

Situational analysis of china business essay

Business



**ASSIGN
BUSTER**

Student Name: Zheng Xinyuan Student ID: 1101007914 Matriculation No.:
20037840 Date: 12th April 2013 Word Count: 3000

Table of Contents

Page No. 1 Introduction 22 Summary of theoretical models of changes to work
in China (from 1960s to 2010s) 23 Situational Analysis of China (Fuzhou) 3.
1 Leadership 3. 2 Culture 3. 3 Lifestyle - Work-life balance 5 4 Situational Analysis
of Singapore 4. 1 Leadership 4. 2 Culture 4. 3 Lifestyle 9 5 Comparative analysis
between China (Fuzhou) and Singapore 12 6 Predictive changes in China for
the next 10 years. 13 7 Summary 14 8 List of Reference 15

1. Introduction

The purpose of this report is to define and analyse the changes to the nature of work between China and Singapore. The 2nd section discusses the major changes in the management approaches in China for the last 50 years (from the 1960s to 2010s). The 3rd section provides a detail analysis in the areas of Leadership, Lifestyle and work culture; and discussed the impact on the society, organisations and patterns of work. The 4th section examines the 3 aspects in 2nd country of Singapore. The 5th section provides a comparative analysis between China (section) and Singapore. The last section predicts the potential changes in China in the next 10 years.

2. Summary of theoretical models of changes to work in China

(from 1960s to 2010s)

China is a country with a very early civilization and a long and rich history. The compass, gunpowder, the art of paper-making and block printing

invented by the ancient Chinese have contributed immensely to the progress of mankind. The Great Wall, Grand Canal and other projects built by the Chinese people are regarded as engineering feats in the world (Chinese Government's Official Web Portal, 2005). From the perspective of traditional culture in China, the evolution of the Chinese management process can be summarized by two modes, which are the traditional management model and the current management model. Since the reform and opening up (since 1978s) a great changes happened in China's economic and social status. Review the 30 years development of China's economic, system reform and enterprise growth process, is not difficult to find the pros and cons of management for enterprise development and social stability has played a key role. Compared with government, nonprofit organizations and other social organizations, enterprises has experienced a shift from workshop, factory system to the company, it has been established by the shareholders meeting, board of directors, board of supervisors as the core framework of corporate governance. There are two main points though the development process of China's management approach since 1970s: first main point is the change in core management. Different periods of management methods and management theory around the national macroeconomic policy and the change of market demand, constantly adjust its theoretical focus, to better achieve organizational goals, through the analysis of the characteristics of each stage of management thoughts can be concluded that the management of China since the reform and opening up has experienced the germination period of efficiency as the center, the exploration period, take the quality as the center, boom to marketing as the center and sublimation period centered on cultural transformation. The second point is the

<https://assignbuster.com/situational-analysis-of-china-business-essay/>

globalization of China's management. Since reform and opening up, China enterprise managers and scholars began to constantly introducing, digesting and absorbing the western management thoughts, management essence from the western management thought combined with the enterprise management practice, in with the help of western management thoughts, on the basis of its own success management theory with Chinese characteristics is established. While China's national enterprises to actively participate in world competition, Chinese management thoughts has been the world attention, opened up its internationalization process. Traditional management approach (before 1970s)From 1940 to 1970s, for more than thirty years, China learned the experience and management theory from Soviet and has a highly centralized planned economic system. This economic system rejection commodity money relations and the role of market mechanism, also call it " product economic system". The biggest advantage of this system can focus on using the limited manpower, financial and material resources. This system develop the national economy in a short time, and the socialist industrial system have been established, laid the necessary foundation for the economic development. Current management approach (1970s to 2010)Traditional economic system is a kind of low efficiency of system, and the simple adaptive management is a low level of management, with the development of society and progress, and economic contradictions in the operation of the accumulation, inevitably produce fundamental change to the planned economy system, abandon the traditional notions and strong desire to adapt to the new situation need is to meet the requirements of this era. Its goal orientation is more and more clearly defined as to establish the socialist market economy with the Chinese

<https://assignbuster.com/situational-analysis-of-china-business-essay/>

characteristics. It is historically inevitable for China's reform and opening up, in line with the trends of world economic development.

