
Foreword

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Biographical notes: Patricia Ordóñez de Pablos is a Professor in the Department of Business Administration and Accountability, at the Faculty of Economics of The University of Oviedo, Spain. Her teaching and research interests focus on the areas of strategic management, knowledge management and business in China. She is Editor-in-Chief of the *International Journal of Learning and Intellectual Capital*, *International Journal of Strategic Change Management* and Co-editor of *China Insights Today*.

China is a fast-growing emerging economy with a current impressive economic growth rate of almost 9% annually. Its contribution to global GDP growth since 2000 has been almost twice as large as that of the next three biggest emerging economies (India, Brazil and Russia) combined. Some even refer to China as the mother of emerging markets and transition economies.

Directly or indirectly, the Chinese economy has influenced interest rates, prices for raw materials and wages in the established Western economies. Currently China is the most R&D-intense among emerging market countries and is seventh of all countries in the world. Its economic power is exemplified by the fact that it is expected to be the fifth largest source of outward foreign direct investment during 2004–2007.

Working with Chinese firms has become a reality for the vast majority of managers in Western countries. With its high growth rate, the presence and impact of the Chinese economy will only become larger.

With China's importance on the global scale set to grow faster than ever, a unique window emerges to observe the changes that will chart the course of the future in this region of the world. One of the keys to dealing with China is understanding the complex dynamics between rapid change and tradition.

With a clear international and interdisciplinary approach, the *International Journal of Chinese Culture and Management* proposes and fosters discussion on Chinese culture, business, management and related topics. It presents timely and in-depth analyses on these topics, offering the reader a wealth of valuable material on theories and practices that underpin successful business in China.

The inaugural issue of the *International Journal of Chinese Culture and Management* focuses on 'Key Challenges for China'. It presents a collection of eight papers written by outstanding researchers in the field of Chinese culture and management. In the following lines we will briefly summarise the main ideas of each paper.

In the paper 'The globalising Chinese business enterprise: the role of strategic fit', Professor Alon *et al.* suggest that if a Chinese company aims to become a global competitor, it must first identify deficiencies in its resources and capabilities and develop the required ones. The paper offers an approach that is useful for considering the range of options for Chinese firms through the lens of multiple response levels, ambient factors, the individual level, the intraorganisational level, and the interorganisational level.

Professor Ilhéu, in her paper 'Knowledge – a critical factor in the internationalisation of SMEs: the case of Portuguese SMEs in China', addresses the limitations of SMEs in comparison with large companies, for expansion in China, such as internal shortage of information, capital and management experience, and the difficulty of adjustment to different environment conditions. It is especially important the difference in cultural, linguistic and social terms of the country where the company plans to enter. The bigger the difference, the bigger the difficulties faced by companies management, due to scarce resources. China is very distant from Portugal in geographic and cultural terms. How can Portuguese managers overcome these obstacles? Information and knowledge are critical factors, as readers will observe in the paper.

Dr. Jianhai, in his paper 'Rejuvenating Northeast China: changing a rustbelt to an economic powerhouse', addresses the case of Northeast China and its steps towards rejuvenation and transformation into China's fourth economic powerhouse after the Pearl River Delta, the Yangtze River Delta and the Beijing–Tianjin area.

Dr. Wei, in the paper 'A case study of German investment in China and the CEECs', explores the locational determinants of EU MNCs in China, and the interdependence of the EU and Asian markets through the global operations of EU multinational firms. He focuses on the investigation of internationalisation strategies and location choices of German manufacturing MNCs within the background of growing regional economic integration (*e.g.*, the Fifth Enlargement). He focuses on two German MNCs in the mechanical engineering industry and one German MNC in the pharmaceutical and chemical manufacturing industry.

Ma *et al.*, in the paper 'Evaluation of team interaction patterns during NPD within European and Chinese contexts', analyse the differences or similarities in the interaction patterns between Chinese and European physically collocated and virtual teams within the context of a simulated New Product Development (NPD) environment.

In the paper 'Reformation in Chinese healthcare: lessons to be learned from US best practices in consulting, education and development of health system change', Balotsky and Newhouse explore the reforms in Chinese healthcare through their own experiences as consultants and educators with Chinese healthcare administrators and officials in the greater Shanghai area.

In the paper 'Moving from Open Door to *Go Global*: China goes on the world stage', Bellabona and Spigarelli address the development of Chinese direct overseas investments. China's 'Go Global Policy', which encourages Chinese enterprises to put themselves in the global competition also through an active internationalisation process, was officially announced in 2000. Less known than the 'Open Door Policy' that led China to be one of the world's largest FDI recipient, this phenomenon, still small in

comparison to the total global value, is interesting for its trend and skyrocketing growth. The paper also deepens several interventions launched during the entire year 2006. Relevant historical series of flows and stocks are also presented.

Mo Pak Hung, in the paper ‘The nature of Chinese collective values: formation and evolution’, analyses the main driving forces responsible for moulding the Chinese collective values. In general, the globalising forces push the Chinese to adopt a competitive capitalist system along with its associated collective values. However, the values that evolved under the unique historical experiences and the writing system distinguish the Chinese collective values from the rest of the world. Compared to their counterparts in the West, Chinese under the same competitive capitalist market system are more group-oriented, embracive of foreign values, practices, religions and beliefs and emphasise on social obligations and harmony.

In the last paper ‘The mediating role of organisation support in effective delegation: the case of Chinese subordinate managers’, Dr. Joiner *et al.* suggest that Chinese cultural values are inconsistent with delegation. These authors develop a model in which organisation support mediates the relationship between delegation and subordinate job satisfaction and performance in the Chinese context. They got a sample of 136 Chinese subordinates working in a large transport company in Hong Kong. The research results show that organisation support partially mediates between delegation and job satisfaction while organisation support (with job satisfaction) fully mediates between delegation and subordinate performance. Implications for the theory and practice of delegation are discussed, particularly in the context of employees’ national cultural differences.

Before closing the foreword, I would like to thank some colleagues who worked really hard in the launching of the journal. A big thank you to the Associate Editors of the *International Journal of Chinese Culture and Management* – Professor Lee (The Hong Kong Polytechnic University, Hong Kong), Professor Xu (Zhejiang University, China) and Professor Xiong (Chongqing University, China) – and the Editorial Board Members, for their great helping developing the journal. A special *xie xie* to Yu Xiong for the continuous support in the development of this journal with ideas, suggestions and contacts as well as with the new magazine *China Insights Today*. I am also grateful to Professor Donleavy (University of Macao) for his ideas and suggestions.

Finally, I would also like to thank Elvira and Joaquín, my parents, for their love and support. And last but not least, ‘efharisto poli’ to the one who told me twice “[...] never let anyone kill your dreams”. *Hronia polla, Arcadian agori.*