Management theory (re)building with inspirations from China

The purpose of this workshop is to invite world class management professors with a strong interest in China to brainstorm and formulate how to advance management theory (re)building with inspirations from China (Chinese institution, culture, and philosophy) to produce robust management knowledge of global relevance in the 21st century.

Time: August 18, 2014 8:00 - 16:00
Venue: Kräftriket 3A, Gröjersalen
More info: www.sbs.su.se/openlectures

Panel of Professors

Michael Bond, Hong Kong Polytechnic University
Chao C. Chen, Rutgers Business School
Xiao-Ping Chen, University of Washington
Robert Chia, University of Glasgow
John Child, University of Birmingham
Tony Fang, Stockholm Business School
Larry Farh, Hong Kong University of Science and Technology
K.K. Hwang, National University of Taiwan
Kwok Leung, City University of Hong Kong
Arie Lewin, Duke University
Peter P. Li, Copenhagen Business School
Klaus Meyer, China Europe Int. Business School (CEIBS)
Mike W. Peng, University of Texas at Dallas
Gordon Redding, INSEAD
David Whetten, Brigham Young University

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Dear workshop participants:

It is our great pleasure to welcome each and everyone of you to this late Swedish summer workshop on management theory (re)building in the global context.

The workshop style is designed to be informal and inspirational - just like Nordic summer. We are in between vacation and opening of a new term.

We expect and look forward to provocative perspectives, unconventional thoughts, even crazy ideas, and most important of all, good company.

We would like to take this opportunity to thank our project team and all the related resource persons who have helped us to plan and implement this event.

Welcome to Stockholm and Mora - Our Swedish (Sweet) Home!

Tony Fang
Co-Chair

Peter P. Li
Co-Chair

Table of Contents

Program

DAY ONE, Sunday, August 17 *(For invited professors only)*

Activity on you own. Recommendations: Visit Vasa Museum and Stockholm City Hall
18:15 Bus departure from Hotel Mornington City to the restaurant.
19:00 Welcoming Dinner
21:00 Bus return to hotel

DAY TWO, Monday, August 18
(Venue: Kräftriket, Hus 3, Gröjersalen, Stockholm Business School)

Breakfast at hotel
7:45 Transfer to Stockholm Business School for professors

Conference opening and presentations at Open Workshop *(Open to public)*

08:00-08:30 Registration at Building 3A (Hus 3A), Kräftriket

08:30-09:30 Opening of Workshop

- Welcome speech by **Professor Tony Fang (Co-Chair) and Professor Peter Li (Co-Chair)**

- Welcome speech by **Professor Thomas Hartman**, Head of Stockholm Business School

- Keynote speech "We need better theories: Huawei Sweden as a case study" **Wells Li, CEO, Huawei Sweden AB**

- Keynote speech "Management Theory (Re) building with Inspirations from China" by **Professor John Child**, University of Birmingham, U.K.

09:30-10:00 Group photo and coffee

10:00-11:30 Panel discussion: "What constitutes a theoretical contribution"
Moderator: Lars Engwall, Professor, Uppsala University
Introductory presentation: David Whetten, Professor, Brigham Young University

12:00-13:00 Lunch

13:30-15:00 Academics - Industry Interfacing
Group discussions and presentations
Moderator: Tony Fang, Professor, Stockholm Business School at Stockholm University

15:00-15:15 Coffee

15:15-15:50 Individual meetings and networking

16:00 Finish

(15:00 Transfer from hotel to Stockholm Business School for families)
16:00 Bus trip from Stockholm Business School to Mora
21:00 Bus arrives at Sollarön, Mora

DAY THREE, Tuesday, August 19 *(For invited professors only)*

(Venue: Mora Municipality House)
08:30-12:00 Academic-Industry workshop

- Welcome speech by Peter Karlsson, Mayor of Mora

- Industry presentation by Claes Seldeby; CEO & President, Ostnor

- Industry presentation by Mats Sigvant, CEO, Siljan Skog

- Coffee break

- Discussions

12:00-13:00 Lunch
13:00-16:00 Academic presentations and group work
16:30-17:30 Visit VasaloppetsHus (Ref. Anders Selling, CEO)
17:30-19:00 Visit Zornmuseet (Ref. Johan Cederlund, Curator)
19:00-20:30 Mora Buffet in Zorn Garden (Ref. Johan Cederlund, Curator)

DAY FOUR, Wednesday, August 20

07:00-08:00 (Selective): Climbing Gesunda Moutain (Venue: Mora Municipality House)
08:30-12:00 Academic presentations
12:00-13:00 Lunch
13:00-15:00 Academic presentations and group work
15:15-17:30 Bus trip to Orsa
18:30-21:00 Farewell Dinner

DAY FIVE, Thursday, August 21

07:30 Bus departure to Stockholm
12:00 Bus arrival at Stockholm Arlanda International Airport
12:45 Bus arrival Stockholm City

Panel of Professors

Professor Michael Bond

Chair Professor of Cross-Cultural Psychology Department of Management & Marketing, Hong Kong Polytechnic University, Hong Kong

Professor Chao C. Chen

Department of Management & Global Business
Rutgers Business School Newark and New Brunswick Rutgers University

Professor Xiao-Ping Chen

Professor of Management
Philip M. Condit Endowed Chair in Business Administration
Chair, Department of Management and Organization
University of Washington, USA

Professor Robert Chia

Research Professor in Management
Adam Smith Business School
University of Glasgow, UK

Professor John Child

Emeritus Professor of Commerce
Department of Management
University of Birmingham

Professor Tony Fang

Stockholm Business School at Stockholm University

Professor Larry Farh

Chair Professor
Director, Hang Lung Center for Organizational Research
Department of Management
The Hong Kong University of Science and Technology, Hong Kong,
China

Professor K.K. Hwang

Professor of Psychology
Department of Psychology
National University of Taiwan, Taiwan

Professor Kwok Leung

Chair Professor of Management
Department of Management
City University of Hong Kong

Professor Arie Y. Lewin

Professor of Strategy and International Business & Director of the
Center for International Business Education and Research
Duke University

Professor Peter P. Li

Copenhagen Business School, Denmark

Professor Klaus Meyer

Professor of Strategy and International Business
China Europe International Business School (CEIBS), China

Professor Mike W. Peng

Jindal Chair Professor of Global Strategy
Head, Organizations, Strategy, and International Management (OSIM)
Area
Jindal School of Management
University of Texas at Dallas, USA

Professor Gordon Redding

Adjunct Professor of Asian Business and Comparative Management
INSEAD, Singapore

Professor David Whetten

Jack Wheatley Professor of Organizational Studies
Director, BYU Faculty Center
Brigham Young University, USA

List of Participants at Open Workshop
August 18

First name	Surname	Organisation
Alexander	Forbes	Tigerstyle trading
Anatoliy	Yurchuk	ESBE AB
Anita	Radon	University of Borås
Anki	Bengtsson	Stockholm University
Anneli	Olin	Accenture AB
Anneli	Rönnbäck	Master program student 2014
Annika	Berner	Beckmans College of Design
Arie	Lewin	Duke University
Arvid	Karsvall	Department of Applied IT, Chalmers University /Gothenburg University
Bernt	Lendrell	
Camilo	Ardiles	
Carol	Kaiyogi	bluewave agency company ltd
Chao C.	Chen	Rutgers University
Ciro	Vasquez	VINNOVA
Cong	Su	Uppsala University
Daniella	Fjellström	Uppsala University
David	Whetten	Brigham Young University
Dinara	Chimenson	GU
Dipak	Poudel	
Elizabeth	Child	
Emma	Björner	Stockholm Business School
Erik	Zhang	2HappyBirds.com
Esabelle	Wang	
Eva	Wahlstrom	United Nations
Fredrika	Gullfot	Simris Alg AB
Gordon	Redding	INSEAD

Hongxia	**Zhang**	Green Mind International AB, Strategic Public and Political Marketing Programme
Jeffrey	**Perryman**	
Jenny	**Zhang**	2HappyBirds.com
Jenny	**Balkow**	University of Borås
Jenny	**Berthling**	Business Sweden
Johan	**Haraldsson**	Student
Johan	**Öhlund**	
John	**Child**	University of Birmingham
Jonas	**Brändström**	VINNOVA
Kerstin	**Hillerström**	F-Max Design AB
Kevin	**Chambers**	US Embassy
Klaus	**Meyer**	China Europe International Business School (CEIBS)
Kristina	**Laurell**	Formas
Kwang-Kuo	**Hwang**	National University of Taiwan
Kwok	**Leung**	City University of Hong Kong
Larry	**Farh**	Hong Kong University of Science and Technology
Lars	**Rönnbäck**	
Leopold	**Ilag**	
Lina	**Jin**	RDC Asia
Lingshuang	**Kong**	Uppsala University
Maimoona	**Faizi**	Stockholm University
Maria	**Marin**	Stockholm University
Michael	**Bond**	Hong Kong Polytechnic University
Mike W.	**Peng**	University of Texas
Muhammad Ahsan	**Hassan**	Stockholm Business School
Neera	**Sharma**	
Oksanna	**Elchyan**	
Oscar	**Brunzell**	Samskolan

Oscar	**Wendel**	
Peter Ping	**Li**	Copenhagen Business School
Robert	**Chia**	University of Glasgow
Rodi	**Fagerstrom**	Stockholm University
Sandra	**Ilar**	Stockholm University, master student
Simon	**Claesson**	Stockholm Business School
Sophy	**Theodorou**	Utrecht University
Sten	**Söderman**	Stockholm Business School Stockholm University
Sylvia	**Schwaag Serger**	VINNOVA
Tanyi	**William**	Graduate from dept.of Economics, Stockholm University
Thomas	**Hartman**	Stockholm Business School
Tony	**Fang**	Stockholm Business School
Tor	**Brunzell**	Stockholm Business School
Wells	**Li**	Huawei Sweden AB
Wensong	**Bai**	Uppsala University
Xiao-Ping	**Chen**	University of Washington
Yangfeng	**Cao**	Copenhagen Business School
Ylva	**Skoogh**	Integrate Strategy
Östen	**Ekengren**	IVL-Swedish environmental research Institute

Professor Michael Bond, PhD

Chair Professor of Cross-Cultural Psychology
Department of Management & Marketing, Hong Kong
Polytechnic University, Hong Kong
Email: michael.bond@polyu.edu.hk

Research Interests:
Personality and Interpersonal Processes in Organizational
Life; Organizational Culture ; Cross-cultural Managemen

Prof. Bond is a cross-cultural social psychologist whose
career has been focused on locating Chinese interpersonal
processes in a multi-cultural space. This goal has most
recently been realized in his co-authorship of *Understanding social psychology across
cultures* (Sage, 2006). He taught for 35 years at the Chinese University of Hong Kong contributing
to and integrating the literature on Chinese psychology, editing *The Oxford handbook of Chinese
psychology* (2010). Believing that all social psychology should be applied, he is eager to involve
himself in the research agenda of the Dept. of Management and Marketing, and has informed
himself about the current development of organizational psychology by co-editing *The handbook of
Chinese organizational behaviour* (Elgar, forthcoming) with Prof. Xu Huang. Eager to help promote
the research agenda at M & M, he is ready to chat and collaborate!

Previous positions: Chair Professor of Psychology

Department of Applied Social Sciences
Hong Kong Polytechnic University
(2009 to 2011)

Professor of Psychology (now Emeritus)
Chinese University of Hong Kong
(1974 to 2008)

Visiting Professor
School of Business
University of Hawaii
(Summer, 1991)

Visiting Assistant Professor
Department of Sociology
Kwansei Gakuin University
Nishinomiya, Japan
(1971-1974)

Research Associate (on post-doctoral fellowship)
Department of Psychology
Michigan State University
(1970-1971)

Academic Background

High school diploma from Upper Canada College (Toronto) in 1962
Bachelor of Arts in Honours Psychology from University of Toronto in 1966
Doctorate in psychology from Stanford University in 1970

Fellowships and Grants Received

Woodrow Wilson Fellowship in 1966
National Research Council of Canada Doctoral Fellowship in 1967, 1968, and 1969
Social Science Research Council Postdoctoral Fellowship in 1970
Canada Council Research Fellowship in 1972
Social Science Research Council Research Grant in 1973
University Grants Committee (Hong Kong) in 1998-2003 for "A psychological study of social axioms"

Chinese organizational practice confronts Western management research: Crafting the Supreme Ultimate, the Taiji - 太, from the Yin - 陰 and the
Yang - 陽

Michael Harris Bond

萬物負陰而抱陽，沖氣以為和。
《老子道德經, 四十二章》

All things bear the shade on their backs
And the sun in their arms;
By the blending of breath
From the sun and the shade,
Equilibrium comes to the world.

The Way of Life, Chapter 42, Lao Tzu
(trans. R. B. Blakney)

In 2013, Huang and Bond co-edited a volume of collected essays on a comprehensive set of topics in Chinese organizational behavior. Surveying the yield from this attempted integration of Chineseness into this body of disciplinary knowledge, they wrote, "…the reviews constituting this book suggest otherwise: this body of literature is primarily dominated by studies applying, modifying, and extending purportedly universal theories mainly developed in North America, simply using Chinese samples." (p. 513) The book's editors judge this troubling conclusion to be a realistic assessment of progress to date: "Despite the impressive accumulation of empirical and theoretical work on organizational behaviors in the Chinese context over the last two decades, despite that some prominent scholars in our field have long called for more indigenous research and contextualized theories (Rousseau & Fried, 2001; Tsui, 2006, 2007; Tsui, this volume), despite several indigenous constructs having been developed and put to the empirical test in both the organizational behavior and social psychology literatures (e.g., Chen & Chen; Cheung, Fan, & Yao; Hwang; Wu & Xu, this volume) (p. 514). What is the historical- rationale for this lamentable state of intellectual affairs?

In proposing their answer, Huang and Bond (2013) referred first to the development of the OB field in America during the second half of the 20th century. They write, "There has been only little sustained effort in developing contextualized theories and constructs that help advance our understanding of specific Chinese work behaviors." (p. 513) If the Chineseness of the people being organized and studied is to be shown to matter, then there must be a recognition that the cultural context enveloping any social actor makes a difference. But, this recognition is generally missing in action - the low degree of contextualism (Vignoles et al., 2013) and high degree of individualism characterizing American thought in social-personality psychology militate against recognizing context as important in shaping research on organizational behavior.

Instead, personality issues command front stage, so that research itself tends to commit the fundamental attribution error because its practitioners have been encultured to think about the causes of behavior in this actor-focused way. Context considerations concerning culture are

innocently overlooked (Bond, 2013). Despite calls of concern (e.g., Miller, 2002), culture, when considered at all, is bowdlerized into simplicity. When rare attempts are made to unpackage culture's effects on behavior, research typically uses bi-national contrasts in a personality-focused way (e.g., Brockner et al., 2001). The actor's personality, not the context for the actor's action, is thereby highlighted.

Into this American, intellectual-cultural context with its vibrant, richly resourced academic environment venture many enterprising Chinese intellectuals or non-Chinese intellectuals intrigued with "things Chinese". They share a fundamental belief that Chineseness matters, and are eager to find out how it matters. In the field of organizational behavior and social psychology, they encounter instead what Tsui (2007) claimed is a "tendency of management research toward homogeneous use of a North American model, whereby researchers inadvertently depress the development of novel ideas and theories that may prove to be useful in advancing knowledge in different national and emerging economy contexts" (p.1354).

How do these explorers of Chinese respond? Huang and Bond (2013) claim that, "As a result, in order to gain legitimacy, Chinese researchers have focused on the rigor of their research rather than its relevance to the Chinese context (see Tsui, this volume). Chinese researchers, who have mostly received their research training in Western, primarily North American, universities, lack both the motivation and the know-how to engage in indigenous research and contextualized theorizing." (p. 513) Their motivation is lacking in part because the primary goal of academics is to publish their research in top-tier journals written in English for an audience of editors, reviewers, readers and faculty promotion committees innocently socialized into this intellectual Zeitgeist. "The gatekeepers (editors and reviewers) of the major international journals in our discipline are less receptive towards studies based on contextualized theorizing and tend to favor developing and extending universal theories." (Huang & Bond, 2013, p. 513) Career-aspiring academics studying things Chinese develop their research accordingly. Their know-how is lacking in part because the graduate training programs and subsequent encounters with the discipline fail to provide them with exposure to a scientifically defensible set of techniques and body of knowledge for legitimizing the importance of culture.

This analysis does not apply to every researcher of Chinese OB. These academics bracket Western concepts and theory as best they can after their mostly Western graduate training, vigorously and thoughtfully exploring indigenous concepts salient to persons socialized within the Chinese worldview. Research based on Chinese values (Kulich & Henry, 2013) and the concepts of *ren qing* (人情) - favour (Hwang, 2013), *mien zi* (面子) - face, (Ting-Toomey, 1988), *he xie* (和諧) - harmony (Lun, 2013), *ren* (仁) - benevolence (Wu & Xu, 2013), and especially *guan xi* (關係) - relationship management (Chen & Chen, 2013) has burgeoned over the last two decades. Surveying this recent harvest of findings, however, Huang and Bond (2013) conclude that, "…the influence of these research initiatives is largely undermined by the narrow focus on only a few indigenous constructs, the under-utilization of the established indigenous constructs in mainstream research programs, and the lack of evidence supporting the Chineseness of these constructs." (p. 514)

So, the Yin - 陰of Chinese cultural push-back in organizational psychologyconfronts the *Yang* - 陽 of Western intellectual presumption. What can be done? Academics working at the interface of these opposing but unequal forces have suggested a number of ways to produce a *Taiji* - 太極from

this confrontation: 1. More and scientifically better bi-cultural studies need to be done. These studies would be rendered better if the responses from the two cultural groups could be analyzed both separately and together. Comparing these two sets of results would suggest how much cultural voice is suppressed by the act of comparison. 2. Large, multi-cultural studies involving a variety of Chinese societies need to be conducted so as to challenge the presumption of Chinese uniformity deriving from a common cultural legacy. 3. Indigenous researchers need to test their constructs and theories bi-culturally and demonstrate that their inputs provide the OB community with incremental validity beyond the predictive power already provided by previously established constructs developed and tested in the West. Examples of best practice in these respects will be offered.

Professor Chao C. Chen, PhD

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Rutgers Business School Newark and New Brunswick Rutgers University
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Bio:

Professor Chen is full professor of organization management and global business. He has published articles in premier journals including the *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Journal of Applied Psychology*, *Organizational Science*, *Journal of International Business Studies*, and *Journal of Business Venturing*. His teaches classes at the undergraduate, MBA, Executive MBA, and doctoral levels in Principles of Management, Organizational Behavior, Cross-cultural Management, Culture and Organization. His current research interests include organizational justice, ethical leadership, social networking, and conflict of interest.

