

Preface

INTRODUCTION

Since 2008, the economies of many western countries (the United States, eurozone) have been suffering the dramatic consequences of the international financial crisis: continuous destruction of employment, high unemployment rates (especially among young people), the closing-down of small and medium companies, interventions in banks by central banks, growth of the risk premiums and intervention in some countries, like Portugal, Greece and Ireland. Spain suffers in a critical situation too, with more than 5 million unemployed people, the country is walking towards levels of recession and rumours about a possible intervention, as happened in other neighbouring European countries recently.

The earthquake and nuclear disaster that struck Japan in March 2011 had a negative impact on the Asian economy. Japan is the world's fourth largest economy (after the EU, U.S. and China), so its decline would drag down the global economy. This country also hires temporary workers from South Asian countries, who are now being laid off in droves. In November 2011 Japan made the decision to intervene in currency markets due to the appreciation of the yen which was putting Japan's economic recovery at risk.

In the *Asian Development Outlook Update 2011* published in September 2011, the Asian Development Bank trimmed its full year forecast to 7.5% from 7.8%. The 2012 projection is also lowered slightly to 7.5% from 7.7% previously. Some of these Asian economies observe how this inflation comes closer or exceeds the targets of the central banks at the time that they experienced a credit boom. Also there is the latent risk of rising prices of energy and food entering an inflationary spiral.

Undoubtedly the Asian economies are going to have an essential role in the economic recovery of the Euro area and USA. For this reason to know its economic policies, models of economic development, tendencies in management of companies and influence of the new information technologies will be of strategic interest. But not only to look at the top emergent markets but also to other countries that can provide surprises in the future, as are Bhutan, Laos, Mongolia, Myanmar and Vietnam.

In most academic journals on economics and business available in the libraries of European and North American universities there is little research published by authors from these countries. For example, Bhutan is developing the philosophy of the Gross National Happiness (GNH), an index measuring the happiness of the inhabitants of the country. Also Bhutan is implementing a tourist policy designed to attract quality tourism ("high value, low impact" policy) and at the same time trying to maintain its ancestral traditions and protect the beautiful natural environment of the country. Nevertheless, there is little knowledge about these issues in Europe and the United States. It would be very interesting to know about empirical researches on these topics and learn from their experiences.

The main emerging markets (China, India, Brazil, Indonesia, Philippines, Poland, Mexico, Russia, South Korea, South Africa and Turkey) are redeeming a critical role in the economic global recovery.

Some experts point out that India may become the fastest growing major economy in the world till 2012 and will be the 3rd largest by gross domestic product within the next two decades, behind China and the United States.

Nevertheless the help of the emerging Asian markets – the two most important ones are China and India --, to getting out of the recession in other economies, might be affected if the crisis in Europe continues, as pointed out recently Christine Lagarde, the president of the International Monetary Fund (IMF). The decrease of the demand from Europe and the United States begins to be a reason to worry for Asian countries.

THE BIRTH OF THE JOURNAL

In 2010, the *International Journal of Asian Business and Information Management* (IJABM) came to light. It is an academic journal published quarterly by IGI Global. The mission of the journal is to establish an effective channel of communication between academic and research institutions, policy makers, government agencies, and individuals concerned with the complexities of Asian business, information technologies, sustained development, and globalization.

The journal provides in-depth analysis on the globalization and sustained development of Asian commerce and management technologies with a clear international and interdisciplinary approach. A comprehensive resource for policy makers, government officials, academicians, and practitioners, this journal contains a wealth of valuable research on theories and practices which underpin successful business and management in Asia. *International Journal of Asian Business and Information Management* promotes and coordinates developments in the field of Asian studies, as well as presents strategic roles of information technologies and management towards sustainable development with special focus on practical aspects in Asia.

The Editor in Chief of *International Journal of Asian Business and Information Management* is Patricia Ordóñez de Pablos (The University of Oviedo, Spain). The Associate Editors are Dasho Karma Ura (Centre for Bhutan Studies, Bhutan), W.B. Lee (The Polytechnic University of Hong Kong, Hong Kong) and Jose Luis de Sales Marques (Institute of European Studies of Macau, Macau).

