

## New Pathway for Management Studies in China: Exploring Qualitative Research Methods of Business Anthropology

Robert Guang Tian<sup>1</sup>, Hongfei Liu<sup>2</sup>, Yanyu Wang<sup>3\*</sup>

<sup>1</sup>Hunan University of Science and Engineering, China; rgtian@yahoo.com (R.G.T.).

<sup>2</sup>One Belt One Road CBEC Platform, China. michaelmail2001@163.com (H.L.).

<sup>3</sup>Yango University, China; 1031296703@qq.com (Y.W.).

**Abstract:** Through an inventory of the existing literature body on Chinese management studies, this paper attempts to present a critical review of the phenomenon that the management studies in contemporary China over-rely on quantitative research methodology. It endeavors to demonstrate that the nature of scientific research is to innovate by seeking truth and, therefore, should not be restricted by quantitative research methods. Improve the effectiveness of academic analyses, it suggests that the scholars in China need to positively adapt the anthropological methodologies to conduct management studies and enhance the process of the localization of management science in the country. It is designed to broaden the approaches toward Chinese management studies by introducing business anthropological methods to Chinese management scholars. It adopts a comparative and case study methodology to demonstrate the limitations of quantitative methods and illustrate the effectiveness of business anthropological approaches for management studies in the Chinese context. The existing literature body demonstrates that excessive quantitative research approaches are utilized in current management studies, while scholars in China primarily ignore the effectiveness of qualitative methods. The necessity for further understanding qualitative research methods in management studies has been recognized more recently by Chinese scholars. They tend to agree that qualitative and quantitative research methodologies are merely different approaches, while the results are the same. One of the compelling new paths to improving management studies and practices is to apply anthropological research methods so that management theory in China can better explain actual human responses and factors that influence their behaviors. Anthropology has always been employed for practical applications. In addition, anthropological methods can enlarge the approaches to management studies and widen the scope for scholars to conduct their research. The combination of anthropology and management will accelerate the localization of management studies and, accordingly, speed up the systematic establishment of Chinese management theory to promote management practices in modern China. Business anthropology is emerging among some outstanding qualitative research methods in Western management studies. On the other hand, China's management science community is still a little behind in this respect. This paper is a pilot study to elaborate on business anthropology and its contribution to specific areas in management studies, such as marketing management, product design, and entrepreneurship in the Chinese context.

**Keywords:** *Business anthropology, Chinese culture, Ethnography, Localization, Qualitative research,*

### 1. Introduction

With over three decades of development, management is no longer exotic in China. Chinese management scholars are no longer solely satisfied with applying Western management theory to China's management practices. China requires management originating from home, developed at home,

and applicable to home, as well as an expectation and a requirement. Over three decades of experience have revealed that based on its institutional environment, Western management theory is closely related to its political, economic, and cultural background and the theory and methods that are not "localized" to China. On the other hand, China has accumulated sufficient practical experience in management and the survival and development environment for Chinese enterprises, different from Western countries. Both of these require management researchers to contemplate and explore the social science attributes of management science. The paths and approaches of management research may differ depending on the culture. To a large extent, there is a significant difference in the rules and practices of management due to cultural diversity.

This paper summarizes classic qualitative research methods in social sciences, starting with the relationship between qualitative and quantitative research based on a review of previous discussions, and thus points out the necessity for further understanding of qualitative research methods in management. It also states that qualitative and quantitative research have different approaches, but the results are the same. Appropriate research methods should be adopted following specific research backgrounds since both assist research contents and objectives. More importantly, the essence of scientific research is innovation, and its principle is to eliminate the false and retain the true. Only with more excellent analysis and a more widely accepted target of an investigation can papers offer more significant contributions to the development of academic research.

After review, it is not difficult to discover the valid reason for the weakness of qualitative research: the lack of formal methodology research on classic qualitative research methods in Chinese academia. However, some qualitative research methods are applied maturely in Western social sciences and management, providing a paradigm for qualitative methodology research in China while suggesting new study subjects.

As a branch of applied anthropology, business anthropology is emerging among some outstanding qualitative methods of Western management research. China's management community, on the other hand, is still a little behind in this respect. Therefore, this paper will elaborate on business anthropology and its contribution to specific areas of management research, such as marketing, product design, and entrepreneurship.