3. Situational Analysis of China (Fuzhou)

This section discuss about the detail situation in Fuzhou of China. It include three main aspects which are leadership , culture and lifestyle respectively. Located in the alluvial plain of the lower reaches of the Minjiang River in the southeast coastal area and facing the sea to the east, Fuzhou is an ancient city along the southeast coast and an old foreign trade port of China. It was once called as the Metropolis in Southeast China and the City of Treasure and Fortune. With a history of more than 2, 200 years, Fuzhou is a historical and cultural city with a lot of places of interest and scenic spots (CHINA DAILY, 2010).

3. 1Leadership

Leadership might be interpreted in simple terms, such as ' getting others to follow' or ' getting people to do things willingly', or interpreted more specifically, for example as ' the use of authority in decision-making'. It may be exercised as an attribute of position or because of personal knowledge or wisdom. Leadership can also be discussed in terms of a form of persuasion or power relationship (Mullins, 2010, p373). A key issue throughout the forty years of Fuzhou has been which principle should guide the leadership of enterprises, especially those owned by the state ' on behalf of the whole people'. Within the limits of the autonomy they are granted by higher authorities, the decision process in these enterprises has recilved primarily around the interlocking relationship between the director and party committee. The enterprise workers' confress, for which the enterprise trade <https://assignbuster.com/situational-analysis-of-china-business-essay/>

union committee acts as an agent, has also to a varying extent enjoyed certain rights of approval over management policy. Under this system, management essentially stands for economic effectiveness, the party organization stands for the implementation of party and state policy according to correct ideological principles, while the workers' congress stands for the principle of 'democratic management' (Child, 1994). In the first years of Fuzhou, factory management committees were established and operated in a manner similar to a management board in Western enterprises. They were chaired by the factory director, with a membership comprising managerial staff and an equal number of elected worker representatives. The director, as ex officio chairman, was answerable only to the secretary of the enterprise party committee. At same time, it was decreed in 1950 that every state enterprise should establish a worker's congress as a consultative organ with the principal task of reviewing the enterprise's performance. By the early 1950s, many factory management committees had become 'perfunctory', although worker's congress normally persisted. Instead, the enterprise party committee tended to play an increasingly influential role. Since typically only between 10 and 13 percent of the employees of an enterprise belong to party, this committee was considerably less representative (Child, 1994). Today's leaders in Fuzhou face a unique challenge: On the one hand, they know they need to adapt to the demands of a global market if they want their organizations to compete and succeed. On the other hand, they must respect cultural traditions. These traditions include the concept of guan xi, which teaches the relatedness or connections among individuals (Bernthal et al, 2005). Furthermore, Chinese culture has been heavily influenced by the teachings of the great

<https://assignbuster.com/situational-analysis-of-china-business-essay/>

philosopher, Confucius, who stressed the value of the thoughtful man, learning through mistakes while consciously respecting tradition and values.

3. 2Culture

Tylor said that culture is " that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society." Culture consists of the beliefs, behaviors, objects, and other characteristics common to the members of a particular group or society. Through culture, people and groups define themselves, conform to society's shared values, and contribute to society. Thus, culture includes many societal aspects: language, customs, values, norms, mores, rules, tools, technologies, products, organizations, and institutions (CliffsNotes, 2013). Fuzhou society today is the result of a long process of adaptation to changes in this cultural environment. Core cultural influences appear to have persisted as the bedrock of the Chinese system on the Mainland, but they were arguably submerged for the best part of half a century by newer layers of institutional change in the social archeology of people's mind-sets (Child and Warner, 2003). It is widely accepted that Confucianism has been the most important historical foundation for many of these values. Redding's (2002: 234-5) list is one of the more comprehensive:

3. 2. 1 Hierarchy. Stemming largely from Confucian ethics, these values legitimate paternalism at the levels of family and organization, and patrimonialism at the state level, and provide a moral justification for hierarchy by stressing reciprocal vertical obligations. 3. 2. 2 Control. In a society of competing families, under conditions of scarce resources, and in an interventionist state, control of one's fate becomes a core ideal for many,

particularly business owners, and sensitivities to control become highly tuned. 3. 2. 3 Family based collectivism. The architecture of horizontal order in Chinese society is based on identity with family as the core social unit.