The Editorial Board of the *International Journal of Asian Business and Information Management* is formed by leading academics and experts mostly from China, Hong Kong, India, Japan, Philippines and Taiwan. The members of the Editorial Board were chosen following a review process of CVs submitted by those interested in joining the Editorial Board of the new journal in 2009. The Editorial Board members are Ilan Alon (Rollins College, USA), Siah Hwee Ang (The University of Auckland Business School, New Zealand), Rolando T. Dy (University of Asia and the Pacific, Philippines), David S. Hong (Taiwan Institute of Economic Research, Taiwan), Rabindra Ku Jena (Institute of Management Technology, India), Lluís Jovell, (Universitat Autònoma de Barcelona, Spain), Vicent Kong (Ministry of Foreign Affairs and Trade, New Zealand), J.P. Li (CEO China, China), Mingfang Li (California State University Northridge, USA), Jyhjong Lin (Ming Chuan University, China), Kai Meng Mok (University of Macau, Taipa), Maria Fernanda Pargana Ilheu (ChinaLogus, Portugal), Hong-Chi Shiao (Shih-Hsin University, Taiwan), Danchi Tan (National Cheng-Chi University, Taiwan), Jonathan Unger (Australian National University, Australia), Chihiro Watanabe (Tokyo Institute of Technology, Japan), Wei Ping Wu (Hong Kong Baptist University, Hong Kong), Qingrui Xu (Zhejiang University, China), Xi Zhang (Institute of Policy and Management, CAS, China), Xiaoyang Zhang (The Open University of Hong Kong, Hong

Kong), Jing-Yuan Zhao (Harbin Institute of Technology, China) and Wang Zhiwei (Ministry of Education of China, China). It is our duty to thank all of them for their generous work for this academic journal in 2010 and we hope they continue collaborating with us in the future.

The journal focuses on the role of business and information technologies in Asia and its implications on Asia region, Asia-European Union relations, Asia-Latin America relations, Asia-USA relations, business, business ethics, competition in a global economy, eco-tourism, entrepreneurship, globalization, education and cultural change, human resource management, information technologies, international trade, leadership, management, competitive, technological, social, and political environments, new technologies and new modes of e-learning, organization structure, planning processes, resource allocation, strategic decision processes and sustained development.

Currently the *International Journal of Asian Business and Information Management* is indexed in Bacon's Media Directory, DBLP, Google Scholar, The Index of Information Systems Journals, INSPEC, MediaFinder, The Standard Periodical Directory and Ulrich's Periodicals Directory.

During the first year of life of the academic journal numerous manuscripts have been received for review. In particular, the journal received more than 100 manuscripts, most of them written by researchers located in East Asia and South Asia, mainly from China and India. All submitted manuscripts were initially reviewed by the Editor in Chief or one of the Associate Editors. If the topic of the paper fits with the aims and scope of the journal and it offers added value to the field of research, then the paper is sent for review to two anonymous reviewers, to follow a double-blind peer review process. *The International Journal of Asian Business and Information Management* has a pool of reviewers with different areas of expertise. When a paper is submitted for review, our goal is to choose reviewers experts in the topic and also with a good knowledge of the economy, market or country where the paper is focused. After a double blind review process, only twenty papers were accepted for publication in 2010.

CONTENTS OF THE BOOK

In 2010 four issues of the International Journal of Asian Business and Information Management have been published. The book, *Advancing for Technologies Asian Business and Economics: Information Management Developments*, offers the collection of papers previously published and classifies them in the following sections: A) Chinese Cultural Values and Industry; B) Marketing in Asia; C) Economic Development and Investments and D) Managerial Issues in China. Now we present a summary of contents of the book chapters included in the four sections mentioned before.

Chinese Cultural Values and Industry

The Section "Chinese cultural values and industry" offers a collection of seven chapters that analyses the impact of Chinese cultural values on business in China and what companies need to learn to overcome the cultural gap when doing business in this country. Factors such as the Confucianism heritage, the dynamics of *guanxi* or social networks and the importance of reputation are key to understand the success factors of business in China.

The chapter "Local Milieu in Developing China's Cultural and Creative Industry: The Case of Nanluoguxiang in Beijing" by Jici Wang, Chun Zhang, Ching-Ning Wang, and Ping Chen, all from Peking University (China) studies the role of creative milieu and cultural heritages in the development of Chinese

cultural industry. The chapter covers a case study of Beijing's Nanluoguxiang, a zone where several arts institutions and theatres are located. It suggests that the growth of local creativities in a transitional economy needs an atmosphere of tolerant and frequent social gathering, like cafes and bars. It also shows that the newly-built creative parks might be useful to breed the creative products, but are not necessary.

