



赵曙明 Stephen NICHOLAS 刘洪 刘春林 Edit

RESEARCH ON THE IMPACT OF GLOBAL ECONOMIC INTEGRATION AND INFORMATION NETWORKING ON SUSTAINABLE CORPORATE DEVELOPMENT

企业可持续发展研究：
全球经济一体化与信息网络化



南京大学出版社



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Foreword

Globalization has led to economic integration and interdependence across international borders. Actions in any part of the global system have potential reactions in other regions. The greater the degree of interdependence, the deeper the reactions with significant impact on the behavior and effectiveness of multinational enterprises as dominate agents of globalization. Moreover, globalization means that those economies that are purchasers of goods and services will have a great impact on the behaviors of suppliers or producers of goods. Compared with suppliers, it is much easier for purchasers to adjust their consumer behaviors. Therefore, countries, such as the United States and some European countries, are quickly adjusting their consumer behaviors, while the challenge to China, as a major producing nation, is to adjust the production behavior to these changing consumer behaviors, especially after the global financial crisis. Moreover, in both producing and consuming nations, an essential strategy for companies is to shift the operational paradigm from local and vertical integration to global and horizontal networks. How can companies deal with the challenges of the post-global financial crisis while meeting the requirements of the economic transition? The efforts of government officials, business managers, and scholars are required to address this important issue.

With the arrival of global economic integration and the development of the information networking-based economy, companies worldwide have been exposed to enormous opportunities and challenges for their sustainable development. On one hand, the information technology (IT) revolution serves as one of the important forces to enhance both the global economy and societal development. Particularly with the help of the rapid growth of information networking, the whole world has been connected across countries, regions, organizations, groups, and individuals, leading to a business environment without boundaries. On the other hand, global economic integration and information networking has exerted threats and challenges to the sustainable development of multinational companies, in terms of the dramatic transformation in such aspects as corporate growth, management mode, internal administrative mechanism, and organizational structure. How can multinational business management foster sustainable development with the help of the global economic integration and information networking, while successfully meeting these inevitable challenges?

To explore solutions to the issues arising from this emerging international business environment, and to meet the new challenges management scholars faced, the School of Business, Nanjing University, China, is hosting the Eighth International Symposium on Multinational Business Management—The Impact of Global Economic Integration and Information Networking on Sustainable Corporate Development from June 12 to 13, 2014. This symposium follows seven continuously successful “International Symposia on Multinational Business Management” in 1992, 1996, 1999, 2002, 2005, 2008, and 2011. Based on the period of global economic integration and the development of the information networking-based economy, and situated in the current requirements of Chinese economic construction and business development, this symposium concentrates on vital issues confronting multinational business management including leadership and organizational behavior for sustainable corporate development, strategic and entrepreneurship management under global economic integration, international business management in the era of information networking, human resource management for sustainable corporate development, and e-commerce, service and corporate finance in the era of information networking.

In addition, we have organized several special sessions during the conference, such as “Sino-American Women Entrepreneurship” by Nanjing University and Seton Hill University; “Entrepreneurs and Philanthropy” by Nanjing University, the University of Missouri-Kansas City, and Kauffman Foundation; “Cross Border Subversion-Enterprise Innovation Development under Internet Thinking, a Dialogue Between Entrepreneurs and Scholars” by Professor Fanghua Wang and Professor Hong Liu; and The Ninth Nanjing University-Kyushu University-Renmin University Joint Conference—“The Impact of Global World Economy on Chinese and Japanese Economic Development”.

During this period of economic transition and post financial crisis, the Eighth International Symposium on Multinational Business Management provides a platform for scholars, entrepreneurs and senior managers of multinational companies to exchange information and explore ways to develop the corporate sustainable development under the influence of global economic integration and information networking at home and abroad. This symposium is also a gathering for Chinese management experts and peers from all over the world to exchange new thoughts, theories, methods and achievements. Over 80 papers were received and 43 papers were accepted and published in this book of proceedings through a blind review process. Additional refereed papers were accepted for oral presentation at the conference. All papers by the authors propose new management ideas and concepts that not only promote the development of business management theories in China, but also advance the transformation of Chinese business management practices.

