

Reflections on Chinese Management Research: Celebrating 30 Years of Publishing in Top-tier Management Journals by Scholars Originally from China's Mainland

Jiatao (JT) Li

(School of Business and Management, Hong Kong University of Science & Technology)

Abstract: The year 2020 marks the 30th anniversary of publications in top-tier management journals by scholars originally from China's mainland. In this article, I first provide a historical review of papers published by Chinese management scholars in the 1990s and outline the research topics of these papers. Then, I summarize the Chinese elements in the macro institutional environment and at the organizational level and discuss how these specific Chinese elements are integrated into management theories, using some of my academic work as examples. Finally, I share my thoughts on how to build theories with Chinese elements and make such theories embodied in the mainstream management theory.

Key Words: Chinese management scholars; theory development; Chinese elements; global management theories; narrative perspective

The Thirty-year Development of Chinese Management

Changqi Wu

(School of Management, Shandong University)

Abstract: With the rise of China and the development of Chinese enterprises, more and more attention has been paid to the research of Chinese enterprise management. As early as 30 years ago, a group of pioneers took the lead in publishing research results in top international journals, analyzing the challenges and achievements faced by Chinese enterprises, and introducing Chinese scenarios, Chinese elements and Chinese models to the world management circle. The pioneering spirit and work of these scholars have laid the foundation for the development of Chinese management and even the construction of global management. The rapid development of Chinese enterprises poses new problems for the development of modern management, and challenges the existing theories. Theoretical construction based on Chinese enterprise practice is an important task for Chinese management scholars.

Key Words: Chinese enterprises; institutional environment; enterprise development; management research

The Chinese Elements in Management Research: From Contexts to Theories

—A Commentary on “Reflections on Chinese Management
Research” by JT Li

Jiang Wei¹ Guangpei Chen²

(1. School of Management, Zhejiang University;

2. Institute of China's Science, Technology and Education Policy, Zhejiang University)

Abstract: At a time that marks the 30th anniversary of publications in top-tier management journals by scholars originally from China's mainland, Professor Jiatao Li, a distinguished scholar in strategic management, shared his thoughts on Chinese management research community. After carefully reading his work of reflections, this paper points out that Chinese management research must strive to contribute knowledge and insights that embody real Chinese experience and oriental wisdom to the international community, by specifying and structuring Chinese contexts as well as elements, and developing Chinese indigenous theories. This commentary proposes that, many arguments and propositions put forward by Li, if answered properly, will help to enhance the voice of Chinese scholars in the mainstream communities, and promote the development of management and organizational science. Furthermore, this paper also extends a research framework centering on Chinese elements and some academic initiatives proposed by Professor Li.

Key Words: Chinese context; indigenous theory; institution; catch-up in innovation

Develop the Chinese Elements to Build Global Management Theories: Reflections on “Reflections on Chinese Management Research”

Liangding Jia Guoguang Wan

(School of Business, Nanjing University)

Abstract: Professor Li Jiatao has proposed for Chinese management research to “move beyond developing indigenous theories, and build global management theories”. That is, management scholars should develop our theories through deeply understanding and capitalizing on the contextual elements, aiming for universalized theories rather than localized ones. Through studying six of Professor Li’s published papers, we have analyzed how he contributes to global management theories by utilizing Chinese elements. Building on Professor Li’s standpoint, we believe that one of the important missions of management researchers is to promote global mutual understanding through academic dialogues in the global academic system.

Key Words: Chinese elements; Chinese management research; global management theories; global academic system

Chinese Management Scholarship Needs a Holistic Strategy: Commentary on Li (2022)

Jingyu Yang

(The University of Sydney Business School)

Abstract: Building on Li's (2021) insights, this commentary offers some additional thoughts and extended discussion regarding the development of Chinese management scholarship. Analyzing the context-specific articles by Professor Li and reflecting on the recent discussion and debates on Chinese management research, I apply the framework of Global Integration and Local Responsiveness to inform that Chinese management research needs to develop a holistic strategy to contribute to both local and global management knowledge.

