



Context, Comparison, and Methodology in Chinese Management Research

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ABSTRACT In this paper, I accept Whetten's (2009) view that it is necessary to investigate Chinese management in a way that takes account of its context in order to assess the extent to which its features are context-specific or context-bounded. The first requirement, therefore, is to develop a way of conceptualising and measuring that context. A framework articulating material, ideational and institutional contextual features is offered to that end. Second, I argue that both 'outside in' and 'inside out' approaches to the study of Chinese management require comparison between China and other countries. Even a theory that claims uniqueness for China needs to have that claim tested through external comparison. We, therefore, have to employ a methodology that allows for valid comparisons between context and management in China and other countries. This paper focuses on these two issues of context and methodology with reference to comparative research. It examines them in turn and closes by arguing that the choice Barney and Zhang (2009) pose – between a Chinese theory of management and a theory of Chinese management – needs to be reframed within a more dynamic evolutionary perspective.

KEYWORDS China, co-evolution, comparison, context, ideational systems, material systems, methodology

INTRODUCTION

Research into Chinese management has expanded rapidly since the 1980s, a phenomenon attested to not only by the large number of articles and books appearing on the subject, but also by the fact that it has, since 2002, had its own international scholarly organization, the International Association for Chinese Management Research (see IACMR, 2005, for a timeline of the IACMR's roots). In this respect, Chinese management has joined the mainstream of scholarly research. Yet at the same time, debate continues as to how best to theorize about the subject.

Few would disagree that China is 'different' from other countries. The question Barney and Zhang (2009) pose is whether China's difference requires a uniquely Chinese theory of management that is distinct from conventional and predominantly Western theories. Work on a uniquely Chinese theory of management would focus on the specifics of China's past and present situation and would only draw contrasts with management in other countries as a secondary concern. Indeed, it calls into question the validity of comparing Chinese management with that of other countries. By starting with and concentrating on what is inside China, it would adopt what Tsui (2006) has called an 'inside out' approach. The alternative view articulated by Barney and Zhang maintains that it is appropriate to investigate Chinese management through the lens of existing theories and concepts previously developed in other contexts. The intention of this 'outside in' approach would be to advance our understanding of Chinese management in relation to theories of management in other parts of the world. Its focus would be primarily comparative, aiming to identify the distinctive and similar features of Chinese management and to account for these within a general theory of management.

Both Barney and Zhang (2009) and Whetten (2009) draw attention to context. Barney and Zhang point out that a specifically Chinese theory of management would almost certainly 'study phenomena that were either unique to China or uniquely important in China' (2009: 22). Whetten emphasizes the importance of the interface between context and theory. Whatever our theoretical stance, it is necessary to investigate Chinese management in a way that takes account of its context in order to assess the extent to which its features are context-specific or context-bounded (Tsui, 2004; see also Rousseau & Fried, 2001). We, therefore, need to develop a way of conceptualising and measuring that context. Moreover, if our aim is to theorize Chinese management in terms of a more general theory (or theories) of management, we require a methodology that allows for valid comparisons between context and management in China and other countries. The focus of this article is, therefore, on these two issues of context and methodology, examining them in turn in the following section. The article concludes with an argument for reframing the theoretical choice posed by Barney and Zhang within a more dynamic evolutionary perspective.

ISSUES OF CONTEXT AND METHODOLOGY

Context

The point of departure for developing analytical sensitivity to 'context' is how to conceptualize it. The danger is that the term can mean all things to all people, especially if they approach the subject through the lenses of different disciplines. In a previous paper, I proposed a framework that integrated many of the different perspectives on context and on the nature of its significance (Child, 2000). By

identifying the key components of context, this framework can assist us in accounting for the configuration(s) of contextual variables that characterize China. Building upon insights originally offered by Weber (1964), the framework identifies national contexts as comprising a combination of material and ideational systems, a combination that, in turn, importantly shapes a country's institutions.