The chapter, "Australian Businesses in China: Strategies to Overcome the Cultural Gap," by Mona Chung and Jane Menzies, both from Deakin University, (Australia) points a main barrier when doing business with China: the cultural gap. It studies the strategies that companies can use when entering the Chinese market. With this aim, the authors develop an empirical study with 40 Australian organisations that penetrated the Chinese market. These strategies refer to human resource strategies, dealing with Chinese staff, relationship building, learning and adapting to local culture, among others.

The chapter, "Confucianism Values for Transformational Leadership Development in the Chinese Context," is written by Balakrishnan Muniapan and Ee Yaw Seng both from Winburne University of Technology (Malaysia). Transformational leadership has received a great attention in the leadership literature during the past two decades. The chapter examines the importance of Confucianism and its impact in transformational leadership development. It focuses on the Analects or *Lunyu* - a collection of sayings by Confucius and dialogs with his disciples). The Analects provide the essence of Confucianism to explore the relevant transformational leadership concepts. According to the authors of the chapter, Confucianism offers an inside-out approach to transformational leadership development, which is self leadership first, before leadership of others.

The chapter, "Study on Cultural Commercialization and Public Consumption: The Case of China," is written by Yuhong Li, Jingyuan Zhao and Han Weixi, all from Beijing Union University (China). The authors analyze the industrialization process of Chinese culture, probes into the cultural consumption demand and structure in contemporary China, and analyze the cultural consumption phenomenon of the Chinese public. It offers advice on the destined cultural commercialization and the development trend of cultural consumption in China.

Valerie (C. Y.) Zhu (Xi'an Jiaotong University, China) and Linyan Sun (Xi'an Jiaotong University, China) are the authors of the chapter, "The Interactive Relationship between Corporate Cultures, Leadership Style and Knowledge Management." The chapter studies the dynamic relationship and effect mechanism between corporate culture, leadership styles and knowledge management in organizations. It shows that corporate culture can serve as a propeller or inhibitor in the knowledge management strategies. For example a knowledge-sharing organizational culture has a positive effect on knowledge management while hierarchical culture has a negative impact. Leadership style has an impact (both direct and indirect) on knowledge management through the formation and components of organizational culture.

The next chapter is, "Interactive Strategies for Cultural Heritage Tourism and Macau City Development: The Tourists' Perspectives," written by Aliana M. W. Leong (Macau University of Science and Technology, China) and Jacky X. Li (Macau University of Science and Technology, China). It analyzes the cultural heritage resources of Macau and the development of this city. The research analyzes the condition of Macanese cultural heritage tourism and the challenges and opportunities for its future development. Using data from a survey of visitors to Macau, the chapter provides understanding of the tourists' behaviour, awareness and evaluation of scenic spots that are part of the cultural heritage tour.

The last chapter of this section is "Embracing *Guanxi*: The Literature Review" by Jilong Zhang and Nattavud Pimpa both from RMIT University (Australia). It studies the basic differences between Chinese and Western approaches to business dealings, to identify the factors that make it difficult for Western managerial practises to develop and use *guanxi* or social connections. It identifies the differences in the perception of trust in both societies and how this variable leads to cultural clashes.

Marketing in Asia

The section “Marketing in Asia” analyses marketing issues in China. In particular it has two papers that focus respectively in the Malaysian market and the effect of Chinese versus German brands.

The section starts with the chapter “A Study of Customer Satisfaction of an Automotive Company in Malaysia” written by Noor Azlina Fakiruddin (International Islamic University Malaysia (IIUM), Malaysia), Hebat Allah A. Wagih (International Islamic University Malaysia (IIUM), Malaysia), and Waleed F. Faris (International Islamic University Malaysia (IIUM), Malaysia). It covers an analysis of the current level of customer satisfaction on the services offered by an automotive outlet in Malaysia. It is clear that customer satisfaction is one of the most important factors in the achievement of a long term competitive advantage for firms and organizations. Customer satisfaction is a dependent variable on how well the product performs. The authors of the chapter develop a study to understand how companies and organizations can improve the customer level of satisfaction through providing continuous efforts to improve their level of service and product productivity.

The other chapter in this section is “Creating a Chinese ‘Miele’? Asymmetries in the Consumer Perception of Chinese and German Brands,” written by Cora F. Jungbluth (Heidelberg University, Germany). It examines the country-of-origin effects of Chinese brands going international and offers a comparative case study (Haier, a Chinese manufacturer of white goods, and Miele, a German manufacturer). The image of China as country of origin may still has a negative connotation. Chinese government as well as Chinese companies are working hard to change this image. The chapter discusses if Chinese brands could change this negative image and how they could do it.