Education

1992   Ph.D. Organizational Behavior and Human Resources, SUNY at Buffalo
       Dissertation Title: A Cross-Cultural Study of Allocation Preferences: Effects
       of Goal   Priority, Resources Types, and Individualism-Collectivism
1991   M.A. Linguistics, SUNY at Buffalo
1978   British Council Scholar, English Language and Literature, Warwick University,
       Britain
1977   British Council Scholar, Industrial History and Economics, University of
       Manchester, Britain
1978   English Language and Literature, Central South University, China

Academic and administrative positions

2003-   Professor, Rutgers Business School, Rutgers University
2012-   Professor and International Dean, Nanjing University Business School
2012-2014   President, International Association of Chinese Management Research (IACMR)
               Conference Program Chair, IACMR Shanghai Conference 2010
2002-2004   Department chair, Management and Global Business, Rutgers Business School
1998-2002   Associate Professor, Rutgers Business School
2000-2002   Visiting Associate Professor of Management and International Business, Stern
               School of Business, New York University
1992-1997   Assistant Professor, Rutgers Business School

Professional activities

Editorial Advisory Board: *Management and Organization Review*
Deputy Chief Editor: *Journal of Trust Research*
Editorial Review Board: *Asia Pacific Journal of Management*

Selected Refereed Articles:

Chen, C. C., Belkin, L. Y., McNamee, R., & Kurtzberg, T. R. 2013. Charisma attribution during organizational change: The importance of followers' emotions and concern for well-being. *Journal of Applied Social Psychology, 43: 1136-1158.*

Chen, C. C., Chen, X. P., & Huang, S. S. (2013). Chinese guanxi: An integrative review and new directions for future research. *Management & Organization Review*, *9*(1), 167-207. doi:10.1111/more.12010

Zhang, Y., & Chen, C. C. (2013). Developmental leadership and organizational citizenship behavior: Mediating effects of self-determination, supervisor identification, and organizational identification. *The Leadership Quarterly*, http://dx.doi.org/10.1016/j.leaqua.2013.03.007

Glac, K., Warren, D. E., & Chen, C. C. (2012). Conflict in roles: Lying to the in-group versus the out-group in negotiations. *Business & Society,* doi:10.1177/0007650312439843

Ünal, A. F., Warren, D., & Chen, C. C. (2012). The normative foundations of unethical supervision in organizations. *Journal of Business Ethics*, *107*(1), 5-19. doi:10.1007/s10551-012-1300-z

Chen, C.C., Saparito, P., & Belkin, L. (2011). Responding to trust breaches: The domain specificity of trust and the role of affect. *Journal of Trust Research, 1*(1): 85-106. doi: 10.1080/21515581.2011.552438

Chen, C. C., Kraemer, J., & Gathii, J. (2011). Understanding locals' compensation fairness vis-à-vis foreign expatriates: The role of perceived equity. *International Journal of Human Resource Management*, *22*(17), 3582-3600. doi:10.1080/09585192.2011.560873

Y.R. Chen, K. Leung, and C.C. Chen 2009. Bringing national culture to the table: Making a difference with cross-cultural differences and perspectives. Academy of Management Annals, 3: 217-249.

Chen, C.C. & Chen, X.P. 2009. Negative externalities of close guanxi within organizations. Asia Pacific Journal of Management, 26 (1), 37-53.

Friedman, R., Liu, W. Chen, C.C., & Chi, S.C. 2007. Causal attribution for inter-firm contract violation: A comparative study of Chinese and American commercial arbitrators. Journal of Applied Psychology, 92 (3), 856-864.

Chen, X.P. & Chen, C.C. 2004. "On the intricacies of the Chinese guanxi: A process model of guanxi development. Asia Pacific Journal of Management, 21, 305-324.

Saparito, P., Chen, C.C., Sapienza, H. 2004. "The central role of relational trust in bank-small firm relationships," Academy of Management Journal, 47 (3): 400-411.

Chen, C.C., Chen, Y.R., & Xin, K. 2004. "Guanxi practices and trust in management: A procedural justice perspective," Organization Science, 15 (2): 200-209.

He, W., Chen, C.C., & Zhang, L.H. 2004. "Rewards Allocation Preferences of Chinese Employees in the New Millennium: Effects of Ownership Reform, Collectivism, and Goal Priority," Organization Science, 15 (2): 221-231.

Chen, C.C., Choi, J., Chi, S.C. 2002. "Making justice sense of local-expatriate compensation disparity," Academy of Management Journal, 45 (4): 807-817.

Pothukuchi, V., Damonpour, F., Choi, J., Chen, C.C., & Park, S.H. 2002. "National and organizational culture differences and international joint venture performance," Journal of International Business Studies, 33 (2): 243-265.

Chen, C.C., Peng, M. W., & Saparito P. 2002. Individualism, collectivism, and opportunism: A cultural perspective on transaction cost economics, Journal of Management, 28 (4): 567-583.

Yang, N., Chen, C.C., Choi, J., & Zou, Yimin. 2000. "Sources of work-family conflict: A Sino-U.S. comparison," Academy of Management Journal, 43 (1), 113-123.

Chen, C.C., Chen, X.P., & Meindl, J.R. 1998. "How can cooperation be fostered? The cultural effects of individualism and collectivism," *Academy of Management Review*, 23 (2), 285-304.

Chen, C.C., Greene, P. & Crick, A. 1998. "Does entrepreneurial self-efficacy distinguish entrepreneurs from managers?" *The Journal of Business Venturing*, 13 (4), 295-316.

Bailey, J., Chen, C.C. & Dou, S.G. 1997. "Conceptions of self and performance-related feedback in the U.S., Japan and China," *Journal of International Business Studies,* 28 (3), 232-250.

Chen, C.C., Meindl, J.R., & Hunt, R.G. 1997. "Testing the effects of horizontal and vertical collectivism: A study of rewards allocation preferences in China," *Journal of Cross-Cultural Psychology*, 28 (1), 44-70.

Chen, C.C., & Van Velsor, E. 1996. "New directions for research and practice in diversity leadership," *Leadership Quarterly,* 7 (2), 285-302.

Chen, C.C. 1995. "New trends in rewards allocation preferences: A Sino-US comparison," *Academy of Management Journal,* 38 (2), 408-428.

Chen, C.C. & Meindl, J.R. 1991. "The construction of leadership images in the popular press: The case of Donald Burr and People Express," *Administrative Science Quarterly*, 36 (4), 521-551.

Miner, J.B., Chen, C.C. & Yu, K.C. 1991. "Theory testing under adverse conditions: Motivation to manage in the People's Republic of China," *Journal of Applied Psychology*, 76 (3), 343-349.

Toward a Theory of Social Harmony

Chao C. Chen

Abstract

The Chinese have been preoccupied with social harmony since ancient times and such preoccupation runs across all levels of the Chinese society from intra- to inter-person, groups to organizations, families to communities, and businesses to governments. Despite the central position of social harmony in the minds and hearts of such a large population the phenomenon of harmony attracts very little attention from the mainstream management literature in the West. Why is there such a prevalent and persistent socio-psychological preoccupation with harmony in the Chinese society? What does harmony mean and how it affects the motivation and cognition of individuals, groups, and organizations? If harmony is a desired end state what are its key antecedents and the processes through which it affects individual and organizational outcomes, positively or negatively? I seek to develop a theory of group harmony to explore these questions. Inputs from my fellow participants of the workshop will be greatly appreciated.

As a first step I would share a study that I collaborated with my coauthors that attempts to develop a construct of group harmony and its effect on group performance of top management teams. The major findings of the study are that group harmony was highly (positively) correlated with group cohesiveness, moderately (negatively) correlated with relationship conflict, but unrelated with conflict avoidance. Nevertheless, group harmony predicted within team knowledge sharing, OCB-helping outside work, and innovative performance of top management teams beyond group cohesiveness. It was also found that group harmony enhanced group innovative performance through increasing knowledge sharing, and through reducing task conflict on one hand and neutralizing the negative effect of task conflict on the other.

Professor Xiao-Ping Chen, PhD

Professor of Management

Philip M. Condit Endowed Chair in Business
Administration

Chair, Department of Management and Organization
University of Washington, USA
Email: xpchen@u.washington.edu

PhD, University of Illinois at Urbana-Champaign, 1995
MA, University of Illinois at Urbana-Champaign, 1992
MeD, Hangzhou University, 1988
BS, Hangzhou University, 1985

Specialties

Cooperation and competition, global leadership, entrepreneur passion, creativity, Chinese guanxi,
cross-cultural management.

Positions Held

At the University of Washington since 1999
Assistant professor at the Kelley School of Business, Indiana University (1998-99)
Assistant professor at Hong Kong University of Science and Technology (1995-98)

Current Research

Inter-cultural edge research (ICE), leadership and creativity, entrepreneur passion, Chinese guanxi

Honors and Awards

Andrew Smith Faculty Development Award (2010)
Outstanding University of Washington Woman Award (2010)
Outstanding Ph.D. Mentor Award (2004, 2009)
Dean's International Research Award (2001, 2008)
Charles E. Summer Outstanding Teaching Award (2004)
Evert McCabe Fellowship (2004)
Kirby Cramer Scholar in Business Ethics (2003)
Neal and Jan Dempsey Fellowship (2002)
Ten Best Lecturers Award from Hong Kong University of Science and Technology (1996, 1998)
Special Achievement in Research Award from HKUST (1998)
Special Achievement in Teaching Award from HKUST (1997, 1998)

Academic Service

Editor-in-Chief, Organizational Behavior and Human Decision Processes (OBHDP)
Consulting Editor, Management and Organizational Review (MOR)
Member of the editorial board of Journal of International Business Studies (JIBS)
Past-President, International Association for Chinese Management Research (IACMR) (2008-2010)

President, International Association for Chinese Management Research (IACMR) (2006-2008)
Representative-at-Large, Organizational Behavior Division, Academy of Management (2001-2004)

Selected Publications

"Affective Trust in Chinese Leaders: Linking Paternalistic Leadership to Employee Performance," with M. Eberly, T-J Chiang, J.L. Farh and B.S. Cheng, *Journal of Management*, forthcoming.

"A Multilevel Investigation of Motivational Cultural Intelligence, Organizational Diversity Climate, and Cultural Sales: Evidence from the U.S. Real Estate Firms," with D. Liu and R. Portnoy, *Journal of Applied Psychology*, Vol. 76, No. 2, 2012, pp. 93-106.

"Cooperative and Competitive Orientations in China: Scale Development and Validation," with X.F. Xie and S.Q. Chang, *Managment and Organization Review*, Vol. 7, No. 2, 2011, pp. 353-379.

"From Autonomy to Creativity: A Multilevel Investigation of the Mediating Role of Harmonious Passion," with D. Liu and X. Yao, *Journal of Applied Psychology*, Vol. 96, No. 2, 2011, pp.. 294-309.

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You are worse than your peers, aren't you?
Toward a new motivation theory of Jijiangfa

Xiao-Ping Chen

Motivating people to strive for excellence is at the core of management and leadership. Early motivation theories focus on satisfying basic human needs or the rational process of motivation (e.g., Maslow, 1943, Adams, 1963; Locke, 1996; Vroom, 1964), and the more recent theories adopt a sense-making perspective (e.g., Weick, 1995) or a meaning-making approach (Grant, 2007, 2008a, 2008b). While all these theories provide reasonable explanations for why and how people can be motivated, they speak little about the role of emotions in the motivation process. In this paper, we propose a new approach to motivating people that might stir complex emotions, and these emotions will then fuel individuals to reach their potentials. This motivation approach is called *Jijiangfa* (激将法).

Jijiangfa is a Chinese word consisting of three characters: *Ji* (激), means stimulate; *Jiang* (将), means undermine; and *Fa* (法), means method. *Jijiangfa* is often used by parents, superiors, and sometimes peers to make their target person to improve performance. In other words, the reason for using *Jiang* implies that a performance below expectation or a mistake has occurred and such low performance or mistake needs to be corrected. Moreover, the reason behind using *Ji* at the same time is the belief that all people strive for excellence and that the underperformance or mistake can be fixed if the individual makes greater effort. In this paper we define *Jijiangfa* as a motivational approach to stimulate underperforming individuals to exert great effort in achieving their personal best through the means of undermining and encouraging simultaneously.

Due to the collectivistic nature of the Chinese culture, many people in China have a salient interdependent self-construal (Markus & Kitayama, 1991). The theory of self-construal suggests that for people with a strong interdependent self-construal, "one's thoughts, feelings and actions are made meaningful only in reference to the thoughts, feelings and actions of others in the relationship, and consequently others are crucially important in the very definition of the self" (Markus & Kitayama, 1994: 570). Specifically, they are more attentive and sensitive to others than those with independent selves (Cross, Bacon, & Morris, 2000). The way they process, organize, and retrieve knowledge about the self and others is also more likely to include a relatively specific social context in which the self and others are embedded (Markus & Kitayama, 1991; Singelis & Brown, 1995). As a result, they engage in frequent social comparisons (Festinger, 1957) in evaluating self-standing and self-worth. Based on these findings, we postulate that when using *Jijiangfa*, stimulating the target person to compare with a high performing colleague/peer will be more effective in motivating him/her to work harder than making this person to compare with him/herself.

As mentioned earlier, the ultimate goal of *Jijiangfa* is to motivate the target person to achieve his/her personal best (something that has never been achieved before) or realize his/her potential. In the workplace, such effects should be manifested in several ways. The first will be the increase of working hours; the second would be the increase of job engagement; and the third would be the increase in work performance, both in-role and extra-role. These three indices will be used as the dependent variables of our study.

In essence, we hypothesize a positive effect of *Jijiangfa* on employee outcomes including longer working hours, deeper job engagement, and improved work performance. We propose that *Jijiangfa* is likely to induce strong complex emotions in the target person and these emotions will then drive this person to achieve potentials. With *Jiang*, the manager undermines the employee who underperformed or made a mistake at work, this employee will feel shameful. *Shame* has been demonstrated to be an emotion that could motivate people to correct mistakes, and it is especially true for those with an interdependent self-construal (Creighton, 1990). With *Ji*, the manager stimulates the employee by comparing him/her with a better-performing colleague or peer; this comparison is likely inducing *benign envy* (Tai, Narayanan, & McAllister, 2012), an emotion that may fuel the target person to be *competitive* to prove self-worth and to (re)gain respect from the manager. Meanwhile, *Ji* through social comparison also implies that the manager believes that the target person can at least perform as good as the compared peer (otherwise why the comparison?),

and this belief, though implicit, may increase the target person's *confidence* in self to improve performance. Previous research has accumulated that self-confidence or self-efficacy (Bandura, 1997) is a direct predictor of high performance (Bandura, 2012).

We therefore propose the following theoretical model to summarize the paper:

Pre-condition to use *Jijiangfa*: employee underperforms or makes a mistake at work

Jijiangfa 激将法	→	Shame, Envy, Competitive, Confidence	→	Improved performance Increased Effort Deeper job engagement
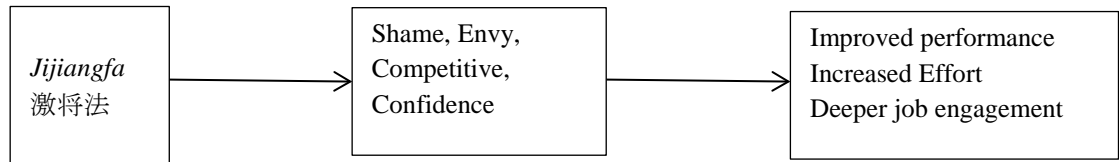
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Research interests

Process organization studies; paradigms, strategy practices and strategic sensemaking; foresight and peripheral awareness; the educational role of university business schools; practical wisdom and decision-making; contrasting East-West mentalities and their implications for business practice; and implications of the writings of Adam Smith for capitalism.

Biography

Robert Chia is Research Professor of Management at the Adam Smith Business School, University of Glasgow. He holds a PhD in Organization Studies (Lancaster), an MA with distinction in Organizational Analysis, a Diploma in Training and Development Management, and a Technical Diploma in Mechanical Engineering from the Singapore Polytechnic. He is an elected Fellow (by invitation) of the Royal Society for the Encouragement of Arts, Manufactures and Commerce, (FRSA) United Kingdom, as well as an invited member of the Society for the Advancement of Management Studies (SAMS), UK.

Prior to entering academia, Robert worked for 16 years in aircraft maintenance engineering, manufacturing management and human resource management for a large multinational corporation based in the Asia Pacific. As an academic, he has held various positions including professorial appointments at the universities of St Andrews, Aberdeen and Strathclyde prior to taking up his research professorship at the University of Glasgow. Robert has consulted extensively with well-known international organizations and institutions such as the International Federation of Red Cross (Geneva), British Airways, BNFL, British Aerospace, Ciba-Geigy and Cathay Pacific Airlines. He has been invited to give numerous keynote presentations at major academic conferences as well as in practitioner conferences.

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Reconciling East-West Mentalities to Enhance Management Research and Practice

Robert Chia

> 'If today we are so often tempted to speak of the…"Western mind", vague as these determinations are, they have a factual basis in so far as we mean those cultures which have continued to employ the Greek invention' (E. Havelock, 1982, *The Literate Revolution in Greece and its Cultural Consequences*, Princeton University Press).

> '[T]he philosophy of organism seems to approximate more to some strains of…Chinese thought than to western Asiatic, or European thought. *One side makes process ultimate; the other side makes fact ultimate*' (A. N. Whitehead, *Process and Reality*, Cambridge University Press, my emphasis).

Management research and theorizing is ostensibly intended to help enhance good management practice. Yet, this does not appear to be happening. Recent debates and discussions on the seeming lack of relevance of management research to management practice continue unabated. Gerard George, the new editor for Academy of Management Journal rightly points out that this is due to the academic overemphasis on 'theoretical contribution' with its 'emphasis on technical rigor' that has 'shifted our focus away from the soul of relevance and the applied nature of our field' of study. Furthermore, the recent global financial crisis has also caused some top business schools in the US to reflectively pose searching questions among themselves about how the theories they produce and disseminate may actually have unwittingly contributed to distorting management priorities and perceptions to the detriment of the public good. A seemingly intractable chasm exists and persists between Western management 'theory' and what might be construed as good management 'practice'. I argue here that the primary underlying cause for this apparent lack of practical relevance lies in an unquestioned commitment to a dominant set of unexamined metaphysical presuppositions that necessarily circumscribe and hence limits the usefulness of the type of knowledge produced in academic theorizing. This is because the actual practice of management is as much an art as it is a science; as much about the intricacies of the particular as it is about generalizable principles. As such the residual scientism that continues to underpin much of management research and theorizing remains unable to access the subtle intricacies of good management practice; something which the arts are better equipped to do. In this regard, the traditional East with its greater emphasis on the arts and the art of living in particular can make a not insubstantial contribution to the advancement of our understanding about the more subtle art of management.

In the West, commitment to a Parmenidean-inspired ontology of *being* which elevates the primacy of entities and end-states over processes, practices and change, an epistemology of *representationalism* that views knowledge as accurately representing reality, an Aristotelian *logic of Identity* that asserts that one name can only be assigned to one thing, and a widespread reliance on the method of *analysis* involving the breaking-up of the whole into parts for the purpose of detailed investigation, is what makes for the historical shaping of the Western mind and consequently its dominant scientifically-oriented mode of theorizing. Such a quintessentially 'Western mindset' has a long history that has been irretrievably shaped by the Phoenician-invented alphabetic system introduced into Greek thought nearly three thousand years ago (Ong, 1967). It has irreversibly shaped Western outlooks, perceptions, *sense ratios*, attitudes of *observational discrimination* and preferred modes of reasoning, so much so that the visible, the explicit, the formed, and the articulate have been privileged over the invisible, the tacit, the unformed and the inarticulate; presence is elevated over absence and the heroic over the mundane and the everyday. This intellectual predisposition and *modus operandi* continues to have an overwhelming influence over the preoccupations of contemporary Western management researchers, their intellectual focus and priorities, and hence the kind of research outputs generated.