The classic convergence thesis gives particular prominence to the impact of material factors. It argues that, during the course of countries' development, dynamic material forces of an economic and technological nature tend to give rise to efficiency-oriented rules and codified knowledge. As societies 'modernize' their economies and technologies, they adopt a more complex division of labour and institutional arrangements (Kerr, Dunlop, Harbison, & Myers, 1960). This has been observed to increase their requirement for what Weber termed 'formal rationality'. Formal rationality concerns social arrangements and routines that can be expressed formally in 'calculable terms' (Weber, 1964: 185). At a societal level, we see formal rationality in the development of markets and regulations governing market behaviour. These institutional forms have become increasingly international, as witnessed in the establishment of the World Trade Organization (WTO) and the globalization of accounting standards. At the organizational level, we see legally sanctioned organizational innovations such as the joint-stock company and more autonomous developments such as hierarchical corporate forms (Chandler, 1977). Even though codes of corporate governance show considerable national variation, the concept of 'good governance' and its implications for practice have also diffused widely in recent years (Zattoni & Cuomo, 2008).

Evidence has accumulated that so-called 'contingencies' can have significant effects upon the way organizations are structured and how they operate (Donaldson, 2001). Contingencies such as market size, structure and technology largely reflect material factors. Although some contingencies have been modified by deliberate interventions, such as national anti-trust rules and protective trade tariffs, globalization is tending to standardize such interventions. Therefore, while countries vary in their level and form of economic development at any one point in time, an implication of the materialist dynamic is that many of the institutional and organizational features characterizing industrializing nations will become increasingly similar (Kerr et al., 1960). Some have argued that convergence is growing apace as national economic systems become part of the same global economy (e.g., Friedman, 2006; Ohmae, 1995) and as cross-border multinational corporations account for increasing shares of activity in many sectors (Kostova & Roth, 2002). In contrast, empirical investigation suggests that globalization may actually encourage diversity in institutional arrangements, economic actions and organizational forms (Guillén, 2001; Hall & Soskice, 2001). Whatever the outcome of this ongoing debate, the point of present significance is that a comparison of one socioeconomic system, such as China, with others must take the various material elements of context into account.

Ideational systems carry and propagate substantive values, such as those expressed in Confucianism, the Protestant ethic, or political ideologies such as Communism. These systems shape 'substantive rationality', which concerns the values that people attach to social organization and to the processes taking place within it, such as the exercise of authority and interpersonal relations (Weber, 1964: 185–186). Substantive rationality is more far-reaching than 'culture', at least in the sense accorded to the latter by organization theory. While it is expressed by cultures, substantive rationality is also conveyed in ideologies and systems of knowledge that claim an ultimate validity. Various social institutions provide vehicles for the articulation and reproduction of substantive rationality: religions, governments and business schools are among these. Substantive rationality can significantly impact the structural principles of organizations as well as how people behave and relate within them. Examples of substantive rationality in China often derive from Confucian ethics and ideology, such as the ideas of *li* (propriety) and moral leadership. The argument for developing a distinctively Chinese theory of management is largely predicated on the assumption that China's context is shaped by its own unique values and ideology. Redding (2008) has recently advanced the notion of 'semantic spaces' to denote the fields of cultural meanings in a society and has indicated how these spaces help to create the stable patterns of behaviour in contemporary Chinese institutions by informing the actions their members take. One might interpret his analysis as suggesting how Chinese substantive rationality shapes the institutional contours of China as a context for management.