Ultimately, the research analyzes the localization of management studies and practices in-depth and the reason for needing to take the perspective and methodology of business anthropology. Further discussion is offered of the contribution of business anthropology to the localization of management and management practices, stressing the groundbreaking achievements of Chinese traditional culture in the localization of management. It also points out that the outlet for management development in China ultimately lies in exploring new localization paths based on China's national conditions.

## 2. Reflections on Current Management Methodologies in China

Statistical research reveals that excessive quantitative research approaches, such as quantitative modeling and econometric testing, are utilized in current management research in China. For example, more than 400 papers in Chinese and English were selected during the 4th International Association for Chinese Management Research (IACMR) (authors from the academic group with the most vital research capabilities in China's management academia) and over 90% of which employ quantitative modeling (Sun, 2011). The author selects *Management World* and *China Industrial Economics* of Class A and *Chinese Journal of Management* of Class B among 30 of the most important academic journals in management science, analyzing over 450 scholarly papers available in 2013 from these three journals. It was also found that nearly 90% of them focus on quantitative modeling and econometric tests.

American management academia has passed through the myth stage when only scientific empirical research papers are accepted. In modern times, however, they focus more on analyzing the cultural background and social environment while advocating for appropriate computing and mathematical modeling usage in management research and practices throughout a dynamic evolution of exploring subject rigor and practice correlation (Kolodko, 2013). It is undoubtedly a pity that China continues to

repeat the mistake of American management academia in this respect, with the historical background of quantitative research methods replacing research innovation during research on management and management practices in the United States. A significant reason for the preference for econometric models and statistical computing is that quantitative analysis approaches are the death strike for papers with little substance and knowledge innovation and are also the top choice of academic journals short of profound insights to avoid criticism. (Xiang, Tian, Wang, & Ouyang, 2013).

The loss of current management research methodologies in China resulted from eagerness for quick success and instant benefits. Quantitative modeling analysis is a "latent rule" and a permit for academic exploration. The practice, however, entirely breaks from the original objectives and values of research (Sun, 2011). The method serves research contents, and content innovation is precisely the essence of research. Starting from the historical origin of the school of management in Chinese universities, some scholars attribute the "natural" preference for quantitative analysis to the drawback of establishing a school of management based on the tradition of engineering colleges (Tan, 2006). However, those management scholars who exclusively prefer quantitative research might not truly understand the essence of management as human behavior. Management, according to them, is likely to descend to digital games. The author holds that research methods should not be regarded as the sole criterion for determining research quality. Good research should be innovative, with the false eliminated and the truth retained. The essence is to be creative; the principle is to eliminate the wrong and maintain the facts. Only through innovation can mediocre thoughts be avoided and prevented.

### 3. Qualitative Research Methodology of Social Sciences

Qualitative research and quantitative research are two means to achieve the same goal. This goal is to investigate the essence of the same matter from different perspectives, at various levels, and through other modes of operation. A comprehensive and deep understanding of matters can be realized for qualitative research through long-term, in-depth experience, investigation, and analysis throughout the interaction between researchers and research subjects. For quantitative research, on the other hand, this is achieved through measurement and computation of quantifiable content and analysis of the correlation between variables (Chen, 1996)

Most arguments about "quantitative" and "qualitative" research extend from literal interpretation to actual operation. Various methods should be employed according to primary research, however complex or straightforward the research contents and paradigms. The root of the differences is that researchers in favor of quantitative methods see themselves as simply trying to understand and interpret objective laws and social phenomena while not intervening or influencing research targets. On the other hand, researchers in favor of qualitative methods place themselves and their study targets under the same umbrella, learning and experiencing acts, values, moral standards, customs, and cultural forms. For social sciences research, in particular, the involvement of researchers in targets of investigation is a long-term and painstaking process, as if they are reeling silk from cocoons.

This paper will not focus on qualitative research methods, given a strong preference for quantitative research in domestic management research and scholarly recognition (Tan, 2006). Classical quantitative research methods primarily include phenomenology, grounded theory, ethnography, and critical incident methods.

Western scholars divide phenomenology into seven steps: a study of an extraordinary phenomenon, exploration of general essence, understanding the essential relationship between various elements, observing the composition of the phenomenon in consciousness, investigating the method of manifestation, offering belief in splendor, and explaining the implication of phenomenon. Some steps of phenomenology can be regarded as original and unique, especially the manifestation methods and the revelation of the composition of a phenomenon in human consciousness. The originality of phenomenology is based on the decisive influence of the worship of philosophy (Spiegelberg, 1995).

