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Innovation with 'Chinese' characteristics? Reflecting on the implications of an ethnic-based paradigm of management and innovation

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Cultural studies seem to dominate the field of management and innovation in China. Researchers have defined and considered Confucianism and a number of common, transnational Asian/Chinese values and practices allegedly unifying China and parts of East Asia. These values and practices have been erected as the cultural pillars of 'Chinese management', 'Chinese entrepreneurship' and, more recently, 'indigenous innovation' in the ethnic Chinese world and now mainland China. We believe these values and practices, frequently claimed as unique and fueling innovation in Chinese firms, to be potentially manipulated for strategic purposes, by political authorities as well as business organizations. This paper examines the aforementioned premises and questions the notions of Chinese ethnicity, values, management and innovation from political and strategic perspectives. We first present the emergence of Chinese values and Chinese management. We then consider this emergence in relation to political agendas and the renewal of Asianism or New Confucianism. The second part of the paper analyzes how such values and ethnicity can be utilized by entrepreneurs for both defensive and offensive business purposes. We then illustrate our debate with some reflections on the Shanzhai form of indigenous innovation before concluding with implications for researchers, managers and entrepreneurs and discussing the dangers of exoticism and avenues for future empirical research.

Introduction

The 2009 military parade in Beijing, celebrating the 60th anniversary of the People's Republic of China, was closely followed by floats of giant test tubes, telescopes and passenger jets (Roberts and Engardio, 2009). Countless books, press papers but also a number of academic works have reported the emergence of China on the global economic stage, notably the self-proclaimed (re)birth of 'indigenous innovation' (*Mingjian chuangxin*) and, more generally, the advent of 'Chinese capitalism' (see Lu and Mass, 1999). The hype about China's growth has drawn particular attention from management scholars, many attempting to define the nature of a Chinese capitalism (Redding, 1990). A specific trend has focused on the hypothetical renaissance of an ancient Chinese management thought (*Zhongguo gudai jingjiguanli sixiang*) with the purpose of uncovering, back in Chinese cultural and philosophical traditions, some of the foundations of modern management, a disci-

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pline typically considered to be of Western origin (Faure, 2003). Such research and, more generally, the ethnic and mainland Chinese management literature have defended the critical influence of values inherited from the Confucian tradition and their consequences in terms of business development and innovation, in particular the omnipresence of interpersonal managerial ties – *guanxi* and *guanxi* networks (Yang, 1994; Boisot and Child, 1996). This paper offers some critical reflections on the debate on Chinese management research or management research in China (Barney and Zhang, 2009) by questioning the origins of and motives for the generally positive culturalist discourse in favor of a Chinese specificity.

The paper is structured as follows. The purpose of the first part is to look at research on Chinese values and show that these studies have emphasized a rather positive view of such values embracing a very large part of the mainland Chinese population, overseas Chinese and even Asian people. Second, we discuss two potential reasons for an overly positive discourse: (1) the possibility that such a discourse may serve the Chinese government's geopolitical agenda; and (2) that it may represent a strategic ploy to support Chinese companies against foreign ones. Third, we illustrate these reflections with a discussion on the *shanzhai* phenomenon, spearheading emerging literature on indigenous innovation. We conclude by considering the implications for researchers, (Western) managers and entrepreneurs, discussing the dangers of exoticism and avenues for future research.

The origins of 'Chinese' values, management and innovation

The debate on the existence of Chinese values emerged in the early 1980s, notably with studies conducted by Bond (1986) and the subsequent development of the Chinese Value Survey (CVS). Bond and his colleagues in the Chinese Cultural Connection network (1987) highlighted the discrepancy between results obtained by ethnic Chinese and by Western students in surveys measuring value perceptions (e.g. Rokeach, 1973). Bond (Bond and King, 1985; Bond, 1988; Bond and Pang, 1991) therefore intended to develop a survey that would include both universal values and specific Chinese values, derived from a Confucian ethos (Hofstede, 1991) that had been buried under Western perceptions (Bond, 1986). The result is the Chinese Value Survey, which 'contains a decidedly Chinese cultural bias not previously assessed in other Western value surveys' (Matthews, 2000, p.117). Table 1 lists the items measured by the survey and highlights those corresponding to the Confucian ethos not mentioned in previous Western surveys (Rokeach, 1973). One quickly notices that Chinese values are essentially positive. The items correspond to a generally accepted Confucian ethos emphasizing, in particular, self-development (e.g. items 2, 10 and 13) and obedience to preserve social stability (e.g. items 1, 3, 4, 6, 7 and 14). They can also be understood in terms of Hofstede's cultural dimensions (Hofstede, 1980; Hofstede, 1991) that rate the Chinese high on power distance (e.g. items 6, 12, 22 and 38) and long-term orientation (e.g. 23 and 24) and low on individualism (e.g. 33 and 34) (Hofstede, 2003). The CVS and related surveys measuring some specific Chinese traits have been tested on samples in China and Taiwan (Yuan and Chen, 1998), Singapore (Chang, *et al*., 2003) and on ethnic Chinese students in Australia (Matthews, 2000), suppressing local differences to propagate the idea of a transnational Chinese identity – a 'Chineseness' defined by common Confucian values.