Without implying that the conclusions reached by Weber back in the 1920s were necessarily correct (cf. Marsh, 2000), the broad analytical framework he adopted offers a valuable antidote to the temptation to ascribe explanatory primacy to any one theoretical perspective. This framework assumes that material and ideational forces both play a role in shaping national institutions. These forces also have the potential to impact on each other (Schluchter, 1981). Thus, on the one hand, the Protestant ethic laid the foundations for the spirit of Western capitalism and the Confucian ethic shaped the spirit of Chinese capitalism (Redding, 1990). On the other hand, the capitalist economy itself has a significant international impact on people's values and expectations with respect to matters such as personal achievement, life style and employment. Surveys, such as those conducted by Ralston and his colleagues (Ralston, Pounder, Lo, Wong, Egri, & Stauffer, 2006; Ralston, Yu, Wang, Terpstra, & He, 1996), chart such value changes for China as it has urbanized and introduced a capitalist market economy. The interdependence of the materialistic and the ideational is an insight of great importance for understanding the organizational impact of contemporary world trends and the extent to which they will erode or maintain China's 'difference' (Boisot, Child, & Redding, 2009). In ideational terms, China is likely to remain different and may indeed use new information and

communication technologies to support certain of its cultural preferences, such as those for informal interpersonal communication and networking. At the same time, China has already adopted accounting and trade practices that conform more closely to international norms, albeit not completely (Deloitte, 2006; United States Trade Representative, 2007).

The broad historical sweep encompassed in the work of Weber and other students of societal development suggests that the interplay of materialistic and ideational features, as well as the contexts this creates for management, may pass through certain 'stages' of societal development (see, for example, Parsons, 1966; Rostow, 1960). To the extent that societies pass through similar stages of development, this cautions against assuming that every country's context is unique because apparent contemporary differences may become similarities when viewed historically. For example, the virtues often lumped together as distinctively Confucian – hard work, respect for elders, strong family ties, a passion for learning and knowledge – were probably as much a characteristic of the dominant ethos of Victorian England as they are of Chinese communities today (Bendix, 1956). While great systems of thought undoubtedly have had an impact upon the way people think and organize, this may have been, to some extent, because they were 'right' for the material circumstances of the time. A specific contemporary example is how Chinese firms have been adopting the concept and practice of enterprise culture management as a means of enhancing their competitiveness as they move into the market economy (Cooke, 2008).

The considerations raised above indicate that an adequate assessment of context has to take account of a range of specific features – both material and ideational – which are likely to be relevant to the phenomenon of interest: in this case, management in China. Moreover, if it is the case that material and ideational systems are consequential in societies primarily through the way they shape institutions, the latter also have to be taken into account. Institutions are of immediate relevance to managers because of their regulative, normative and cognitive character (Scott, 1995). In other words, they lay down regulations, fashion and sustain social norms, and define what people think is appropriate and correct.

There is an onus on both the 'Chinese theory of management' and 'theory of Chinese management' perspectives to conceptualize and operationalize context so that China can be compared with other societies, both to demonstrate its difference and to chart aspects of similarity. Fortunately, progress is being made in this direction. Insights from Weber and other sociologists have inspired a number of schemata for identifying the components of business contexts and classifying them. For example, Whitley (1999) distinguished business system characteristics, institutional features and firm characteristics as a basis for delineating and comparing different types of capitalist business systems. Child and Tse (2001) identified government, business systems and intermediate (business support) institutions as the areas of China's context having particular relevance

Table 1. A categorization of national contexts within which management operates

<i>Material systems</i>	<i>Ideational systems</i>	<i>Institutional outcomes</i>
<p><i>Economic:</i></p> <ul style="list-style-type: none"> • Ownership of business assets • Markets – efficiency and openness • Networks – purpose and scope • Capital – financial, human, managerial, social 	<p><i>Cultural values and rationales regarding:</i></p> <ul style="list-style-type: none"> • Authority • Identity • Gender • Relationships • Risk-taking 	<p><i>Government:</i></p> <ul style="list-style-type: none"> • Degree of fiscal and regulatory intervention in business • Centralization/decentralization of state agencies • Framework of laws and regulations • Degree of transparency
<p><i>Technology:</i></p> <ul style="list-style-type: none"> • Intensity of use of information and communication technologies (ICTs) • Development of transport infrastructure 	<p><i>Religious values regarding:</i></p> <ul style="list-style-type: none"> • Morality and honesty • Gender and participation in education and work • Wealth 	<p><i>Intermediate institutions:</i></p> <ul style="list-style-type: none"> • Legal • Financial • Media and consulting
	<p><i>Political values regarding:</i></p> <ul style="list-style-type: none"> • State control • Income and wealth distribution • Private ownership • Internationalism 	<p><i>Conformity to international regulations and standards, including:</i></p> <ul style="list-style-type: none"> • ISO • WTO • IASB • Codes of corporate governance

