

On second thoughts, this subject cannot be covered in a mere postscript. It deserves an entire book. Here is a challenge to the authors. Would they be prepared to step up to the plate?

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JITENDRA K. DAS AND MATHEW JOSEPH (eds), *Reflections on Chinese Management Styles and Business Ethics* (New Delhi: Bloomsbury Publishing India Pvt. Ltd., 2013), pp. 167, ₹790, ISBN: 978-93-82563-63-1.

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The book under review is the outcome of a faculty development programme undertaken by the Fore School of Management, New Delhi during the period October–November 2011. China is India's most powerful and important neighbour and its rise is going to have a very crucial impact on India's progress in the twenty-first century. Given this hard reality, it is quite perplexing why we have not channelised adequate energies to have an informed understanding of China. One believes that one of the most critical factors which would affect India's progress in the twenty-first century is how we deal with China. Many of us have been concerned with the military dimensions of China's rise and in the process have not channelised our energies to unravel the various developments in contemporary China. In a short span of time China has today become our largest bilateral trading partner (we have a huge trade deficit); we are still not keen to pursue a more 'hands on' approach towards China. One is convinced that academic institutions and business organisations (surprisingly, even management schools) in India are in a constant denial of a rising China, which today is one of the most powerful nation-states in the twenty-first century. No wonder 'China' still does not occupy the space it deserves in the 'strategic map' of the decision-making authorities. This current state of affairs can be explained by the twin factors of ignorance and short-termism. 'To see is to believe' as they say, and the Fore School Management must be congratulated for undertaking this task and coming out with a book which is bound to give the readers a preliminary understanding of Chinese management styles and business practices.

Why should the Indian corporate sector in general, and Indian management schools need to know more about China? There are many reasons that can be put forward. To begin with, today, China is playing an increasingly significant role in the international arena not only politically but also in international trade, commerce and economy. Its international stature as an economic power has been constantly growing in the last few

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years, and the success stories of Chinese brands like Haier, Lenovo, Huawei, ZTE and growing Chinese outward FDI (COFDI) or ‘overseas direct investment’ (ODI) have given China a strong presence in the international business arena. Arvind Subramanian’s book, *Eclipse: Living in the Shadow of China’s Economic Dominance*, argues that by 2030, relative decline of the US will have yielded not a multipolar world but a near-unipolar one, dominated by China. He argues that China will account for around 20 per cent of global GDP compared to just under 15 per cent for the US. In short, the Chinese economy will be larger than the US economy, and larger than that of any other country, and so will its trade and supplies of capital. India–China bilateral trade and commercial ties in the last few years have progressed at a galloping rate. The corporate world in India especially has lot at stake in this regard and therefore it will do a world of good to their business and Indian business if they make more efforts to obliterate their misunderstandings. In the near future, if Indian businesses do get an opportunity to do business in China, having a concise understanding of Chinese culture, politics and economy will enable them to be adequately prepared to tackle challenges associated with doing business in/with China. Furthermore, having a cultural understanding of China will also enable them to learn from unique Chinese business practices which are mainly inspired by their culture thereby enabling them to compete with the Chinese in European, American and African markets. Perhaps, this may also inspire the Indian business community to draw some unique strength from our culture and derive important insights and apply these cultural nuances to derive competitive advantages.

This book, in the words of the editors, is organised into three broad areas, namely, business culture, infrastructure and the economy. Under the broad label of culture, there are five chapters where the authors have dealt with topics like Chinese cultural ethos and their influence on Chinese management practices, culture and business etiquette, the role of Chinese culture in their negotiation practices (a lot of research already exists in this arena and the author could have dealt with some of the finer nuances as pointed out later in the review). There are a few chapters dealing with the Chinese economy, for instance, the much-debated topic of the Chinese yuan and the validity of its claim to ‘reserve status’ for itself in the world of international trade, banking and finance (Chapter 14). There are also some chapters like the one on the ‘*hukou*’ system, the method of residence permits that controls the movement of labour. Chapters deal with Chinese infrastructure, its drawbacks and strengths; the higher education systems in a historical perspective; and the response of China and India to the 2008 financial crisis. The book also compares the higher education systems in the two countries.

Keeping in view the scholarly attention that China–India comparative studies have received of late, it would have been useful if such comparisons had been attempted in other chapters, so that Indian readers not much exposed to China and its management practices in particular could gain reference points and do a reality check. The educational value of the book would have been greater if the authors had carried out critical comparisons, especially in infrastructure, education and banking.

Chinese culture clearly plays a very crucial role in determining its unique management practices, but devoting five chapters to this element, one felt that other areas

did not receive due attention. Maybe the book should have offered some insights on how Chinese culture affects their negotiation behaviour, which seems to be a black-box for many Indian businessmen who deal with China. Second, it would have been very beneficial to have a chapter on exploring the various ways in which the Chinese government (central, provincial and local) and the party influence decision-making processes in business organisations, and the unique ways in which the party-state affects business practices and decision-making processes in China. Many Indians in the field of business and management are yet to have a preliminary understanding of the history of reforms and opening up in China, as also some critical areas like the banking system and practices in China. Some of the questions in this regard are the crucial role of state-owned enterprises (SoEs), the emergence of township and village enterprises (TVEs), privatisation of TVEs in the late 1990s, the policy of holding on to the big and releasing the small SoE units (*zhuangda fangxiao*) and the reforms in the banking sector under the former Zhu Rongji. One final observation about the book is the lack of attention to unique ethical practices in Chinese management (though this is mentioned in some chapters).

The word 'business ethics' in the title of the book leads readers to anticipate some insights on this subject, given that this issue has raised a lot of eyebrows, especially from foreign corporate and business actors who do business with China. But except for the chapter on *guanxi* (roughly translated as networking) there is not much in the book which justifies the term 'business ethics' in the book's title.

Today, some in the Indian business community may not find the idea of doing business with China economically viable for various reasons, but, if they are to become important players in the international arena they need to consider China as an indispensable part of their international business strategy. They should adequately prepare themselves for this, as and when suitable opportunities arise in the not so distant future. Indian management schools while making their courses more contemporaneous need to incorporate this 'China dimension', to educate the budding entrepreneurs and managers about the Chinese management practices, encouraging them to 'look East'. This book is a significant step in this direction.

REFERENCE

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