Grounded theory, as a qualitative research method, is vital in establishing a theory based on empirical data. The basic ideas of the grounded theory include the following significant features. First,

generate concepts from constantly condensed data. Second, sensitivity to the concepts in available data must be maintained. Third, compare data and concepts continuously. Fourth, the theory tentatively generated from the data should be the standard for further data sampling. Fifth, do not overuse past documents, as personal interpretation is essential in constructing theories (Chen, 1999). Finally, grounded theory contains a complete standard for testing and evaluating concepts and a consistent research process: open and selective coding, constant comparison, theoretical sampling, theoretical saturation, theoretical coding, memo writing, and hand sorting of memos. Generally, grounded theory applies to research on individual development processes, interpersonal relationships within groups, and interaction between individuals and groups (Fei, 2008).

The ethnographic research method is an important research technique in anthropology, or rather a series of intensive and long-term field observation projects that study the research targets in local cultural backgrounds (Tian, Liu, and Tian, 2015; Tian, Trotter, and Liu, 2015). It primarily includes two stages: identification of location and involvement, data collection, and analysis (Tian & Zhou, 2013). In traditional anthropological field research, researchers and respondents maintain long-term interaction, and research can only be conducted when researchers become members of the cultural systems of the respondents. During various data collection, ethnographers turn themselves from passive observers to proactive participants (Lofland & Lofland, 1984). Therefore, ethnography as a qualitative research method is a science and art that can perfectly combine creative tools with a well-organized target of research and instincts (Mariampolski, 2006).

The critical incident analysis attempts to arouse the memory of respondents through interviews. It can include pretty critical events or situations, choice of events, and some repeatedly mentioned details that contain valuable information about respondents and could consist of things such as their values and cultural factors. Respondents must recall their behaviors, ideas, and attitudes, an essential premise for further normative analysis. Critical incident analysis's significance is learning crucial incidents from the individual perspective at different levels, such as recognition, emotion, and behavior (Chell & Pittaway, 1998). It has the following advantages: 1. The selection of critical incidents is based on the personal understanding of respondents, and all data are original. 2. An inductive logical derivation shows excellent advantages regarding current research and insufficient knowledge and information or when descriptive research is conducted. 3. It provides a basis for confirmatory empirical research and reveals factors to be tested and the relationship between factors. 4. With the cross-cultural background it is especially applicable to research on differences of individual perception (Dwayne, 2004).

Significant differences exist between qualitative and quantitative research processes and designs. Qualitative research is an interactive process during which researchers and respondents influence and learn from one another. With both advantages and disadvantages, research methods should be selected correctly and following research contents under specific research backgrounds, never allowing research methods to determine research contents and objectives. Oversimplified classification of qualitative and quantitative research could result in opposition that prevents mutual learning and assimilation. As quantitative and qualitative research types seek a comprehensive and profound understanding of things, there is no opposition between methods (Chen, 1996). Under this fundamental principle, qualitative and quantitative research can perfectly combine to satisfy research requirements and deepen research. Those rough standards for distinguishing qualitative and quantitative research are of no practical significance to the research.

#### **4. Application and Value of Qualitative Research Methods in Management**

The study of "the most appropriate research method for management" must start with management's research contents and objectives. Management means coordinating relationships between humans and objects and between objects through coordinating interpersonal relationships. It could mean the tacit or explicit understanding of completing tasks (Han Deqiang, 2008). Starting from the definition, the author holds that the research contents of management are the coordination of interpersonal relationships, and the objective is to achieve maximum efficiency through coordination

between human resources, financial resources, and material resources (Xiang, Tian, Wang, & Ouyang, 2012). Researchers should be content and objective-oriented when choosing the optimal research methods or combinations. They should avoid remaining mired in research methods.

Classical research is composed of several vital steps. Namely, to define study targets, then determine research contents, followed by a literature review, then an analysis of relations, raise hypotheses, collect data, refine original data, and present the conclusions. The author selects representative articles using important qualitative research methods mentioned above from domestic top academic management journals and elaborates on applying research methods. It can be seen that qualitative research methods play a crucial driving role in each research step.