Table 1. The Chinese Value Survey

1.	Filial piety (obedience to parents, respect for parents, honoring ancestors, financial support of parents)	21.	Sincerity
2.	Industry (working hard)	22.	Keeping oneself disinterested and pure
3.	Tolerance of others	23.	Thrift
4.	Harmony with others	24.	Persistence (perseverance)
5.	Humbleness	25.	Patience
6.	Loyalty to superiors	26.	Repayment of both the good and the evil that another person has caused you
7.	Observation of rites and rituals	27.	A sense of cultural superiority
8.	Reciprocation of greetings and favors, gifts	28.	Adaptability
9.	Kindness (forgiveness, compassion)	29.	Prudence (carefulness)
10.	Knowledge (education)	30.	Trustworthiness
11.	Solidarity with others	31.	Having a sense of shame
12.	Moderation, following the middle way	32.	Courtesy
13.	Self-cultivation	33.	Contentedness with one's position in life
14.	Ordering relationships by status and observing this order	34.	Being conservative
15.	Sense of righteousness	35.	Protecting face
16.	Benevolent authority	36.	A close, intimate friend
17.	Non-competitiveness	37.	Chastity in women
18.	Personal steadiness and stability	38.	Having few desires
19.	Resistance to corruption	39.	Respect for tradition
20.	Patriotism	40.	Wealth

Source: Chinese Cultural Connection (1987).

Interest in Chinese values and Chineseness seems to coincide with the economic rise of China and, as a consequence, with a so-called (overseas) Chinese capitalism (Redding, 1990; Hamilton, 1996) or Confucian capitalism (Kahn, 1979), thriving in the midst of struggling Western capitalism. Various authors have described the implications of Confucian values for economic development in general and entrepreneurial development in particular. From Kahn's (1979) initial association between Confucian cultural values (dedication, motivation, responsibility, education, sense of commitment, organizational identity and loyalty) and the rapid growth of Asian economies (Japan, Korea, Taiwan and Hong Kong), through Redding's (1990) spirit of Chinese capitalism, to Kao's (1993) worldwide web of Chinese business and Weidenbaum and Hughes' (1996) bestseller, *The Bamboo Network*, many have vaunted the merits of an economic system based on trust and reciprocity, writing about Chinese business management prescriptively, as something worthy of imitation (Yao, 2002, p.6).

Contrasting with such laudatory discourses, some critical academic research, conducted after the 1997 Asian crisis (e.g. Dirlik, 1997; Chen and Dai, 2002), as well as the observations of practitioners (e.g. Clissold, 2004) have cast doubt on the reality and genuineness of Chinese values. Indeed, a number of contradictions and paradoxes seem to emerge between positive Chinese values emphasizing long-term development, trust, mutual understanding, respect, etc. and far less positive practices, including short-term opportunism, corruption, counterfeiting and other

unethical business practices (Millington *et al*., 2005; Gao *et al*., 2010). We suggest some reasons for the perpetuation of this discourse.

Motives for the discourse

According to Yao (2002), the homogeneous and unifying vision of Chinese values, entrepreneurs and capitalism is based upon two major motives: (1) on a macro level, the promotion of the financial success and economic performance of East Asian societies where Confucianism has been a major historical and cultural heritage; and (2) on a micro individual level, the emphasis on the continuing relevance of Confucian values, such as discipline and collectivism, in providing the explanation for Chinese entrepreneurial behavior. We argue that these motives can, in turn, be explained, respectively, as political and corporate strategic ploys.