Yet, despite this overpowering Parmenidean-inspired dominance, however, there remains a residual subsidiary tradition of thought in the West that continues to subscribe to an alternative Heraclitean-

inspired process view of reality as perpetually fluxing and changing interminably; an ontology of *becoming* as opposed to that of *being*. Such a becoming world-view has been vigorously championed by the Nobel Laureate Ilya Prigogine and the theoretical physicist David Bohm as well as a number of eminent philosophers including especially Henri Bergson, William James and Alfred North Whitehead. Process metaphysics regards the domain of human knowledge, actions and social phenomena as an organically integrated, self-sustaining and emergent totality. Following Heraclitus, it begins with the basic presupposition that ultimate reality is perpetually in flux and transformation; objects, entities and social phenomena are hence no more than temporarily stabilised patterns of relationships in a churning sea of chaos. For process philosophers, reality is better understood in terms of fundamental processes and relationships rather than 'things'; of multiple modes of changes in relational configurations rather than fixed stabilities and discrete entities. Thus a river is not an object but an ever-changing flow, the sun is not an object but a flaming fire. Process metaphysics does not deny substances, entities or things, but sees them as subordinate in status and ultimately inhering in more fundamental processes. 'Becoming and change – the origination, flourishing, and passing away of the old and the innovative emergence of the ever-new…constitutes the central theme of process metaphysics' (Rescher, 1996: 28). Such a processual worldview that emphasises the reality of change and perpetual *becoming* is something many experienced management practitioners find resonates deeply with their own experiences. Yet, the management academic world remains apparently unaware or incapable of theorizing process and change on its own processual terms. Unquestioned adherence to abstract Reason and Formal Logic and faith in the representational capacity of language are what inclines most management theorists and researchers to think in terms of stabilities, unchanging categories, and specifiable end-states. A certain 'intellectualocentrism' (Bourdieu, 1990: 29) inheres much of their research findings and this accounts for the apparent lack of relevance to the world of practice since the actual logic of practice cannot be readily grasped through formal logic, reason and representation. Its logic is 'not that of the logician' (ibid: 86). Such a critique of the limits of this epistemology of representationalism has been initiated by the 'practice turn' in social theory that is more aligned with this alternative ontology of process and becoming. This alternative worldview is one that curiously resonates deeply with a traditional Eastern (and particularly Chinese) outlook. It is in this regard, that I believe that Chinese thinking, outlook and orientation can make an invaluable contribution to the (re)building of management theory; one in which the question about relevance can be comprehensively dealt with and overcome.

For the traditional Eastern world, the idea of a ceaselessly fluxing, relentlessly changing and self-transforming reality is easily accepted as a given. Such a world-view not only reflects everyday lived experiences but finds numerous expression in the classic ancient Chinese texts including the *I Ching*, or Book of Change, and in the enigmatic writings of the Chinese philosophers Lao Tzu and Chuang Tzu both of whom insisted on the fecundity and primacy of a pro-generative, emergent and undifferentiated 'Tao' as the ultimate basis of reality. It led the sinologist Joseph Needham to note that: 'for the Chinese the real world is dynamic and ultimate, an organism made up of an infinity of organisms, a rhythm harmonising an infinity of lesser rhythms' (Needham, 1962, Vol. 2: 292). Similarly, the Japanese philosophers Nishida Kitaro (1921/1990: 47-54) and Nishitani Keiji (1982) have both identified the primacy of process and 'radical impermanence' as the unique founding basis for a quintessentially Eastern worldview. Furthermore, a number of contemporary Western-educated Chinese philosophers have explored and identified strong affinities that exists between Whiteheadean process thought and ancient Chinese philosophy. For all of them, the world of flux and chaos that presents itself to our pristine unadulterated experience is the only reality there is. Unlike in the West, there is no presumption of some final stable 'Platonic' state or Aristotelian 'entities' above or beyond the world of lived experience. This alternative ontological commitment to the primacy of a relentlessly changing and self-transforming reality has profound implications for social theorizing and more specifically to management theorizing.

There are a number of direct consequences for management research and theorizing if such a traditional Eastern process-based world-view is adopted. To begin with if reality is deemed to be perpetually changing and in flux, language will always seem inadequate to the task of representing reality since the latter cannot be readily captured be static linguistic categories. There is therefore a long-held suspicion about the capacity of words to communicate thought. And this manifests itself in a multitude of oblique and indirect ways by which Easterners communicate. This may perhaps explain why, like the enigmatic statements found in the *Heraclitean Fragments*, the first line of the *Tao Te Ching* states: 'The Tao that can be named is not the Tao'. Words are to be taken 'lightly' and

communication tends to be more indirect, allusive, and metaphorical (from 'metaphorikos' [Greek] meaning 'transporting'). The use of proxy is commonplace. Furthermore, what is NOT SAID is as important as what is said; the absent, the invisible, the latent, the tacit and the unspoken have value and potential. Secondly, since the world is perpetually changing, *timeliness* is an important consideration in intervening into the world of practical affairs. 'Waiting for the fruit to ripen' is a common Chinese expression. There is a deep appreciation of the role that 'unowned' processes (Rescher, 1996) can play in shaping the course of things; an immanent 'propensity of things' (Jullien, 1999) that can be carefully harnessed and mobilised to one's advantage in achieving desired ends whilst ensuring that social harmony remains relatively intact. Quiet, timely 'insertions' rather than 'heroic' and dramatic interventions are the preferred *modus operandi* for dealing with human situations Thirdly, there is a greater appreciation that all 'decisions' taken are necessarily partial, selective and unavoidably intrusive; each 'incision' made into the flow of reality to construct a particular version of social reality is necessarily arbitrary and pragmatic; other versions are always possible. There are many 'truths'. Furthermore, each such decision/incision has always the potential to generate future unintended consequences; the more dramatic/heroic the decision the more likely negative unintended consequences will ensue. Finally, and importantly, unlike in the West, for the traditional Eastern mind, human efforts expanded in performing any task is not simply aimed at expeditiously achieve a pre-defined goal. Rather it is equally about a relentless and interminable process of perfecting action and cultivating self; there is a moral imperative in such performative actions. Thus, the various traditional Oriental cultural practices including the learning of the fine arts such as the tea ceremony, flower arrangement, archery, calligraphy and painting in both China and Japan are 'not intended for utilitarian purposes only or for purely aesthetic enjoyment, but are meant to train the mind…to bring it into contact with the ultimate reality' (D. T. Suzuki, in Herrigel, 1953/1985: 5). Attaining that fleeting moment of 'pure unadulterated experience', of achieving 'oneness' with one's object of attention is a primary aspiration of those engaged in the arts in the East. Thus, whilst Western management research inclines towards the scientific, the explicit and the literal, Oriental thinking and 'research' orients us towards the art of living: the heightening of empirical sensitivity, an expansion of subsidiary and peripheral awareness, and an expansion of horizons of comprehension. One contributes to management knowledge and understanding, the other contributes insights, awareness and an expansion of human imagination that helps refine aesthetic sensibilities and make possible an art of management. This is how Chinese thinking can truly contribute in (re) building contemporary management theory and making it more relevant to the world of practice.

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Building a Theory of Contextual Implications for Required Managerial Competences in Internationalizing Firms – Inspirations from the case of Chinese OFDI

John Child

Management theory has steadily taken greater account of the context in which firms operate. Broadly speaking, it first acknowledged the relevance of economic (market) context into account, followed by that of national cultures. More recently, increasing recognition has been given to the influence of institutional and political context. The steady growth of foreign direct investment brings into question the impact of differences in home and host country contexts for the management of international business. This paper explores the implications of such differences for the managerial competencies required by internationalizing firms, and it does so with reference to the internationalization of Chinese firms.

The marked increase in China's overseas foreign direct investment [OFDI] in the past ten years has understandably attracted growing attention among both academics and politicians (UNCTAD, 2013). It raises a number of important theoretical and policy issues. To date, more attention has been given to the motives behind Chinese OFDI than to how it is negotiated and implemented in different host country contexts (e.g. Buckley et al., 2007, *The Economist*, 2013). It is widely assumed that the motives for China's overseas investment are heavily informed by a political agenda which in turn influences the institutional supports for, as well as constraints on, Chinese OFDI (Zhang, Zhou & Ebbers, 2010; Luo, Xue & Hun, 2010). China is regarded as a very different socio-political context for business compared to, say, that of western countries but one that may have similarities to some other emerging economies. This means that the degree of contextual similarity or dissimilarity to China of the host countries for its OFDI varies significantly.

I shall argue that the extent of match or mismatch between home and host country contexts, particularly in their institutional and political features, has to be taken into account in order adequately to understand their implications for the management of Chinese enterprises investing into foreign countries. It is my aim to propose a framework that develops this analysis and also to indicate how it can enhance our understanding of the advantages and disadvantages attending Chinese OFDI as well as the contingent adjustments that foreign investing Chinese firms may have to make. I believe that such a framework has wider theoretical relevance, especially for OFDI from other emerging economies characterized by strong government involvement.

There are several requirements to meet this aim and these inform the organization of my paper. The first requirement is for a more refined conceptualization of 'context' than has generally been employed in international business analysis (Child, 2009). The key aspects of home and host country contexts relevant to internationalization need to be identified. For a more adequate understanding of context, a socio-political perspective needs to be added to the economic and cultural ones prevailing in the literature (Child, Tse and Rodrigues, 2013; Rodrigues 2010). This perspective would help highlight the significance of institutional and political aspects of country context. It would assist our appreciation of the contrasting characteristics of business systems in different contexts. For example, much western-informed international business literature differentiates between business and government, or the firm and the country levels of analysis. This distinction is far less tenable in a context such as China, on track to become the world's largest economy. The active involvement of the Chinese state in firms' internationalization policies, and the support it gives them, can extend to bilateral agreements on host country terms for the operation of Chinese firms of a kind that would be alien to western countries. Such agreements can stabilize host country environments, and offer incoming firms exemptions from employment and tax regulations, and other privileges.

Having incorporated the institutional and political dimensions of country context, a second requirement is that account be taken of both home and host country contexts *together*, paying regard to the implications of different combinations of the two that are created by variations in host country conditions. While attention has been given to the 'institutional distance' between the home and host countries, we know little about the implications for managing foreign operations of *specific*

combinations of home and host country contexts (Salomon & Wu, 2012). It is the combination of home and host country-specific advantages and disadvantages (CSAs and CSDs) that define the conditions under which firms internationalize. These conditions determine the human and other resources that are available in their domestic and host contexts as well as the institutional capital available to the firms.

The relevance of this contextual analysis for management theory lies in its implications for the competencies and skills that internationalizing firms require for operating in their host countries. In this respect, it extends contingency theory through applying an essentially resource-based view of the firm to identify the resource capital and institutional capital required for successful OFDI given a particular combination of home and host country characteristics, and whether these capitals can be supplied from the home or host country context. Resource capital in the context of internationalization refers to the value-enhancing assets and competencies that a firm requires for successful operation in a foreign host country. It includes the staffing of its foreign operations and the practices it follows in them. Institutional capital refers to the ability to accommodate to and/or manage relations with domestic and foreign institutions in ways that also enhance international performance (Oliver, 1997). My use of the term 'capital' will be with reference to these two concepts.

I have argued so far that in order to understand both the ways in which Chinese OFDI is implemented and the conditions for its success, existing theorizing needs to be extended to take a fuller account of the *diversity* among relevant contexts. However, there is a further requirement for theory-building. This is to allow for the moderating effects of other factors which, for Chinese firms at least, qualify both the motives for OFDI and how they can accommodate to host country conditions. There is considerable diversity among Chinese overseas-investing firms, and this is consequential because it means they are not all similarly placed in relation to their contexts. Thus variation in the *ownership* of Chinese firms has implications for the extent to which their OFDI enjoys a CSA in the form of support from home government agencies and the control that government exercises over them. Both support and control tend to be stronger in the case of state-owned enterprises.

The *industrial sector* to which the outward-investing Chinese firm belongs is also of immediate relevance for the strategic and operational resources it requires, which raises the question whether it already possesses these or whether they are only available in the host country context. If a Chinese firm already possesses these resources and they are not readily available in the host country, investment in a wholly-owned greenfield site accompanied by the importation of the firm's own practices and personnel tends to be more appealing. If they are only available in the host country, the rationale for investing via acquisition or a joint venture becomes stronger. Moreover, the sector in which firms are located determines whether their internationalization is motivated primarily by seeking new familiar assets (such as raw materials) or by opportunities to adapt the firm's assets to new markets. If the former, as with OFDI into primary industries, the resource capital required will be primarily that for operating existing technologies and managing local labour according to existing practices. If the prime motive is to adapt the firm's assets, then the ability to 'explore' new knowledge may be required, including acquiring an understanding of local markets and possibly innovating to suit local expectations (March, 1991). Competence in managing global value-chains may also be necessary.

The nub of my argument, in short, is that the globalization of Chinese firms calls for an analysis that considers the implications for Chinese OFDI of *different combinations of home and host country* characteristics. In particular, such analysis should take account of how the institutions and political systems in those contexts establish requirements for both institutional and resource capital on the part of the overseas-investing firm. The approach I develop addresses the need to bring together a focus on the "I" in international business [IB] with that on the "B" through multi-level analysis that considers country-specific factors in relation to firm-specific factors (Makino, 2013). A basic representation of the argument is given in Figure 1. It draws upon insights from resource-based, institutional and political perspectives. While the argument is developed with specific reference to China, I shall suggest that it can be applied more generally to the implementation of OFDI from any country.

Figure 1. Basic representation of the argument
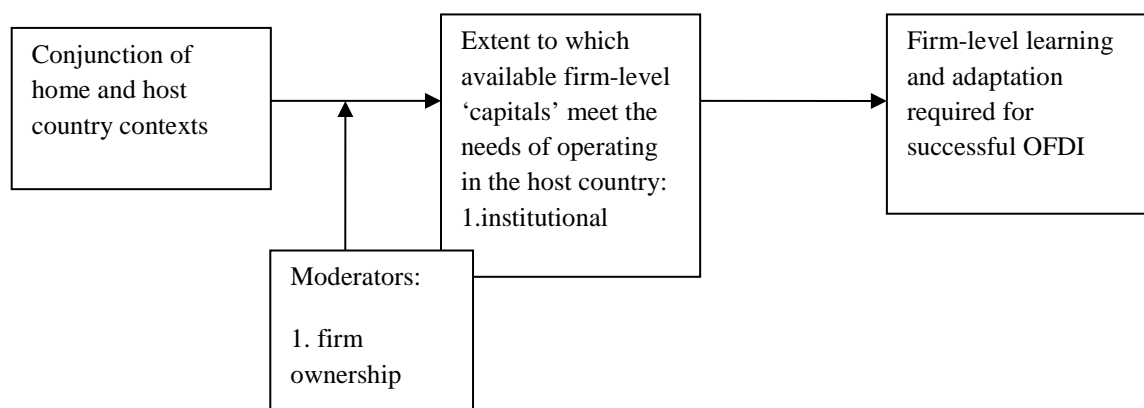
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From "opposition democracy" to "opposition-in-unity democracy":

A Yin Yang perspective on party politics and government

Tony Fang

Democracy is a fundamental value of human society. The democracy model which prevails in the West (referred to as "opposition democracy" in this paper) is a great "0 to 1" achievement in the development of political institutions since primitive times. The democratic system of United States of America offers a telling example of this model's advantages and disadvantages. In this paper I show that there is a need to move from "1 to 100" to innovate and upgrade our democratic system. The age of globalization and Internet offers unprecedented opportunities to develop more advanced and balanced forms of democracy. By drawing on the recent advances in cultural change literature in international business studies I propose a business administration approach to managing party politics and government for the long-term benefit of nations and humanity. At the core of the proposed approach lies the Yin Yang (holistic, dynamic, and dialectical) thinking which calls for "opposition-in-unity democracy" model. The theoretical relevance and practical implications of this new model of democracy is discussed and future research agenda is proposed.

Yin Yang: A New Perspective on Culture
Tony Fang

In this article I propose a Yin Yang perspective to understand culture. Based on the indigenous Chinese philosophy of Yin Yang, I conceptualize culture as possessing inherently paradoxical value orientations, thereby enabling it to embrace opposite traits of any given cultural dimension. I posit that potential paradoxical values coexist in any culture; they give rise to, exist within, reinforce, and complement each other to shape the holistic, dynamic, and dialectical nature of culture. Seen from the Yin Yang perspective, all cultures share the same potential in value orientations, but at the same time they are also different from each other because each culture is a unique dynamic portfolio of self-selected globally available value orientations as a consequence of that culture's all-dimensional learning over time.

From "Onion" to "Ocean"
Paradox and Change in National Cultures
Tony Fang

Differing from the dominant bipolar paradigm of analyzing national cultures, this paper champions a dialectical approach that sees each national culture as having a life of its own full of dynamics and paradoxes. The paper calls for shifting our mindset from the Cold War "onion" way of analyzing culture to a new "ocean" way of understanding culture to capture the dynamics of national cultures and international cross-cultural management in the age of globalization.

A Critique of Hofstede's Fifth
National Culture Dimension

Tony Fang

Using indigenous knowledge of Chinese culture and philosophy, this article critiques Geert Hofstede's fifth national culture dimension, i.e. 'Confucian dynamism', also referred to as 'long-term orientation'. The basic premise on which the dimension is founded is scrutinized and the way in which this index has been constructed is assessed in detail. It is argued that there is a philosophical flaw inherent in this 'new' dimension. Given this fatal flaw and other methodological weaknesses, the usefulness of Hofstede's fifth dimension is doubted. The article concludes by calling for new visions and perspectives in our cross cultural research.

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Re-conceptualizing Paternalistic Leadership in the Chinese Context:
A Confucian Values Approach

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Leadership is inherently a process of social influence – however, the manner in which this process unfolds is necessarily context specific. Indeed, scholars have long acknowledged that cultural values and traditions not only affect how an individual behaves in a leadership role, but can also affect how followers perceive and respond to specific behavioral approaches (Adler, 1997; Fu & Yukl, 2000; Lord & Maher, 1991). Nonetheless, as many leadership models have derived from studies conducted within the United States, Canada, and Western Europe (Yukl, 2013), the assumption that the nature and impact of leadership is context- and culture-specific has remained untested. Importantly, although some research has sought to identify systematic differences *across* cultures in perceptions and impact of leadership (e.g., the GLOBE studies, House et al., 2004), these studies do well to identify context- and culture-based contingencies of leadership, but cannot inform why these differences exist. Rather, there is a need to understand leadership from within a particular culture, and take an indigenous approach to understanding how cultural values internalized by a particular cultural group can shape both the manifestation and impact of leadership (Morris et al., 1999).