Key Words: Chinese management scholarship; contextualization; global theories; holistic strategy

Daughter Succession, Son Preference and Innovative Investment in Family Businesses

Weibin Xu¹ Qiujie Dou² Penghua Qiao³

(1. School of Management, Guizhou University;

2. Business College, Guizhou University of Finance and Economics;

3. Faculty of Management and Economics, Kunming University of Science and Technology)

Abstract: How is second-generation succession related to innovation investment in family businesses? This study proposes and tests the idea that daughter succession, which is viewed as having less legitimacy than son succession, will be negatively related to innovation investment in family businesses. Further, this relationship will be more negative in areas that are more influenced by the idea of “son preference”, but less negative for successors from single-child families. The study finds supportive evidence for these ideas. In addition, we found that as the successor establishes authority over time, the negative relationship decreases. This study provides a new perspective for understanding the differences in innovation investment in family businesses by highlighting the influence of second-generation succession. The study also helps understand the economic consequences of gender issues in family business succession.

Key Words: daughter succession; son preference; family business; innovative investment

Corporate Integrity Culture and Executive Compensation Contract Selection

Shun Wang¹ Qiao Ren² Sujuan Xie³

(1. School of Business, Anhui university;

2. College of economics, Jinan university;

3. Management College/ China Business Working Capital Management Research Center, Ocean University of China)

Abstract: Corporate culture influences enterprise system and enterprise behavior. By using the method of text analysis, this paper constructs the core culture of listed company's data set, and combining with 2009–2014 listed companies' data, exploring the “integrity” which is the important cultural dimensions for effects of executive compensation incentive, we found that the “integrity” culture can significantly enhance the sensitivity between executive compensation and company performance. And the governance effect is still significant after propensity score matching control, sample adjustment, variable substitution and a series of robustness tests. Further research shows that the governance effect of integrity is also affected by internal and external environment of the enterprise property rights system, for the private sample and the location of the formal system is relatively weak enterprise samples, the positive effects of integrity is more significant. This study enriches the existing cultural and economic research literature, reveals the interactive relationship between culture and spirit may exist between the enterprise systems, as well as the important explanatory power of the elements of good traditional culture in Eastern management practices.

Key Words: integrity; informal institution; formal institution; pay-for-performance

Is Differential Mode of Association an Intra-National Culture? The Index Development, Heterogeneous Distribution and Impacts of Differential Mode of Association across 31 Provinces in China

Puchu Zhao¹ Xin Qin¹ Chen Chen¹ Wanlu Li¹ Jian Guan² Yuqing Gan¹

(1. Sun Yat-sen Business School, Sun Yat-sen University;

2. Antai College of Economics & Management, Shanghai Jiao Tong University)

Abstract:

Purpose: The “Differential Mode of Association (chaxu geju)”, which characterizes the fundamental culture pattern of Chinese social relation, is one of the most prominent concepts to analyze Chinese local economic and management phenomena. Prevailing literature regards Differential Mode of Association as an overall cultural feature of Chinese society, assuming that it distributes homogeneously across regions in China. However, our research suggests that Differential Mode of Association as a culture could display an intra-national variation within China. Drawing upon culture evolution perspective, we present a theoretical framework of the mechanisms through which regional variation of Differential Mode of Association emerges and persists within China, and the impact of the variation on regional development. First, we suggest that China’s agricultural and institutional past shapes regional differences of Differential Mode of Association in the modern day through shaping people’s specific subsistence styles and behavior patterns. The regions with higher degree of farming economy and Confucianism in history would emerge higher degree of Differential Mode of Association. Second, because Differential Mode of Association could improve cohesion within in-group members and decrease inclusion for out-group members, it has both positive and negative impact to region development in the aspects of politics, economic, society and technology.

Methodology: In empirical stage, we first developed a regional-level measure of Differential Mode of Association Culture. This measure includes four steps: First, dividing interpersonal relation into four categories (i.e., family, familiar person, acquaintance, and stranger). Second, using conception “trust” to approximately measure a wide range of interpersonal behaviors. Third, adopting Regression Slope Measurement to calculate individual trust radius to represent individual score of Differential Mode of Association. Fourth, aggregating individual score to regional level to acquire score of Differential Mode of Association Culture. This measure has advantages in reliability, validity, data availability and calculation simplicity. Based on this measure, we used data from CGSS 2010 to test the regional variation of Differential Mode of Association Culture within China and its influence on unbalanced development across 31 provinces.

