

Business and Economic Development in Modern China

(Course designer: Dr. David Yen, Miami University of Ohio)

Description of the course:

This course focuses on the economic and business environments in China and how they influence companies doing business there. Designed to provide the students with an overseas learning experience about the international business environment of China, and the Shanghai area in particular, this course grounds the classroom learning with opportunities to engage with Chinese businesses to see how it works in the real world. In addition, each student will build an in depth knowledge of the business and economic aspects which affect investment strategies, entrepreneurship opportunities, and technological development in China. Shanghai's expansion directly correlates to its resurgence as an economic powerhouse. For this reason, a basic understanding of how this happened and what it means for the future is key for business students, but helpful for any degree program. This course can also be required to prepare students for their industry-related internship in China.

Extended description:

This course acquaints students with the issues, problems, and challenges to successfully conduct business, make investment decision, and/or pursue management careers across national borders in general and in China in particular. Emphasis is on economic development, financial investment strategies, managerial practices, production /operation requirements/attributes, and other business-related topics. Additional coverage will include, but will not be limited to: behavioral philosophy, value concept, negotiation management, leadership style, and modern development in China.

Furthermore, the purpose of this course is to introduce students to current issues and decision-making matters which organizations encounter within the competitive international, global market in China. This course addresses many of the complexities of the global marketplace and the peculiarities of doing business under dramatically differently operating constraints and strategic initiatives in China. As a result, it will increase/enhance students' global understanding of business strategy and operations and hence, improves their capability to adapt to the complex business environment in China.

Goals:

The general course objectives are for students to:

- (1) Become more familiar with global business issues, challenges, future trends and/or implications in China.
- (2) Become familiar with the basic concepts, theories, techniques, terminology, and applications related to International Business in general, and how to apply them in China in particular.
- (3) Gain an understanding of how multinational firms function, and the cultural, operational and managerial aspects that affect their ability to operate effectively and efficiently in China.
- (4) Understand details of Chinese business culture (guanxi, corruption, family enterprises, role of government in business, significance of local governments)

- (5) Become familiar with the basic concepts, theories, techniques, terminology, and applications related to International Business in general, and how to apply them in China in particular.
- (6) Address such issues as business privacy, ethics, diversity, and social responsibility in the domain of doing business in China.
- (7) Explore the possibilities to invest and build entrepreneurship in China.
- (8) Learn the basic concepts and terminology of international economics, trade and investment, and of currency exchange and monetary systems.

Course Outcomes:

After taking this course, students should be able to perform the following tasks or having the following capabilities/skills.

- (1) Compare China's business environment with other business environments such as the USA, Japan and European Commonwealth countries. .
- (2) Understand the role of multinational corporations (MNC) and how to do the future investment and set up joint venture in the future
- (3) Articulate the special nature, pros and cons of Chinese enterprises: state-owned enterprises, hybrid firms, Chinese multinational firms.
- (4) Understand the role of foreign direct investment on Chinese business and economics development
- (5) Appreciate, Integrate, and /or apply the emerging high technology capabilities of Chinese firms (e.g. Huawei, Lenovo) and MNC research institutes (e.g. Microsoft).
- (6) Distinguish the differential business environments (comparison of Beijing, Northeast China, Shanghai, Pearl River Delta, rural China)
- (7) Understand international trade, trade barriers and other related economic issues

Instructional Methods:

The teaching pedagogy of this course includes class lectures, speaker sessions, team presentation sessions and company visits to major businesses/companies in Shanghai area.

In specific, the skills and abilities to apply management concepts and techniques shall be acquired through reading and class discussion, through preparation for examinations and through doing research & writing reflection papers. The field trips (company visits) include visits to various companies, businesses, industrial parks, and plants/complexes. Some other classes will be covered using the guest speaker sessions from company executives and/or university professors. Real world business experiences and exposures from both field trips and lectures are integrated with the class material developed in the proposed courses and incorporated throughout the entire course period.