There are two major reasons for the emergence of Chinese values, Chinese management and, more recently, Chinese indigenous innovation: political and economic/entrepreneurial. First, from a political standpoint, the increasing popularity of Chinese values and Chinese capitalism may be considered in relation to regional political agendas, perhaps as a new form of Asianism or new Confucianism. Second, from a corporate and entrepreneurial standpoint, these notions can be utilized as a strategic resource for the international development of (ethnic) Chinese firms toward Western (i.e. non-Chinese) business partners/competitors.

Confucian, Asian and Chinese values: a discourse serving a political agenda?

Dirlik (1997, pp.17–18) argues that the very notion of Chinese capitalism may be little more than an invention, a 'reorganization and rearrangement of social, political and ideological characteristics associated with "Chineseness" to create a new model, and to some extent, a new reality of development'. Based on the scarce elements found in the literature and our own thoughts informed by previous empirical research (Goxe, 2009, 2010), we offer some political contextualization for the discourse on Chinese values, management and innovation.

The emergence of a Chinese model can be considered as an evolution of a discourse on an Asian model based on Asian values. According to Milner (1999), political champions of Asian values, such as Mahathir Mohamad in Malaysia or Lee Kwan Yew in Singapore, promoted the existence of transnational values well before the 1980s and developed a complex combination of arguments and assertions capable of causing considerable confusion. These arguments can be briefly summarized as follows (Milner, 1999).

- A set of values is shared by people living in East Asia.

  These values include a stress on the community rather than the individual, the privileging of order and harmony over personal freedom, refusal to compartmentalize religion away from other spheres of life, a particular emphasis on saving and thriftiness, an insistence on hard work, a respect for political leadership, a belief that government and business need not necessarily be natural adversaries, and an emphasis on family loyalty.

- An expression of disquiet regarding certain Western values, especially those related to a perceived excessive emphasis on the individual rather than the

> community, a lack of social discipline and an intolerance of eccentricity and abnormality in social behavior. The suggestion is sometimes presented that Western countries would do well to learn from Asian values.

Such arguments implicitly suggest that a major international shift is underway, involving the rise of the East and the fall of the West. In other words, the long-dominating and dogmatic West should now learn from the East, offering an alternative model for innovation and economic development, based on harmonious, collective development rather than selfish individual motives (e.g. Lazonick, 2004). The idea of an alternative model fits nicely with Huntington's *Clash of Civilizations* (Huntington, 1996),[1] which foretells the decline of the West (North America and Europe) against other civilizations, including the Chinese (perceived as a rising threat not only because of the size of its population and its strategic location, but also because of its record economic growth).

We argue that the opposition between East and West can be understood as a renewal or evolution of Asianism. Asian values and the shift toward Chinese values, capitalism, management or innovation should be understood as a construct created with a certain intention in a certain political context. Lee (2000) alludes to a number of examples to illustrate this claim: Singapore and Malaysia have exploited Asian values to represent their cultural singularity and secure national identity and unity. South Korea did much the same during Park Chung-Hee's Third Republic, and there are debates about Korean-style democracy. Confucian values have also long been hailed by the Taiwanese government as a means to resist the socialist regime on the mainland. Dirlik (1997, pp.306–9) remembers conferences on Chinese entrepreneurs being all the rage from 1992 to 1996. Sometimes these conferences were organized by the Chinese themselves, sometimes by the governments of Singapore, Taiwan and Hong Kong. They dealt specifically with Confucianism and modernity and promoted the idea of Chinese capitalism.

According to Camroux and Domenach (1997), the advocacy of Asian values aims to create a myth of success arising from virtue, and to support a discourse on identity. This myth and discourse, the building of Asian values deeply impregnated by traditional Chinese-Confucian values, can but strengthen China's political influence on the regional and global political stage. Asia and Asianism have provided China with some leverage in its relations with Western nations, particularly the United States. Support from Asian neighbors is support for China's return to the international stage, for its stance on Taiwan, and reward for China's support or benign neglect of rogue allies (e.g. the North Korean nuclear test and detainment of American journalists in 2009, the sinking of a South Korean warship by what officials called a North Korean torpedo in 2010).