Standard qualitative research begins by defining the research targets, constructing object-based concepts, and summarizing the logical relationship between concepts through a literature review to obtain dimensionalities and levels involved. The composition and targets of research and the relationship between each component can be described and analyzed through phenomenology. For example, based on cognitive theory and phenomenological interview, Jiang (2012) proposed a preliminary theoretical framework for consumer construction's brand product knowledge system. Previous conceptual and empirical research have not explicitly defined consumer brand product knowledge. This research enables people to have a more profound understanding of the significance and nature of daily life experience, which also broadens traditional thinking, which confines the analysis of brand product cognition to the association of brand physical characteristics and brand function evaluation.

Data are later collected using interviews, observation, and object analysis. In terms of learning the background of the research targets and collecting data, anthropological ethnography methods can best reach the research requirements. Critical incident methods can collect original and private valuable information about the targets of the investigation. For example, Wang (2009) constructed a model of personal information management behavior through ethnographic research and worked out the critical tasks in every stage according to the model. When the ethnographic method is employed for research on Personal Intelligence Management (PIM), data should be collected in a natural context, which should only be utilized as evidence of user PIM behavioral processes. The research also provides an outlook on the application of ethnography in personal information management and information management. The ethnographic method is highly regarded for its pertinence, comprehensiveness, and accuracy of information collection. Using the critical incident method, Fei (2001) conducted exploratory research on critical incidents of consumer guilt from different samples. The study first made a descriptive analysis of consumer guilt from various perspectives through content analysis. It then summarized marketers' actions to trigger consumer guilt and consumers' responses and relations.

The original data acquired should also be classified, filed, and encoded. The classified and staged analytical methods of actual data are generally based on "Grounded Theory" in current mainstream research. For example, Xu (2010) revealed four different mechanisms of consumer socialization in the intergenerational influence of parental brands with Mengniu Dairy as the research target; he used grounded theory as the primary research tool. Li (2006) utilized the rapid growth model of Mengniu Dairy, characterized by accumulation, imitation, and creation, to explore the factors that influence the two development stages of imitation and creation. The research focused on the richness of information of target enterprises rather than the sample size. Wang (2012) constructed a formation and influencing mechanism model to study the origin country image by collecting and analyzing comments and posts for Chinese products by consumers from the United States and India. It satisfies the multinational enterprises' requirement for the practical dimension of the original national image. The grounded theory was employed to process massive secondary data in this research. The theory behind the phenomenon was explored through an inductive approach based on systemized data collection and analysis. Huang (2008) collected and analyzed the posts of public comments on enterprise social responsibility. He constructed the response model of "expectation-satisfaction-behavior" and explained enterprise social responsibility's public recognition and response models.

For instance, other qualitative research methods can also collect and analyze original data based on the hermeneutic approach. Previous studies primarily focus on the results of intergenerational influence. These studies lack analysis of the deep internal mechanism of intergenerational impact. Based on classical hermeneutic research procedures, typical research includes two stages: data collection and data analysis. Finally, the appropriateness of the researcher's subjective interpretation is tested through confirmatory methods.

In the end, straightforward, intuitive quantitative methods are always adopted to test qualitative research's reliability and validity. Various ways are available to conclude, including various quantitative analyses. For example, He (2007) first summarized the marketing elements and basic mechanisms of consumer "changed and unchanged" attitudes toward old brands by using qualitative methods and concluded that consumers hold different perspectives toward "changed and unchanged" old brands. Based on this, the research continued to test whether other consumer characteristics affect the attitudes toward the long-term development of time-honored brands by using quantitative methods to provide a theoretical foundation for market segmentation of old brands and marketing strategies by subdivided customer groups.

There are no standard procedures for qualitative research processes and designs. Researchers would involve their values in the research processes and employ specific qualitative research methods such as participant observation, document analysis, and ethnography to establish multivariate research frameworks and designs applicable to particular situations. Among current management research items in China, however, due to the monotonous requirements of paradigm, quantitative research generally tests models based on hypotheses using data analysis software, model-based research contents, and research process formally featured by "eight-part essay" (stereotyped writing). It is difficult to find the variation of precondition of model construction and its effects with such standardized operations. If the model is constructed under such effects, it would be mistakenly assumed that the relationship between variables changes. In contrast, changes in the external environment and conditions lead to changes in interactional relations. So-called innovation in many domestic types of research merely means research results that are different from the past due to a lack of consideration of specific conditions.