Grading Components:

Attendance/Participation/Preparation for Discussion Questions		5%
Team Presentation (TP)	1@15%	15%
Reflection Papers (RP)	8@5%	40%
Mid Term		20%
Final Exam		20%
	Total	100%

“Plus” grades will be given for the two highest percentage points in each grade range (e.g., a 99 or 100 is an A+, an 88 or 89 is a B+, etc.) “Minus” grades will be given for the two lowest percentage points in each grade range (e.g. a 90 or 91 is an A-, an 80 or 81 is a B-, etc.).

A student may drop without recorded grade by the third week of the semester. Between the third and ninth week of class, a grade of “W” will be recorded when a class is dropped.

Outline of Major Topics (MT):

Recommended topics include the following items.

1. Globalization... Forces, challenges, trends, key players in international business (MT1).
2. Cross culture business, values, attitudes, social structure, education, management philosophy, personal communications, and leadership (MT2).
3. Economic systems, environment, perspectives, power, limitations, transition, and development (MT3)
4. International trade: theories, types, barriers, protection, trends and challenges (MT4).
5. Business-government relationships; types and techniques used by the government. Method to restrict and promote trade (MT5).
6. Foreign direct Investment; Patterns, management issues, intervention, policies, and instruments (MT6).
7. Economic integration. Integration into different regions such as Europe, America, Asia and Middle East. Positive and negative effects (MT7).
8. International Strategy. Missions, goals, types, organizational structure, leadership style, management philosophy (MT8).
9. Analyzing international opportunities. Opportunities identification, feasibility studies, industrial analysis, competitor analysis, conducting research, performing business intelligence, protecting intellectual property/proprietary information (MT9).
10. Selecting entry modes. Importing/exporting, licensing, franchising, strategic alliance, joint venture, partner selection, wholly owned subsidiaries (MT10).
11. Developing and marketing products. Product strategies, pricing strategies, promotional strategies, distribution strategies and sales strategies (MT11).
12. Outsourcing. Near-shoring, off-shoring, on-shoring, process off-shoring, and applications off-shoring (MT12).
13. Hiring, retention and management of employees (MT13).
14. Managing the operations, capacity planning, acquisition, make or buy decision, quality improvement, supply chain management, enterprise resources planning, customer relationship management, and business process reengineering (MT14).

Course Scheduling and Assignments:

Two sessions per week, each session will last for 2 hours.

<u>Week</u>	<u>Seminar Topic</u>	<u>Readings</u>	<u>Items Due</u>
Week 1 (M)	Introduction	MT1	-----
Week 1 (W)	MT1	MT2	PPT of presentation1
Week 2 (M)	MT2	PPT of presentation1	PPT of speaker1
Week 2 (W)	Presentation1 (MT1 and MT2)	PPT of speaker1	-----

Week 3 (M)	Speaker1	MT3	-----
Week 3 (W)	MT3	-----	RP1(speaker1)
Week 4 (M)	Company visit 1	MT4	PPT of presentation2
Week 4 (W)	MT4	PPT of presentation2	RP2(Company visit1)
Week 5 (M)	Presentation 2 (MT3 and MT4)	MT5	-----
Week 5 (W)	MT5	MT6	PPT of presentation3
Week 6 (M)	MT6	PPT of presentation3	-----
Week 6 (W)	Presentation 3 (MT5 and MT6)	MT7	PPT of speaker2
Week 7 (M)	MT7	PPT of Speaker2	-----
Week 7 (W)	Speaker2	-----	-----
Week 8 (M)	Mid-term Exam	-----	RP3(speaker2)
Week 8 (W)	Company visit2	MT8	PPT of presentation4
Week 9 (M)	MT8	PPT of presentation4	RP4(company visit2)
Week 9 (W)	Presentation 4 (MT7 and MT8)	MT9	PPT of speaker3
Week 10 (M)	MT9	PPT of Speaker3	-----
Week 10 (W)	Speaker3	MT10	PPT of presentation5
Week 11 (M)	MT10	PPT of presentation5	RP5(speaker3)
Week 11 (W)	Presentation 5 (MT9 and MT10)	MT11	-----
Week 12 (M)	MT11	-----	-----
Week 12 (W)	Company visit3	MT12	PPT of presentation6