Notes: ISO, International Organization for Standardization; WTO, World Trade Organization; IASB, International Accounting Standards Board.

for business. More recently, Redding (2005) has advanced a method whereby the influence of material and ideational systems on different areas of society, as well as their mutual effects, can be traced graphically. Redding and Witt (2007) have employed this approach to delineate different business sectors within China.

These insights help to identify components of the national contexts in which management operates. A categorization of contextual components of the kind suggested in Table 1 could be used for purposes of comparing China with other countries. After all, identification of the components constituting ‘context’ is the first step towards developing comparative indicators of the extent and manner to which they apply in different countries. Profiling of this kind would then enable researchers to construct configurations of country contexts and to make more precise assessments where those contexts differ. A comparable exercise was successfully undertaken for the comparison of organizational structures in the so-called ‘Aston Programme’ of comparative organizational studies. This started with a conceptual framework and then developed into comparative measurements

(Pugh, Hickson, Hinings, Macdonald, Turner, & Lupton, 1963; Pugh, Hickson, Hinings, & Turner, 1968).

An ability to compare national contexts through a common classificatory framework is essential for addressing the issue of how exclusively different China is and whether, therefore, a distinctively Chinese theory of management is required. It would also enable us to locate this question within the wider frame of national difference versus international convergence. The thesis that a distinctively Chinese theory of management is required rests on the assumption that Chinese management is wholly and comprehensively accountable in terms of what is claimed to be a unique national system. The alternative thesis that Chinese management can be satisfactorily examined through the lens of existing theories and concepts previously developed in other contexts is consistent with the view that, on the contrary, China's specific national context is becoming less differentiated from others when set within powerful global forces. In other words, the question is how and to what extent country-specific and international influences shape the nature of management in China. An analysis that identifies and compares material and ideational factors in the national and international context should facilitate investigation of this question.

The internationalization of Chinese business is particularly relevant. It raises the question of the extent to which Chinese management is now engaged in international systems of trade, finance and technology that impose common competitive and institutional conditions. In 2001, China accepted the provisions of the WTO with its rules for international competition. China appears to be conforming increasingly to common institutional rules, such as international auditing conventions and International Organization for Standardization (ISO) benchmarks, although this conformity is often reluctant and incomplete (United States Trade Representative, 2007). The expectation is that the more they are incorporated into the global system, the less differentiated Chinese organization and management systems will remain from those of other similarly incorporated organizations in other parts of the world with which they are competing and collaborating. Thus, the question to ask is to what extent Chinese enterprises can, and seek to, maintain their domestic management and organizational practices under these circumstances. One would expect that they are more likely to maintain Chinese practices within China itself than when they expand abroad. If so, this would be likely to differentiate them from foreign firms operating in China and point to continued divergence. Support for this expectation comes from a recent study of Chinese multinational firms which indicated that they adopted local practices in their UK subsidiaries, whereas British subsidiaries operating in China largely imported their Western practices (Guo, 2008).

Questions also arise on the ideational side concerning the exposure that Chinese managers have to foreign values. If they engage in international business, does this tie them into a set of international institutional expectations and regulations on matters such as transparency of transactions and accounts? If Chinese enterprises

have become affiliates or close business partners of multinational corporations, are their members likely to integrate foreign business norms and practices through the impact of strong corporate cultures and management systems? Do Chinese nationals, who live in an urban environment with its increasingly Western lifestyles and media culture and who are connected to the Internet and other international communication channels, absorb non-Chinese values to a greater extent than members of Chinese organizations who are less exposed? It may be hypothesized that the greater this international exposure, the more Chinese managers and other personnel will absorb foreign norms and apply them to their organizational behaviour.