From an economic standpoint, the emphasis on broad Asian values intertwined with Chinese-Confucian values can also induce an influx of capital from overseas Chinese populations (Ampalavanar-Brown, 1998). In return, the idea that Chinese culture may enable Asianism to become an influential ideology seems to be shared by some of China's neighbors, expecting China to federate the region and impress the world not only with its economic success but also with the spread of its values. In a nutshell, Szanton Blanc observes that the discourse not only asserts Chineseness against a Euro-American hegemony, but also projects Chinese characteristics upon Asia as a whole [Szanton Blanc cited by Dirlik (1997)]. The Chinese have become the paradigmatic Asians.

Strategic ethnicity and the importance of negotiated ethnicity for business development

Asian or Chinese values are also likely to serve the particular interests of a number of (self) designated Chinese companies from the mainland and overseas communities. Yao (2002) notes reliance on the notion of culture in the field of business management generally and fascination with Chinese entrepreneurial behavior in particular. He is fascinated by the eager evocation of such concepts as *guanxi* (relationship), *mianzi* (face) and *xinyong* (trust). The management literature invariably alludes to Chinese business networks sustained by such Chinese cultural values and traditions as trust, reciprocity, face, time, harmony, hierarchy, power distance, long-term orientation and/or their Confucian equivalents (benevolence, harmony, midway, forbearance, filial piety and trust). The number of researchers studying the impact of Chinese values and practices on Chinese business performance (in absolute terms or compared with Western businesses) is considerable [see Yeung (2000) for a review]. This literature has contributed to the creation of an image of unique/exotic Chinese enterprises and entrepreneurs impregnated with stereotypical values and practices derived from a cultural heritage (Asian, Chinese or Confucian), the definition of which is vague ['a highly generalized and homogenized notion of Chinese culture' (Yao, 2002)]. The constant references to philosophies from ancient China (Confucianism, Taoism, Buddhism), classic novels (*Romance of the Three Kingdoms, Journey to the West, Water Margin – Outlaws of the Marsh*) as well as strategic and economic treatises (Sun Tzu's *Art of War*, Huan Kuan's *Debate on Salt and Iron*, etc.) and the use of Chinese characters and expressions to designate supposedly unique phenomena or practices have probably strengthened the exotic nature of characteristics that might otherwise have been perceived as unexceptional. This research has long been focused solely on ethnic and mainland Chinese companies. Now that Western firms are entering the Chinese market, a few studies consider the integration and impact of such practices for Western firms (Li *et al*., 2000; Batjargal and Liu, 2004; Li, 2005; Li *et al*., 2008).

To our knowledge, even fewer empirical studies have questioned the uniqueness of these values and practices, and the advantage this claimed uniqueness offers Chinese firms (mainland Chinese, overseas Chinese and other entrepreneurs who lay claim to Chineseness) against Western competitors in the Chinese market. Smart and Smart (1998) noted some time ago that overseas Chinese (from Hong Kong) were negotiating identities (stressing shared values and a sense of Chineseness) when establishing business relationships with mainland organizations. This negotiated identity was allegedly easing relationships and resulting in more favorable initial investment conditions. Works in progress on the internationalization efforts of Western (French) entrepreneurs in China (Goxe, 2009, 2010) underline the fact that a number of actors take advantage of a self-claimed Chineseness, either to offer inter-mediation services to outsiders (non-Chinese entrepreneurs) or to keep away potential new entrants.

We term these behaviors strategic as they represent deliberate moves either to develop a competitive advantage or to defend it. In the first case, a number of individuals emphasize the cultural gap existing between the Chinese business culture and potential customers (Western entrepreneurs wanting to enter the Chinese market) in order to justify the need for cross-cultural advice and other consulting services. In the second case, stressing cultural differences, the unique nature of

Chineseness and therefore the impossibility of persons of non-Chinese origin to assimilate Chinese practices repels or postpones the entry of potential competitors. A mysterious and inscrutable Chineseness also allows some foreign entrepreneurs experiencing difficulties in China to explain their problems in terms of exogenous cultural differences rather than personal failings.