<u>Week</u>	<u>Seminar Topic</u>	<u>Readings</u>	<u>Items Due</u>
Week 13 (M)	MT12	PPT of presentation6	RP6(company visit3)
Week 13 (W)	Presentation 6 (MT11 and MT12)	MT13	PPT of Speaker4
Week 14 (M)	MT13	PPT of Speaker4	-----
Week 14 (W)	Speaker 4	MT14	PPT of presentation6
Week 15 (M)	MT14	PPT of presentation7	RP7(speaker4)
Week 15 (W)	Presentation 7 (MT13 and MT14)	-----	
Week 16 (M)	Company visit 4	-----	-----
Week 16 (W)	Final Exam	-----	RP8(company visit4)

Lectures. The instructor will deliver all the lectures for the aforementioned 14 main topics.

Participation. Students will be assigned a grade based on attendance, quality and quantity of contribution throughout the course. Speakers' PPT file will be ready at least two classes before the scheduled talk for students to read and generate questions. Good preparation of questions to speakers' talk in advance will certainly make more contribution to the class.

Team Presentation (TP). Students will be divided into teams and make presentations related to the topics. There will be 5-6 presentations (each presentation will cover two chapters). For example, presentation one will comprise the main topics 1 and 2 (MT1 and MT2). The presentation team will be assigned to cover the important concepts of the lecture topics and lead the discussion. The general assignment for the team presentation will include readings, research and/or formulation of questions for the topics assigned. Please note that the presentation team should always relate the presentation topics to Chinese current business and economics situation or environment.

Instructor will involve the rest of the class through calling on other students to do the critique. The student who does the critique will comment about the content of presentation by covering the missing and/or contradicting points presented by the lead team. In addition, different insights/opinions about the key concepts presented by the presentation team are certainly welcome; alternatives to resolve the problems/meet the challenges Chinese businesses have faced will be highly encouraged. Further, the presentation team needs to send the instructor PowerPoint slides of key points and a list of discussion questions at least two classes in advance.

Reaction Papers (RP). The papers contain a summary of the main points of the presentation and your reflections on how the featured environment would affect businesses in China. Each student needs to turn in a RP following each class (speakers and company visits) based on the aforementioned predetermined schedule.

Each reaction paper shall consist of four parts:

1. Two-Three paragraphs summarizing the principal themes of the class. One page maximum for this section.

2. A set of bullet points that indicates the principal claims or observations that supported the themes summarized in the first section. The aim of this part is not to regurgitate details, but rather to illuminate the *logical structure and main points* of the class discussion.
3. A list of reflections on how the featured talk and/or intended company visit would affect businesses in China
4. Minimum of two pages indicating the most important things that you learned in the class. The purpose of this section is to clarify your *intellectual* reaction to the class.

The most important distinction between a mediocre submission and an excellent one is *not* that the mediocre one leaves out or misconstrues essential information; that's the difference between mediocre and deficient. The criteria for an excellent reaction paper are that it reflects your understanding of the themes of the class, reveals the logical flow of ideas and observations that illustrated those themes, and reacts to the class content in a thoughtful and comprehensive way. It is permissible to discuss the class material, including its main themes and its logical flow, with other students in the class. The reaction paper itself, however, must be student's own work. Copying any part of another student's reaction paper is an act of academic dishonesty.

Mid-Term Exam and Final Exam. These two exams will be a mixture of objective formats, long and short essay. Material will be taken from the lecture topics, class content and assigned readings.

Specific Field Experience:

To integrate with classroom lectures and speakers' talk, 4 company visits will be organized and/or arranged in the Shanghai area. It is preferred to have these 4 companies in four different industries.

Company one: A high tech company, joint venture or partnership

Company two: An automobile or electronic company (wholly owned government enterprise, a Chinese company)

Company three: A financial company (a local Chinese company which is strategically allied with a foreign company or vice versa)

Company four: A medium- or small-sized Chinese company which has a niche; discussion of how they are building their brand.

Suggested textbook(s):

Note: each presentation team will rely on 2-3 different texts – students will have the PowerPoint decks as class notes/texts.

The History of China -- The Greenwood Histories of the Modern Nations, 2002, David c. Wright.

