The changing nature of management and culture in Hong Kong, Macau and Taiwan

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= common Confucian heritage
= quite distinctive in cultural, socio-political, economic and management systems

- HK/Macau were under colonial rule
- PRC promulgated the formula of ‘one country, two systems’ for the reunification in 1997 and 1999

Taiwan = a complex and diverse Japanese/American imprint

Hong Kong = British rule
Macau = Portuguese colonial inheritance
Late-developing economies

Taiwan, the late 1980s – a dilemma in the domain of labour law

=> the government introduced the labour standard law extensively modelled upon the Japanese precedent

=> the strategic advantage of borrowing advanced technology from the ‘First-World’ nations + emulating the latter’s successful practices in managing businesses and the people whom they hire

=> the building of physical infrastructural facilities – the best mix of technology and hardware

Hong Kong
+ the world’s best airport
+ an efficient network of highways
+ mass-transit underground rail system + an inexpensive web of telephone services

Macau
now under construction is a highway-cum-bridge complex which will link up, trilaterally, Hong Kong, Macau and Zhuhai
The role of the state

Taiwan

- tax-holidays, stock-subsidies => to industries which are considered to be strategic/engender high linkage effects in nurturing other industries

- government funds are also channelled to manpower training to groom the human resources needed to sustain economic development
Hong Kong

- the world’s bastion of ‘freewheeling capitalism’
- free economy
- allow maximum latitude to private businesses

- The inception in the 1970s of the Independent Commission Against Corruption which now polices against corrupt and fraudulent practices in both the civil service and the private sector

- The pegging of the Hong Kong currency to the US dollar since 1983. This was originally a ‘stopgap’ measure designed and implemented by the government to arrest the heavy fall in local confidence amidst the thorny Sino-British negotiations on the future of Hong Kong.
government appears to have steered steadily away from such an approach

⇒ state has been pivotal in assisting private industry to take off and enter a stage of rapid growth since 1999
⇒ public funds are heavily deployed
⇒ to sustain an extensive programme of infrastructural investment.

The once monolithic ‘casino industry’ branched into a pluralistic hospitality sector, the enhancement of which in turn helps stimulate the tourist trade + the officially sponsored intake of guest workers helps sustain a booming building and construction industry.

Macau
The modern practice and application of a Confucian approach towards the etiquette of people-governance at workplaces has yielded a “local preference for managerial paternalism, cooperation, mutual trust, harmony and aversion from open conflict”. The argument goes further in suggesting that such an Asian trait favours “labour-management collaboration and helps explain the relative quiescence of the workforce in accepting technological and productivity innovations initiated by the management at the workplaces”.

Hong Kong’s last British Governor, Christopher Patten, in his book *East and West* said:

The case put for the invented concept of Asian values is so intellectually shallow…. The Asian-values proponents believe that … Asians benefit from a difficult culture with deep roots in Confucianism.... [Yet,] The discovery of Confucius as the reason for Asians’ economic success would have puzzled some of his most faithful followers as well as earlier European philosophers and historians.... As Weber argued, it was Confucianism which was responsible for Asia’s economic torpor, because it lacked the animating work ethic of Protestantism.
Taiwan

– the most Confucian
= “folk religions” (Buddhism/Taoism)
= diffusion of Japanese as well as American influences

⇒ managerial paternalism before the 1990s but thereafter there was ‘a shift from differential relationship based on paternalistic provisions’ to the ‘impersonal relationships of the 1990s’.

WHY?
- the changing composition of the business elite as members of the second generation of family entrepreneurs are educated abroad (USA).
- has adopted American-style management training, with ‘business schools’ at undergraduate and postgraduate levels
Hong Kong

a refugee society, truly a “melting-pot”,
where the East and the West meet

- the influx of refugees from the Mainland as a sequel to the war of liberation and the changeover of government in 1949. The inflow of capital, technological and managerial know-how enabled HK to take off its infancy of industrialisation. The captains of the Shanghai transferred their plants here and inaugurated an entrepreneurial culture which combined Confucian paternalism and Western imported ideas of rationalistic Taylorism

- the massive exodus of HK emigrants seeking a ‘second passport’ or resettling in ‘First-World’ countries. Stemming essentially from an almost neurotic anxiety about their security and lifestyle after HK reverted to China, such an ‘escape’ of its people happened during the transition period leading up to its reunification with China in 1997
Macau

a somewhat amorphous cultural mix/
a traditional Chinese community

- Portugal has left behind a colonial imprint (Catholic ethics and educational missionary work)
- a criminal subculture, inasmuch as secret (triad) societies

- there is a group of local-borns, and yet of Portuguese descent, labelled as Macanese. Such ambivalence arises from their desire to secure assimilation with the local Macau Chinese – but they are still greeted by a ‘we -they’ divide

- there has always been spill-over from HK, which provides a model for Macau in various domains

- the arrival of multinational capital to the casino and hospitality industries in the post-handover era has exerted a pivotal impact upon the renewal and innovation of managerial practices in Macau
Decolonisation of HK/Macau

+ China sustains the capitalist system in order to attest to the viability of its ‘one-country two-systems’ policy and to enlist these two cities in support of its ‘marketisation reforms’
+ territories have attracted more multinational capital with the intention of anchoring upon these two places as a ‘springboard’ for trading and doing business in the Mainland

“Decolonisation” of Taiwan

+ since the 1990s a mushrooming of Taiwanese businesses trading or investing in industry along the coastal fringe of the Mainland, especially in the south-east provinces of Fujian/Zhejiang.
+ Taiwanese management has been perceived as efficacious in the Mainland context but can be notorious in terms of its propensity for industrial hazards – like fire and workplace accidents
Democratisation of HK/Macau

+ elected and representative government under the present SAR and the former colonial regimes has transformed the relationship between capital and labour

Democratisation of Taiwan

+ the liberalisation of the government was initiated in 1987 by President Jiang Jing-guo