Reflections on the political and strategic implications of a Chinese form of innovation – shanzhai

Our purpose here is to describe, illustrate and initiate further critical thinking on the implications of Chinese values, management and innovation. As scientific investigation of indigenous innovation or *shanzhai* is still in its infancy, the following reflections are informed by references selected from popular press sources in China. We considered articles published in 2009 in various newspapers and magazines likely to toe the government line (Zhao, 2006), including the *People's Daily* (official organ of the Chinese Communist Party), the *China Daily* (the state-run newspaper with the widest print circulation in China), the *Beijing Review* (China's only national weekly news magazine, also endorsed by the Chinese government), the *Southern Daily* (the official Guangdong Communist Party newspaper) and the *Guangzhou Daily* (the official newspaper of the Guangzhou Municipal Party). We quote from these sources, but our selection of quotations is hardly exhaustive and can be no more than illustrative.

There is growing interest in China in the *shanzhai* phenomenon (e.g. Lin, 2009; Si, 2009). Anything that is popular, from consumer products to cultural activities, songs and movies, any product that has been improved, can now be referred to as *shanzhai*. A heated debate seems to be emerging as *shanzhai* is seen as technological progress and an exemplary form of indigenous innovation by some, and as mere counterfeiting by others.

> Removing shanzhai will be akin to suppressing cultural diversification. In fact, many artistic works are derived from imitation and improving on the original. [Ou, M. (Guangzhou Daily) cited by Beijing Review (2009)]

> Throughout history, culture as it applies to the public has long coexisted with the culture of the elite section of society. By introducing shanzhai as an alternative form of culture, this balance won't change. [Guo, Q. (Changjiang Daily) cited by Beijing Review (2009)]

> The advent of *shanzhai* … [reflects] the strong desire of common people to be more involved in the process of cultural activities rather than just being passive consumers. [Xie, X. (People's Daily Overseas Edition) cited by Beijing Review (2009).]

A recent article in the *Beijing Review* (2009) summarized the debate. Two opposing discourse strands can be identified: a traditional positive one and a more recent negative one. The positive strand (e.g. Si, 2009) supports popular views, defending *shanzhai* as a disruptive technology that shows folk wisdom and creativity in line with traditional Chinese values and can, in turn, contribute to business innovation. Such initiatives can exist in symbiosis with the innovation of Western firms in a so-called 'eco-innovation network'. Articles in the *China Daily* also frequently sing the praises of *shanzhai* as 'a culture that bears the imprint of grassroots

innovation and the wisdom of the common people' (Li, 2009). Without denying the existence of the *shanzhai* phenomenon, the political and strategic motives underlying the discourse on Chinese values and Chinese capitalism can help put these descriptions into different perspectives.

Chinese authorities have remained relatively silent on the issue despite claims of plagiarism and intellectual property rights violations from Western firms, perhaps because the debate on *shanzhai* has so far remained in line with political efforts to promote an alternative mode of development inherited from Chinese wisdom and traditions. According to Chinese authors, *shanzhai* should not be understood as simply a primitive form of innovation/imitation, typical of developing countries, as is commonly argued by Western scholars. This was the approach such scholars once took to Japanese innovation (see Cox, 2007). Rather, *shanzhai* should be seen as an illustration of Chinese ingenuity that should be respected and encouraged. The *China Daily* (Li, 2009) does not hesitate to compare *shanzhai* with cultural enlightenment, a culture rebelling against conventions established by authorities and dominant players (meaning Western firms). Yao Cheng, President of the Shenzhen Academy of Social Sciences declared (Lin, 2011) that 'should our government guide the popular *shanzhai* products to legalize and innovate, "*shanzhai* troops" would support the goal of turning Shenzhen into the global manufacture base of electronics and information technology industries' (cited by Lin, 2009, p.79). Chengfu Zhu, another commissar of the Political Consultative Conference, said that *shanzhai* is 'a product of democracy and popular culture as opposed to the elite culture. It is a grass roots movement, which empowers the growth of mass culture, which should be supported' (*Southern Daily*, 2009). Previous studies of piracy and counterfeiting already noted such behavior in China and elsewhere, terming it a Robin Hood mentality (Nill and Shultz, 1996) or an anti-big business attitude (Kwong *et al*., 2003).

The *shanzhai* phenomenon can also be understood as fulfilling a social need. Studies on counterfeiting (e.g. Wilcox *et al*., 2009) demonstrate that consumers are more likely to buy counterfeit brands when their brand attitudes serve to help them gain approval in social settings. While genuine (foreign) goods remain unaffordable for a large part of China's population, counterfeits are accessible to the impoverished masses (Ang *et al*., 2001) and help soften tensions between the haves and the have-nots, all the more when *shanzhai* goods are presented as by-products of genuine Chinese creativity and resistance against dominant Western brands.