## 5. Contribution of Business Anthropology as a Branch of Anthropology to Management

Current management studies in China focus too much on quantitative research, overlook qualitative research, and even lack normative qualitative research methodology recognized by international mainstream academia. Some scholars analyze the relationship between qualitative and quantitative methods. They suggest the advantages of formative qualitative research in management practices with a combination of management theory. It restricts the promotion of research based on elaboration on research procedures and standards of classical qualitative research methods such as "Grounded Theory" (Jia & Tan, 2010). The author tends to reveal that anthropology, as the theoretical source of business management, provides essential research methods for management studies and significantly contributes to management practices based on an introduction to classical qualitative research methods such as anthropological ethnography. In the meantime, the author analyzes the critical roles of business anthropology in the localization of management and explores new paths in the localization of management in China.

### 5.1. Anthropology is the Theoretical Basis of Management Science

As an essential subject in social sciences, anthropological research primarily focuses on the social and cultural environment in which people live. It also includes human emotion, attitude, and behavior in response to the environment. There is a natural connection between anthropology and business management, which provides an essential source for the emergence and development of current management theory. For example, the famous management scholar Robbins (1997) meticulously classified the contribution of anthropology to organizational behavior studies into group behavior and organizational systems, respectively. The contribution to group behavior includes value comparison,

attitude comparison, and cross-cultural analysis, and to organizational systems, it includes organizational culture and organizational environment. Robbins further summarized that most understandings of organizational culture and organizational environment differences come from or are based upon anthropologist research results. As a further example, most scholars advocate a "naturalistic analysis" for research on consumer behaviors. Their basic strategy is to study and explain human behavior in the actual context, cultural atmosphere, and compatible values with the anthropological method of participant observation (Belk & Sherry, 1989). Such nature-oriented methods are precisely the core values needed for anthropological fieldwork.

Management theory should start with people since the nature of management is human behavior. It should also give full play to men's initiative and promote the humanized and scientific development of management practices with existing professional anthropological knowledge of humanity and culture, a practical approach to scientific management. Management theory also studies the influence of the external environment and coordinating interpersonal relationships, which is closely related to culture and can be easily solved by utilizing anthropological principles and methods (Tian & Dai, 2013). Anthropology is a universally acknowledged social and behavioral science with unique and in-depth cultural research about content-rich questions. It is bound to avoid detours in terms of theory if the research results of anthropology on culture are utilized as a reference for management research. In practice, it can reduce losses in enterprises and individuals and promote management efficiency based on previous experience.

### *5.2. The Characteristics of Qualitative Research Methods in Business Anthropology*

Business anthropological research primarily focuses on organizational culture and social structure, including observable human social behavior and interaction, information on mutual communication between people, and material goods that constitute social practices (Rousseau, 1990). Business anthropologists need to conduct long-term field research. They generally place themselves in the cultural background of the targets of the investigation to collect original data through methods such as ethnography. There are four effective methods in specific data collection: participant observation, interview, questionnaire, and covert observation.

Business anthropological research is closely connected with other qualitative methods. These methods include phenomenology, grounded theory, and critical incident method. The phenomenological approach defines concepts based on research targets and the logical relations between concepts before observation. Interviews and questionnaires are conducted for convenience. The critical incident method can collect valuable information about the research targets during interviews and observation. Thus, "grounded theory" can classify, file, and encode the collected original data. Finally, concise and intuitive qualitative methods are utilized in testing credibility and validity.

There is a set of competitive and fruitful qualitative research methods in business anthropology for specific branches of management research, such as marketing, product design, consumer behavior, knowledge management, and entrepreneurship. Anthropological research is generally described as "pure" or essential, which exhibits seven distinct advantages: patient participant observation, research as insiders, diversified concrete operations, targeted professional knowledge, cross-cultural alertness, concern for the weak, and equal cooperation (Tian, Van Marrewijk & Lillis, 2013).

