
Foreword

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Biographical notes: Dr. Miltiadis D. Lytras is a Professor at the American College of Greece (<http://www.acg.gr>). He has a PhD from the Athens University of Economics and Business. His research focuses on the semantic web, knowledge management and e-learning, with more than 80 publications in these areas. He co-edits/has co-edited 25 special issues in international journals (such as IEEE TKDE, IEEE IC, IEEE ToE, *Computers in Human Behavior*) and has authored/edited 12 books. He serves as the (Co) Editor-in-Chief of 13 international journals. He is founder and officer of the Semantic Web and Information Systems special interest group of the Association for Information Systems and is the President of the Open Research Society (<http://www.open-research-society.net>), a nongovernmental organisation that promotes the vision of the Knowledge Society worldwide. He is Co-Editor of *China Insights Today*.

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A key question in strategy research is why firms differ in their profitability and competitive advantage. In answering this question, we should address our attention to the fact that firms are embedded in networks of social relationships with other economic actors, including relations across industries and countries. In today's economic environment, social networks represent a source of competitive advantage. Thus firms need to create, nurture and maintain these networks. By adopting not an atomistic approach but a relational one, we can deepen our understanding of social networks as sources of sustained competitive advantage in different contexts.

At this point, several questions arise: Do executives from the West and Confucian societies (such China, Japan, Korea and Taiwan) have the same understanding of social networks? Are there differences between their origin, meaning, dynamics and outcomes (benefits and risks)? What problems do Westerners often find when doing business in Confucian societies?

Market imperfections in China likely contribute to the use and cultivation of social connections or *guanxi* as an informal strategy. However, Chinese communities in places with established institutions continue to rely on *guanxi*. This suggests that the use of social capital is not merely in reaction to the lack of formal institutions. The benefits of transaction cost reduction may play a role in motivating investment in *guanxi* regardless of the specific context, but the environment is expected to affect the form of capital.

Guanxi and other cultural dimensions play a key role when doing business in China. In this Special Issue titled 'The importance of the cultural dimension when doing business in China', a collection of six papers that address how cultural issues impact the way business is done in China is presented. Let us briefly review the contents of each paper.

Parnell *et al.*'s paper states that values have been identified as critical variables in the career development process. Many of the problems associated with foreign joint ventures in China over the past two decades have been concerned with employee motivation and retention. These authors demonstrate both similarities and differences among American and Chinese management students. American business students were found to be concerned more with competence and growth than Chinese business students, but no differences were found regarding comfort and security, and status and independence.

In the paper 'Business culture and management in China, Thailand and the USA: cultural values and business practice', Adams and Vernon address the role of cultural factors in China's rapid development. Chinese managers come from a tradition that is different from that in the USA and which, as a result of the long Communist history, has likely changed from that in other rapid-growth East Asian economies like Thailand. The authors compare the results of a survey of young managers in China with comparable surveys of young managers in the USA and in Thailand.

Yan Lu, in her paper 'Chinese culture-related assumptions to mentoring practice', states that cultural differences issues have been paid much attention after China's open-door policy with enterprise reform and with the emergence of millions of multinational cooperation opportunities. When working on 95% of the similarities of technology and structure, one should not ignore the significance of the 5% difference mainly resulting from cultural values. In particular, in a nation like China where traditional values have deeply influenced the society and individuals, an outsider who

wants to collaborate with China must learn to understand the cultural values, which are mainly rooted in Confucianism. In sum, the cultural values also have a great impact on management in Chinese organisations and on workplace learning, including mentoring.

Chen and Myasin, in their paper 'Working with Chinese culture in luxury hotels in Shanghai: an expatriate manager's perspective on management challenges', present a research that examines how Chinese culture creates challenges for expatriate managers working in five-star hotels in Shanghai, China. Furthermore, the study addresses the areas of motivation; resistance to foreign management; adaptation; and 'Guanxi'. In their research, the authors interviewed six managers currently working in hotels in Shanghai, and two participants who have undergone management training in a hotel in Shanghai.

Alas *et al.*, in their paper 'Connections between factors of readiness to change in Chinese organisations', address the readiness to change in Chinese organisations. In particular they address the connection between the main factors of readiness to change: organisational learning, attitudes concerning change and, organisational culture. The authors highlight one of their findings: the assessment of relationship orientation of organisational culture and goal commitment tells the most how important are the other elements of relationships between organisational culture, attitudes and organisational learning. The impact of organisational culture on attitudes towards change and on organisational learning should be noted.

Finally, Zanier, in her paper 'The environment: once a problem for the rich, now part of the marketing strategy? A case study on China's environmental communication', examines the discourse on environment in China in order to observe how the concepts of nature and environment have been interpreted by Chinese society and what are the values in *green consumerism*. Environmental communication is itself a very vast theme. The data from this paper come from the 'green' residential project called Sustainable Development Dream Town – Eco-Village, which will be built in the area of Chenjia Village, Dongtan. The data cover the period July 2001–April 2005.