From a business/management perspective, the description of such practices as an outcome of traditional Chinese culture, defined with a rather obscure Chinese term,[2] can be utilized to justify practices that would otherwise be perceived as crude counterfeiting. Besides, the current debate, revolving mostly around the Chineseness of such practices and the rejuvenation of Chinese creativity, distracts the attention of researchers from the fact that 'the major impact of *Shanzhai* is the business model rather than their ability to innovate' (Yan, 2008), a business model which focuses on sales and profits by means of imitation, copying and reformation, which might eventually be highly hazardous.

The debate has evolved and a more negative discourse strand has emerged. Scandals related to deaths from *shanzhai* battery explosions and complaints about *shanzhai* culture's negative impact on the national image have triggered a new debate nationwide and an evolution of the authorities' stance (e.g. Li, 2009). Ni Ping, a television anchorwoman and a member of the Chinese People's Political

Consultative Conference, and top officials from the State Intellectual Property Office see the phenomenon as piracy. Kaiyuan Tao, Chief of the Intellectual Property Bureau of Guangdong Province, sees *shanzhai* as stealing from other enterprises and violating intellectual property rights: 'If consumers purchase *shanzhai* for personal interests, and this leads to less investment in research and development, overall the country will suffer a huge loss from the situation' (cited in Lin, 2009, p.90). Some now fear that the *shanzhai* culture may eventually destroy creativity if it became dominant:

> As far as man's nature is concerned, creation means high cost: materials, time, energy, etc. Moreover, there exists a risk – the risk of failure. With low-cost and low-risk, shanzhai products have avoided all difficulties and succeeded on petty shrewdness. Man tends to be lazy and is ready to take the shortcut. If we are too tolerant with shanzhai products and if our society has become fertile soil for shanzhai culture, it will become even more difficult for creative culture to grow up. (Ge, 2009)

Similarly, Tian Lipu, director of the State Intellectual Property Office, declared (cited in Wang 2009) that *shanzhai* is not an example of innovation because *shanzhai* products violated the intellectual property rights of others and should therefore be regarded as piracy rather than innovation. The evolution of the government stance on the issue has definitely been driven by the growing concern about *shanzhai* manufacturers stealing not only from Western enterprises but from Chinese companies, threatening the normalization of the formal economy (Lin, 2009). This concern, conveyed in the popular media, suggests that the academic discourse on *shanzhai* is likely to become more critical.

Chinese management and innovation theory or management and innovation theory in China

As has been suggested throughout this paper, Chinese entrepreneurship and innovation should be considered not only from a single cultural standpoint, as is generally the case, but from several perspectives. We discussed the emergence of a Chinese model of entrepreneurship and innovation. The debate on Chinese values should be understood from political and strategic perspectives, as serving the interests of both Chinese authorities and entrepreneurs. Companies of Chinese origin or claiming to be Chinese exploit Chineseness as a strategic ploy against existing or potential competitors. Many studies that have presented concepts as idiosyncratically Chinese have been at least partially blind to any political and economic context.

According to Dirlik (1997, p.23):

> the fundamental problem with the idea of a Chinese capitalism is the vagueness of the notion of Chineseness and the fact that the characteristics, values and practices associated with Chineseness certainly do not apply to all Chinese around the world and may also apply to other peoples. The discourse on Chinese capitalism, Chinese values and Chinese entrepreneurship suffers from a number of weaknesses. It suppresses the context and homogenizes Asian cultures and populations despite some obvious, and at times violent confrontations.

So-called Asian values can also be found in Western societies, and would have been familiar to 'a Samuel Smiles or a Victorian' (Dirlik, 1997, p.24), as some Asian leaders (such as Lee Teng Hui, the former Taiwanese President) themselves

have acknowledged (Milner, 1999). These values are likely to have evolved during the economic transformations in China and Asian nations in the 1990s (see Ward *et al*., 2002).

