

Some Lessons from Shanghai: IFSAM '97

AT THE IFSAM SHANGHAI CONFERENCE, THREE KEYNOTE SPEAKERS SPOKE ON THE TOPIC OF ORIENTAL AND OCCIDENTAL MANAGEMENT CULTURES IN THE 21ST CENTURY.

The following, are presentations made by Professor Lessey Sooklal of Canada, Professor Tasuka Noguchi of Japan and Professor Dong-Sui SU of China.

EAST MEETS WEST

Professor Lessey Sooklal
Memorial University

It is only fitting, that in a conference of this nature we pause and reflect upon what we have in common, on what appears to separate us, and on what we can learn from one another. In the time that is available for this presentation, I will attempt to begin this process of reflection. In 1994, it was my pleasure to come to China and to deliver a series of lectures to colleagues from Shanghai (at Fudan University); from Chan Chun; and from Beijing (Tsinghua University). On that occasion my emphasis was upon what we had in common. My theme then was leadership. In essence, the thrust of my thinking began with the proposition that a leader was a person who had the remarkable ability to defy all the laws of the physical sciences by making something from nothing. The "nothing" of which I spoke was the idea, sometimes referred to in the sacred literature of both Eastern and Western philosophy as the "Word".

Then, as I do today, I suggested

"It was Rudyard Kipling, the famous English Poet who once said:

*'East is East and West is West
And never the twain shall meet'*

Today, I think that most of us agree that Kipling was wrong: In Germany, the Berlin Wall has been dismantled; the iron curtain no longer separates us; and the hospitality at our meeting here today is proof that the red carpet can co-exist with the red flag."

**Professor Lessey Sooklal -
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that all man-made reality such as the sky scrapers which surround us at Pudong; the computer which is the new icon of contemporary civilization (both East and West), and conferences like this one: all of these realities were preceded by the nothingness of an idea. To put it provocatively, there were people in both East and West — in ancient as well as in modern times — with the "know how" to produce something from nothing. I further suggested that how leaders did this was not as mysterious or

as magical as once we thought, and the purpose of my collegial exchanges in China in 1994 was

to explain how this was done. I shall not go into details of this stream of thought today.

It will suffice to say that my argument then was, and is now, that leaders as different from each other as Genhis Khan and Mahatma Gandhi were people who transformed their ideas into reality by building strategic alliances with people within their environments. The building of these alliances, in ancient times as well as in modern times, in management and in science, took place within a common social architecture which I described and discussed in some detail. This much, I suggest, we knowingly or unknowingly have in common, in both East and West and in both ancient as well as modern times. If we have this much in common, what is it, then, that separates us? This morning I wish to suggest that we are separated by values to which we cling. I will begin by drawing your attention to a core value-difference which seems to separate West from East. Several years ago, an old friend of mine from the United States of America ex-



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A NEW CULTURE

*Professor Dong-Sui SU
Fudan University*

The economic miracle of Japan and Eastern Asia is regarded as the success of Japanese management. However, the management mode comes from Japanese culture that has absorbed traditional Chinese Confucius thought. Today, China's economy increases rapidly and Chinese entrepreneurs across the world accomplish one great achievement after another. This should be attributed to the unique management style of Chinese enterprises, which has its foundations in Chinese traditional culture. Culture exerts a tremendous influence on management.

In the 21st Century, there are three significant factors influencing culture and management. Firstly, we are facing the change of the world's economic center. In the past, the world economic center moved from Europe to America. Today, however, it is shifting towards Asia. Histori-

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cally, the hope and creativity of management could be found in countries and regions where economies were developing rapidly.

Modern science and technology has also entered a new phase. This has lead people to rethink the nature, contents, application and

rationality of standardization, maximization and quantilization of modern management behavior. Finally, a new development concept that centers on sustainable development is recognized worldwide.

Sustainable development is more demanding on management, yet at the same time offers opportunities for the further development of managerial theory. In the face of such changes, new thoughts and a new management culture has emerged in the East, combining the traditional and the modern values, Eastern and Western culture, as well as both scientific and humanistic ideas. This is the modern Oriental Management Culture.