These are examples of the specific questions that need to be addressed in order to judge whether advocacy for a Chinese theory of management or for a theory of Chinese management is the more appropriate position to adopt. Investigation of such questions presents two methodological challenges. One challenge concerns research design while the other concerns the methodology of cross-national comparison.

Methodology

Research design. Tsui (2006: 2) distinguishes between ‘outside in’ and ‘inside out’ approaches to studying Chinese management and organization. The ‘outside in’ approach ‘is to directly ask a commonly studied question in, or apply a familiar phenomenon to, the Chinese context’. This approach aims to apply and test existing theories in the Chinese context so as to develop a better theory capable of explaining Chinese management comparatively with management in other parts of the world. It is consistent with Whetten’s (2009: 49) recommendation that we develop ‘context-sensitive applications of foreign theory’ so as ‘to make the theory more context sensitive. Thus, through the systematic application of theories to new settings, their contextual range can be expanded and their subsequent utility as explanations enhanced’.

Scholars following the ‘outside in’ approach, ‘relate the novelty of the new context [in this case China] to the literature familiar to the Western readers by studying the phenomena commonly found in Western contexts and familiar to the Western scholars’ (Tsui, 2006: 3). This suggests a research design that focuses on a particular issue, such as decision-making, and compares it, for example, between China and other countries, ideally holding constant or controlling for variables that are not specifically ‘national’ in character, such as organizational size. The problem with much of the research that has been conducted in this vein so far is that the theories applied are a-contextual and, therefore, inherently insensitive to context. As a result, empirical research comparing China with other countries has not generally incorporated measurements of the respective contexts in its a priori design but, rather, has brought in context as a post hoc explanation for differences that are found. To be adequate, an ‘outside in’ approach actually needs more extensive theoretical frames

and more demanding research designs. It requires a theory of the focal phenomenon that incorporates features of national contexts as potential predictors of other variables or as moderators of the relations between them and a research design that permits different contexts to be assessed. It is only through this kind of design that studies of management in China can contribute to a theory of Chinese management that is nested within theories of management in general.

The 'inside out' approach, by contrast, starts by 'identifying the important issues that are unique or at least important to Chinese firms, managers, and employees, even if such phenomena might be foreign to scholars outside this context' (Tsui, 2006: 3). Only as a secondary stage would this alternative approach compare the phenomena in China with those in other contexts. The 'inside out' approach primarily intends to study a phenomenon that may be particular to China or, at least, to arrive at an understanding of that issue in authentically Chinese terms. While agreeing with Whetten (2009) on the importance of context sensitivity, advocates of the 'inside out' approach would almost certainly question the adequacy of his view that context can be addressed through concepts and theories of foreign origin. These 'inside out' advocates point to the holistic nature of national contexts, which derive from a specific interplay of cultural, historical and material circumstances, and they consequently doubt whether theories of foreign origin can address such unique configurations, especially when the theories focus on one category of explanation (such as transaction costs) or stem from a single disciplinary perspective (such as social psychology).

In terms of assessing context, the 'inside out' approach consequently goes much further than the typical 'outside in' reliance on (often pre-designed) comparative indicators. 'Inside out' scholarship requires a deep knowledge of China and the subtleties of its norms and institutions. It calls for time to be spent in the country, ideally using a grounded approach through observation within organizations and discourse with their members. The potential contributions of this approach are the discovery of phenomena not found in existing non-Chinese literature and/or of how phenomena recognizable to the non-Chinese scholar interplay differently in the Chinese context. The type of research design required for an 'inside out' approach is more holistic and qualitative. The depth and comprehensiveness called for is resource- and time-consuming, even applied to only one country. An even greater challenge comes from the fact that the outward intention of the 'inside out' approach also requires some comparison outside China, aimed at confirming or refuting the proposition that the Chinese context is different from that found elsewhere. The extent and nature of any such differences can also contribute to an assessment of how far the concepts and explanations offered by foreign theories can encompass Chinese management. Organizations having units both in China and elsewhere may provide appropriate settings for this kind of enquiry because they should allow both for close and detailed understanding and for cross-national comparison while keeping other contingent factors relatively constant.