The symposium has received tremendous support from many units and owes its success to their contributions. I would like to take this opportunity to thank the Department of Management Sciences, the National Natural Science Foundation of China for all of its support. I also need to thank the Department of Finance, Jiangsu Provincial Government for its financial support. I wish to acknowledge Peter F. Drucker and Masatoshi Ito Graduate School of Management of Claremont Graduate University, U. S. A.; Johnson Graduate School of Management, Cornell University, U. S. A.; Maastricht School of Management, the Netherlands; Office of International Studies and Programs and College of Business Administration, University of Missouri—St. Louis, U. S. A.; Faculty of Business and Law, University of Newcastle, Australia; Joseph M. Katz Graduate School of Business, University of Pittsburgh, U. S. A.; Seton Hill University, U. S. A.; The University of Sydney Business School, Australia. I would also like to thank these schools for their sustained long-term relationship with the School of Business, Nanjing University, their exchanges in teaching and research and for their co-sponsorship of the previous International Symposiums on Multinational Business Management conferences.

I wish to thank the Committee of Organizational Behavior and Human Resource Management, Chinese Society for Management Modernization the *Journal of Reform*, the *Journal of Training*, *Yangzi Evening Post*, A. O. Smith (China) Water Heater Co., Ltd., New Skin (China) Co., Ltd., Suning Group, Jiangsu Yanghe Distillery Joint-Stock Co., Ltd., Jiangsu Lianfa Textile Co., Ltd., Wuxi Little Swan Company, Ltd., DAQO Group, Nanjing Rich Island Information Technology Co., Ltd., Shanghai Sunivo Supply Chain Management Co., Ltd., and Simou Management Consulting Co. Ltd. for their support.

I express my deep appreciation to the keynote speakers: Dr. Michael Spence, the Nobel Prize Winner in Economics in 2001, Chairman of Developing Countries Economic Development Commission of the World Bank and Professor at Stanford University and New York University; Dr. Sir James Mirrlees, the Nobel Prize Winner in Economics in 1996, Fellow of the British Academy, Professor at Oxford University, Member of the American Academy of Arts and Sciences, Distinguished Professor-at-large of The Chinese University of Hong Kong; Mr. Siwei Cheng, Former Vice Chairperson of Standing Committee of National People's Congress and Dean of the Graduate School of Management, University of China Academy of Sciences; Dr. Jean Lipman-

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I would like to express my thanks to the following specialists and scholars who spared time from their busy schedules to help us prepare for the symposium and attend this meeting: Dr. Chunhua Chen, Professor of School of Business Administration of South China University of Technology of China, Co-Chairperson of the Board and Chief Executive Officer, New Hope Liuhe Co. Ltd; Dr. Ya-Ru Chen, Professor of Management and Global Business, Johnson Graduate School of Management, Cornell University, U.S.A. and Distinguished Expert of “China National Thousand Talent Program” at the School of Management, Nanjing University, China; Dr. Lawrence Crosby, Dean and Professor of Peter F. Drucker and Masatoshi Ito Graduate School of Management of Claremont Graduate University, U.S.A.; Dr. John Thomas Delaney, Dean and Professor of Joseph M. Katz Graduate School of Business, University of Pittsburgh, U.S.A.; Dr. Richard Dunford, Professor and Pro Vice-Chancellor (Business and Law) of University of Newcastle, Australia; Ms. Jayne H. Huston, Director, Office E-Magnify, Seton Hill University, U.S.A.; Dr. Joel Glassman, Associate Provost and Director of International Studies and Programs, University of Missouri-St. Louis, U.S.A.; Dr. David Grant, Professor and Co-Dean of the University of Sydney Business School, University of Sydney, Australia; Mr. Charles E. Hoffman, Dean of the College of Business Administration, the University of Missouri-St. Louis, U.S.A.; Dr. Wim A. Naudé, Dean, Director and Professor of Maastricht School of Management, The Netherlands; Dr. Diane Schuster from Claremont Graduate University, U.S.A.; and Marilyn Taylor, Gottlieb/Missouri, Chair of Strategic Management, Henry W. Bloch School of Management, University of Missouri at Kansas City, U.S.A.