3. 3 Lifestyle – Work-life balance

Work-life balance is rooted in our need to strike a healthy balance between our desires to participate fully in the labour market while giving the best of ourselves to our loved ones, in essence, between our job and personal responsibilities (Work Life solution, 2010). In terms of work and family/life, Fuzhou is complex and is in the midst of significant social and economic changes. Balancing or meeting the combined responsibilities of work and family/life is not a topic of general discussion in Chinese society. Work-life balance was reported to be a new term; to be a source of new discussion in China and in their organizations. For many, there was a view that it " shouldn't be" an issue for organizations, arguing that it would be their personal responsibility to balance their lives and that the organization is not responsible for this. This view contrasts with the previous emphasis in SOEs of providing security of employment, pensions, social support and child care. It appears that the emerging generation of employees has different expectations and indeed, different work-life demands. Work-life balance is becoming more of an issue of concern in MNEs, especially within the professional and managerial levels (Russell, 2008).

4. Situational Analysis of Singapore

This section discuss about the detail situation in Singapore. It include three main aspects which are leadership , culture and lifestyle respectively.

Singapore, officially the Republic of Singapore, is an island city-state located <https://assignbuster.com/situational-analysis-of-china-business-essay/>

at the southern tip of the Malay Peninsula, lying 137 kilometres north of the equator, south of the Malaysian state of Johor and north of Indonesia's Riau Islands. At 710.2 km², Singapore is a microstate and the smallest nation in Southeast Asia. It is substantially larger than Monaco and Vatican City, the only other surviving sovereign city-states (CHINA DAILY, 2009).

4. 1Leadership

Leadership styles depend on the times. Lee Kuan Yew and his team who founded modern Singapore were revolutionaries. During Singapore's industrialisation build-up, the emphasis was on the discipline of followers. Leaders could invent but they needed followers who could follow marching orders. In the phase of steady growth in a stable environment, the emphasis was on being systematic and organised, gradually decentralising and specializing (Yong, 2005). A Conference Board survey on what CEOs find important showed that Asian CEOs emphasised adaptability and innovation as the most important factors for success. In contrast, the US and European CEOs saw achieving top-line growth as most important. The ample Asian opportunities mean growth per se is not a problem: your company's growth depends on whether you know how to leverage it, and how to operate within the complex environments of each Asian country. If you are adaptable and respond quickly in tailored ways to opportunities, you will win big. Small size can be an advantage to adaptability: it is easier to get everyone to build consensus, compared to the global giants (Yong, 2005).

4. 3Culture

The place name "Singapore" is derived from Singa-pura, a commonly used term since the fourteenth century. The main cultural traditions are Malay,
<https://assignbuster.com/situational-analysis-of-china-business-essay/>

Indian, Chinese, and to some extent Western. The different communities do not regard themselves as sharing a culture; instead, they consider themselves parts of a whole. This is illustrated by reference to a popular local dish, Rojak, a salad in which the various ingredients are covered by the same peanut sauce, forming a distinct whole with each ingredient clearly discernible. It is a high-power distance working in Singapore, which means there are clear authority structures and social status is defined by your position in the society and workplace. In this hierarchical society or workplace, juniors do not openly question or argue with superiors. Using of surnames or titles while addressing is also important like in any other Asian country. Collectivism prevails over individualism, for example people always work as a part of a group and this sense of group affiliation to a company, school, or family is quite important than a person's individual status, unlike in a western country (Amruta, 2011). Singapore rules are strict. There are a lot of signs that tell you what is not allowed and it is hard to miss these signs. In these organizations, bosses do not want you to show over enthusiasm and too many new ideas at work. But they would encourage you to work creatively in the set restrictions and boundaries as Singapore is trying to get more innovators than followers to improve itself in the current competitive market (Amruta, 2011).