With the recent rapid economic development of Asia, Oriental Management Culture with Chinese management culture at its core has displayed great strength. It is a natural trend for management culture in the East and West to assimilate and conform. Oriental management culture emphasizes the importance of morality and ethics. According to Da Xue,

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AN ASIAN MODEL

*Professor Tasuku Noguchi
Soka University*

From the viewpoint of Science, Technology, Market and Industry, although the problem of whether an "Asia Model" exists in Asia has been proposed many times, concretized contents are not in order sufficiently. Before clarifying this "Asian Model", there are a few issues which should be taken into consideration. First, there is a need to re-examine the analytical methods of natural science, social science and human and cultural science from the

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Professor Tasuku Noguchi - IFSAM '97 Conference in Shanghai

viewpoint of human science. The methodological approach of management and recognition of the relationship between science and humans must be re-examined.

In the future, compound science such as biophysics and

physics chemistry, and also the field of broad scaled science such as biophysics-chemistry are important. Therefore, there is a deep significance of creating a linkage table of science and

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EAST MEETS WEST CONTINUED

plained to me how the traffic lights which surround us had evolved in his country. In the beginning, when cars were few and much slower than they are today, and when roads were but narrow dirt tracks, a problem arose when two cars came together at an intersection. Who was to have the right of way?

The answer then was quite simple. The drivers looked over to see who was driving the other car and the person lower in status made way for his superior. Then, cars became a bit faster and more plentiful and as this happened it was thought appropriate to move away from the status system, not because people no longer respected their superiors, but because the technology of the motor-car made status an irrelevant consideration in this context. The traffic policeman was installed. Mutual consent was replaced by legitimized command. As in Shanghai today, you stopped when the policeman signaled — or else!

Subsequently and again spurred on by technology, the traffic policeman was replaced by traffic lights. With this change an interesting development which was paralleled in several other facets of Western living happened: a system which was regulated by the discretion of men and women was replaced by a system which was regulated by rules. Hence, we see the evolution of a core Western value which was driven by the technology of transportation, of manufacturing, of warfare and several other facets of life and death. Western civilization, of which western management is but a part, depends upon the rule of law as opposed to the rule of men. This core value, I suggest, is its major strength.

What, then, may you ask is the corresponding strength of Eastern Civilization? Here, I wish to suggest that a major strength of eastern civilization is to be seen everyday, when the police are not around, at the many intersections on Nanling Road in Shanghai! There is an interesting chemistry which seems to exist between pedestrian and driver, and between driver and driver. You rely upon personal judgment and proceed to ignore the traffic light, the road signs and all the trappings of regulation which came with the motor car. To those of us



who come from the West this may look like chaos. But chaos, like beauty, sometimes resides in the eyes of the beholder.

Why, you may ask, do I regard this apparent chaos as a manifestation of a major strength of Eastern Civilization and management? My answer is simple: What happens when the rules at stake are no longer as easily programmable as the regulation of traffic or scheduling of manufacturing processes? What happens when the fruit of technology happens to be euthanasia, abortion, genetic engineering, the cloning of human beings and a variety of complex problems which we are currently beginning to face?

I suggest that the answer is to be found in the spirituality which belies the reliance upon conscience and personal judgment which are important dimensions of Eastern philosophy. In areas such as these, I think that the West has as much to learn from

the East about technology and the rule of law. As I reflect, it occurs to me that it is relatively easier to understand technology and the rule of law than it is to absorb, into one's being, the spiritual perspectives which the East has to offer. I say this because the ease with which my foreign students absorb what I have to say about technology and the rule of law never ceases to impress me.

On the other hand, as I look around in the West I see great enthusiasm among our younger people for the martial arts. However, as I probe beneath that enthusiasm I am often faced with a situation in which Aikido - a Japanese martial art - for example, has assumed the form of a brand of demolition technology in which the spirituality which lies at its core is often lost. As we meet at conferences like this one it is my hope that this exchange of learning experiences will become less skewed to the West.

