

G. Harley, U. Harley and C. Tan, *The Chinese Tao of Business – The Logic of Successful Business Strategy*. Wiley, 2004. 329 pp. ISBN 0-470-82059-4.

China seems to be the next great superpower in the world economy, but for Westerners, doing business with China is no easy task. Besides the usual language and cultural barriers, there are vast differences in history, the role of law, ethics and, not least, philosophy. Understanding these differences is essential to any global business ventures involving China.

This book is written both for Westerners doing business in China and for Chinese people doing business in the West. From their research and interviews with almost thirty Chinese executives, the authors attempt to capture the Chinese perspectives on business and ultimately integrate it with Western perspectives.

The research sample whose testimony makes up the core of the book represents a wide range of successful Chinese business people and entrepreneurs from different regions of Greater China. The result of this highly people-focused research is a compelling and vividly readable account of the how and the why of contemporary Chinese approaches to business strategy and its evolution and probable future direction.

The book combines insider and outsider views on how successful approaches to business strategy are developed in Greater China, i.e. mainland China, and among the business communities of Hong Kong, Taiwan and the overseas Chinese communities across Asia. Although all the interviewees are of Chinese origin, the book is also crammed with stories about Western business people, ranging from expatriates to Bill Gates and Warren Buffet.

The book consists of four parts:

Part One: The Civilization Chasm

Part Two: The Ancestry of Chinese Strategy

Part Three: Eastern and Western Strategic Planning

Part Four: Travelling towards Strategic Convergence.

Part One introduces some basic comparative philosophical concepts, such as the Chinese being more context-oriented than Westerners. Most of this part of the book builds on R. Nisbett's works *The Geography of Thought* (2003, London: Nicholas Brealey Publishing). Part Two describes the roots of Chinese strategies in terms of economics, ethics, history, law and social networks. Part Three offers a comparison of Eastern and Western strategic planning, which is the main part of the

book covering more than 100 pages. The chapter about Western strategy does not, however, convey anything new to business people who already have some familiarity with Western ways of doing business.

Part Four is an attempt to integrate Eastern strategy (rapid decision-making, control over information and networks) with Western strategy (environmental scanning, strategy formulation, strategy implementation and evaluation and control). This is achieved by developing what the authors call an 'adaptive-action road map'. The idea is good but the result is disappointing. Nobody will contest the concept that we have to learn from each other, but this learning process is more complicated than the eclectic approach presented here. It is not enough to pick and choose what one perceives as positive and then reassemble it.

However, this is not an academic book and was certainly never intended to be. If you want to read an academic account of Chinese network-based strategies and how they work, then G. Redding's *The Spirit of Chinese Capitalism* (1990. Berlin: Walter de Gruyter) is still the classic book to consult. As the present authors have a solid academic background, it is surprising that they do not refer to Redding's book. This being said, there is no doubt that the book – and particularly the first half – can provide Western business people operating in China with a deepened insight into the intricacies of Chinese thinking. Many of the questions that arise when Western consultants operate in a Chinese business environment could be answered by this book. In particular, I would recommend it to business people who have already had some initial encounters with China. When Westerners meet Chinese, they tend to think that the Chinese do things in a strange way and vice versa. Some of these surprises will be more understandable after reading this book.

One of the important points in the book can be found in a statement like: 'Neo-Taoism . . . has coalesced with Confucianism and Buddhism to provide a uniquely comprehensive Chinese economic and ethical perspective which Western managers should understand if they wish to operate effectively in China without compromising their own standards and principles' (p. 31). Nobody can disagree with such a statement, but unfortunately the book does not deliver the integration of Western and Eastern thinking, which may be an impossible task for one book. However, the expectations are created and after reading through more than 300 pages, one cannot help feeling a little disappointed.

We know that Chinese strategy is network-based and not very systematic seen from a Western perspective, which of course deals with

information in a very different manner, but how can it be that they are so competitive internationally with a growth rate above 10 percent in 2006? It is argued in the book that the growth rates are overestimated (p. 171), which few would agree with today, but a couple of years have elapsed since the book was published.

The book would have done well to dig a little deeper into the Chinese side (philosophical, cultural, strategic, operational etc.) and then leave analysis of the Western side to the sequel. Books that set out with the intention of easily solving all problems generally end up solving none. Despite this academic caveat, I still recommend that business people and others interested in China read at least the first half of the book, which provides some useful insights in the 'Chinese' way of doing business and its background.

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