Business anthropology provides cultural variables for researching consumer behaviors that shape disciplined social individuals through shared symbols, codes, value orientation, and knowledge systems. These consumers comply with various behaviors (Harris & Moran, 1987). Business anthropological researchers on marketing generally use the following methods for data collection and analysis: observation, interview, document analysis, situational hypothesis, critical incident method, net analysis, and focus group. Business anthropology provides deeper insights for product designers in understanding the target market and analyzing consumption patterns. Some third-party organizations, such as the American Institute of Graphic Arts (AIGA), even construct an ethnography model for product design (<http://www.aiga.org/ethnography-primer/>). Likewise, anthropologists build an

anthropological model for knowledge management to answer how people with different backgrounds develop and manage knowledge (Burke, 1998). Entrepreneurship for business anthropologists is the progress of the formation and development of social culture. Business anthropological methods are more applicable to exploring and understanding factors such as the external environment where entrepreneurship emerges. Also, they are suitable to study an enterprise's organizational structure and growth (Tian & Zhou, 2012).

### *5.3. The Contribution of Business Anthropology to Management and Management Practices*

Management is a social and cultural phenomenon, while anthropology as a social and behavioral science has a unique tradition regarding in-depth cultural studies. Therefore, anthropology's research paradigm, methods, and results are essential in directing management practices. The ethnographic research method has been widely applied in current management academia (Tian & Dai, 2013).

Management and anthropology are essentially the same since both study interpersonal relationships. Management includes human thoughts, concepts, will, emotions and behavior, which are individual, uncertain, and unquantifiable and cannot be easily described and analyzed objectively by a purely natural scientific approach (Lv, 2012). For research on enterprise culture, for instance, domestic scholars generally adopt measurement indices widely utilized in foreign studies. Whether they apply to management in China highlights the basic questions involved in various research, regardless of these indices' rationality and explanatory power. However, first-hand data can be obtained more directly and precisely so that theory can be developed in sufficient research targets with uniform characteristics. The conclusion can be targeted, applicable, and timely if business anthropological methods, participant observation, and open-ended questions are employed.

Business anthropology focuses targets on the research of anthropology on business organizations and their business scopes, an important interdisciplinary area of anthropology, management, and economics. Some investigation targets undoubtedly have no impact on the specific application of research methods. At the same time, an unconventional ethnographic approach can strictly provide a more rational explanation for different objects. At the same time, ethnography can reveal the immeasurable cultural and social models influencing human economic activities. For example, Rudkin (2006) found two unique advantages of ethnography through ethnography research on the financial service sector. On the one hand, researchers can look into the independent cultural connotation in a specific context. On the other hand, the ethnographic method helps researchers find marginalized groups in a particular environment.

Through long-term theoretical research and practices, business anthropologists suggest the application of anthropology in business management can be divided into seven aspects, namely: corporate culture, knowledge management (Tian, 2009), cultural audit, organizational change, product design, market and consumer behavior research (Jordan, 2010), and globalization and cross-cultural business (Ferraro, 2006).

The role of business anthropology in internal enterprise management includes auditing and shaping corporate culture, tacit knowledge management, and human resources management. Business anthropologists view organizational culture as overcoming external cultural environment restraints during auditing and shaping corporate culture. They question the assumed "right" way of doing things from the perspective of cultural differences. On the other hand, they take cultural differences as an opportunity to learn new approaches to solving problems and explore formal or informal knowledge to establish an organizational culture that is beneficial to the development of the enterprise (Avruch, Kevin & Peter, 1993). In addition, implicit knowledge management should be transformed into specific and understandable knowledge and practicable processes. Human resources management requires enterprises to solve various problems, such as high staff turnover, unreasonable position management, and low employee satisfaction while ensuring employee relationships align with organizational objectives.



The influence of business anthropology on enterprise production primarily focuses on product design, product development, and process innovation (Wasson, 2000). Observing consumer behavior from the anthropological perspective provides essential guidelines for product design, services, and new technologies. It incorporates the analysis of consumer behavior in the past, research on general consumer demand, and a projection of consumer trends in the future.

Business anthropology analyzes the symbolic meaning of products to consumers and consumer motivation under the influence of specific social and cultural factors in marketing and sales to provide market strategies for enterprises to stimulate consumer enthusiasm. It performs even better in cross-cultural management and the global operation of multinational enterprises. By observing the world beyond national boundaries and cultural restraints from the anthropological perspective, business anthropology changes corporate values and culture, the local culture of consumption, and even wider lifestyles (Tian, 2013).

As an essential branch of applied anthropology, business anthropology carries forward mature qualitative research methods of anthropology, uses anthropological achievements in management, and brings revolutionary changes to management.