Comparative measurement. Both the 'theory of Chinese management' and the 'Chinese theory of management' perspectives require cross-national comparison between China and other countries or regions, taking account of the contexts surrounding each vicinity's management systems. In other words, neither 'inside' nor 'outside' can be ignored by either theory. The theory of Chinese management starts from an inherently comparative and 'outside in' position, seeking to investigate whether existing theories apply to China. It then must incorporate contextual features as independent variables or as moderators of other causal processes such as those proposed by contingency theory. The Chinese theory of management is, by definition, informed by the Chinese context, which it claims to be unique. However, a test of the validity of this claim to national uniqueness requires comparison with other countries in an 'inside out' manner. This means that, whichever position we adopt, research designed to advance our knowledge and understanding of Chinese management has to be both sensitive to contexts and comparative between contexts. However, cross-national comparison faces many well-known challenges, not the least of which is conceptual and measurement equivalence (Berry, 1969; Mullen, 1995).

The difficulty in maintaining such equivalence arises from the presence of both theoretical and cultural diversity. Managerially relevant concepts are defined differently in the discourse of different theoretical traditions, be they managerial, political, psychological or sociological. Equally, the same term may have a diversity of meanings in different cultures and national managerial traditions (Lawrence & Edwards, 2000). For example, the concept of 'control' in psychology often denotes self-restraint, whereas in sociology it usually denotes external constraint. American managers may tend to think of the concept in terms of cybernetic regulation, whereas, in some other societies, it may be more commonly understood as the ability to command obedience.

Conceptual terminology is, therefore, relative to different ideational systems, including cultures, implying that standardized operational dimensions are highly vulnerable to differential interpretation in the different countries between which comparisons are attempted (Fang, 2003). Taken to their logical conclusion, the interpretive challenges posed by the nuances of indigenous culture and linguistic meaning cast doubt on our ability to engage in cross-national organizational studies at all. Since we rely upon assumptions of conceptual consistency and equivalence when undertaking internationally comparative research, this poses a major problem. It is all very well recommending comparative studies of management and organization in their national contexts, but can we validly make the comparisons in the first place?

A way forward lies in deconstructing apparently non-commensurate concepts into their constituent dimensions or elements. While the configuration of such elements may define a construct that is unique to a particular society or context, it does not follow that many of the elements themselves cannot be compared. Com-

parative studies of organization, such as the previously mentioned Aston Programme, are instructive in this regard. Forms of organization that characterize different spheres of activity – business, public sector, professional, manufacturing, service and so forth – and that are shaped by different national traditions are widely recognized to be distinctive. Each form, as a configuration or *gestalt*, is unique, but it has also been demonstrated that they can be compared in a way that actually makes the nature of their uniqueness more precise. Such comparison has also assisted the development and testing of theories about the factors that shape organizational configurations. This was how the Aston Programme proceeded in the 1960s towards a scheme for comparing organizational structures. Members of the Aston Programme drew comparative dimensions from previous conceptualizations by writers such as Weber, Fayol, Blau and Thompson. The operationalization of these dimensions into a single comprehensive inventory enabled a range of distinct organizational configurations to be identified and also permitted a more precise exploration of the relationships between organizational variables and their contexts (Pugh, Hickson, & Hinings, 1969). The method employed was to deconstruct features such as organizational structure into dimensions along which different types of organization can be scored. Thus, organization structure was deconstructed into the constituent dimensions of centralization, specialization, formalization, standardization and configuration (shape). A similar approach was adopted towards the comparison of different contingent contexts.