I also want to thank all the scholars for spending time and energy reviewing and selecting the high-quality papers for this symposium. The reviewers included: Brendan Boyle, Betty Coffey, Brett Crawford, John Delaney, John Dobson, Joel Glassmann, Paul Harper, Hans Hendrichske, Ray Jones, Aidan Kelly, Russell Lansbury, Wei Li, Paul Mahady, Stephen Nicholas, Graeme Smith, Doina Vlad, Chris Wright and Gracy (J. Y.) Yang. Special thanks to Dr. Chunlin Liu, Associate Dean, School of Management, Nanjing University, for arranging for all papers to be blind-reviewed and spending many hours for proofreading.

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Part I

Leadership and Organizational Behavior for Sustainable Corporate Development

Why Managers Do What They Do?

A Study on Chinese Managers' Time Allocation

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Abstract: This study examines how managers' daily work patterns vary across managerial ranks as well as firms with different degrees of formalization. Based on a sample of 671 managers from 540 firms in China, we find that formalization (1) helps managers save time on routine tasks, and allows them to spend more time on non-routine tasks; and (2) increases their work related interruptions but decreases the non-work interruptions. We also find that (1) executive and middle level managers spend a higher proportion of time on non-routine activities over routine activities than the lower level managers; and (2) lower level managers receive the least work-related interruptions during their work time, whilst executive managers receive the most non-work interruptions.

Key Words: organizational design, decision making, managerial time allocation, organizational formalization, and managerial ranks

A basic question in management science—"what do managers do"—has stimulated a large body of research depicting managerial behavior patterns. One stream of scholars has suggested that managers are not systematic planners, but often simply respond to their work environments (Kotter, 1982; Mintzberg, 1975). As such, they focus on researching the "pattern characteristics" of managerial work (Carlson, 1951; Mintzberg, 1973; Stewart, 1967; Whitely, 1985). For instance, prior research has found that managers' work patterns can be characterized by long working hours, fragmented episodes, and a favor of verbal media, such as telephone calls and meetings, over documents (Kotter, 1982; Luthans, 1988; Mintzberg, 1975).

The prior research mainly relies on descriptive analysis using case analyses or small sample studies with predominantly qualitative data, such as diaries, interviews, and field observations (McCall, Morrison, & Hannan, 1978; Mintzberg, 1975). This research provides rich and detailed descriptions, and advances our understanding of "what do managers do" regarding their common working patterns. Surprisingly less attention has been paid to researching why managers do what they do, and if such patterns vary across organizational contexts. In addition, with a few exceptions (e. g., Luthans, 1988; Penfield, 1974), prior research has mostly focused on executive level managers, with inadequate attention paid to managers at relatively lower levels (i. e. middle or entry-level managers). The limitations impede our understandings if heterogeneity exists among managers with different ranks and when they work in different organizational contexts. This constrains the further development toward a theory of managerial behavior and calls for new research (1) using large sample data, (2) applying systematic and rigorous analysis models, and (3) including managers at all levels across diverse organizational contexts.

The present study aims to fill this void. First, we build on the findings of prior (descriptive) research and categorize managerial work patterns into two dimensions—semi-regularity and discontinuity. We then quantify the two dimensions by scrutinizing how managers work and spend time on, between and across different tasks.

Second, we use survey methods and collect a large and representative sample in China to analyze managerial work patterns. The respondents are Chinese managers of all levels from various types of organizations and

industries. With a large and informative data set, we are able to conduct a rigorous and systematic analysis, which is a significant improvement over the extant research. Also the Chinese sample of managers offers an opportunity to test the generalizability of the established managerial work patterns that are mainly developed in an American context.

More importantly, we assess how managerial work patterns vary across different firms with different degree of formalization. In this way, we depart from previous researches that have focused mostly on depicting “what do (effective) managers do” (Hass, Porat, & Vaughn, 1969; Kotter, 1982; Luthans, 1988; Penfield, 1974), by focusing on “why do managers do what they do”. In sum, the present study is able to provide an organization interpretation on managers’ work patterns and extend the literature on managerial work behavior.

1. THEORY AND HYPOTHESES

1.1 Mapping Managerial Behavior Pattern

Mintzberg’s (1975, 1990) seminal work suggests that: (1) managers are not systematic planners, but work at an unrelenting pace, and their activities are characterized by brevity, variety and discontinuity; (2) managerial work involves both regular and irregular duties; and (3) managers strongly favor verbal media, namely telephone calls and meetings (including both scheduled and unscheduled meetings). Likewise, Kotter (1982) finds that managerial work is characterized by long hours, fragmented episodes and oral communications. Subsequent research in this line confirms their findings and suggests that managerial work is more informal, less reflective, more reactive, less well organized, and more frivolous than professional work (Luthans, 1988; Perlow, 1999). Despite the diverse labels that have been used, all these studies point to three fundamental dimensions associated with managers’ work patterns—semi-regularity, discontinuity and variety.