Following the rapid economic development of China, and recognizing also the inherent contrasts between "Western" and "Eastern" value systems, leadership scholars have taken an increasing interest in the theories and practices of leadership in the Chinese context. Among the indigenous leadership theories in China, *paternalistic leadership* (Farh & Cheng, 2000) represents a prominent leadership style found in Chinese organizations, and one that has attracted much theoretical and empirical attention. Described initially as a form of "Chinese capitalism" by ethnographers (Redding, 1990; Silin, 1976; Wong, 1988), and based on interviews of Chinese CEOs/owners in family businesses (Cheng, 1995), paternalistic leadership (hereafter PL) was conceptualized as a leadership style that combines strong discipline and authority with fatherly benevolence and moral integrity, couched in a personalistic atmosphere (Farh & Cheng, 2000). PL combined components of authoritarianism (i.e., asserts absolute authority, control over, and unquestioned obedience from subordinates), benevolence (i.e., demonstrates individualized, holistic concern for the subordinates' personal and familial well-being) and morality (i.e., demonstrates superior personal virtues). Farh and Cheng (2000) traced each of these three elements of PL to Confucian values and Legalistic dynastic rules dating thousands of years old, and further identified three psychological mechanisms associated with each dimension – a) dependence and compliance to the leader's authority, b) indebtedness and obligation to repay the leader's benevolence, and c) identification and respect for the leader's moral conduct.

Research interest in PL has grown steadily since its inception. The past 13 years have brought forth over 170 empirical studies testing various aspects of PL (see Lin, Chou, & Cheng, in press). As noted in several literature reviews (Chen & Farh, 2010; Farh et al., 2008; Li, Sun, & Jiao, 2013; Lin et al., in press; Wu & Xu, 2012), PL research has been studied in a wide range of organizations (e.g., small family businesses, large conglomerates, nonprofit contexts, sports teams), across different geographical regions (e.g., China, Taiwan, Hong Kong, Singapore, even other East Asian countries), and at various levels of analysis (e.g., leader-subordinate, leader-team, CEO-organization contexts). While indicative of its usefulness as an indigenous leadership framework, this large volume of research on PL has also brought to attention several concerns.

First, PL was constructed inductively from descriptive accounts of CEO/owner leadership behaviors, as opposed to a coherent system of Chinese philosophical values. As a result, the three components are loosely connected. While some components of PL can be linked to Confucian philosophy tightly (e.g., benevolence), others reflect anti-Confucian Legalistic concerns associated with dynastic control (e.g., authoritarianism). This "mixed-model" approach has led to incoherent or even negative relationships between key components of PL (e.g., most notably between the authoritarian and benevolent dimensions).

Second, the dimension of "authoritarianism" has been mislabeled and misinterpreted and does not accurately reflect its proper construct domain. To be sure, Chinese leadership traditions do emphasize hierarchy and sharp role differentiation between leaders and followers – however, the basis of this social hierarchy derives from legitimate authority conferred upon the leader and is reinforced by high levels of leader competence. It does *not* imply the "enforcing [of] strict obedience to authority, at the expense of personal freedom" or the "blind submission" that commonly characterize definitions of authoritarianism (Merriam Webster). Thus, in re-conceptualizing PL, there is a need to more clearly specify the nature of each dimension in relation to Confucian leadership ideals *and* ensure proper labeling to enhance construct validity.

Third, in theory, PL should reflect a holistic model in which each element must be enacted alongside the others to produce maximal effects. However, prior research has yet to theorize how these dimensions should work synergistically to promote effective outcomes (see Farh et al. 2008 for a notable exception). Thus there is a need to better articulate the relationships among the three dimensions of PL and the implications of their varying configurations for outcomes of interest to organizations.

Finally, although PL was initially conceptualized as a "personalistic" phenomenon, where leaders consider and treat followers differently based on personal relationships (*guanxi*), it is clear from its ethnographic origins as well as subsequent empirical research that PL operates beyond the dyadic level. There is thus a need to extend PL theory to a higher level of analysis– and in particular, to understand how specific dimensions and mechanisms associated with PL might generalize or differ across levels of analysis, or transfer from direct interpersonal interactions to structural elements of the organization.

In view of these gaps, it is clear that advancing indigenous research on leadership in the Chinese context requires substantial reconceptualization of existing PL theory. The objective of this essay is to outline a new leadership model derived based on pre-Qin era Confucian teachings. We refer to this new model as the Confucian Leadership Model (CLM). Below is a rough outline of this theory for the purposes of comments and discussion.

Overview of the Confucian Leadership Model
- A normative model based on Confucian teachings about leadership.
- An indigenous leadership model for Chinese contexts where Confucian cultural values have been influential in the past and continue to reign at large.
- While the CLM is directly derived from Confucian teachings on leadership, it will focus on core teachings that are deemed relevant for modern context for the purpose of maximizing applicability; the CLM does not attempt to be an all-inclusive incorporation of Confucian teachings.
- In constructing the CLM, I also draw from contemporary leadership literature to delineate the mechanisms by which each dimension is hypothesized to influence followers.
- Key elements of the CLM involve three leader actions:
    - Morality—rule of virtue
    - Benevolence—in relation to followers
    - Authoritative—enable hierarchy and order for collective functioning

Confucianism Defined
- Primarily based on the classical teachings of Confucius and Mencius as recorded in the Four Books (the A*nalects, the Works of Mencius, the Doctrine of the Mean*; *the Great Learning*).
- These seminal ideas were forged in pre-Qin (221 BC) era.
- Legalist ideas and teachings about leadership are often confused with politicized Confucianism in the post-Qin era. These ideas are excluded from CLM.
- Later revisions to Confucianism are also not considered.

Core Confucian Teachings on Leadership
- Only the "superior-minded" (*jun zi*) should be selected as leaders. *Jun zi* is one who lives by virtues (see a list of six core virtues in the next section).

- Rule of virtue is the primary means of leadership:
    - Begins inwardly through self-cultivation (*xiu ji*) of virtues (*nei sheng)*.
    - Manifests outwardly (*wai wang*) through extending virtues to others through role models, moral education and development, and establishing moral, social, and cultural norm.
- Leadership is often exercised through the personalized role relationship between the leader and follower.
- Leadership concerns collective interests and goes beyond mere self-interests (*ji li li ren, ji da da ren*).
- Leaders take up a leadership position only when a legitimate position is granted (*bu zhai qi wei bu mo qi zheng*).
- A clear social hierarchy and order is essential for normal functioning of human organizations. Social distinctions should be based primarily on superiority of moral character, but also on ability and performance.

Core Virtues in Confucian Teachings
- Benevolence (*ren*)—loving people.
- Righteousness (*yi*)—living and acting according to moral principles instead of pursuing self-interest and material gains.
- Ritual propriety (*li*)—the observation of appropriate rituals and rules of conduct, which are social norms rather than formal laws and regulations.
- Wisdom (*zhi*)—not only refer to learning, in the sense of understanding and appreciating the importance of key virtues, but even more importantly to applying that abstract knowledge to real situations.
- Trustworthy (*xin*)—adherence and loyalty to moral principles, to ritual and social rules of propriety, and to one's superiors in hierarchical relationships.
- Filial piety (*xiao*)—treat one's parents and ancestors respectfully.
- Comment: In terms of leadership, some virtues are clearly not as relevant to the modern organization. For example, filial piety and ritual propriety.

Three Domains in which Leadership is exercised in CLM
- Morality—rule of virtue
- Benevolence—in relation to followers
- Authoritative—enable hierarchy and order for collective functioning

Moral Leadership
- Righteousness (*yi*)
- Integrity and trustworthiness (*xin*)
- Self-discipline or self-control (self-cultivation, *xiu ji*)
- Humility and continuous learning
- Prioritize collective interest over self-interest
- Lead by virtues through role modeling
- Comment: Many virtues are left out because they are deemed not as relevant for leadership in the modern organization: ritual propriety (*li*), filial piety (*xiao*), wisdom (*zhi*), frugality, gentleness…

Benevolent Leadership
- Genuine concern and care of subordinate welfare in work and non-work domains
- Attentive to subordinate needs (both material and psychological)
- Concern and care extended to subordinate's family members
- Long-term orientation to relationship
- Treat subordinates with respect and without bias
- Comment: Leader's benevolence extended to subordinates is not primarily to induce increased work effort, as in a transactional exchange relationship; the care is genuine. Treating subordinates with respect is included because it is considered universal norms nowadays

Authoritative Leadership
- Establish/maintain hierarchy and make social distinctions
- Clear role differentiation between leader and followers

- Leader role
  - Competent (perceived with expert power) (*learned*)
  - Directive & didactic (*subordinates need* to be *taught and cultured*)
  - Clarify role expectations for performance and conduct (*continuous learning*)
- Comment: "Autocratic, abusive, exploitative, manipulative behaviors" emanating from the Legalist school are not part of Confucian leadership. In contrast, behaviors associated with "authoritative leadership" – e.g., providing role clarification, being or staying competent, and giving direction and coaching as needed – are generally considered effective leader behaviors, although their effectiveness is clearly dependent on the work context. Leaders are respectful of and loyal to their superiors and also expect their subordinates to act likewise. These expectations are implicit and culturally reinforced in the Chinese context but not forced upon followers by the leader.

Generative Mechanisms of Leadership Influence
- At the individual or dyadic level
  - Trust in leader
  - Identification with leader
  - Role clarity and high expectations
- Unit level
  - Familial atmosphere (warmth, trust, support, safety)
  - Identification with leader and collective
  - High discipline climate
- Comment: CLM can be practiced at the dyadic as well as the unit level.

Relationships among the three Dimensions
- Morality is core to CLM. Benevolence also flows naturally from morality and thus should correlate positively with morality. Authoritative is relatively independent of morality and benevolence. An authentic Confucian leader should be high on all three.
- Mutually enhancing effects among the three dimensions especially between Benevolence and Authoritative (*an wei bing ji*) and between Morality and Authoritative.

Major Predictions from CLM
- Morality and Benevolence have generally positive effects on followers regardless of the work context. The effects of Authoritative leadership on followers depend on the work context—do followers need direction or coaching? The mediating mechanisms of leader influence have been outlined above.
- CLM is effective in Chinese contexts
- Effective for Chinese who subscribe to traditional Chinese cultural values (especially high power distance)
- Effective in non-Chinese contexts with Confucian cultural legacies
- Effective for non-Chinese contexts which are receptive to paternalism
- Effective for work contexts that are relatively stable, require discipline and operational efficiency

Questions for Discussion
1. What unique values do the CLM offer to the extant leadership literature?
2. As a holistic model, how can the CLM be best tested and applied?
3. When the CLM operates at the unit level, what are the specific leadership actions and practices?
4. Are all the key elements there? Does the CLM represent core ideas of Confucian leadership well? Is anything missing or superfluous?
5. Is the CLM (and particularly the Authoritative dimension) out of step with the spirit of the 21st century? Does the CLM overemphasize hierarchy in leadership? Does this formulation limit its applicability within high power distance cultural contexts? Does it hamper individual creativity and personal initiative?
6. What is the relationship between the CLM and other existing leadership models (such as transformational leadership)?

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CURRENT POSITION

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EDUCATION

June 1976	Ph.D.	Social Psychology	Universityof Hawaii
June 1971	M.S.	Psychology	NationalTaiwan University
June 1969	B.A.	Psychology	NationalTaiwan University

PROFESSIONAL ORGANIZATION

Member (since 1976)   Chinese Psychological Association, Taiwan
Member (since 1980)   Mental Health Association in Taiwan
Member (since 1983)   Taiwanese Sociological Association
Member (since 1997)   Asian Association of Social Psychology
President (2010-)   Asian Association of Indigenous and Cultural Psychology

PROFESSIONAL EXPERIENCE

1990-2000	Specially-invited Researcher	ROC National Science Council
2000-2008	Principle Investigator	In Search of Excellence for Indigenous Psychological Research Project, Ministry of Education
July 2003 – July 2005	President	Asian Association of Social Psychology
Sep. 1993 – Sep. 1994	Visiting Scholar	EastWest Center
May 1986 – July 1986	Alumni-in-residence Fellow	EastWest Center
Sep. 1985 – Apr. 1986	Visiting Scholar	ChineseStudies Center Universityof Michigan
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July 1977 – June 1981	Associate Professor	Department of Psychology NationalTaiwan University
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AWARD/FELLOWSHIP

2010	Dr. Son yet-sen's Awards for Academic work
2007	Outstanding scientists of the 21stcentury International Biographical Center, Cambridge, England
2006	NTU Chair Professor ;Lifelong Distinguished Professor NationalTaiwan University Outstanding Scholar Awards Foundation for the Advancement Outstanding Scholarship
2005	Outstanding Scholar Awards Foundation for the Advancement Outstanding Scholarship
2003	Outstanding Scientific and Technological Worker Award Ministry of Administration, ROC
2002	Outstanding Researcher Award National Science Council, R.O.C.
1997–1999, 2000-2002	National Chair Professor Ministry of Education, R.O.C.
1999	Outstanding Alumni Award EastWest Center
1985-1987, 1987-1989, 1992-1994	Outstanding Research Award National Science Council, R.O.C.
May 31–July 31, 1986	Alumni-in-Residence Fellowship EastWest Center
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PROFESSIONAL SERVICE

Executive Editor (1974-1976)	Chinese Journal of Psychology
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Consulting Editor (1997-present)	Asian Journal of Social Psychology

Editorial Board (2005-present),	Management and Organization Review (MOR)
External Reviewer	Journal of Cross-Cultural Psychology Journal of Personality Journal for the Theory of Social Behaviour International Journal of Leadership in Education MIS Quarterly Human Relations The China Journal AsiaPacific Journal of Management Current Anthropology Social Science Research Management and Organization Review AsiaPacific Journal of Management International Journal of Intercultural Relations Journal of Moral Education Journal of Intercultural Management Philosophical Papers and Reviews

Critical Realism and Multiple Philosophical Paradigims for the Construction of Culture-inclusive Theories in Psychology

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In order to push forward the third wave of psychology in the age of globalization, the epistemological goal of indigeneous psychology is destined to construct culture-inclusive theories to represent the universal mind of human beings as well as the particular mentalities in a specific culture by the multiple philosophical paradigms and critical realism, so as to overcome the problematic situation left by Wilhelm Wundt (1832-1920), and to integrate intentional psychology and scientific psychology as advocated by Lev Vygotsky(1898-1934).

Key words: Critical Realism, multiple philosophical paradirms, culture-inclusive theories, intentional psychology, scientific psychology.

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Latest journal Articles

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How can Chinese Indigenous Research Contribute to Universal Theory Building: Directive-Achieving Leadership and Harmony as examples

Kwok Leung

Indigenous research in the Chinese cultural context is important, but the amount of management research conducted from an indigenous perspective is relatively small. One major reason may be the worry that such indigenous research is seen to be confined to the Chinese context and cannot make a significant contribution to general theory. All top-tier management journals are in the West, and it is widely believed that they prefer papers that contribute to general theory over research that is not generalizable. There is tremendous pressure to publish in top-tier journals, which may explain why only a small number of Chinese researchers conduct research from an indigenous perspective.

I distinguish two types of indigenous research. In the distinctive approach, a novel theory is developed for the Chinese context, and this theory may or may not generalize to non-Chinese cultural contexts. In the integrative approach, Chinese constructs are compared with similar constructs from other cultural contexts, and the similarities and differences found are used to refine and extend universal theories. In this approach, Chinese constructs become elements of a universal theory. I use my research on directive-achieving leadership and harmony to illustrate these two approaches.

Authoritarian leadership practices are viewed negatively in the West, but are more accepted in China, a high power distance culture. Paternalistic leadership is an indigenous leadership model in China, defined by benevolence, morality, and authoritarianism. Authoritarian leadership refers to an emphasis on personal authority by leaders and their dominance over subordinates. Authoritarian leadership shows negative effects on subordinate job attitudes and performance, which challenge the theoretical coherence of the paternalistic leadership model. The negative effects of authoritarian leadership are incompatible with the positive dimensions of benevolence and morality.

To address this theoretical gap, Tingting Chen and I have conducted a program of research to examine a positive dimension of authoritarian leadership. Social hierarchy is emphasized in Confucianism, but mutual obligations for superiors and subordinates are important. Superiors are expected to teach and train their subordinates, and authoritarian practices without a concomitant teaching and training focus violates Confucian teachings. The juxtaposition of authoritarian practices with a teaching and training focus has been observed in Chinse parenting behaviors.

We propose the construct of directive-achieving leadership to describe an authoritarian style with a training and achievement focus in Chinese culture. In contrast to the negative effects of authoritarian leadership, we theorize that directive-achieving leadership is a positive form of authoritarian leadership because of its joint emphasis of obedience as well as training and achievement of subordinates. We have obtained empirical evidence that supports this line of theorzing, and the identifciation of directive-achieving leadership helps refine and extend the paternalistic leadership model in the Chinese context.

My research on harmony with Jie Wang illustrates the integrative approach. The notion of harmony is highly emphasized in the Chinese culture, and two harmony motives can be distinguished. Harmony enhancement refers to a genuine preference for harmony with other people, whereas disintegration avoidance refers to the tendency to avoid the disruption of an interpersonal relationship to protect self-interest.

We propose that these two harmony motives can extend social exchange theory, a Western theory that generalizes to many cultural contexts. The regulation of exchange relationships prior to an exchange can have significant impact on exchange outcomes, but it has been ignored in prior social exchange research. The notions of approach and avoidance exchange orientations are proposed, which correspond to the two harmony motives. The approach exchange orientation is concerned with the promotion of positive exchange with others, and the avoidance exchange orientation, the avoidance of negative exchange with others. Two studies were conducted and

results supported the conceptualization of the two harmony motives as exchange orientations, which helps extend social exchange theory.

Both the distinctive and integrative approaches may contribute to universal theory building. The distinctive approach takes an extensive program of research for establishing a new theory, whereas the integrative approach may require a less comprehensive research program. Both approaches are important, and the choice depends on the key theoretical questions and the amount of prior research available. The implications of these two approaches for future directions of Chinese indigenous research are explored.

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Professor Lewin is the Editor-in-Chief of **Management and Organization Review** (MOR).Professor Lewin was the Editor-in-Chief of the **Journal of International Business Studies** (2002 - 2008); founding Program Director for Decision, Risk and Management Science at the National Science Foundation (1986-1988); Departmental Editor **Management Science** for editorial department of Organization Analysis, Performance and Design (1974-1987); founding Editor-in-Chief of **Organization Science** (1989-1998); Visiting Research Professor, Erasmus University (1999-); Distinguished Visiting Scholar, INSEAD (2003); Visiting Professor of International Management, Cranfield School of Management (2000-2002); DKB Visiting Professor, Keio University Graduate School of Business (Spring 1993 and 1994); Visiting Research Professor, Institute for Business Research, Hitotsubashi University (1994-1995); and elected Chair of Duke University Academic Council (1982-1986).

Professor Lewin's current primary research interests involve the Offshoring Research Network (ORN) project, the co-evolution of new organization forms and management of strategy change in times of increasing disorder, and the globalization of innovation. ORN is the largest ongoing research project that tracks corporate strategies and experience with offshoring non manufacturing tasks (e.g. contact centers, finance and accounting, software development, IT infrastructure, legal services etc.) as well as the tracking the emergence of the global outsourcing industry and plans and services offered by third party service providers. At the end of 2009 ORN data base includes over 2000 companies and service providers all over the world. Read the Wikipedia entry on Offshoring Research Network here.

