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Creativity and Productivity: Resolving the Conflict **4**

In today's knowledge-based economy, creativity is crucial to successful competition, but productivity remains central to profitability. They don't always go hand-in-hand, but they can if conditions are right. Many of the needed conditions were discussed in Tracy Kidder's The Soul of a New Machine, including intrinsic motivation, talented and committed employees who "sign on" for the project, intense but hands-off management, and competitive challenge. The Data General team entered a state of "flow," as described by Csikszentmihalyi. The authors' survey of 145 engineers and scientists sheds further light on the key factors that unite creativity, especially mental involvement and intrinsic motivation in challenging situations.

J. Benjamin Forbes and Donald R. Domm

Lean Object-Oriented Software Development **12**

The principal concepts of lean manufacturing — eliminate waste, standardize work, produce zero defects, and institute one-piece flow — are well known and accepted because they promote agility, responsiveness to customer demands, and profitability. But they are not often applied to the large and rapidly expanding world of software development, despite many parallels and the high costs of software failures. Successfully applying lean techniques to object-oriented software development requires a careful analysis of suitability and often an expensive and time-consuming transformation to lay the groundwork. Results are not immediately apparent, so patience and commitment are needed.

Jack Cook and Victoria Semouchtchak

Absorptive Capacity and the Implementation of Knowledge-Intensive Best Practices **21**

Today's information age is intensely competitive. Having the latest information about best-practices, for example, and being able to integrate this information with internal know-how may spell the difference between competitive success and failure. Therefore, a firm's absorptive capacity — ability to acquire, assimilate, transform, and exploit knowledge — may determine its level of organizational innovation and adaptability. To encourage and increase absorptive capacity, top management must be committed to the goal, communication across functional boundaries and general knowledge-sharing must be encouraged, and organizations must support an open culture.

Abdelkader Daghfous

High Technology and Globalization Challenges Facing Overseas Chinese Entrepreneurs **28**

Overseas Chinese — those of Chinese decent who live outside Mainland China — have played important, if not dominant, roles in East Asian economies ex-Japan. But their successes came in slower-growth, low-tech industries that meshed with their business culture favoring internal financing, close or family control, and networking. The Asian financial crisis of 1997–98 and ongoing globalization of world markets have made the business environment less favorable for these traditional businesses and business practices. Nevertheless, interviews with 15 entrepreneurs, venture capitalists, and government officials in East Asia suggest that Overseas Chinese entrepreneurs may resist the changes needed to compete in fast-changing, high-tech businesses in a global marketplace. Some, however, particularly in Taiwan, are adapting to this new, competitive environment.

David Ahlstrom, Michael N. Young, Frankie M. C. Ng, and Christine M. Chan

Issues of Effective Repatriation: A Model and Managerial Implications 38

As more companies and organizations go global, more managers find themselves with overseas assignments. Despite the expense of maintaining overseas managers and problems often associated with their return, too many companies have inadequate plans for their stints abroad and their assimilation upon return. Interviews with 11 former expatriate managers plus a literature survey suggest the principal challenges and remedies for successful repatriation. For instance, frequent and high-quality communication while managers are abroad, a “sponsor” to act as liaison while they are away and to help them assimilate when they return, comprehensive HR support, and the availability of positions that make use of their new skills all contribute to effective assimilation.

**Avan Jassawalla, Traci Connelly, and
Lindsay Slojkowski**

The Allocation and Motivation 47 of Japanese and U.S. Foreign Direct Investment in an Economically Integrated Area: The Case of the European Union

The pace and type of change within an economically integrated area such as the European Union are likely to affect the type and allocation of direct foreign investment in that area. Using a literature survey to explore this subject and a statistical study to test certain hypotheses, the findings suggest that the patterns of Japanese and U.S. manufacturing foreign direct investment in the EU were more similar in the second period studied (1985–96) than in the first (1975–84). The static and dynamic effects of economic integration in the EU may be only one explanation. Others include rapid globalization, the increasing sophistication and reach of Japanese multinational companies, and rising living standards, to name a few.

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