Culture and Customs of China, 2002, Richard Gunde.

The New Cambridge Handbook of Contemporary China, 2001, Colin Mackerras,

China, Inc.: How the Rise of the Next Superpower Challenges America and the World, Ted C. Fishman

Altering Mindsets in a Global Context: Change Management, V. Nilkant and S. Ramnarayan

Selling China: Foreign Direct Investment During the Reform Era, Yasheng Huang

Shaping Organizational Strategies: Future Perspectives, Concepts and Cases, Gautam Raj Jain and Atul Tandan

Power Shift: China and Asia's new Dynamics, David Shambaugh (Eds).

The Cultural Dimensions of International Business, Gary P. Ferraro

Leading the Speed of Change: Using New Economy Rules to Invigorate Old Economy Companies, Bill Capodagli and Lynn Jackson

Tectonic Shift: The Goeconomic Realignment of Globalizing Markets, Jagdish N. Sheth, Rajendra S. Sisodia

The Chinese Economy, Barry Naughton

Potential Course Materials:

Other Readings;

1. Harvard Business Review: Spotlight on China: Oct 2003, Lieberthal and Lieberthal: The Great Transition
2. Choi, T. Y., An exploration of supplier selection practices across the supply chain. *Journal of Operations Management*, Volume 14, Number 4, 1996, pp. 333-343
3. Chandiramani, Ravi, "Orange overhauls hub for global community," *Marketing*, Oct. 25, 2001, p. 9.
4. Lewis, Steven, "Don't believe everything you read," *Asian Business*, Vol. 37, Issue 8, Aug. 2001, p. 42.
5. INTER-FIRM LINKAGES AND REGIONAL IMPACT OF TRANSNATIONAL CORPORATIONS: COMPANY CASE STUDIES FROM SHANGHAI, CHINA. Li, Xiaojian; Yeung, Yue-man. *Geografiska Annaler Series B: Human Geography*, 1999, Vol. 81, Issue 3, p61, 12p,
6. Chinese capitalism: cultures, the Southeast Asian region and economic globalisation. Crawford, Darryl. *Third World Quarterly*, Feb 2000, Vol. 21 Issue 1, p69, 18p;
7. The Regionalization of Chinese Business Networks: A Study of Singaporean Firms in Hainan, China. Chia-Zhi Tan; Wai-chung Yeung, Henry. *Professional Geographer*, Aug 2000, Vol. 52 Issue 3, p437, 18p,

- 8 Transnational Corporations and Local Embeddedness: Company Case Studies from Shanghai, China. Yue-man Yeung; Xiaojian Li. *Professional Geographer*, Nov 2000, Vol. 52 Issue 4, p624, 12p
- 9 Environment and Policy Factors Shaping Global E-Commerce Diffusion: A Cross-Country Comparison. Gibbs, Jennifer; Kraemer, Kenneth L.; Dedrick, Jason. *Information Society*, Jan 2003, Vol. 19 Issue 1, p5, 14p
- 10 TAIWAN'S DILEMMA ACROSS THE STRAIT. Chyan Yang; Shiu-Wan Hung. *Asian Survey*, Jul/Aug 2003, Vol. 43 Issue 4, p681, 16p
- 11 Changes in the Foreign Market Competitiveness of East Asian Exports. Hsiu-Ling Wu; Chien-Hsun Chen. *Journal of Contemporary Asia*, 2004, Vol. 34 Issue 4, p503, 20p
- 12 How to navigate the software maze. Carnabuci, Connie; Dang, Kiet; Wang, Jiabin. *Managing Intellectual Property*, Feb 2004 China IP Focus, p65, 7p
- 13 Policy Elites in the Political Economy of China's Exchange Rate Policymaking. Liew, Leong H. *Journal of Contemporary China*, Feb 2004, Vol. 13 Issue 38, p21, 31p

Credit Hours:

These course credit assumptions are based on the standard Carnegie Hours/Units requirements:
16 Week Format, 4 Units, 4 Credits
(Basic formula: 1 unit equals 1 hour of lecture, or 2 hours lab with homework,
or 3 hours lab without homework)

Ideally this course will meet twice a week for 2 hours each.