The areas which Professor Dong-Sui SU has wisely included under various aspects of Eastern thinking gives me cause for much hope that we may be witnessing at this conference the beginning of a new trend in East-West learning exchange. With this note of optimism, I wish to end by thanking you personally and on behalf of Canada for asking me to share my thoughts with you this morning. You cannot help but notice, I am sure, that though Eastern in appearance I represent a Western country. It is a fact which perhaps says more for Canada than it does for me. As a product of both East and West, I would like to think that I am living proof that East and West can co-exist within one body. If this can happen within individuals, then surely it can happen within and across countries. I wish to end as I did at the beginning by emphasizing that Kipling was, indeed, wrong.

A NEW CULTURE CONTINUED

morality is most fundamental. Confucianism starts with self-management, which is the basic function of management. To manage one-self means to be an example for others to follow. In this way, one can exert influence on others.

Oriental Management Culture also emphasizes the importance of things for the people. "To do things" means to foster the development of initiative in others. It partly corresponds to the western policy of motivation. Xun Zi once said: "People's nature is bad, but can be changed", which means people may improve themselves with their own efforts. "To do things" is a central theme throughout Oriental Management Culture.

As ancient praxiology, this theme encompasses ten aspects, including the study of: human behavior; human desire and need; praise and punishment; harmony; collective behavior and organization behavior; human resources; leadership behavior; the exercise of power; the way to foster people's initiative; and human nature. The two aspects of the preposition are closely related.

The aim of "doing things" is "for the people" - the aim of management is for the people. To manage is a process from "doing things" to "for the people". This process is reflected in the management of family, trade, and country. The above is only a summary of my opinions. There are detailed discussions in my works exploring Oriental Management Culture, Management Psychology and on how to make the past serve the present in modern management.

Oriental management also includes a number of well-established thoughts and methods, especially in the "Arts of War" by Sun Zi. In my opinion, to take

human as the basis, to take morality as initial, to do things for the people is the essence of oriental management, and is worthy of absorbing at the turn of the century.

The distinctions between eastern and western management is rooted in their different economies. An agrarian economy of small farms in the East very much helped shape oriental management. With the development of modern industrial civilization and social change, oriental management has shown its adventure. The assimilation of both management can be summed up as follows:

1) Human beings play an important role in management, team and even global cooperation. Both oriental and occidental management culture pays a great deal of attention to the functions of individual, family, and group. The role of the individual role within these contexts is given a much more prominent position. This is exemplified by the change of western concepts about humans and the economic development of the South-east Asian countries.

2) Scholars of both management circles are studying the influence of culture on management with enthusiasm. The aim, goal, value and management philosophy of an organization are all affected by culture, which attracts both eastern and western management scholars' attention.

3) Globalization, information and the integration of the world economy, the boom of transnational companies, developments in communication and transportation have all served to link the world economy - bringing together the entire human race. This has also led to the

founding of a new oriental and occidental management culture.

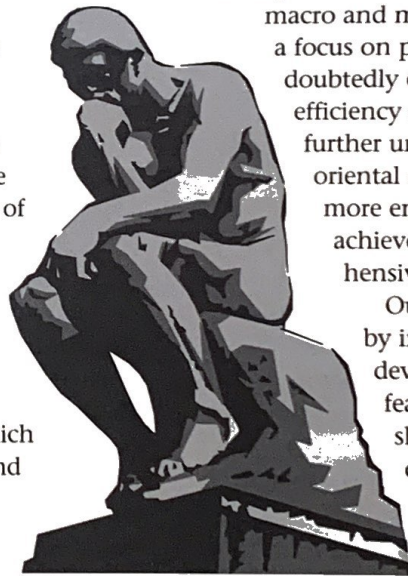
We should make efforts to adopt the changes of management theory and culture at the turn of this century. More research should be conducted into the best aspects of oriental management culture. Oriental management culture is rich in knowledge of environment and resources, in the management community, in the efficiency of management, and in management strategy and technique. There are many sophisticated discussions and cases studies in oriental management culture.