4.3 Lifestyle

All these aspects throw a light upon the ethnic and happening milieu of Singapore. It is the result of the tremendous influence of the variety of customs, traditions and people and their popular beliefs. It would be a wonderful idea if you plan a short tour to this place and experience the vivid

lifestyle options that it offers (Focus Singapore, 2012). Singapore is one of the most popular tourist destinations of the world. It is popular for its cosmopolitan culture, shopping offerings, and is actually called the most admired tourist spots. It is considered as the best city of the world in terms of living standards. The various lavish amenities offered by Singapore comprise clean and safe environment, extensive medical services, comfortable housing facilities, world-class education and much more (Focus Singapore, 2012).

5. Comparative analysis between China and Singapore

This section discuss about the different management between China and Singapore. In terms of social nature, China is a socialism country while Singapore is a capitalism country. So there must be some variance in leadership, culture and lifestyle between these two countries. The leadership in China has been heavily influenced by the teachings of the great philosopher, Confucius, who stressed the value of the thoughtful man, learning through mistakes while consciously respecting tradition and values. Work culture in Singapore is of a high-power distance, which means there are clear authority structures and social status is defined by your position in the society and workplace. While in China, low individualism scores are largely explained by Guanxi, the embodiment of the Chinese culture in both business and nationality. Compares to Singapore, China is still in developing. There are a lot of experience that China can learn from Singapore where is already a developed country especilly in the management area.

6. Predictive changes in China for the next 10 years.

The model of Chinese leadership, in place for many years, has proven effective for achieving business results. However, with its culture and business model changing daily, Chinese leaders will need to change the way they do business too. Even leaders working within national companies will feel the influences of global competition. The Chinese model of leadership focuses on building interpersonal bonds, collaboration, teamwork, dignity, and trust. These same qualities are important for Western leaders, but Western leaders differentiate themselves from their Chinese counterparts because they are more inclined to be entrepreneurial and to take risks. Furthermore, one of the biggest challenges for Chinese leaders will be to better manage their employees toward high performance, a current area of weakness. Whether in the past, present or future, the traditional culture inevitably permeate in management activities of enterprises in our country. With the development of social economy and the changes of cultural environment, China's enterprise management mode change constantly. These changes more or less embody the internal relation between management and traditional culture, showing the different ideas of traditional culture influence on enterprise management of China. So in the future ten years, the approach of management in China will combine western modern management and the traditional culture to achieve more good management effect. There is evidence of the following perspectives: Health and Wellness, Talent Management, Employee Relations, Total Rewards and Culture Change. This organization currently has a strong focus on work-life issues with much of this energy coming from the corporate office. This focus is likely to be strengthened in the future. Work-life balance is seen as a

<https://assignbuster.com/situational-analysis-of-china-business-essay/>

personal responsibility and it is assumed that work-life balance is a personal choice. Nevertheless the view was expressed that work-life balance can be discussed and that extended family needs such as in dual career families, are being considered when relocation is necessary. Currently the quality of work-life is seen as a personal choice and not a high priority; however, this organization is now starting to think about it more, especially in relation to flexibility, with the fact that many people work long hours and have little work-life balance. Overwork and personal health are key issues for the future. Supervisors were seen as having a key responsibility to keep these issues in check. Currently caring for children is seen as a challenge, especially when people have to be involved in conference calls at night. School holidays are also quite a challenge for many parents. Nannies are easy to get and not expensive, however, they do not always provide high quality care. Therefore, having a child staying at home with a nanny is not seen as a good option. It was argued that in the future, this organization could consider having a child care center. There was a strong view expressed by the focus group that not only is flexibility desired by the employees but also that it could work in their organization. For flexibility to work, they have to have a culture that supports it, with open managers who pay attention to performance. Flexibility could result in saving time and utility costs. Working from home was desirable for some people in the focus group, yet it was not supported by the organization. Working from home was considered to be a lonely option. The company is seen more as a family and people want to come to work to socialize.

7. Summary

This article focuses on the topics of the changes to the nature of work that have occurred in the past 50 years and the comparison between China and Singapore in the nature of work. Finally, demonstrate how the nature and processes of work may change over the next ten years.