To take a specific example: one aspect of management and organization in which researchers perhaps most often assert China's uniqueness is the quality of interpersonal relationships. Studies often take the reliance on implicit and highly personalized relationships to be a quintessential attribute of Oriental organizational behaviour and business transacting in contrast to that found elsewhere in the world. Chinese communities have evolved their own term for such relationships and the norms of reciprocity that apply to them – *guanxi*. However, further enquiry suggests that other societies have rather similar relational systems, which constitute local social capital. Brazil has *jeitinho* (Duarte, 2006; Rodrigues, 1996), Hungary has *uram batyam* (Child & Markoczy, 1993), Russia has *blat* (Ledeneva, 1998) and there are the *good old boy* networks of the USA, Japan and elsewhere (Schaede, 1995; Simon & Warner, 1992). So, although different contexts have evolved their own distinct concepts, we have to ask how different the phenomena they depict really are. And, despite the appearance of cultural uniqueness, are they amenable to valid comparison?

If we examine the relational concepts mentioned immediately above, it appears that the Chinese phenomenon of *guanxi* may not be so unique after all. Each concept denotes several characteristics of a special relationship that can be compared, including: (i) the relationship is based on social connection via kin, community, religion, common education and so on; (ii) it is informal, 'off-the-record', private, 'outside the rules'; (iii) it conveys mutual advantage and favour; (iv) it is

underwritten through time by the reciprocity of these mutually beneficial personal favours; (v) it may be sustained by mutual trust; and (vi) it may be motivated by the presence of bureaucratic or other institutional barriers. These and other characteristics undoubtedly vary in their exact form. Nevertheless, it would appear that they are amenable to an assessment of the degree to which each applies as a basis for comparing similarities and differences between countries.

In a similar vein, Tsui and Farh (1997) have argued that Western relational demography and Chinese *guanxi* are related but distinct concepts, each identifying a range of interpersonal commonalities or ties that may influence the attitudes and behaviour of organizational members towards one another. These authors maintain that the study of relationships and their impact on organizations would be enriched by integrating the ideas behind the concepts. Tsui and Farh make a convincing case for potential operational equivalence between Chinese and Western concepts of interpersonal ties, and their concern and focus was to demonstrate this by uncovering the dimensions that lie behind the concepts.

Many cross-cultural psychologists have suggested a similar path of operational development, some in considerable detail (e.g., van de Vijver & Leung, 1996). Cheung, Leung, Fan, Song, Zhang, and Zhang (1996: 182), in noting various methods that have been used to adapt psychological tests to other cultural milieux, comment that, for comparative purposes, 'the construction of an inventory that includes the major culture-specific personality domains in addition to the culture-comparable (etic) personality constructs may be called for'. In other words, they recommend the identification of both emic and etic dimensions and their reconfiguration into a new inventory (Tsui, Nifadkar, & Ou, 2007). Smith, Misumi, Tayeb, Peterson, and Bond (1989) provide another example of an attempt to reconfigure and reintegrate operational measures along the lines advocated here: in this case, measures of leadership style. These authors' intentions were to enable more adequate distinctions between the global characteristics of leadership style and the specific behaviours consistent with the cultural norms of different national settings, using items of greater precision and scope than those previously employed in comparative leadership research.

CONCLUSION

Towards a More Dynamic Theory of Chinese Management

In attending to the conceptual and methodological challenges we face when comparing Chinese context and management with those elsewhere, we should not overlook the dynamics through which both have evolved over time. There is a risk that the debate over a Chinese theory of management versus a theory of Chinese management is being couched in overly static terms. One feature that has characterized China above all since the end of the 1970s is the rapid change and hectic