The culturalist-orientalist and the universalist approaches to Asian/Chinese management adopt opposing paradigms, two radical conceptions of the social world: one considers the social system to be the outcome of individual actions and interactions; the other considers individual action to be the outcome of the social system. For the reasons presented earlier, the latter seems to have gained dominance in the field of Asian management research. The initial questioning of the relevance of specific Chinese values has given way to an idealization of distinctive and superior Chinese values and model of development. This sublimation and the rise of a subsequent paradigm has been permitted by the vagueness of the notion of Chineseness. This is far from surprising: 'it is of the nature of a paradigm to belie precise definition' (Chalmers, 1999, p.109). Paradigms must be vague enough to include a variety of types of situation. These evolutions illustrate that research in management in Asia is still emerging and the confrontation between culturalistic and universalistic paradigms can only benefit the discipline. Let us simply be aware of exogenous influences potentially orientating our researches.

Redding (2008) once described the global financial crisis as

> a magnificent opportunity to escape the present unrealistic, over-empirical paradigm of management science. … The partial collapse of the existing US model, until recently an unquestioned truth religiously held to the point of becoming a basis for morality, may be a boon for scholarship, … Chances are opening for theoretical innovation leading to 'thick' descriptions.

Is theoretical innovation likely to arise from research on Asian management by Asian researchers? The 1997 Asian crisis temporarily silenced over-enthusiastic descriptions of an Asian miracle. Is now the time for its return? Are Asian firms less affected by the crisis and, if so, is culture the main explanation? We defend the need to take into account empirical evidence from Western companies adopting similar practices in Asia and elsewhere, and ground our analysis in a-cultural theories. Culture-based theories on Chinese firms can lead to vagueness (as the definition of both Chineseness and culture remains problematic) and subject to manipulation. Endless distinctions between Chinese and Western, mainland Chinese and overseas Chinese, Cantonese and Shanghaiese have done nothing to solve the problem.

Our purpose here has not been to deny the potential impact of cultural factors in the Chinese context: management and entrepreneurship research in emerging economies in general needs to take account of such matters. However, we have argued that the existing literature focuses extensively on culture and largely ignores the impact of other elements, attributing observed differences between emerging and mature countries 'to some cultural dimensions without really understanding what was happening in the institutional environment or elsewhere in the organizations under study' (Bruton *et al*., 2008, p.5). When researching the Chinese business enterprises in Asia and the world of Chinese business, many have focused entirely on ethnicity. Chineseness has been permitted to describe a quite different mode of development. It is as if all of Asia had a cultural unity revolving around ancient Chinese values like Confucianism, as if these values had been transmitted unchanged over centuries, and have always been immune from manipulation and

exploitation for political and strategic purposes. It is as if the functions and mechanisms observed in other business organizations around the world have had little or no impact on Chinese firms.

We call for further contextualization of research in China and stress the need to shift the research paradigm from culturalist approaches. Research in China and Chinese researchers have both focused on the distinctive characteristics of China. Comparative research in various emerging and mature economies, and in various social groups and firms within emerging economies, is needed in order to establish similarities and eventually challenge claimed specificities. Some authors (e.g. Hoskisson *et al*., 2000; Bruton *et al*., 2008; Morgan, 2011) advocate further contextualization and conceptualization based on institutional, transaction cost and resource-based perspectives. We suggest a need not only to apply, extend or revise extant theories, but also to develop a more strategic conceptualization of business actors. In other words, it is crucial to overcome the simplification inherent in Chineseness and to consider the various stakeholders of business, management and innovation in China not only as culturally-bounded but also, and perhaps primarily, as strategic actors. We suggest in particular that culture, values and norms may not only shape business practices and behaviors, but also be partially manipulated to serve various interests. In other words, we call for a less naive, more critical, consideration of culture and its impact upon managerial and entrepreneurial practices. Some of the hypotheses and assumptions only briefly alluded to here will require further investigation and constitute avenues for future research.

Notes

1. Huntington distinguishes China (and a number of smaller neighboring countries, such as Vietnam, Taiwan, Koreas and Singapore) as a distinct Confucian or Sinic complex.
2. Numerous accounts of the origin of the term '*shanzhai*' have been offered. Historically, *shan zhai* refers to mountain (*shan*), villages (*zhai*) and bandits who oppose and evade the corrupt authority to perform deeds they see as justified, as described in such classical novels as *Water Margin* and *Outlaws of the Marsh*. Another explanation is that a great many *shanzhai*/copycat manufacturers are located in Shenzhen environs. Thus, wholesalers started calling their products Shenzhen products. Pronounced with a Cantonese accent, Shenzhen products eventually became *shanzhai* products.

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