Professor Lewin is author or editor of several books and his research articles have appeared or are forthcoming in many different journals, including **Academy of Management Journal**, **Strategic Management Journal**, **Organization Science**, **Research Policy**, **Harvard Business Review**, **Decision Sciences**, **European Management Journal**, **European Journal of Operational Research**, **Journal of Applied Psychology**, **Journal of Mathematical Sociology**, **Management Science**, **Organization Studies**, **Personnel Psychology**, **Policy Sciences**, **Science**, **Simulation** and **The Accounting Review**. He has also published (with Professor Mitchell Koza) two articles in the **Financial Times** Series on Mastering Strategy.

Honors and Recognition

- The Academy of International Business Fellows (2009)
- First Academy of Management, Martin Trailblazer Award, Organization and Management Theory Division (2008)
- Distinguished Speaker, 2004 Uppsala Lectures in Business (October 4-7, 2004, Uppsala University, Uppsala Sweden
- Academy of Management, Distinguished Service Award (2003)
- Institute for Operations Research and Management Sciences (INFORMS) distinguished service award as founding Editor-in-Chief of Organization Science (1989-1998).
- Awarded Highest Quality Rating Citation of Excellence by ANBAR Electronic Intelligence, an online service that reviews top journals in the world each month, for "The

Co-evolution of Strategic Alliances," Organization Science, Vol.9, No.3, 1998, Arie Y. Lewin and Mitchell P. Koza

- Duke University Presidential Award for Meritorious Service, May 2, 1986
- Distinguished 21st Lecturer Annual Uppsala Lectures in Business (2004)
- Inaugural Speaker at Stockholm School of Economics (2004) new cross departmental seminar series at the Stockholm School of Economics

Recent publications

"Low power actor reshaping external regulatory environment: Honda and emission standards in Japan" Arie Y. Lewin and Ei Shu working paper
The Conference Board- Duke Offshoring Research Network Executive Action Series "Financial Services Offshoring:Moving Towards Fewer Captives and Global Cost Competiveness"
"Why Are Companies Offshoring Innovation? The Emerging Global Race for Talent" Arie Y Lewin, Silvia Massini, and Carine Peeters, forthcoming in Journal of International Business Studies."Adaptation and Selection in Strategy and Change: Perspectives on Strategic Change in Organization " Arie Y. Lewin, Carmen B. Weigelt, & James D. Emery. Handbook of Organizational Change and Innovation . Ed. Marshall Scott Poole and Andrew H. Van de Ven. Oxford UP: 2004.

"The Nation-State and Culture as Influences on Organizational Change and Innovation " Arie Y. Lewin & Jisung Kim. Handbook of Organizational Change and Innovation . Ed. Marshall Scott Poole and Andrew H. Van de Ven. Oxford UP: 2004.

"Knowledge Creation and Organizational Capabilities of Innovating and Imitating Firms " Arie Y. Lewin & Silvia Massini. Organizations as Knowledge Systems: Knowledge, Learning and Dynamic Capabilities. Ed. Haridimos Tsoukas and Nikolaos Mylonopoulos.

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Peter Ping Li's research focus is on reexamining the extant Western theories from the cultural and historical frames of China and East Asia, especially applying the Chinese philosophy of wisdom to the development of holistic, dynamic and duality theories. I have been widely recognized as one of the leading scholars in two fast emerging research streams: (1) multinational firms from the emerging economies, and (2) indigenous research on the Chinese management. He has published over 30 articles in various academic journals. He is serving on the editorial boards of five major management journals, and also Editor-in-Chief of Journal of Trust Research

Selected publications

- Disruptive Innovation in Chinese and Indian Businesses: The Strategic Implications for Local Entrepreneurs and Global Incumbents (edited book, February 2013, Routledge)
- Toward an Integrative Framework of Indigenous Research: The Geocentric Implications of Yin-Yang Balance. Asia Pacific Journal of Management, 29 (4): 849-872, 2012.
- Exploring the Unique Roles of Trust and Play in Private Creativity: From the Complexity-Ambiguity-Metaphor Link to the Trust-Play-Creativity Link. Journal of Trust Research, 2 (1): 71-97, 2012.
- Toward a Learning-based View of Internationalization: The Accelerated Trajectories of Cross-Border Learning. Journal of International Management (Special issue: 50 Years of IB Research), 16 (1): 43-59, 2010.
- Learning Trajectory in Offshore OEM Cooperation: The Transaction Value for Local Suppliers in the Emerging Economies. Journal of Operations Management, 28 (3): 269-282, 2010.

Indigenous Research on Chinese Management and Chinese Traditional Philosophies

Peter Ping Li

The indigenous research on Chinese management is emerging, but there is a lack of consensus about how to engage in such a research. The theme of this article is to argue that the indigenous research on Chinese management must be rooted in the Chinese traditional philosophies.

The fundamental source of Chinese philosophies is Taoism rather than Confucianism. With "Tao", "Yin-Yang" and "Wu" as the three core elements, the Chinese philosophies can be summarized as the philosophy of wisdom in favor of balancing science with art, while the Western philosophies can be summarized as the philosophy of knowledge in favor of separating science from art. The Chinese and Western philosophies are highly distinctive. However, due to their distinctions, they are also complementary. It is obvious that the Chinese philosophy of wisdom and the Western philosophy of knowledge constitute a yin-yang duality. The Chinese traditional philosophy must learn from the West, but the former cannot lose its own unique strengths and become "Westernized" via science.

Both the Chinese and Western philosophies are necessary for the indigenous research on Chinese management, but their implications are not symmetrical. The Chinese philosophy of wisdom is more salient to the indigenous research on Chinese management than the Western philosophy of knowledge.

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EDUCATIONAL BACKGROUND:
* 1997 PhD in Economics/International Business, London Business School
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RESEARCH INTERESTS:
* Strategies of Foreign Investors in Emerging Economies
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SHORT BIO:
Dr. Klaus E. Meyer joined CEIBS on September 1, 2011 as Professor of Strategy and International Business. He has been Professor of Strategy and International Business at the School of Management, University of Bath since September 2007. He is holding a position of Adjunct Professor (honorary) at Copenhagen Business School in Denmark.

At the University of Bath, Dr. Meyer is teaching topics related to Strategic Management and International Business on MSc and MBA programmes. He has previously taught at the University of Reading, Copenhagen Business School, Hong Kong University of Science and Technology, as well as Cheng-chi University in Taipei, covering topics such "International Comparative and Intercultural Management", "International Business in Emerging Markets" , "International Business", "Strategic Management", "Business in the East European Economies", and "Transformation in Eastern Europe". Dr. Meyer graduated with a PhD from London Business School, UK in 1997 with a dissertation on "Determinants of Direct Foreign Investment in the Transition Economies in Central and Eastern Europe", which received the best thesis award by the European Association for Comparative Economic Studies.

Dr. Meyer's current research focuses on strategies of multinational enterprises in emerging economies. He is in particular interested in how firms adapt their business strategies to the specific conditions prevailing in each emerging economy. He has thus investigated foreign investor's choice of entry mode and foreign acquisitions in transition economies. Another stream of research focuses on the global strategies that may bring multinational enterprises into emerging economies in the first place.

Related to research, Dr. Meyer holds some responsibilities in scholarly associations and journals, including the role of Senior Editor of the Asia Pacific Journal of Management, and a Consulting Editor, book review editor of the Journal of International Business Studies. In addition, he has been serving as Track Chair for the conferences of the Academy of International Business (AIB) in Beijing (2006), Rio de Janeiro (2010) and Nagoya (2011).

RECENT PUBLICATIONS

Cui, Lin; Meyer, Klaus E. & Hu, Helen	What drives firms' intent to seek strategic assets by foreign direct investment? A study of emerging economy firms	Journal of World Business, forthcoming
Meyer, Klaus E.	What the Fox Says, How the Fox works: Deep Contextualization as Source of New Research Agendas and Theoretical Insight (Commentary)	Management and Organization Review, forthcoming
Meyer, Klaus E. & Thein, Htwe Htwe	Business under Adverse Home Country Institutions: The Case of International Sanctions against Myanmar	Journal of World Business, 49(1): 156-171.
Meyer, Klaus E. & Estrin, Saul	Local Context and Global Strategy: Extending the Integration Responsiveness Framework to Subsidiary Strategy	Global Strategy Journal, forthcoming
Dixon, Sarah E.; Meyer, Klaus E. & Day, Marc	Building dynamic capabilities of adaptation and innovation: A study of micro-foundations (Yukos Case)	Long Range Planning, forthcoming
Meyer, Klaus E. & Thaijongrak, Ornjira (2013)	The Dynamics of Emerging Economy MNEs: How the Internationalization Process can advance future research.	Asia Pacific Journal of Management, 30(4): 1125-1153.
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Meyer, Klaus E., & Helen Xia (2012)	British Entrepreneurs - Global Visions: How Start-Ups achieve Instant Globalization.	Business Strategy Review, 23(2): 52-57.

Local China Context in Global Business.

Klaus E. Meyer

Key challenges for international scholars investigating management in a Chinese context is to make connections between their global theories and the empirical phenomena in China. International business scholars study how cross-national differences affect business, and how firms create bridges across national differences. In China, questions of special interest include how culture affects various aspects of business, how foreign businesses can succeed in the Chinese context, how Chinese operations contribute to global value chains, or, more recently, how Chinese companies can succeed internationally. Explanations of such research questions call for the integration of local context and general theory, which not only advance helps developing theory, makes research relevant to the major contemporary debates in management practice and politics. Operating in emerging economy a very with distinct cultural, political and economic heritage, businesses in China in particular face challenges that are not well explained by popular theories in the management field. Hence, the advancement of theoretical perspectives focusing on institutions, resources or networking holds particular promise not only to explain business in China, but to advance theory more generally.
Coming to China from the outside – either as a foreigner or as a Western-trained Chinese scholar - major challenges arise in pursuit of this agenda, for example in collecting data that live up to international standards of reliability and validity, and in interpreting events and processes in a culturally different context.

China-based scholars can substantially contribute to the global discourses about business because they offer different perspectives, local insights, and – potentially – new insights. Local knowledge of businesses and their environment puts China-based scholars in a good position to identify phenomena that are in some way distinct from phenomena observed elsewhere, and hence to investigate why these distinct phenomena emerge. For example, local knowledge helps explaining the workings of social processes such as guanxi networks, the role of government and the party to Westerns audiences. Such work contributes to critically assessing Western theories, and showing how they may have to be interpreted, extended, or modified to explain management practice in China. At the same time, one has to be aware off that not everything that at first sight appears to be distinct is indeed unique; for example networking practices may be particular important in China, but they are part of business activity in all parts of the world, especially in emerging economies.

http://www.klausmeyer.co.uk/documents/present_global_local_context_AIB-Vancouver2014.pdf.

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Global strategy, international business, competition in
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Teaching interests

Strategic management, global business, international management, Asian business

Peng is a leading China scholar who has provided insight about the country's rise in global business.
He has examined the Chinese government's role in the development of Chinese multinational
enterprises. His recent research has focused on Chinese firms' increasing use of acquisitions to enter
new markets.
He has addressed myths that China will dominate world commerce through foreign investments.
Peng says the existing data do not substantiate the notion that China's investments are a threat.
Instead, China's investments bring in dollars and generate jobs in host economies. Peng argues that
the notion of a so-called "China threat" underscores how researchers have a social responsibility to
use evidence-based, scholarly analysis to debunk myths.
"I think this is the critical mission of research," he said. "We need to train our students to have
critical thinking skills. On the one hand, we want our students to be well read. On the other hand,
we don't want our students to believe in every word that is printed by today's media…. What we
hope is that they come away from this education with a set of critical thinking skills."
Peng was recently named a fellow of the Academy of International Business. The Academy of
Management Perspectives published a study that ranks Peng as the fourth-most influential scholar
among all management professors who received PhD degrees since 1991 based on impact inside
and outside of academia.
Peng is the recipient of a National Science Foundation CAREER award, a U.S. Small Business
Administration Best Paper Award and a Distinguished Scholar Award from the Southwestern
Academy of Management.
Peng has more than 100 publications. His textbooks, *Global Strategy, Global Business*,
and *GLOBAL*, are used in more than 30 countries.
Peng joined UT Dallas in 2005. He earned his bachelor of science in business administration from
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Recent publications

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How history can inform the debate over intellectual property

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[ABSTRACT]

How does history matter? This article addresses this question by focusing on the crucial debate over intellectual property rights (IPR) between the United States and China, which has engendered much frustration. Ironically, during the nineteenth century the United States itself was not a leading IPR advocate but a leading IPR violator. Extending the institution-based view, we argue that both the U.S. refusal to protect foreign IPR in the nineteenth century and the current Chinese lack of enthusiasm to meet U.S. IPR demands represent similar and rational responses to their contemporaneous environments. We also predict that to the same extent that the United States voluntarily agreed to strengthen IPR protection when its economy became sufficiently innovation-driven, China may be expected to similarly enhance its IPR protection. China has recently announced national innovation strategies and has become the world's most litigious country with regard to IPR cases. Overall, this article contributes to management and organizational research (1) by drawing lessons from history to overcome the frustrations associated with a crucial contemporary debate and to inform its future development, and (2) by leveraging history to broaden the institution-based view.
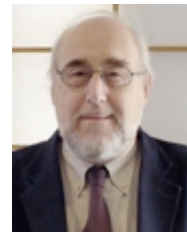
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Gordon Redding is Adjunct Professor of Asian Business and Comparative Management at INSEAD, and has for seven years been Director of the Euro-Asia and Comparative Research Centre prior to its planned move to Singapore. He is also Professor Emeritus at the University of Hong Kong.

He is a specialist on Asian management and especially on Chinese capitalism and he spent 24 years based at the University of Hong Kong, where he established and was founding Director of the University of Hong Kong Business School and its sister organization in executive education, the Poon Kam Kai Institute of Management.

His research has focused on the understanding of Asian business systems comparatively, and especially on Chinese, Korean and Japanese forms of capitalism compared to those of the West. As well as encompassing cultural effects this approach also includes analysis of the influence of institutions and societal processes seen historically, and implications for firm strategy. In addition his work has included lessons for multi-nationals working in the region, and the operating problems of expatriate management. He has published ten books, including The Spirit of Chinese Capitalism (de Gruyter) and The Future of Chinese Capitalism (Oxford University Press, co-author Michael Witt) and over a hundred research papers.

After a degree at Cambridge he had eleven years practical managerial experience as an executive in the UK department store industry before taking his doctorate at Manchester Business School. He also holds an honorary doctorate from the Stockholm School of Economics and received the 2006 Award for Distinguished Scholarship of the International Association for Chinese Management Research. He maintains close relations with universities in China, including Zhejiang, Cheung Kong, Xiamen and CEIBS. He is a consultant to large companies on matters connected with organizing for business in the Asian region and internationally.

His current work is represented in the paper: Gordon Redding, 'The thick description and comparison of societal systems of capitalism' Journal of International Business Studies, 2005, 36, 123-155.

Publications

- The cultural Foundations of Economic Development, (Working Papers)
- Business Systems Theory in Socio-Economics Including the Question of Rationality: Towards an Explanation of the Private Sector in China, (Working Papers)
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- Culture and Institutions: An Empirical Study of Executive Rationale in Germany and Japan, February 2008 (Working Papers)
- The Future of Chinese Capitalism: Choices and Chances, Oxford University Press, December 2007 (Books)
- What Prospects for Institutional Convergence across Advanced Industrialized Nations? Evidence from the Belief Systems of Senior Executives in Germany and Japan, January 2007 (Working Papers)
- Separating Culture from Institutions: The Use of Semantic Spaces as a Conceptual Domain, and the Case of China, December 2006 (Working Papers)

Discovering and releasing a more benevolent Chinese form of domination

Gordon Redding

At least three literatures come together to suggest a forthcoming threat to the historically dramatic emergence of a strong economy in China in recent decades. The first of these is from Economics where the issue of a 'middle-income trap' is seen as problematic for many emerging economies as they reach a threshold where the transition to very high levels of productivity becomes difficult. That higher plateau of productivity is associated with the mastery elsewhere of (a) organizational scale and scope under conditions of global competitiveness, (b) the stabilizing of 'system trust' inside a society whereby economic coordination and control can expand beyond the limits of personalistic trust, (c) the establishing of a more (than previously) benevolent form of domination capable of releasing the individual creativity that ultimately rests on empowerment, and (d) the widely diffused innovativeness that rests on the latter and that goes beyond the limits of privately based entrepreneurship.

The second literature is that describing the state of anomie in much of China (e.g. Lemos 2012) and that describes in parallel the negative impacts of corruption and authoritarianism (e.g. McGregor 2012, Feldman 2013, Shambaugh 2013). Here we have evidence of quite severe organizational and administrative dysfunction, perhaps so far covered over by the taking up of slack in a still labour-rich economy. This latter advantage is now evaporating and this may well bring severe tests.

The third literature is the later legacy of modernization theory, but now with a less 'western enlightenment' bias (e.g. Fukuyama 2011, Beinhocker 2007, Ferguson 2011, Acemoglu and Robinson 2012). This widely-cast theorizing has been boosted by new evolutionary thinking and research, by the entry of complexity theory to management thinking (e.g. Redding 2005), and by the spreading in political philosophy of an ideal of pluralism to replace the earlier more restricted and implicitly judgemental relativism (Berlin 1997). This latter trend has been reinforced by the Varieties of Capitalism school of socio-economic analysis (e.g. Whitley 1999, Witt and Redding 2014). This paper is located within that school.

A core assumption of the paper is that China will find its own way forward, albeit perhaps with some borrowing, as did Japan, Singapore, Hong Kong, Taiwan, South Korea. That way forward will rest on the Chinese civilizational heritage and will be largely a manifestation of the legacy.

A second core assumption is that the problem of benevolent domination will need to be solved if progress is to be maintained. This is because of a simple mechanical or mathematical fact. Efficiency in economic exchange (including the exchange of work for reward) has to expand beyond the boundaries now set by personalism and/or authoritarianism. Such expanded exchange has to include (in commerce) dealings with strangers if the full potential in the economy is to be released. In organization the replacing of organizational cultures of fear, anxiety, discipline and punishment, with cultures of encouragement and performance/reward is the only way to improve the silo-based, vertically dominated, and uncommunicative cultures so commonly reported. If achieved, this latter shift could release for the organization the value of the talent available.

It is noteworthy that Japan achieved this on its own terms in the post-Meiji industrialization, that South Korea also did this on its own terms after the Park reforms of 1961 and the later democratization, that Singapore achieved this by a controlled hybridization initiated at independence and maintained since.