Economic Development and Investments

The third section of the book (“Economic development and investments”) offers a collection of eight chapters, analyzing key topics on investments from entry strategies in the Chinese market to Chinese foreign direct investments.

The first chapter of this section is “Chinese Investments in Italy: Is the Wave Arriving?” by Francesca Spigarelli (University of Macerata, Italy). It chapter analyzes the effects of the Go Global policy in Italy and focus on main type of Chinese investments, their strategic motivations, as well as the role of ethnic networks. Why does Chinese investment choose the Italian market? This country can provide an access to western markets and strategic logistic services industries.

The chapter, “Entry Strategies into the P.R.C. for Post Recession Wealth Management Service,” is written by Andrew Chan (City University of Hong Kong, China), and Carlson Chan (City University of Hong Kong, China). It states that in the current economic situation, banks seeking to expand wealth management service in the People’s Republic of China need to evaluate their entry strategies thoroughly to gain a competitive edge. The authors developed an empirical study with a sample of 227 Taiwanese nationals based in the People’s Republic of China which suggested three managerial implications: bank entry identity, deployment of expatriates, and brand-image position.

Fernanda Ilhéu from ISEG/Technical Universal of Lisbon in Portugal is the author of the chapter, “Chinese Outward Foreign Direct Investment: In Search of a New Theory.” It addresses the role of China as the most attractive developing country for FDI flows, both short and long term. During the current global financial crisis, China was able to resist better than other major world economies, clearly profiting from this downturn to implement policies to reduce its economic imbalances, such as the gap

between Chinese FDI and OFDI, which is now progressively narrowing. The chapter also explores whether Chinese OFDI can be explained by current theories or if a new theory is required.

Bradley J. Koch from Grand Valley State University (USA) is the author of the next chapter titled, “No Strategy is an Island to Itself: China First-Mover and Other FDI Strategies’ Interaction Effects.” It examines the first-mover strategy for foreign investment to determine under what conditions an important effect exists when it is combined with other foreign investment strategies like partner selection, geographical market focus, joint-venture control, and resource commitment strategies. Through a survey data from Sichuan, the results suggest the existence of significant interaction effects that can delete a first-mover advantage, create a first-mover effect that previously didn’t exist, or even modify the direction of this effect.

The chapter, “Study on the New Tendency of the International Industry Shifts and Chinese Enterprise Implementation Tactics,” by Jing Sun (Shenyang University, China), and Mingyou Wang (Shenyang University, China) addresses multinational corporation international industry shift new tendency and analyzes how China uses the international industrial shift’s present situation and the superiority and proposes the development countermeasure.

The chapter, “Blue Ocean Strategy: A Vehicle for Entrepreneurship Development and Economic Growth in Rural Areas,” by Vinay Sharma (Indian Institute of Technology, India), Piyush Seth (Sahara Arts and Management Academy, India), and Shujauddin Niyazi (Sahara Arts and Management Academy, India) analyzes the role of entrepreneurship in economic development of a society with the perspective of Blue Ocean strategy used by organizations around the world and in particular in Indian rural markets. The chapter also includes examples of organizations going towards uncontested rural markets and is suggestive of the crux and the core definition of entrepreneurship in correlation to the core philosophy of Blue Ocean strategy.

The chapter, “Study on Environmental Tax: A Case of China,” is written by Huifeng Li (Beijing Union University, China), and Xuanwei Zhang (Beijing Union University, China). The authors propose that to solve problems related to ecological destruction and environmental pollution, the implementation of environmental tax is an effective measure. The chapter analyses the theoretical foundation of environmental taxes, international practice and experience in environmental tax system. It also describes the status quo of the Chinese environmental tax system, and proposes the future strategy for building this system.

The last chapter of the, “Economic Development and Investments” Section is “Study on Chinese Low Carbon Economic Model,” written by Huifeng Li (Beijing Union University, China), and Xiaofang Wang (Beijing Union University, China). Global warming is a major concerns of nations and societies as it impacts global ecological balance, social and economic development, energy security, ecological safety, water and food safety. In this sense, low carbon economy is a new economic development model based on low energy consumption, low pollution, and low-emission based. This chapter focuses on the status quo and limits of the low carbon economy in China as well as the design and implementation strategy of this model.

Managerial Issues in China

Finally the last section of the book, “Managerial Issues in China”, provides interesting insights on the management of companies in China, analyzing both success and failures in this economy. The section is formed by 3 chapters.