Findings: The empirical results support our prediction in general. First, there is a significant regional variation of Differential Mode of Association Culture across 31 Provinces in China. This variation is explained by three regional factors: farming economy, Confucianism, and temperature clemency. Second, this variation can widely explain the provincial differences in development in-

dex, including citizen political participation, private entrepreneur political participation, foreign direct investment, crime rate, social adaption of floating population and technological innovation output.

Value: With such findings, our research is the first to provide theoretical explanation, empirical evidence, and methodological tool to the regional variation of Differential Mode of Association Culture within China, which makes three key contributions to the theoretical and empirical research on Differential Mode of Association. First, we relax an assumption in existing literature that Differential Mode of Association distributes homogeneously across regions in China, and reveal region as an important boundary condition of theory about Differential Mode of Association. Second, we develop a measure method which is easy to use for empirical research to measure regional Differential Mode of Association. Third, our research also provides a parsimonious explanation for numerous disparate phenomena across 31 provinces, including politics, economic, society and technology outcomes.

Implications: For the governances, it may need to consider the impact of local Differential Mode of Association Culture when formulating policies (for example, talent policy and foreign investment introduction policies). For the firms, managers should pay attention to the impact of Differential Mode of Association Culture when make trans-regional strategic decisions (for example, market entry decision and manager delegation decision).

Limitations and Suggestions for Future Research: First, Regional variation of Differential Mode of Association may exist within a province. Future research could build related index in city level or community level. Second, our research uses cross-sectional data. Future research could employ longitudinal data to investigate the dynamics of Differential Mode of Association. Third, as exploratory research, our research examines the correlation between Differential Mode of Association and regional development. Future research could adopt more rigorous inference approach to investigate potential causality.

Key Words: the Differential Mode of Association; culture; regional cultural differences; trust; empirical measurement development

The Impact of Family Control on the Openness of Innovation: From Socioemotional Wealth Theory

Xiao Wang¹ Feng Dong¹ Xueliang Han²

(1. School of management, Jinan University;

2. School of business administration, Henan University of Economics and Law)

Abstract: The existing literature has compared the differences of openness between family and non-family firms, but ignores the heterogeneity of openness among family firms. At the same time, due to the data collection difficulty, open innovation research for family firms has been stagnated in theoretical discussion with few empirical studies. Moreover, while recent studies have examined the impact of non-family members on openness, how family-specific attributes may impact openness still remains unexplored. Thus, this paper investigated the impact of family control on openness, and the moderating role of intellectual property rights protection institutions and external ties.

From socioemotional wealth, we argued that the higher the family control, the deeper the involvement of the family system and the business system, and family owners are more willing to protect socioemotional wealth when they engaged in open innovation. We also proposed that the intellectual property rights protection institutions and the external ties moderate the relationship between family control and openness by protecting family firms' control over technology in open innovation.

The paper analyzed a panel of 700 family firms and 4158 firm-year observations from 2010 to 2017. The hypotheses were tested using fixed effects regression analysis while controlling for other potential impacts on openness. The research findings indicate that family control has a negative impact on openness, and both the intellectual property rights protection institution and top managers' business ties attenuate the negative effect of family control on openness. By introducing the intellectual property rights protection institutions and top managers' external ties into the open innovation research of family firms, this paper finds that both two contingencies can influence the legality of the family business and their control over open innovation processes, therefore changing the reference points of family owners over socioemotional wealth.

The study contributes to the open innovation in family firms literature by focusing on the heterogeneity of family firms and helps understand how external contingency factors affect the preservation of socioemotional wealth. The paper further mitigates the theoretical contradictions between family firms and openness. This paper indicates that family control is one of the reasons for the heterogeneity of family firms' openness. Under different levels of family control, family owners weigh socioemotional wealth differently. At the same time, the intellectual property rights protection institutions or top managers' business ties are the boundary conditions for such heterogeneity.

Future research may further explore the openness of family firms from the following three aspects. First, future research should further examine how different types of socioemotional wealth interact with financial wealth and jointly affect how family firms make open innovation decisions. Second, scholars need to compare the impact of partner types on the openness in family firms, such as profit or non-profit organizations, since they perform differently in term of socioemotional wealth threats. Third, openness is a com-

plex and multi-dimensional concept, which covers not only how firms search for external knowledge, but also how an enterprise cooperates with external partners during the innovation processes. Future research may further explore the richness of openness, using questionnaires or other research designs.

Key Words; the openness of innovation; family control; socioemotional wealth; intellectual property rights protection institutions; external ties