The core questions addressed by the paper are: (1) How can a system of stable system trust be constructed as a follow-on from the highly decentralized administrative initiatives of the Communist government? (2) Can Chinese culture find within its traditional beliefs a legitimate ideal to counterbalance or soften paternalism? (3) Will China be able to meet the critique of Marie-Claire Bergere (2007) that China is trying to construct a system of capitalism without capitalists? In other words will property rights be fully implemented and how might that affect organizational expansion? (4) How might Chinese firms escape the third generation collapse of value that so typifies the regional ethnic Chinese conglomerates (Fan, Wong and Zhang 2012), and does this matter in whatever new societal model that may emerge?

The paper is designed speculatively but using a framework of complex determinacy based on configurations of interdependent features, it would attempt to rationally trace emergent scenarios, and in doing so identify the key conditions that would affect the progress of such trajectories. It is stressed again that such trajectories will inevitably be grounded in the facts and the behavioural

implications of Chinese historical experience. It is anticipated that workshop discussions would enrich the process of such speculation. In crude terms the trajectories to start with are labelled as follows:

Emergent bourgeoisie. Land reform and property rights. Bourgeois independence from Party control. Evolution of civil society. Growth of stable trusted order. Less authoritarian govt. Education enhancement. *Laissez-faire.*

Mercantilism. The state takes over the large-scale economy. Performance-driven professionalism. Foreign technical borrowing. SME restricted flourishing.

State-licensed large-scale entrepreneurship. The Korean model.

One hundred flowers. Level playing field. Let the market rule. Stop monopolies. High regulation. Make the public good count via professional govt. Accountability.

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Professional Activities

David A. Whetten is the Jack Wheatley Professor of Organizational Studies and Director of the Faculty Development Center at Brigham Young University. Prior to joining BYU in 1994 he was on the faculty at the University of Illinois for 20 years, where he served as Harry Gray Professor of Business Administration, Director of the Office of Organizational Research, and Associate Dean of the College of Commerce.

He has over 85 publications, mainly on the subjects of inter-organizational relations, organizational effectiveness, organizational decline, organizational identity and identification, theory development, and management education. His pioneering and award-winning management text, Developing Management Skills, co-authored with Kim Cameron, is in its eighth edition. He also served as editor of the Foundations for Organizational Science, an academic book series, and the Academy of Management Review. He has served on the editorial boards of 15 professional journals.

In 1991 he was elected an Academy of Management Fellow, he received the Academy's Distinguished Service Award in 1994, and in 2004 he received the Academy of Management OMT Division Distinguished Scholar award. In addition, he served as President of the Academy of Management in 2000. In 2009 he was awarded the JMI Distinguished Scholar award by the Western Academy of Management and the BYU Marriott School Distinguished Scholar award.

Reflections on the Interface between Context and Theory Applied to the Study of Chinese Organizations

David Whetten

During this session we will: 1) Review the basics of "theory" in management and organizational studies (e.g., theory-as-explanation, different kinds of theory, theory as a bridge between research and practice), 2) Examine the motivations for constructing new "general" (Big T) theory, 3) Explore the role of context in middle-range theorizing, including how contextualizing mainstream theoretical predictions and supporting findings improves their practical value, and 4) Consider the implications for making contributions of and to theory from a non-Western perspective.

Yin Yang: A New Perspective on Culture

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ABSTRACT   In this article I propose a Yin Yang perspective to understand culture. Based on the indigenous Chinese philosophy of Yin Yang, I conceptualize culture as possessing inherently paradoxical value orientations, thereby enabling it to embrace opposite traits of any given cultural dimension. I posit that potential paradoxical values coexist in any culture; they give rise to, exist within, reinforce, and complement each other to shape the holistic, dynamic, and dialectical nature of culture. Seen from the Yin Yang perspective, all cultures share the same potential in value orientations, but at the same time they are also different from each other because each culture is a unique dynamic portfolio of self-selected globally available value orientations as a consequence of that culture's all-dimensional learning over time.

KEYWORDS   cross-cultural management, dialectical thinking, globalization, paradox, time, Yin Yang

INTRODUCTION

Culture has been extensively studied in management literature during the past three decades in which Hofstede's (1980, 1991, 2001) dimensional theory of culture has been a dominant paradigm (Kirkman, Lowe, & Gibson, 2006). Hofstede's work has emphasized cultural differences across national borders and stimulated managers to show respect for different cultures, values, and management styles. Some later studies may be more scientifically designed (Schwartz, 1992), practically oriented (Trompenaars, 1994), and may have investigated more societies (House, Hanges, Javidan, Dorfman, & Gupta, 2004) than Hofstede's research, but their overall impact does not surpass Hofstede's. Although using different cultural dimensions, these later studies have essentially followed in Hofstede's philosophical tone. 'Hofstede's masterful capacity to elaborate the complex phenomenon of culture in simple and measurable terms explains his enormous popularity' (Fang, 2010: 156).

Nevertheless, Hofstede's cultural paradigm has received important critiques from methodological (McSweeney, 2002), management (Holden, 2002), and

philosophical (Fang, 2003, 2005–2006, 2010) perspectives. The downside of Hofstede's bipolarized and static vision of culture is increasingly recognized in the age of globalization and the Internet when cultural learning takes place not just longitudinally from one's own ancestors within one's own cultural group but all-dimensionally from different nations, cultures, and peoples in an increasingly borderless and wireless workplace, marketplace, and cyberspace.

The purpose of this article is to propose a Yin Yang perspective, as an alternative to the Hofstede paradigm, to understand culture. Yin Yang is an ancient Chinese philosophy and a holistic, dynamic, and dialectical world view (Li, 2008). Yin Yang involves 'three tenets' of *duality*:

> The tenet of 'holistic duality' posits that a phenomenon or entity cannot be complete unless it has two opposite elements. . . . The tenet of 'dynamic duality' posits that opposite elements will mutually transform into each other in a process of balancing under various conditions. . . . The tenet of 'dialectical duality' posits that the holistic and dynamic tenets can stand because two contrary (relatively contradictory) yet interdependent (relatively compatible) elements exist as opposites in unity to mutually affirm (for consistency and equilibrium) and mutually negate (for completeness and punctuated shift). . . . The dialectical tenet is the most salient as the anchor for the other two tenets of duality. (Li, 2008: 416)

Yin Yang is a unique Chinese duality thinking bearing some resemblance to the dialectical thinking in the West. 'Dialectical thinking is considered to consist of sophisticated approaches toward seeming contradictions and inconsistencies' (Peng & Nisbett, 1999: 742). The Chinese have a long-standing reputation for being 'dialectical thinkers' (Peng & Nisbett, 1999: 743) whose reasoning differs from the formal logic dominating the Western philosophical tradition (e.g., Graham, 1986; Needham, 1956). Yin Yang captures the Chinese view of paradox as interdependent opposites compared with the Western view of paradox as exclusive opposites (Chen, 2002). Based on the indigenous Chinese philosophy of Yin Yang, I conceptualize culture as possessing inherently paradoxical value orientations, thereby enabling it to embrace opposite traits of any given cultural dimension. I posit that potential paradoxical values coexist in any culture and they give rise to, exist within, reinforce, and complement each other to shape the holistic, dynamic, and dialectical nature of culture.

This research has been pursued in the belief that Asian management research needs to participate in 'global scholarly discourse' and 'make major contributions . . . by drawing on traditional Asian thought in developing new theories' (Meyer, 2006: 119) and that the Chinese management research community 'may contribute to global management knowledge' (Tsui, 2009: 1). Dialectical reasoning is not unknown to Western literature. For example, in the history of Western

philosophy dialectical thinking with paradox and change as its central concepts permeated the writings of a number of thinkers such as Georg Wilhelm Friedrich Hegel and Karl Marx. Unfortunately, this dialectical movement in the West was later overshadowed somehow by logical positivism in the name of modern science (Popper, 2002). The recent advance in psychology on dialectical thinking in Chinese culture (Peng, 1997; Peng & Nisbett, 1999) and on dialectical thinking in ancient Greece (Lee, 2000) implies the potential of incorporating dialectical thinking in cross-cultural research. In this article, I acknowledge the Western contribution to dialectical thinking; however, I distinguish between Yin Yang (Chinese duality thinking) and Western dialectical thinking so as to emphasize the need to adopt the former as the philosophical foundation for this study of a new conceptualization of culture that is more embracive and holistic in nature than the current cultural models. In this article, culture is theorized in generic terms but interpreted mostly in the context of national culture because cultural dynamics at the national level have been extremely under-researched (Leung, Bhagat, Buchan, Erez, & Gibson, 2005).

Below, I first provide a literature review and then discuss the indigenous Chinese philosophy of Yin Yang and its relevance for cross-cultural theory building. Finally, I make a number of propositions based on the Yin Yang perspective and discuss their implications for culture theory and practice.

LITERATURE REVIEW

Literature in the field of international cross-cultural management can be categorized into two broad paradigms, the static and the dynamic, with the former dominating the field to date. These two paradigms are discussed in this section, respectively.

The Static Paradigm

Hofstede is the chief representative of the static paradigm of culture which uses bipolar cultural dimensions to describe national cultures (e.g., Hofstede, 1980, 1991, 2001; House et al., 2004; Trompenaars, 1994).[1] At least six assumptions underpin the paradigm. First, the complex phenomenon of culture is captured through simplification. Second, nationality or nation state is adopted as the basic unit of analysis. Third, cultural difference is the focus. Culture and management skills are viewed as country-specific phenomena. In the words of Hofstede (2007):

> The nature of management skills is such that they are culturally specific: a management technique or philosophy that is appropriate in one national culture is not necessarily appropriate in another (413). . . . Different societies in the world have different histories and they maintain different values: there is no one universal human values system (415).

Moreover, cultural differences, cultural clashes, and cultural collisions are seen essentially as a problem. This problematic view about cultural differences has given rise to many other concepts and texts, both in academia such as 'cultural distance' (Kogut & Singh, 1988) and in practice such as 'when cultures collide' (Lewis, R. D., 2000). The fourth assumption is that cultures can be analysed in bipolar cultural dimensions along which each national culture is given a fixed indexing. Hofstede (1991: 50; original italics) uses bipolarized terminology to categorize culture and society, for example:

> The vast majority of people in our world live in societies in which the interest of the group prevails over the interest of the individual. I will call these societies *collectivist*. . . . A minority of people in our world live in societies in which the interests of the individual prevail over the interests of the group, societies which I will call *individualist*.

According to Hofstede (2007: 417) 'Asian countries all scored . . . collectivist'. As such, in the Hofstede paradigm, culture is conceptualized, in effect, as an 'either-or' phenomenon. Fifth, Hofstede emphasizes that value is the most crucial component of culture; value forms the core of the 'onion' of culture and determines and prevails over behaviour. Last but not least, culture is conceptualized as stable over time because values are viewed as difficult to change. In the words of Hofstede:

> We assume that each person carries a certain amount of mental programming which is stable over time and leads to the same person showing more or less the same behavior in similar situations (Hofstede, 1980: 14). Cultural values differ among societies, but within a society they are remarkably stable over time (Hofstede, 2007: 413). . . . Cultures, especially national cultures, are extremely stable over time. . . . Differences between national cultures at the end of the last century were already recognizable in the years 1900, 1800, and 1700, if not earlier. There is no reason they should not remain recognizable until at least 2100. (Hofstede, 2001: 34, 36)

Since the publication of his book *Culture's Consequences* in 1980, Hofstede (see 1991, 2001; Hofstede & Hofstede, 2005) has continuously added new countries (e.g., China) to his old country dimension index table for cross-national comparison despite the fact that his original IBM (International Business Machines Corporation) research data were collected a long time ago, 'around 1968 and around 1972' (Hofstede, 1980: 11).

Despite its obvious merits in enabling us to make 'the first best guess' (Osland & Bird, 2000: 67) about cultures with its myriad of implications, the static paradigm is incapable of capturing cultural dynamics in a globalizing society (Fang, 2003, 2005–2006; Hermans & Kempen, 1998; McSweeney, 2009). The paradigm

ignores within-culture diversity as well as cultural change over time (McSweeney, 2009; Tung, 2008; Tung & Verbeke, 2010). The paradigm is essentially a pre-globalization and pre-Internet phenomenon. If we accept that '[c]ulture is learnt, not inherited. It derives from one's social environment, not from one's genes' (Hofstede, 1991: 5), we need to be humble to accept that there is reason to revisit the concept of culture because we are living in a new social environment of globalization with 'borderless and wireless cultural learning, knowledge transfer, and synchronized information sharing', an environment 'unknown to the Hofstede generation' (Fang, 2010: 166–167).

In particular, the static paradigm has completely missed a duality perspective that culture has the capacity to reconcile the opposite poles of any cultural dimensions and can thus be both 'feminine' and 'masculine', both 'individualist' and 'collectivist', and so forth, in a dynamic process of change and transformation (Fang, 2005–2006). With its unique insight into paradox and change, the Chinese indigenous Yin Yang thinking offers important inspiration for overcoming the weaknesses of the static paradigm to achieve a fuller understanding of culture and cross-cultural management.

The Dynamic Paradigm

There is a growing awareness that studying cultural dynamics, particularly at the national level, is imperative (Leung et al., 2005). A dynamic paradigm is emerging with various perspectives being put forward, such as 'negotiated culture' (Brannen & Salk, 2000), 'knowledge management' (Holden, 2002), 'multiple cultural identity' (Sackmann & Phillips, 2004), and 'paradox' (Fang, 2005–2006). The dynamic paradigm can be further categorized into two broad perspectives: the intercultural interaction (e.g., Brannen, 2004; Brannen & Salk, 2000; Shenkar, Luo, & Yeheskel, 2008) and the multiple cultures' perspectives (e.g., Arnett, 2002; Bird & Stevens, 2003; Holden, 2002; Hong, Morris, Chiu, & Benet-Martinez, 2000; Leung et al., 2005; Sackmann & Phillips, 2004; Shapiro, Von Glinow, & Xiao, 2007; Soderberg & Holden, 2002). The former examines the process of new culture creation that emerges from interactions between organizational members of different national cultural backgrounds, while the latter goes beyond citizenship-based national identity to unravel multilayer cultures and multiple cultural identities in heterogeneous and pluralistic organizations (see also Boyacigiller, Kleinnberg, Phillips, & Sackmann, 2003).

In the dynamic paradigm, culture is 'seen as being made up of relations rather than as a stable system of form and substance' (Soderberg & Holden, 2002: 112). Thus, instead of measuring the cultural distance (see Kogut & Singh, 1988) between two countries, some proponents of this approach advocate studying 'cultural friction' that arises from the actual encounter between cultural systems (Shenkar et al., 2008). Cultural differences are seen essentially not as a problem but

as an opportunity for inter-organizational and intra-organizational learning and knowledge transfer (Holden, 2002). Brannen and Salk (2000) hypothesized that as people of different cultures work together in an organizational context a new 'negotiated culture' emerges.

These studies of cultural dynamics offer fresh insights as they probe intercultural encounters in action, i.e., as cultures are negotiated, compromised, embraced, and transferred, thus paving the way for the study of cultural change at the national level, an area of research that 'has rarely been addressed' (Leung et al., 2005: 362). Osland and Bird (2000: 65) emphasized the need to 'index' context to enable 'cultural sense-making' and they introduced the notion of 'value trumping' to reflect the reality that '[i]n a specific context, certain cultural values take precedence over others'.

Hong et al. (2000: 709) have shown that 'biculturals' (see also Mok & Morris, 2010) engage in cultural frame shifting in 'response to culturally laden symbols'. Hong and Chiu (2001: 181) elaborated on this further by asserting that through a dynamic constructivist perspective, cultures should be viewed as 'dynamic open systems that spread across geographical boundaries and evolve over time'.

Leung et al. (2005) presented a model of culture that views cultural dynamics as a multilevel and multilayer process. Culture is conceptualized as comprising of five distinct but integrated layers: individual behaviour values and assumptions, group culture, organizational culture, national culture, and global culture that results from global networks and global institutions that transcend national and cultural borders.

Fang (2005–2006) crafted an 'ocean' metaphor, in contrast to the 'onion' analogy proposed by Hofstede (1991: 9; 2001: 11), to understand culture. At any given point in time, some cultural values may become more salient, i.e., rise to the surface, while other cultural values may be temporarily suppressed or lie dormant to be awakened by conditioning factors at some future time. Today, in most societies, globalization and the Internet have rekindled, activated, empowered, and legitimized an array of 'hibernating values' to rise to the surface of the 'ocean', thereby bringing about profound cultural changes in these societies.

The current research in cultural dynamics can be further broadened and deepened. Most cutting edge research on cultural dynamics in international cross-cultural management literature has been conducted at the organizational level. They have focused on 'cultural negotiation' in complex cultural organizations (Brannen & Salk, 2000: 451); the 'multiplicity of cultural groups . . . within organizational settings' (Sackmann & Phillips, 2004: 378); and 'knowledge transfer' in cross-cultural management (Holden, 2002). While generating powerful insights, these studies can be viewed as an extension of earlier research on organizational cultural dynamics (e.g., Hatch, 1993). This is why Leung et al. (2005), in their extensive review of culture research in international business, asserted that cultural change at the national level has rarely been touched.

The differences between the static paradigm and the dynamic paradigm can be understood in terms of two different world views, i.e., mechanic science and organic science, respectively (Needham, 1956). To move the cross-cultural literature forward, I borrow insight from Chinese philosophy which has been ignored by the mainstream cross-cultural research community. Hofstede (e.g., 1991, 2001; Hofstede & Bond, 1988; Hofstede & Hofstede, 2005) discussed the possible Western bias in cross-cultural research and attempted to counterbalance the bias by identifying a fifth cultural dimension. Building on my earlier critiques of Hofstede's work (Fang, 2003, 2005–2006, 2010), I would like to point out that counterbalancing the Western bias in cross-cultural research calls for knowledge of the duality thinking embedded in the Chinese philosophy of Yin Yang.

The lack of focus on duality thinking in cross-cultural management is largely due to the prevailing cognitive system of 'either/or' formal logic in the West. The duality (dialectical) thinking in the ancient Chinese philosophy of Yin Yang that every universal phenomenon is a dynamic unity consisting of paradoxes is useful for cross-cultural theory rebuilding. In organization research, general dialectical thinking and paradox are also found to be a useful perspective in theory building (Cameron & Quinn, 1999; Eisenhardt, 2000; Lewis, M. W., 2000; Li, 1998; Poole & Van de Ven, 1989).

THE YIN YANG PERSPECTIVE

Against the aforementioned backdrop, a duality (dialectical) thinking embedded in the indigenous Chinese philosophy of Yin Yang is explained to understand culture. Figure 1 illustrates the positioning of this study, using the Yin Yang symbol, in relation to the existing research along the 'cultural statics–cultural dynamics' and 'national culture–organizational culture' axes.