Semi-regularity delineates the nature that managers need to perform both regular and irregular activities in their work. Regular work refer to those activities that occur habitually, repetitively, and have been routinized into managers’ work agenda, including attending rituals and ceremonies, scheduling work for subordinates and processing market information (e. g., Allan, 1981; Mintzberg, 1975). Irregular work is those activities that have not occurred before, or have occurred but infrequently and have not been routinized into managers’ work agenda. Examples may include dealing with competitors’ new initiatives or new market trends, handling subordinates’ disputes, making extra report to supervisors and other activities for putting-out fires on pressing problems. How is a manager’s real work, composed of both regular and irregular activities, carried out on a day-by-day basis? Prioritizing and allocating time between the two types of work activities is of great concern to all managers. This dimension to a large extent reflects a challenge with which managers have to cope with in their time (attention) allocation every day.

Discontinuity depicts a ubiquitous fact in managers’ daily work life: managers are often distracted by external interruptions during working time (Kotter, 1982). Interruptions refer to incidents or occurrences that impede or delay people’s attention as they attempt to make progress on current work tasks, including both external and internal interruptions (Jett & George, 2003). Interruptions by other people, the focus of the current paper, occur frequently in a variety of ways and forms which include the advent of phone calls, emails, fax, and unscheduled people visits (Jett, 2003; Mintzberg, 1975; Perlow, 1999). Although managers may adopt certain means (such as switching off mobile phones or having secretaries set up appointment scheme) to block some external interruptions, not all interruptions can be blocked and some interruptions are even anticipated or encouraged, since managers prefer “instant communication.” Generally speaking, interruptions disturb managers’ attention irrespective of whether the interruptions are expected or not. As such, interruptions reflect another challenge with which managers have to deal with during their work time.

While all managerial behaviors are faced with semi-regularity and discontinuity, they tend to display reactions to these characteristics to a different degree. Heterogeneity exists among managers working in different

organizations and at different ranks. The present study systematically examines the impacts of formalization and managerial ranks on managerial work pattern (reflected in managers' time allocation), as we shall elaborate below.

1.2 The Impact of Formalization

Organizations provide stimulus that channel managers' attention into different tasks and then change their behaviors (Simon, 1947). An organization can be seen as a structure of distributed attention (Ocasio, 1997). Hence, organizational structure, on the one hand, greatly complicates the process of managers' attention allocation for multiple role-playing; on the other hand, organizational structure facilitates regulating managers' attention through routines, such as delegation, agenda setting, and decoupling. In this study, we focus on an important aspect of organizational structure—formalization and illustrate how it may change managers' work pattern.

Formalization is an important structural framework of organizations in the management literature (Inkson et al., 1970; Sathe, 1978). It refers to the degree to which decisions, working relationships, and job duties of members in the organization are governed by formal rules, standard policies, and procedures (Pennings, 1973; Pugh et al., 1968). Formalization may influence managerial behaviors in two ways. In the first way, highly formalized organizations tend to provide more guidance in regulating managers' work, like whom to interact with and what are appropriate and acceptable procedures for managers to carry out their work (Monge & Eisenberg, 1987). In the second way, formalization provides more rules and regulations to formalize the duties of other members in a same organization. The more formalized the job duties of other members in the same organization, the less attention (time) is needed from managers to mentor and supervise them, and thus the more attention (time) can be saved and allocated to other tasks, likely non-routine tasks. This suggests that formalization has both a direct and an indirect effect on managers' work patterns.

Formalization reduces role ambiguity and conflict in both managers and workers (Michaels et al., 1988). Reduced role ambiguity among managers within organizations fosters the managers to be more efficient on their routine tasks. As such, managers are able to handle more routine tasks in a same work period, or complete all the scheduled routine tasks in a shorter period, so that they can use the saved time to handle more non-routine work.

