

Performativity, Corporate Behavior, Institutional Change and Rituals in China

Man Guo

To my parents Guo Zhong, Zhang Chunbin and German family Klaus, Gaby.

Berichte aus der Betriebswirtschaft

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Preface

With the development of Chinese economy, many observers ask whether this goes hand in hand with the emergence of new management model with particular Chinese characteristics and whether this development is supported by specific Chinese business culture.

This book provides a broad theoretical and practical position on how ritual behavior functions in Chinese corporations. Rituals are structured to allow individual agents or corporations and corporate groups to transform through different contexts, enact different roles, share the same identities, keep hierarchy levels, provide close relationships with government, weave a *guanxi* network structure, integrate specific cultural elements, and, more importantly, permit the government and corporations to promote both stability and change in Chinese society. By bridging performativity theory and indigenous perspectives, I have constructed a conceptual and analytical framework for understanding ritual-embedded corporate behavior and the role of institutions in the economies—both historical and contemporary—in a unified way.

I believe rituals play an important role in Chinese traditional culture in stabilizing hierarchies, as well as relate to the modern economic notion of the institution as a set of standardized behavioral patterns. To study ritual and corporate behavior, I present a multi-method approach which combines qualitative and quantitative studies and emic and etic perspectives, emphasizing cognitive analysis related to management and business. First, I define corporations as self-sustaining systems of rituals and examined the ways in which they form a coherent overall arrangement. This depends on the cognitive roots and rational choices of corporation members. I also focus on the diversity of viable institutional arrangements as is implied by the multiplicity of equilibria in the presence of corporate strategic complementarities. In chapter 2 I put together the pieces analyzed with performativity theory and use them as an illustrative framework throughout the study, looking into some important theoretical and contemporary models of the overall institutional arrangements in cultural and political (chapter 4) contexts (chapters 3 and 4, respectively). Finally, I argue that Chinese corporations should implement knowledge management with a supplement of active ritual aspects. Using knowledge management theory, I explore how these institutions, cognitions and knowledge systematically alter the behavior of actors in ways that behaviors converge with the institution and cognitions. This common knowledge is rooted in the explicit and tacit knowledge in corporations.

For the future development of management science, knowledge management

seems to be the most useful to both the theory and the practice of Chinese corporations, as it focuses on ritualistic patterns of corporations in the field rooted in these culture aspects and in current organizational and political contexts. Having used a general framework, I hope to have contributed a roughly humble view for researchers looking to understand the nature of Chinese corporations.

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