Yin Yang

The Chinese world view is holistic, dynamic, and dialectical (Chen, 2002; Li, 1998, 2008; Peng & Nisbett, 1999). This world view is best embodied by Yin Yang, an ancient Chinese philosophical principle, and arguably the best-known symbol in East Asia (Cooper, 1990). The Yin Yang symbol (see also Fig. 1) is denoted by a circle divided into two equal halves by a curvy line, one side of which is black (Yin) and the other white (Yang). According to the Yin Yang philosophy, all universal phenomena are shaped by the integration of two opposite cosmic energies, namely Yin and Yang. Yin represents the 'female' energy, such as the moon, night, weakness, darkness, softness, and femininity; while Yang stands for 'male' energy, such as the sun, day, strength, brightness, hardness, and masculinity. The white dot in the black area and the black dot in the white area connote coexistence and unity of the opposites to form the whole. The curvy line in the symbol signifies that there

Figure 1. Mapping the terrain of cultural research
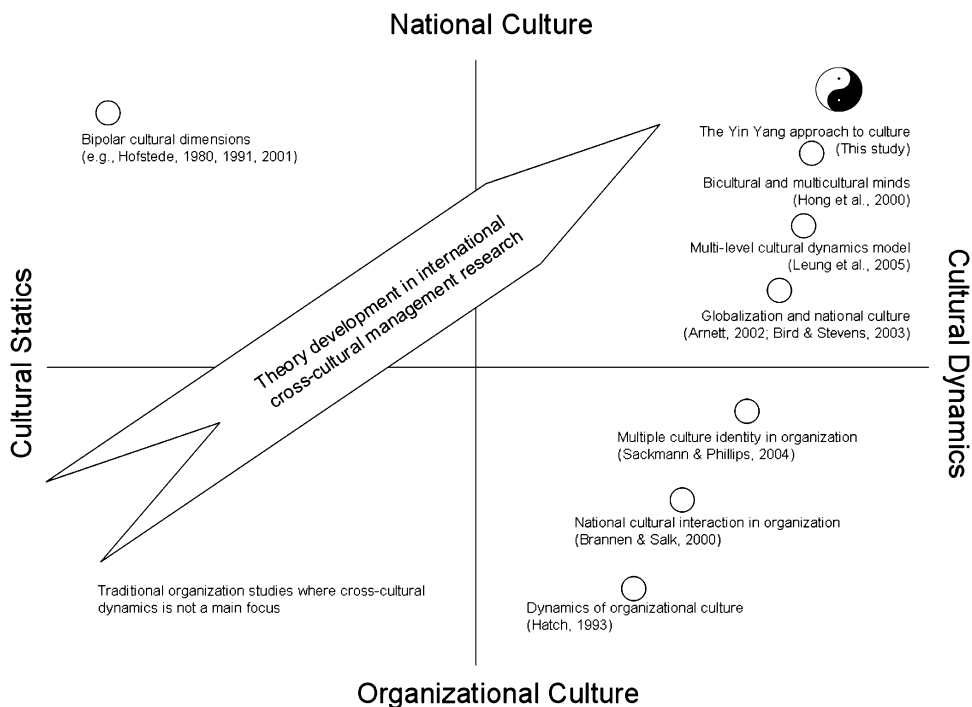
are no absolute separations between opposites. The Yin Yang principle thus embodies duality, paradox, unity in diversity, change, and harmony, offering a holistic approach to problem-solving (Chen, 2002).

There are different views on the origin of the Yin Yang philosophy. G.-M. Chen (2008) elaborated the historical and philosophical characteristics of Yin Yang in his analysis of the Chinese concept of *bian* (change) in the well-known Chinese classic *I Ching* (also known as the *Book of Changes*), whose history can be traced back over 3,000 years ago (Lee, 2000). For centuries the minds of Chinese elites have been fascinated by the question 'What is the fundamental principle of the universe'? Chen (2008: 7–9; original italics) explained that the answer lies in the discourse on the concept of *bian* (change) which relies on the dialectical interaction of Yin and Yang:

> In Chinese intellectual pursuit, the concept of change was mainly stipulated in the ancient Chinese writing, *I Ching*, or the *Book of Changes*. The concept of change not only gives *I Ching* its name but also formulates its system of thought. . . . *I* is comprised of *sun* and *moon*. The sun represents the nature of *yang*, and the moon the nature of *yin*. Together, the interaction of sun and moon comes to the emphasis of *yin* and *yang* in *I Ching*. . . . Change as a fundamental principle

of the universe forms ontological assumptions of the Chinese philosophy and was further developed into a set of guidelines for Chinese beliefs and behaviors. *Change discourse* naturally became the central focus in early Chinese discursive practices. . . . According to *I Ching*, the formation of change relies on the dialectical interaction of *yin* and *yang*, the two opposite but complementary forces of the universe, with *yin* representing the attributes of yieldingness and submissiveness and *yang* representing unyieldingness and dominance. . . . This discourse of endless, cyclic, and transforming movement of change continues to influence the philosophical discourse and its assumptions never cease to affect Chinese behaviors in the contemporary Chinese world.

The Yin Yang thinking 'is so powerful and pervasive that it has influenced Chinese philosophies, martial arts, medicine, science, literature, politics, daily behaviour, beliefs, thinking, and other arenas for thousands of years' and 'greatly influenced almost all ancient Chinese scholars, like Lao Tsu (571–447 B.C.), Sun Tsu (c. 550 B.C.), Confucius (557–479 B.C.), Hsun Tsu (298–238 B.C.), Hanfei Tsu (c. 285–233 B.C.), Gongsun Long (284–259 B.C.), and Mo Tsu (327–238 B.C.)' (Lee, 2000: 1066). According to Lao Zi (Lao Tsu), the founder of Daoism (Taoism) (in Lee, Han, Byron, & Fan, 2008: 88):

> The Dao produced the One.
> The One produced the Two.
> The Two produced the Three.
> The Three produced All Things.
> All Things carry Yin and hold to Yang.
> Their blended influence brings Harmony.

Here, in Chinese philosophical parlance, 'Dao' (or Tao) means the natural course; 'One' the entire universe; 'Two' the Yin and Yang; and 'Three' heaven, earth, and humans, which have produced all things (Lee et al., 2008: 88).

Recent research in cultural anthropology and archaeology reveals that Yin Yang's historical and philosophical origin may go well beyond Taoism and *I Ching* and is closely related to the ancient totemic beliefs and shamanism widely shared among various cultural groups along the Pacific Rim such as ancient Chinese, native Americans, or native Mexicans (Lee & Wang, 2003; Wang & Song, 2007). These ancient totemic beliefs illustrated by way of an octagon 'might have much to do with sun, stars and astronomy' representing 'the most powerful way to understand, interpret and predict the complicated universe (e.g., sun, moons and stars) in order to make sense of the world' (Lee & Wang, 2003: 75). As such, the sequential order of ancient Chinese Yin Yang thinking could be understood as follows: shamanic belief or totemic belief, the older version of *I Ching* with the Yin Yang idea (i.e., pre-King Wen) which could have been brought to America approximately 5,000–6,000 years ago (Wang & Song, 2007) and still kept by Native

Mexicans (or Mayans) but not kept by modern Chinese for various reasons. Today, the Chinese only have the new version of *I Ching* which was said to be authored by King Wen approximately 3,500–4,000 years ago based on what King Wen knew at that time. The new (or post-King Wen) version of *I Ching* which also includes the Yin Yang idea is the version we read or refer to. This new version influences almost all aspects of Chinese life – philosophy, religion, medicine, arts, military theory, etc. Taoism and Confucianism, the two indigenous Chinese philosophical teachings, were developed from ancient shamanism (Lee et al., 2008). Taoism, in particular, was influenced by the new version of *I Ching* with the Yin Yang idea (Lee et al., 2008).

Ji, Nisbett, and Su (2001: 450) characterized the codependency between Yin and Yang, the two cosmic energies, as follows: 'When yin reaches its extreme, it becomes yang; when yang reaches its extreme, it becomes yin. The pure yin is hidden in yang, and the pure yang is hidden in yin'. A similar expression was given by famous Chinese philosopher Yu-Lan Fung (1948/1966: 19) more than 60 years ago: 'When the cold goes, the warmth comes, and when the warmth comes, the cold goes. . . . When the sun has reached its meridian, it declines, and when the moon has become full, it wanes'.

In short, the Yin Yang principle suggests the following philosophical underpinnings:

1. Yin and Yang coexist in everything, and everything embraces Yin and Yang.
2. Yin and Yang give rise to, complement, and reinforce each other.
3. Yin and Yang exist within each other and interplay with each other to form a dynamic and paradoxical unity.

The Yin Yang suggests that 'human beings, organizations, and cultures, like all other universal phenomena, intrinsically crave variation and harmony for their sheer existence and healthy development. We are "both/and"[3] instead of "either/or". We are both Yin and Yang, feminine and masculine, long-term and short-term, individualistic and collectivistic, . . . depending on situations, context and time' (Fang, 2003: 363). The crux of this Yin Yang duality, the unity of paradoxes may account, at least in part, for why some organizations are successful vis-à-vis those that are less effective when they reached a fine balance of differentiation and integration (Lawrence & Lorsch, 1967). Similarly, glocalization (Bartlett & Ghoshal, 1989) and coopetition (Luo, 2005), strategies that call for the simultaneous deployment of apparently diametrically opposed principles, have been proven effective in the international management literature. Virtually all the ongoing debates, including the one over whether culture will converge or diverge and even the concept of 'cross-vergence' (Ralston, Gustafson, Cheung, & Terpstra, 1993), can be cast within the broad perspective of Yin Yang balance.

Paradox

Paradox is defined as the existence of 'contradictory yet interrelated elements – elements that seem logical in isolation but absurd and irrational when appearing simultaneously' (Lewis, M. W., 2000: 760). Given the penchant for linear logic in the Western world, paradoxes typically carry some negative connotations in the Western mind. However, Maslow's (1954: 233; his original italics) research showed that 'polarities . . . [existed] *only in unhealthy people. In healthy people, these dichotomies were resolved*'. In the late 1970s and early 1980s, research in developmental psychology also showed that adult thought, particularly creative scientific activities, 'are dominated by playful manipulations of contradictions and by conceiving issues integratively which have been torn apart by formal operational thinking' (Riegel, 1973: 363). 'Middle-aged and older people are more likely to accept contradiction in reality and to synthesize contradiction in their thinking than are young people' (Peng & Nisbett, 1999: 742). As such, paradoxical thinking and the ability to embrace paradoxes seem to be developed with the depth of experience and wisdom.

Poole and Van de Ven (1989: 563) distinguished between two generic approaches to theory building. One is to develop internally consistent theories. The other, which has often been neglected but needs to be encouraged, is to '[l]ook for tensions or oppositions and use them to stimulate the development of more encompassing theories'. In other words, they posited that in order to make significant advances in management theory, it is necessary to stretch the imagination by embracing paradoxical thinking. This is in line with the special issue hosted by the *Academy of Management Review* in 2000 on the theme 'paradox, spirals and ambivalence' which exhorted the potential merits associated with a 'both/and' perspective over the favoured 'either/or' approach. The view of theory building by embracing tensions is also in line with the General System Theory which asserts that life is not maintenance or restoration of equilibrium but is essentially maintenance of disequilibria and that psychologically, behaviour not only tends to release tensions but also builds up tensions (von Bertalanffy, 1968).

With a few exceptions (e.g., Fang, 2003, 2005–2006, 2010; Faure & Fang, 2008), Yin Yang as a fundamental philosophical principle to understand the dynamics of culture through embracing paradoxes has rarely been examined in the cross-cultural management literature. Culture in action is full of paradoxes, diversity and change. Opposite values and behaviours can coexist within any culture and a culture's greater tendency toward one end of a bipolar dimension does not preclude the espousal or exhibition of characteristics at the opposite end (Fang, 2005–2006). Depending on the circumstances and time period under consideration, some characteristics may rise to the surface while other attributes are temporarily suppressed and/or lie dormant until they are 'primed' (Hong et al., 2000). Culture is therefore not a situation-free, context-free, or time-free construct, but rather is embedded in situation, context, and time.

In the history of Western philosophy, dialectical thinking with paradox and change as its central concepts permeated the writings of a number of thinkers such as Heraclitus (c. 535–475 BC), Kant (1724–1804), Hegel (1770–1831), Marx (1818–1883), Engels (1820–1895), Nietzsche (1844–1900), Simmel (1858–1918), and so on. Dialectical thinking is also evident in ancient Indian thinking. 'In ancient Indian philosophy, Brahmanic thinking was concerned with the unity or harmony based on two opposites. . . . Opposition is a category of the human mind, not in itself an element of reality' (Lee, 2000: 1066). However, there is a need to distinguish between Chinese duality (dialectical) thinking and Western dialectical thinking. According to Peng and Nisbett (2000: 1067):

> Chinese dialectical thought denies the reality of true contradiction, accepts the unity of opposites, and regards the coexistence of opposites as permanent. Belief in genuine contradiction is regarded as a kind of error. The Western Marxist dialectic treats contradiction as real but defines it differently from the Western Aristotelian tradition, in terms not of the laws of formal logic but rather by the three laws of dialectical logic.

According to Li (2008: 416), 'the Western dialectical logic fails to truly transcend the "either/or" thinking because it still regards paradox as a problem to be solved'. The Yin Yang perspective, a unique frame of cognition, embraces contradiction or paradoxes as necessary and desirable in terms of the permanent interdependence, interaction, and interpenetration between Yin and Yang (Li, 1998, 2008). From the Yin Yang point of view, contradictions or paradoxes are not viewed as problems but as a world view, a methodology, and a natural way of life (Chen, 2002; Chen, M.-J., 2008; Fang, 2003; Fletcher & Fang, 2006; Li, 1998, 2008, 2011a,b). Now, I turn to Yin Yang to develop a dynamic view of culture and offer some propositions to guide future research.

A YIN YANG APPROACH TO CULTURE AND PROPOSITIONS

The Yin Yang principle adopts a different perspective about intracultural differences. Instead of viewing differences within a national culture as sheer manifestations of deviation of minority groups' value and behaviour from the mainstream's, the Yin Yang perspective of culture emphasizes the need to understand the intrinsic paradoxical nature of culture. If we use '+Vi' [i = 1, 2, 3, . . . n] and '−Vi' [i = 1, 2, 3, . . . n] to symbolize various paradoxical value orientations, the Yin Yang philosophy suggests the following:

> *Proposition 1: If there exist $\{+V_1, +V_2, +V_3, \ldots +V_n\}$ in a culture, $\{-V_1, -V_2, -V_3, \ldots -V_n\}$ can coexist in the same culture depending on the situation, context, and time.*

Hofstede (2001: 9; 2) defines culture as 'the collective programming of the mind' that 'is physically determined by states of our brain cells'. The human brain is 'the most complex entity in the known universe' (Brown, 1991: 148) and the human mind is capable of encompassing contradictory cognitive properties, both physically and bio-psychologically. The human mind embraces both divergent thinking and convergent thinking, both openness and closure, both rationality and intuition, both ego-strength and anxiety. In the words of Hampden-Turner (1981: 112): 'Order and disorder, doubt and certainty can surely be entertained simultaneously in one mind'.

Many of these contradictions may be observed in metaphors and popular sayings in a given society. Metaphors, proverbs, social axioms (Leung & Bond, 2004), and popular sayings reflect how our value system works. As we live in a world full of paradoxical metaphors, proverbs, social axioms, and popular sayings, the reality is that we are guided, at least potentially, by paradoxical values.

The dual notions of Swedish '*stugor*' ('summer homes' to connote privacy and individualism) and '*folkhemmet*' ('the home of the people' to symbolize egalitarianism and collectivism) is one example showing the paradox of Swedish culture (Fang, 2005–2006). Similar paradoxical sayings that pertain to Hofstede's cultural dimensions, such as power distance, can also be found in many other societies. In France, there are two apparently contradictory sayings, 'A master can sleep where he decides' (*Celui qui est maître, se couche où il veut*), implying high power distance vis-à-vis the other popular French refrain, 'Liberty, Equality, Fraternity' (*Liberté, Egalité, Fraternité*) that suggests otherwise. Likewise, in Spain, the adage 'What the boss says goes' (*Donde hay patron, no manda marinero*) coexists with 'We are all equal in the eyes of the Lord' (*El sol brilla para todos*); in Sweden, the proverb 'All that glitters is not gold' (*Allt är inte guld som glimmar*) exists alongside the social axiom 'The clothes make the man' (*Kläderna gör mannen*).

From the Yin Yang point of view, the coexistence of paradoxical sayings, values, and behaviours in a culture reflects the paradoxical nature of that culture. This Yin Yang perspective of culture allows us to see that all cultures, no matter how different they may appear to be, share essentially the same *potentials* in value orientations ranging from {'+V1', '+V2', '+V3', . . . '+Vn'} to {'−V1', '−V2', '−V3', . . . '−Vn'}. Viewed in this way, national culture is not just shaped by a few values and cultural dimensions; rather, people in a given culture are mentally surrounded by many potentially competing value orientations from which they choose the ones that are most relevant to the situation at hand, i.e., primed (Hong et al., 2000; Mok & Morris, 2010). Depending on the situation, context, and time, one value eventually 'trump(s)', to borrow Osland and Bird's (2000: 70) terminology, over others to guide action in that particular context at that particular time. From the Yin Yang point of view, the focus on situationality leads to the second proposition:

Proposition 2: To guide action in a given context at a given time, human beings choose the most relevant value(s) from the full spectrum of potential value orientations ranging from {'+V₁', '+V₂', '+V₃', . . . '+Vn'} to {'−V₁', '−V₂', '−V₃', . . . '−Vn'}.

Under Hofstede's static paradigm, culture is captured as a situation-free, context-free, and time-free phenomenon. This is consistent with the belief in and pursuit of absolute truths popular in the classical Western logical positivism. In contrast, from the Yin Yang perspective, there exists no absolute truth; truth is embedded in and associated with situation, context, and time.

Using Hofstede's (1980) masculinity–femininity dimension, Sweden ranks as the world's most feminine culture. This may be true in some contexts (e.g., a highly developed social welfare system in Sweden and the Swedish attitude toward the environment and cooperation, in general). But in the context of global competition, as gauged by the speed, scale, and spirit of Swedish multinationals, Sweden may be categorized as 'masculine'. In fact, the Swedes and their compatriots in other Scandinavian countries like to be referred to as 'Vikings', the ferocious sailor-warriors who dominated the high seas in their fabled tales of conquest of foreign lands. These expeditions could not have succeeded in the absence of elevated levels of competitiveness and aggression.

Likewise, the Finns are often described as serious-looking, reserved, and quiet in formal work settings, most probably a result of the Finnish value of *sisu* (perseverance and down to earth). But Finns are often not so in the Finnish sauna. From the Yin Yang perspective, the two Finnish values – sauna and *sisu* – need, reinforce, and complete each other. If Finland's (a nation of 5.4 million people) two million saunas were to be closed down, the Finnish venue for transforming its people from one of quietude to unreservedness and expressiveness may disappear, and with that perhaps the entire Finnish capability to remain in the forefront of technological innovation may wither. Thus, if we use '−Vi' to symbolize the feminine qualities in the Swedish culture or the quietude in the Finnish culture, the Yin Yang principle enables us to predict that '+Vi' (masculinity and unreservedness) also exists in the same Swedish and Finnish cultures, respectively.

In China, Japan, and Korea, similarly, a stark contrast exists between the formal office work environment and the informal milieu (e.g., restaurants, pubs, and karaoke bars) frequented by business executives and their subordinates after office hours. These informal settings are extremely important for developing relationships that are essential to the successful conduct of business in these cultures. In this relaxed atmosphere, rigid hierarchies dissipate as individuals sing, drink, and become less reserved in their provision of critical feedback to their superiors under the guise of drunkenness, with no resultant loss of face to their leaders. It is not uncommon to see that in such informal settings the leaders often behave in 'non-leaders' ways, allowing themselves to be the target of critiques and fun-loving activities.