Nevertheless due to its complex and ambiguous nature, managers' work can hardly be fully formalized through rules, standard policies, or formal procedures. In contrast, the work of non-managers, like workers and employees, can be largely formalized. Reduced role ambiguity and conflict among workers and employees can substantially save managers' time on supervising, mentoring, and dispute resolving. As a result, managers can allocate the saved time from routine tasks to more challenging work, mostly non-routine work. Taken together, we argue that formalization allows managers to spend more proportion of work time on non-routine tasks.

Hypothesis 1 (H1): *Ceteris paribus*, the proportion of time a manager spent on non-routine activities over routine activities increases with the firm's formalization.

Interruptions often cause discontinuity in managers' attention, including both work related interruptions and non-work related interruptions. Formalizing job roles of managers improves the information flows, avoids redundant procedures, and optimizes work orders (Daft & Lengel, 1986; Galbraith, 1973). Formalizing job designs for subordinates not only reduces potential work conflicts among them, but also lowers the likelihood that supervisors (managers) will allocate non-routine time for dispute resolution.

In addition, interruptions impede and delay managers' attention on current work tasks, and can disturb an otherwise more focused and effective mind from information processing and decision making. We argue that formalization helps managers avoid unnecessary work related interruptions that exist otherwise in poor job designs. A further question is if formalization can mitigate work-related interruptions, can it also reduce non-

work-related interruption? Formalization, we argue, provides a training for managers to become more self-disciplined, and hence is likely to be helpful in blocking managers' attention from the non-work-related interruptions as well. Thus, we propose that managers in highly formalized firms are subject to fewer interruptions, including both work related as well as non-work-related interruptions, during their work time than managers in less formalized firms.

Hypothesis 2a (H2a): *Ceteris paribus*, managers in a highly formalized firm are subject to fewer work-related interruptions.

Hypothesis 2b (H2b): *Ceteris paribus*, managers in a highly formalized firm are subject to fewer non-work-related interruptions.

1.3 The Impact of Managerial Ranks

Managerial rank empowers managers with different authority and responsibility, which allow them to behave in different ways (Kotter, 1982; Luthans et al., 1988; McCall & Segrist, 1980; Pavett & Lau, 1983; Stewart, 1976). For instance, Kraut and Pedigo (1986) find that front-level managers mostly deal with supervising others, middle managers with linking groups, whereas executive managers mainly focus on planning and watching the business environment. McCall, Morrison, and Hannan (1978) suggest that higher-level managers play a boundary-spanning role, and as a result, they have more external contacts in their networks than do lower-level managers. Luthans et al. (1985) observe that the amount of interaction with outsiders is greater for middle- and upper-level managers than for lower-level managers. Other studies corroborate the findings and show that top managers generally display more planning, controlling, and monitoring than middle and lower level managers (e. g., Bass, 1990; Luthans, 1988; Mandy et al., 1999; Yukl, 1994). We build on, but go beyond these findings, to examine how managerial ranks in organizational hierarchy affects managers' work pattern.

First, executive managers attend mostly to strategic issues, and their work is largely unspecialized and often cuts across diverse functional areas. Their work thereby presents greater ambiguity and complexity, and involves more non-routine tasks. In contrast, middle and lower level managers mainly focus on retaining daily operation and smoothing the workflow. As a result, their work is more focused, short-term in outlook, and presents more regularity than the managerial work at higher level. This analysis leads to the following hypothesis:

Hypothesis 3: *Ceteris paribus*, executive managers spend more proportion of time on non-routine activities over routine activities than the middle and lower level managers.

Second, executive managers are more powerful, and often control the critical resources and strategic information of a firm. In contrast to middle and lower level managers, executive managers have more chances to engage in lateral interactions within the firm (Pavett & Lau, 1983), and play the boundary-spanning roles (McCall, Morrison, & Hannan, 1978). As a result, executive managers need to closely monitor both the internal and external environment (Kraut et al., 1989; Pavett & Lau, 1983), and develop more contacts in their network than do lower level managers. The more contacts of a manager, the more likely the contacts may approach the manager and interrupt the managers' work. Hence, we propose the following hypothesis related to discontinuity:

Hypothesis 4a (H4a): *Ceteris paribus*, executive managers are subject to more work-related interruptions than middle and lower managers.

Hypothesis 4b (H4b): *Ceteris paribus*, executive managers are subject to more non-work-related interruptions than middle and lower managers.