China: Competitive Myths and Realities

China's economy is admired and feared. Shoppers often conclude that “everything is made in China,” and politicians like to rant about our trade deficit with China. But a closer look at some facts throws a different light on all of this. The trade deficit, for instance, is exaggerated by the way China records export data. And China’s economy, while impressive and fast-growing, has weaknesses. The leading exporters are firms with significant foreign investment and ownership. Generally speaking, indigenous firms have not developed global brands, have not created or adapted technologies, spend almost nothing on R&D, and lack the skills to compete internationally. China may end up following a developmental path in which foreign partnerships are a key.

David Ahlstrom, Anil Nair, Michael N. Young, and Linda C. Wang

Expanding into China? What Foreign Employers Should Know About Human Resource Management in China Today

By the end of 2003, there were 460,000 approved foreign companies in China. One thing they have in common is discovering that human resource management — recruiting, selecting, training, appraising, compensating employees and looking after their safety and welfare — is different from in the U.S. In China, Westernized HR management comes up against old central planning practices, the cultural bias against self-promotion as well as giving direct criticism, and the view of employers as “family,” to name a few differences. In trying to apply Western HR methods, foreign enterprises or joint-ventures must often cope with deficient infrastructure (insufficient or no market research), bureaucratic red tape, and increasingly adversarial unions.

Gary Dessler

Competitive Intelligence at Small Enterprises

You might think that all businesses would want to know as much as possible about their competitors, but not so. Attitudes toward competitive intelligence can vary among industries and size of company. A survey of small Montreal companies in the multimedia and nightlife industries highlights these differences as well as various issues affecting the CI decision. Principal among these is the “leader-follower” image. Some businesses believe CI projects the image of a follower. Another issue affecting CI decisions is the extent of social interaction among potential competitors, since information gained informally may preclude more formal steps.

Patrick Tarraf and Rick Molz

The Millionaire Mind: Implications for Business School Education

Business schools compete aggressively for top students, top professors, and to earn top spots in school rankings. But is this where their focus should be? Arguably, these schools be equally or more concerned with how their graduates perform in the “real world”? High test scores and IQ do not correlate with business success; the ranks of business superstars are full of school dropouts. Economic growth in the U.S. is fueled by individuals able to create successful business ventures more than by those prepared to fit into existing corporate cultures. One researcher concluded that vital skills included effective communication, critical thinking, ethical understanding, decision making, and problem solving. Specific suggestions offered here for the dean’s office and the business school faculty take into account relevant research and common sense.

Miles Davis, John Proe, and Randy Boxx
The Desktop Manager

The advance of personal computers and the Internet into every facet of business life may enhance efficiency and productivity — but there is a dark side. A new kind of manager is emerging who excels at working online and sending e-mails but lacks interpersonal skills. This “desktop” manager is a whiz at dealing with administrative trivia (so-called administrivia) and a flop at face-to-face management. Such managers can severely undermine a company’s operations, because managers’ first job is to manage people, and people determine a company’s ultimate success or failure. The desktop manager problem can be avoided through careful screening, training, and evaluations by people they manage.

Donald L. Lester and John A. Parnell