attention allocation, turnover, and commitment by both the top leaders and those local bureaucrats.

Learning from March has provided a constant source of inspiration and insight in my own research on the Chinese bureaucracy. Some time ago, I gave an academic talk titled 'Chinese Organizations in Three Lenses: Weberian, Confucian, and Marchian'. This was my effort to highlight March's contribution to our understanding of the Chinese bureaucracy and to place it in the larger intellectual context. Max Weber developed his ideal-type of bureaucracy in a comparative-historical perspective, in which the ancient Chinese bureaucracy featured prominently as a reference point. Weber's contrast between the rule-bound, efficiency-driven organizational form in the market economy and the Chinese bureaucracy in the mode of patrimonial domination shed light on how bureaucratic organizations may be similar in form but differ substantively in their roles in different modes of domination.

The Confucian lens adds the rich cultural context in which individuals and organizations take actions and give meanings to these actions, highlighting those features of the Confucian bureaucracy distinct from the Weberian model, such

as differential modes of association, the formal structure infused with extensive informal relations, and the central place of personal loyalty and trust around and beyond the formal authority.

It is March's ideas about organizations that have provided the contemporary and analytical lens to shed light on the specifics and mechanisms that underlie organizational processes and behaviors of the Chinese bureaucracy. For example, March's idea about attention allocation helps me recognize the key mechanism underlying campaign-style policy implementation in the Chinese bureaucracy, a main characteristic of the top-down government processes. At the same time, March's observation that attention is a scarce resource also anticipated the temporality of the campaign-style mobilization and its aftermath. March's idea about firms as political coalitions helps me understand how local government officials behave in prioritizing their tasks in their everyday work environment and in their collusive efforts in response to their supervising agencies. March's model of organizations involving multiple processes and conflicting goals helps me make sense of a series of organizational phenomena in the Chinese bureaucracy: the loose-coupling between symbolic compliance and actual behaviors in policy implementation processes; the temporal variations of centralization and decentralization across bureaucratic levels; and the seemingly strong grip of central authority coupled with considerable variations in local behaviors. After all, March's wisdom lies in the recognition that we need to go beyond the rhetoric, symbols or even statistical numbers to interpret the behaviors of organizations, government officials, and policymakers.

This brings me to my final point. There is no doubt that March's imagination and the multitude of issues, concepts, and ideas associated with his work have inspired many scholars in their research and will continue to do so. Many times, though, scholars borrow those concrete ideas and insights from March's writing for the purpose of novelty and motivation in theoretical framing. They make use of March's ideas at the technical, operational level without subscribing to March's fundamental insight as to how the actions of individuals and organizations actually take place and evolve in the Marchian world. As the research community has become highly differentiated and segmented, technical, and dogmatic in research style, March's work provides a sober reminder that the way we interpret and make sense of the world depends on the fundamentals of how we look at the world. I venture to say that, if scholars take March's worldview seriously, his writing will have a more profound impact on the community of researchers studying Chinese organizations and management, in both intellectual inspiration and agenda-setting in research, for many years to come.