We have already done some work in this area, some of which can be found in my book "Management in China". Secondly, oriental management thoughts and culture have hardly been taught in classrooms. Even in China, only a few scholars are engaged in research within this area. This is an abnormal phenomenon. Thirdly, application is the purpose and criteria of management theory. For both

macro and micro management, a focus on people will undoubtedly enhance the efficiency of management. A further understanding of oriental culture will help more enterprises to achieve greater comprehensive profitability.

Our era is marked by innovation and development. Such a feature has become sharper as the 21st century approaches. Therefore, we are more justified to combine our

own traditions and reality to create a new management culture. Let's contribute our share to the economic development of the next century at this IFSAM Management Conference '97 and the World Management Forum.



AN ASIAN MODEL CONTINUED

technology. In the field of fundamental science, there are several scientific fields that are world class in the East Asian region. When these fields of fundamental science co-operate mutually, and create the basic natural science linkage table, or in other words, when the scientific version of an "Asia Model" in East Asia is created, it will contribute greatly to the development of the East Asia region which is based on science and technology. Although this is highly possible, it is not taking place today, which is a tremendous loss for the world.

The same phenomenon exists in the field of engineering. At present, there is a close relationship between mutual fields of engineering. As a result, various new types of engineering have been established. In addition, this new engineering is integrating with existing vertical axis engineering and is advancing towards vertical and horizontal matrix engineering. In other words, matrix engineering is defined as an action (built-in theory) that integrates software engineering with hardware engineering. Building industrial structures based on matrix engineering is extremely important for the long-term development of the overall industry.

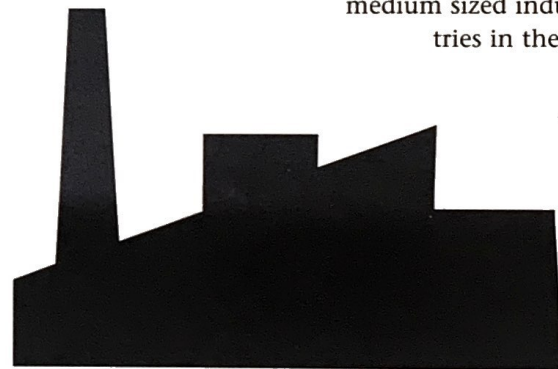
When looking at Asia from this viewpoint, it is clear that the development of software engineering based on hardware engineering is threatening Asian countries. The fusion of hardware and software technologies has led

to many problems. The United States is already encountering this problem. Japan's fusion of hardware and software technologies ranks as the highest in the world. As this fusion has been penetrated very naturally, there is a tendency towards firmware advancement. However, this is not clearly understood and perceived. What is important, is that the fusion has been penetrated naturally. When comparing the level of progress of firmware among European and American nations with Asian countries, Japanese standards are considerably higher. China is not adopting the American model in favor of the Japanese Technological Linkage Model. It is adopting an "All Directions Technological Strategy". This is in fact a wise approach. China has been expanding the automotive industry using technologies from the steel industry.

Presently, it is absorbing automotive technology and working to apply information technology within the industry. In the long term, there is a great possibility of China creating a "China Model" based on the "Japanese Model" through the adoption of "mechatoro", software engineering and ITS.

A great problem exists in Asia's market and industrial structure, in several regions. Korea focuses its attention on large financial groups and has weak small and medium sized enterprises. In contrast, Taiwan has a solid base of small and medium-sized enterprises but a weak base of larger

corporations. Singapore has remarkable finance and technology industries but lacks small, medium and large-sized enterprises. The linkage of industries must be taken into consideration for the sake of sound economic development of each nation. On the other hand, China may probably take a similar industrial development approach to Japan. China has 6 million small and medium sized enterprises and 23 million agricultural small and medium sized enterprises. Although the quality of these enterprises is pretty low compared with Japan which has 6 million small and medium sized enterprises, when all small and medium sized industries in the



world are added, Japan has a fewer number of enterprises than China. In the future, if China pursues the "All Direction Technological Strategy", great development may be achieved.

In conclusion, to create an "Asia Model", it is necessary to include findings from the viewpoint of science and technology, and from the linkages of market and industry. Of course, it is necessary that every individual corporation has the freedom of taking actions in its free will. This is inevitable for the sake of the continuous growth of macro and micro linkage.