Seen from the perspective of Yin Yang, culture can be conceived as having a life of its own. Like the ebb and flow of tides and waves in the 'ocean' metaphor of culture, at any given time, some values can be promoted, while other values can be suppressed (Fang, 2005–2006). Even though the 'suppressed' value orientations may not be readily observable, nevertheless, it does not mean that they are absent or non-existent. Hong et al. (2000: 709; 716) posited that individuals can possess 'contradictory or conflicting construct . . . [although] they . . . cannot simultaneously guide cognition. . . . Specific constructs . . . only come to the fore in an individual's mind' when primed, thus giving rise to the notion of 'construct accessibility'. That is, a particular set of conditions and contexts (primes) can facilitate access to certain cultural value orientations, whereas in the absence of such primes, these same value orientations can be suppressed. This notion of construct accessibility is consistent with the Yin Yang perspective and gives rise to the third proposition:

> *Proposition 3: In a culture in a particular context at a particular time some values {'+V1',* *'+V2', '+V3', . . . '+Vn'} can be promoted, while other values {'−V1', '−V2',* *'−V3', . . . '−Vn'} can be suppressed, thus resulting in a unique value configuration.*

Parallel to China's transformation from being one of the world's poorest economies to its fastest growing and most dynamic economy is the process of cultural change in terms of the changing Chinese value system (Faure & Fang, 2008). During Mao's Cultural Revolution (1966–1976), Mao, Maoist thinking, and the Communist rhetoric were China's only value, only idol, only symbol, only hero, and only ritual visible on the surface of Chinese culture. Concepts, values, and lifestyles such as capital, capitalists, market, private ownership, individualism, fashion, branding, knowledge, professionalism, Confucian tradition, quality college education, academic degrees, and even piano and almost anything Western were all labelled as evils (Fang, 2010). These concepts, values, and lifestyles were ' "suppressed," "beaten," and "jailed" by the then prevailing political ideology and they were not able to show their faces legitimately on the surface of the ocean of culture but had to be hibernating on the bottom of the ocean during that period' (Fang, 2010: 164). Nevertheless, after Deng Xiaoping came to power with his 'open-door' policy being implemented in Chinese politics since December 1978, these concepts, values, and lifestyles were no longer taboos; they were gradually activated, empowered, and legitimized to come up to the surface to be part of the visible concepts, values, and lifestyles driving today's Chinese society.

China's economic development influences the movement of Chinese values. In today's China, it is not uncommon that the son or daughter earns a salary 10 or even 20 times higher than what the family father gets. It is often not the family father but rather a junior member of the family who pays the bill when the family goes out wining and dining. This new economic situation tests the traditional

Chinese value of hierarchy and the family father's authority, legitimizing the value of simplicity, creativity, and competence (Faure & Fang, 2008; Phan, Zhou, & Abrahamson, 2010).

Face is another example. Chinese people are traditionally described as face-conscious, reserved, and indirect in communication (Gao, Ting-Toomey, & Gudykunst, 1996) and assertive behaviour is frowned upon as indicated in an old Chinese saying: 'It is the bird ahead of the flight that gets shot the first'. Today, while face is still an important Chinese value, Chinese professionals have learned to stand out. Facing competition in the marketplace, one must look confident and assertive when necessary. A highly publicized advertising campaign from China Mobile showed the big image of a confident Chinese manager speaking to his mobile phone in front of the entire world with the two big Chinese characters displaying 'I can!' (*Wo neng*!) (Faure & Fang, 2008). Similarly, the 'Super Girls' (the Chinese version of 'American Idol') contest in China in 2005, which drew the largest audiences in the history of Chinese television, reveals the face of individualization of today's Chinese culture. The theme song of the contest is called *Xiang Chang Jiu Chang* (Want [to] Sing, Just Sing). Li Yuchun, a 21-year-old music student from Sichuan province, usurped the crown of the 'Super Girl 2005' by putting Chinese traditional values to test, for example, through her boyish appearance, unconventional clothing, and assertive and straightforward communication style.

The change of Chinese society's attitude toward sex also signals a value change. The word 'sexy' was completely banned in Mao's China. A 'sexy' attitude was a synonym of 'faceless' behaviour and talking about sex in public was out of the question. But today, the Chinese media and public attitude allow open discussions about sex, sexuality, and even homosexuality (Huang & Zhang, 2010). The term 'sexy' is received increasingly in a neutral and even positive light, at least in large cities (Faure & Fang, 2008). Moreover, using the term 'comrade' (*tongzhi*) to address each other was part of everyday ritual featuring Mao's China. Today, however, except for some clearly defined often politically laden contexts in which the word 'comrade' still refers to 'revolutionary comrade', the term 'comrade' means 'homosexuals' (*tongxinglian*) in Chinese Internet slang and social conversations in China.

China's phenomenal economic growth does not come without cost though – corruption, environmental pollution, income inequality, and disparities between the regions. China's President Hu Jintao has emphasized building a harmonious society as China's number one priority. A 'harmonious society is one that will put people first and make all social activities beneficial to people's subsistence, enjoyment and development' ('Harmonious society', 2007). China's new vision for building a 'harmonious society' has legitimized sustainability, environmental concern, innovation, and social justice, among other things to become relevant values in defining China's future development.

China's development supports Inglehart and Welzel's (2005) finding that cultural change comes hand in hand with economic progress (see also Leung, 2008).

The more developed the economy, the more vigorously the value of self-expression blossoms. China's experience also lends support to Rokeach's (1973) finding that no values are time-free. In short, culture cannot be understood without the ups and downs of cultural values being captured in broader political, institutional, economic, and social contexts over time.

Thus far, the suggested propositions have focused on the dynamics of national cultures from within themselves and see them in isolation of each other at a given time. In the age of globalization and the Internet, nations and peoples of different cultures are increasingly brought together. The Yin Yang philosophy that embraces paradox and harmony offers useful insights to understanding the interactions of different cultures when they meet each other in the global arena, thus generating the following proposition:

> *Proposition 4: Each culture is a unique dynamic portfolio of self-selected globally available value orientations ranging from* {'+V1', '+V2', '+V3', . . . '+Vi'} *to* {'−V1', '−V2', '−V3', . . . '−Vi'} *as a consequence of the culture's all-dimensional learning over time.*

How to understand the nature of culture in the age of globalization and the Internet is probably the single most important challenge to cross-cultural thinkers. It is important to point out that globalization has not removed nation-states and national cultures (Chevrier, 2009; Van de Vliert, Einarsen, Euwema, & Janssen, 2009). Globalization gives rise to a paradoxical movement of cultures through two broad constructs which interact with each other (Bird & Fang, 2009): (i) *cultural ecology* with uniquely embedded local political institutions, climate, language, traditions, and customs; and (ii) *cultural learning* of values and practices as a consequence of 'cultural clashes' and 'cultural collisions'. In general, the former contributes to containing and stabilizing cultures, making them a special, idiosyncratic, and unique identity, whereas the latter contributes to opening up cultures, making them a common, non-idiosyncratic, and globally interwoven identity. In a broad sense, the Hofstede paradigm looks at the former but overlooks the latter. According to Hofstede (2007: 415), cultural differences exist because 'different societies . . . have different histories and they maintain different values'.

In today's borderless and wireless world few societies are immune to foreign concepts, values, and lifestyles. Today, cultural learning takes place not just longitudinally from one's own ancestors within one's own cultural group but all-dimensionally from all possible potential cultural orientations, i.e., from different nations, different regions, different cultures, and different peoples in an increasingly borderless and wireless workplace, marketplace, and cyberspace. As a result, each culture has the opportunity to acquire its own unique cultural profile over time by balancing between cultural ecology and cultural learning through selecting values from among globally available value orientations. In the age of globalization, cultural differences will not disappear not because of the reasoning advocated

by the Hofstede paradigm but because of each culture's self-selection, deliberately and/or unconsciously, of its value portfolio as a consequence of the culture's all-dimensional learning over time.

National cultural learning through interactions between cultures has never been discussed in the Hofstede paradigm, which views cultural differences, cultural clashes, cultural collisions, and cultural shocks essentially as a problem. The disastrous consequences of cultural collisions are routinely warned and strategy which 'mitigates cultural clashes' (Hofstede, 2007: 419) is called for. 'Culture shocks . . . may be so severe that assignments have to be terminated prematurely. . . . There have been cases of expatriate employees' suicides' (Hofstede, 1980: 210; Hofstede & Hofstede, 2005: 325). Hofstede is also quoted as saying: 'Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster' (ITIM, 2009). However, culture's rich life during and after cultural clashes and collisions has rarely been examined in Hofstede's work. Given his static vision of culture, Hofstede's (2007: 413) assertion that 'a management technique or philosophy that is appropriate in one national culture is not necessarily appropriate in another' seems to suggest that management techniques or philosophies basically cannot be transferred from one cultural environment to another. But cases from real-life management processes show that management techniques or philosophies can be learned and transferred often through cultural clashes, collisions, and negotiations (Brannen & Salk, 2000; Holden, 2002). When different cultures (like Yin and Yang) 'collide' with each other, the very collision itself, however painful it may be at the 'colliding moment', would help inspire and ignite an invaluable cultural learning process taking place on both sides (Fang, 2005–2006, 2010), most probably leading to the integration of both cultures into a new hybrid 'negotiated culture' (Brannen & Salk, 2000). When different cultures meet, the potential exists for different cultural values to penetrate into each other and coexist within each other, physically and cognitively.

DISCUSSION

Chinese culture has been changing dramatically as a result of the accelerated intercultural interactions between China and the rest of the world since the 'open-door' policy was self-initiated by China in 1978 (Tung, Worm, & Fang, 2008). The value changes in China are not created out of nothing but come as a consequence of China's *proactively invited collisions* with foreign systems, foreign values, and foreign lifestyles. Today, China is one of the world's largest recipients of foreign direct investment and nearly 600,000 foreign-invested companies, including more than 400 of Fortune 500 multinational corporations, operate on Chinese soil (Fang, Zhao, & Worm, 2008). The post-1978 cultural collisions between China and the rest of the world may, at least in part, account for China's progress and growing prosperity. Without collisions between Western culture and management philoso-

phy on the one hand, and traditional Chinese culture and management philosophy on the other hand, modern management concepts such as marketing, branding, franchising, innovation, and professional management would still have been unknown to Chinese managers. For example, the introduction of the IKEA/ Swedish culture may have contributed to the emergence of values such as simplicity (*jianyue*) and DIY (do it yourself) in today's Chinese society.

IKEA in China

IKEA's success in China illustrates how the Yin Yang approach to understanding culture can be applied in the globalized business world.[2] In many ways, the IKEA culture and the IKEA style of furniture are contradictory to Chinese culture and traditional Chinese furniture industry practice. For centuries, Chinese households have preferred dark-coloured bulky furniture. This is very different from IKEA's lightweight light-colour furniture. In terms of sales technique, IKEA's practice of no 'advice unless actively sought' and no sales pressure, stands in stark contrast to the traditional Chinese approach of having salespeople follow the customer in the showroom to provide one-on-one service. Before IKEA opened its first store in Shanghai in 1998, the DIY concept was largely unknown, and hence foreign, to most Chinese consumers. Shortly after opening, many customers complained about having to pick up flat-packed furniture on their own and the need to assemble the pieces by themselves at home. In China, given the very low cost of assembly, the standard practice is to have others do it for you, i.e., DIO (do it by others). However, IKEA holds firm to its DIY practice. Now, 10 years after IKEA's first entry in China, Chinese consumers have learned to adapt to the IKEA way and the DIY concept has been accepted by Chinese people. Interestingly enough, DIY has become a symbol of quality of life, self-expression, and self-actualization, values that are increasingly legitimized and practiced in today's China. IKEA has also learned to make changes to accommodate the Chinese way, including the offering of an assembly service at home for a nominal fee upon request, longer store hours, the availability of bicycle parking stalls, widening the aisles to allow for the heavier flow of customers inside the store, the provision of on-site arrangements with trucking companies to provide transportation to customers who want to take home flat-packed furniture but who do not have access to autos, selling both Chinese and Swedish food in the store restaurants, offering more theme-based catalogues (e.g., the Karaoke theme) in addition to its annual standardized catalogue on the global market, and the incorporation of Chinese cultural symbols (such as animals in the Chinese zodiac system) into the design of IKEA products. As Ian Duffy, President and CEO of IKEA China remarked, 'Differences between people in any situation can create tension. This is natural and cannot be avoided. My wish is to create an environment where this tension is seen and handled in a constructive way where both parties have the opportunity to learn and to grow from the interaction'.

Here, I am using the IKEA China anecdotes to suggest that any culture (Chinese culture, IKEA/Swedish culture, etc.) inherently embraces both Yin and Yang. Put in other words, any culture has the potential to incorporate its opposite culture through cultural interactions and cultural learning over time. When the Chinese and Swedish cultures/practices are meeting with each other, both sides are acquiring more or less a new identity by embracing the seeds of the other side. The concept of cultural distance (Kogut & Singh, 1988) that has been used extensively to characterize the fundamental divide between different cultures may be rendered inconsequential because such conceptualizations fail to capture the paradoxes, changes, and more importantly, the mutual learning that may occur within both cultures as a result of the interactions/collisions between them over time. Practically, the Yin Yang perspective of culture suggests that managers need to understand cultural differences but, at the same time, must not be shattered by cultural differences. More importantly, the beauty of cultural differences, cultural clashes, cultural collisions, and even cultural shocks need to be applauded because they can stimulate cultural learning and cultural change in a constructive and creative manner on the part of all involved parties.

Future Research

First of all, there is a need to redefine culture in globalization by integrating various 'cultural schools'. So far, most cultural studies view national culture and global culture as two separate and mutually exclusive concepts (see Arnett, 2002; Bird & Stevens, 2003; Featherstone, 1990; Held & McGrew, 2003; Leung et al., 2005 for a comprehensive review), whereas some advocate in terms of glocalization (Robertson, 1995) or 'cross-vergence' (Ralston et al., 1993). The Yin Yang perspective of culture may inspire us to come up with some new definitions of culture by integrating the strengths of the various schools of thought.

Second, the proposed Yin Yang perspective of culture can be related to the emerging research on bicultural identity (Benet-Martínez, Leu, Lee, & Morris, 2002; Brannen & Thomas, 2010; Hong et al., 2000, 2007; Mok, Cheng, & Morris, 2010; Mok & Morris, 2010). Given contextual cues, some biculturals (defined as those individuals who have 'either been ascribed by birth or who have acquired more than one cultural schema', see Brannen & Thomas, 2010: 14) shift their frame of reference from one culture to another. In-depth investigations are needed to uncover the nature and nuances of the harmonious coexistence of paradoxical values and paradoxical cultural identities within the same societies, organizations, and individuals.

Third, it would be interesting to link the Yin Yang perspective of culture with creativity research (Chiu & Kwan, 2010; Leung, Maddux, Galinsky, & Chiu, 2008; Phan et al., 2010). There seems to exist positive correlations between duality thinking and creative performance because 'creative scientific activities . . . are

dominated by playful manipulations of contradictions and by conceiving issues integratively which have been torn apart by formal operational thinking' (Riegel, 1973: 363 in Peng & Nisbett, 1999: 742). The ability to hold paradox is crucial for creative theory building (Poole & Van de Ven, 1989).

Finally, future research may use Yin Yang to better understand China's re-rising in world politics, economy and management. Many (e.g., Naisbitt & Naisbitt, 2010) have attempted to decipher China's development. Yet, few have touched upon Yin Yang, the philosophical base of the Chinese model. The Yin Yang principle explains many Chinese concepts and practices that look weird to westerners but do not seem to disturb the Chinese mind as far as internal consistency and coherence are concerned. Such concepts and practices include *yi guo liang zhi* ('one country; two systems'), *shehuizhuyi shichang jingji* ('socialist market economy'), *wending fazhan* ('stabilizing development'), *weiji* (crisis – also translates literally as 'danger and opportunity'), and so on. The Chinese capacity to generate development, coherence and consistency out of stability, chaos and contradiction is probably the single most important cultural explanation for China's re-rising.

CONCLUSION

This article contributes to the cross-cultural theory building by proposing a Yin Yang perspective to understand cultural dynamics. Yin Yang, an indigenous Chinese philosophical principle, serves as the philosophical foundation for the theoretical propositions offered in the article. Seen from a Yin Yang perspective, culture possesses inherently paradoxical value orientations and culture changes over time. The Yin Yang perspective allows us to perceive that all cultures, no matter how different they may appear to be, share essentially the same *potentials* in value orientations comprising opposing, paradoxical, and potentially incompatible cultural values. The notion of culture which is conceptualized as a passport-based and nationality-embedded phenomenon by the Hofstede paradigm has acquired a dynamic meaning in the Yin Yang model which posits that each culture is a unique dynamic portfolio of self-selected globally available potentials in value orientations as a consequence of the culture's all-dimensional learning over time. The Yin Yang perspective of culture lends support to the concept of cultural frame shifting (Hong et al., 2000) and its central idea that 'all individuals are capable of representing multiple cultures in their minds and switching between representations of cultures' (Hong et al., 2007: 340), as well as insightful ideas discussed by, e.g., Brannen and Salk (2000), Brannen and Thomas (2010), Holden (2002), Leung et al. (2005), and Sackmann and Phillips (2004) who have studied cultural dynamics by adopting different approaches.

Chinese management research has attracted enormous interest in the past few years as evidenced in the emergence of *MOR* (*Management and Organization Review*) as a highly respected management journal since its start in 2005. Yet, most writings

on Chinese management topics published in *MOR* and other top management and business journals have had the propensity to unquestioningly adopt 'established' Western approaches without penetrating beneath their underlying assumptions. Many still use China merely as a venue for collecting empirical data to blindly please 'established' Western models without seeing China as an important source of inspiration for theory building and theory rebuilding. That the 2011 Academy of Management Annual Meeting has chosen 'West Meets East' as its central theme marks a new milestone in knowledge creation in management research. China is home to one of the world's earliest civilizations. The Chinese management research community should indeed not only learn from the world but also inspire and enrich the world with indigenous Chinese knowledge (Meyer, 2006; Tsui, 2009). It is a historical mission for researchers interested in China to conduct indigenous research to make theoretical contributions of global relevance. I hope the dialectical perspective of culture based on the Chinese Yin Yang philosophy makes a modest contribution to this nascent field.

NOTES

[1] In this article the terms the 'Hofstede paradigm' and the 'static paradigm' are used interchangeably. The critique given to Hofstede's (1980, 1991, 2001) theory applies equally to the closely related research streams in the bipolar or dimensional tradition of studying culture (e.g., House et al., 2004; Trompenaars, 1994).
[2] This mini IKEA case is based on the author's personal interviews with Ian Duffy, President & CEO of IKEA China and Linda Xu, PR and Communication Manager, Beijing, August 13, 2008.
[3] In this article, 'both/and' is used not to reject 'either/or' but to embrace it by recognizing both conflict and complement inherent in the duality of Yin and Yang.

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