The first book chapter of this section is, “Mutual Guarantee Systems of Small and Medium-Sized Enterprises in China: An Application of Self-Organization Theory.” The authors Yi Yang (Beijing Union

University, China), Hong-yan Yan (Beijing Union University, China), and Ze-yun Yang (Beijing Union University, China) argue that mutual guarantee systems (MGS) of small and medium enterprises (SMEs) represent a complex system mainly serving the SMEs, including the mutual guarantee institutions formed by SMEs, financial institutions, industry associations and credit re-guarantee institutions. The authors address the self-organization mechanisms and the self-organization characteristics of openness, far-from-equilibrium, nonlinearity and fluctuation of mutual guarantee systems of SMEs. It also provides suggestions to improve the operation efficiency of these systems in China.

The second chapter of this section is “A Trilogy of Unfortunate Events in China: Reflecting on the Management of Crises,” written by Zhang A. Long (China University of Geosciences, China), William Crandall (University of North Carolina at Pembroke, USA), and John Parnell (University of North Carolina at Pembroke, USA). The chapter analyzes three organizational crises that recently occurred in China; the SK-II cosmetic incident, the Sharon Stone comment on the May 2008 earthquake in China, and the melamine milk contamination crisis. It presents an overview of each company and the specific crisis and outlines reflections on the management of these crises and their cultural context.

Finally the last chapter of the section is “Implementation Concerns of Scholar-Practitioners: A Pilot Study of the Link between Research and Practice,” by Claretha Hughes (University of Arkansas, USA), Jai Wang (Texas A&M University, USA), Wei Zheng (Northern Illinois University, USA), and Laird McLean (McLean Global Consulting, USA). It shows the results of a case study with insights from seven scholar-practitioners to help both human resource development professionals and researchers understand implementation concerns of scholar-practitioners. The empirical evidence show scholar-practitioners’ perceptions of their roles, the link between research and practice, and actions they took to overcome barriers and challenges related to integrating research and practice.

COMING CHALLENGES OF THE JOURNAL

One of the goals of the journal for the next years is to increase the interest of researchers and experts in economy, business, information technologies and tourism from Bhutan, Cambodia, Laos, Mongolia, Myanmar, Nepal, Tibet and Vietnam, among others, so that they submit their manuscripts with the outcomes of their recent research activities to the *International Journal of Asian Business and Information Management*. Additionally, we would also like to increase the attention and interest from researchers, universities and research centres in Central Asia, such as Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan and others. Related to this goal is the organization of Special Issues focused on topics like Buddhism, regional economics and business; Central Asian countries, geopolitics and business; climate change, policies and economies in Asia; Confucianism and its impact on the economies of China and Japan and other Asian countries; corporate social responsibility and business in Asia; impact of Asian economies in global business; information technologies and its role in the preservation on cultural heritage in Asia; information technologies and educational development in Asian countries; Institutional transitions and strategic responses in Asian economies; Innovation and technology parks in Asia; and sustained development in Himalayan countries, among others.

Special issues focused on specific countries, like Bhutan, Mongolia, Tibet and Afghanistan will be scheduled too, addressing the role of information technologies in the economic development of these countries. For example, Afghanistan, one of the world’s poorest countries, has a post war economy. When foreign spending dries up, the country may lead to economic depression. Recently the World Bank

stated that the current gross domestic product (GDP) growth of 9% a year in this Central Asian country will fall to 5-6%. Rapid population growth clearly indicates that, measured by GDP per person, this land locked country will hardly get any richer in the near future. Could information technologies based business help to the economic development of this country that suffered wars for more than 30 years? If so, what specific policies and actions could contribute to this development?. Another example is a land locked country too: Lao People's Democratic Republic. According to the World Bank, its economy grew an average 6.4% per annum over the last decade and poverty declined from 46% in 1993 to 27% in 2008. This small country has undertaken reforms that are helping to embark it on an increasingly sustainable development path. What is the role of information technologies in this strategic process?

Furthermore we will look for top academics and experts from these countries to join the Editorial Board of the Journal and advice on topics of interest related to their country of origin as well as on potential titles for Special Issues. The journal seeks to increase the current pool of reviewers with academics from these areas of Asia too.

Additionally the *International Journal of Asian Business and Information Management* wants to increase its collaboration with academic and business conferences, summits and workshops focused on Asia to promote the journal and publish best papers from these events.

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