growth it has experienced under its programme of economic reform, modernization and opening to the international economy. We cannot, therefore, treat the context of China's management as a fixed or even uniform phenomenon. It has evolved substantially and rapidly over a short period of time in all its aspects: material, ideational and institutional. It has also developed a number of different constituent business systems (Redding & Witt, 2007) and contrasting regimes at different levels of government (Krug & Hendrischke, 2008). Many of the changes that have taken place in Chinese management have resulted from this contextual evolution, which includes institutional evolution in governmental ownership and regulation of business, new laws permitting the entry of foreign firms and a substantial national investment in managerial and technological development. At the same time, management itself, especially foreign managers and certain key Chinese entrepreneurs, has also contributed to shaping China's contextual evolution. For example, initiatives by large multinational corporations (MNCs) possessing specialized expertise have helped to shape the development of Chinese governmental policies in fields such as environmental protection (Child & Tsai, 2005). While it was the emergence of a new political and institutional context that initially permitted such managerial initiatives, these initiatives themselves have subsequently had some impact upon the path of further contextual development.

The changes China has experienced speak to the need for a theoretical perspective that takes account of evolution in both Chinese management and its context, together with the interplay between the two. It is important, both for academic understanding and for policy development, to address these dynamics and their complexity. Context and management need to be theorized in dynamic terms as systems that are mutually interactive and contain recursive feedback loops. The contemporary perspective in organizational science endeavouring to capture these features is that of the 'co-evolution' of organizations and their contexts (Lewin, Long, & Carroll, 1999). While it is sensitive to the influence of context, co-evolution also allows for the effects of managerial intentionality on organizational evolution and, to a degree, on contextual evolution. Given the major role that MNCs have played in the development of Chinese management, largely through the transfer of practices and technologies, it is important to take the possibility of managerial impacts into account. The co-evolution perspective has the merit of according a central role to context in the development of management and organization without attributing any exclusivity to contextual determinism.

What would the adoption of a co-evolutionary theoretical perspective imply for the 'two roads' of a Chinese management theory and a theory of Chinese management, with their respective 'inside out' and 'outside in' approaches? First, it does not pre-judge which aspects of environmental evolution will impact on organizational evolution, be these national or transnational. Rather, it recommends that we study environments and organizations as complex, multifaceted and open systems. As China has become more involved in the world economy

and polity, while at the same time decentralizing much of its regulation of business, so too has the breadth and complexity of the context potentially relevant to Chinese managers increased. Therefore, where a particular management or organization is located within both the Chinese and international contexts needs to be specified. The complexity and range of organizations and environmental sectors in China make it unlikely that a single, all-encompassing Chinese theory of management will prove adequate. Second, if the Chinese situation is changing rapidly, partly under the influence of external forces, the most productive way of theorizing about it will subsume a factorial analysis within an evolutionary approach. The latter can identify how salient influences are changing and interacting over time and which configurations emerge from the process. Modelling of this kind may well prove applicable to other countries as well, probably with some modifications to the weight attached to different variables and to the processes between them.

These considerations imply that we need to take account of quite a wide range of contextual factors in order to understand the balance of and interplay between converging and distinctive features in the world of Chinese management. Shapiro, Von Glinow, and Xiao (2007) have called this a 'polycontextual' approach. It is likely that we can access many of the relevant concepts from existing theories of non-Chinese origin while, at the same time, others will be of uniquely Chinese origin. This mixture should serve to enrich the theories we can apply while not denying us the opportunity to locate the Chinese case in relation to other countries through the development and use of comparative methodologies. It is not so much the source of our theories that matters as the ability to formulate and test them in a way that is both valid and admits comparison between China and other countries.

NOTES

This article originated as a commentary on the papers by Barney and Zhang and by Whetten, presented in the 'MOR special symposium – Exploitation or exploration: The future of Chinese management research' session at the third biennial conference of the International Association for Chinese Management Research, Guangzhou, China, June 2008.

I am grateful for the valuable comments on a previous draft offered by Anne Tsui and two senior editors of *MOR*.

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Zattoni, A., & Cuomo, F. 2008. Why adopt codes of good governance? A comparison of institutional and efficiency perspectives. *Corporate Governance*, 16(1): 1–15.

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Manuscript received: August 20, 2008

Final version accepted: November 18, 2008

Accepted by: Anne S. Tsui