#### *5.4. The Significance of Chinese Traditional Culture for Management from the Perspective of Business Anthropology*

As cross-regional and cross-cultural communication becomes more commonplace, almost every large-scale enterprise must establish a diversified group with employees from different cultural backgrounds for services and product sales in cross-cultural regions. Many companies and their managers in mainland China come from developed market economies with solid business backgrounds. In contrast, employees are farmers with substantial agricultural production and life background under socialist systems. Both sides establish a formal organizational culture based on shared interests and an informal agreement based on contradiction. Anthropologists adopt the ethnographic method to research the correlation between formal and informal differences in corporate culture to solve conflicts within the enterprise most appropriately. For example, Tian Guang explained that the "13 suicide incidents of Foxconn" from the anthropological perspective suggest that conflicts from the different cultural backgrounds of employees exert a significant influence on employee satisfaction and business performance (Tian & Dai, 2013; Tian, 2012).

Analysis of "the Foxconn 13 suicide incidents" makes us realize that the Chinese cultural tradition is entirely different from the Western countries. It also differs from oriental countries such as Japan and South Korea. Moreover, it is significantly different from Taiwanese and Hong Kong culture. There must be a continuity of cultural tradition. With five thousand years of civilization, the Chinese have formed a unique and stable cultural and psychological structure, making management subject, object, and general management in China significantly different from Western countries (Hu & Chen, 2013). It is the reason for the non-acclimatization of Western management theory in China. It would be remiss to ignore the mature Chinese management ideology, which is constructed based on the unique cultural and psychological structure in China while unquestioningly worshipping foreign theories.

Chinese traditional culture adds innovation and supplementation to modern management theory, especially Western management theory. For example, Lv (2013) constructed a unique theoretical system based on Yi-ology to interpret the relationship between "management and environment." On the one hand, he pointed out that the management theory of Yi-ology and Western management theory are essentially different in terms of theoretical source and approach. On the other hand, the interpretation of management epistemology and research targets based on Yi-ology coincides with that from the perspective of Western management theory. Therefore, the management theory of Yi-ology is both peculiar and universally applicable. In Chinese traditional culture, management thoughts about humans still highlight sages' wisdom. Hu divided Chinese traditional management thoughts into five aspects: proposition, employment, governance, conduct, and education, and summarized representative aphorisms in each element as formal management thoughts (Hu, 1996).

Chinese traditional management thoughts, including Legalism, Taoism, and Confucianism, are consistent with Western counterparts in many aspects, explore some questions even more profoundly, and add innovation and supplementation to Western management theory. Legalism's theory of human nature, or a "desire for benefits and hatred for harms," can be very enlightening when applied to incentives in modern business management. The concept of "not following the old routine" also conforms to the survival principle of modern enterprises, which emphasizes innovation rather than ideology (Yu & Yin, 2004). However, Taoism takes "Nothing can be more delicate than water" and "to be tender and modest" as the principle of order. It emphasizes the coordination between the human and natural and social environment, advocating team spirit and leader humanistic thought, "governing by non-interference," fully respecting individual personalities and dignity and striving to improve the corporate social image. It also seeks to enhance core competitiveness, perfect corporate culture, and promote corporate soft power by improving employee satisfaction and stimulating work enthusiasm.

Another essential Chinese traditional thought—Confucianism, also has far-reaching impacts on key management issues. Confucianism constructs ethical values with a focus on "benevolence, righteousness, and propriety," constantly influencing the thought and behavior of Chinese people through language, character, and various cultural tools that form national collective behavior with a specific cultural background. Learning and absorbing the quintessence of Confucian ethics and morals play an important role in building corporate image and constructing meaningful corporate culture (Zhao & Huang, 2006). Many enterprises have drawn significance from Confucianism in different aspects, such as the idea of "harmony," "honesty," and "perseverance." These ideas are helpful in teamwork, devotion, and innovation in an enterprise (Shi & Zhang, 2009).

##### *5.5. The Role of Business Anthropology in The Localization of Management Practices in China*

In the history of management research, there remains a considerable gap between the research achievements of Chinese managerialism and global management knowledge, and currently, we seriously lack knowledge regarding Chinese business management (Xu & Zhang, 2005). Management and management practices are different in various countries due to cultural differences. At the very least, the laws and facts of management show significant differences due to cultural differences, whereas culture is precisely the core of anthropological studies (Tian, 2012). In the 1990s, the anthropology-based management paradigm and methodology emerged among European and American management schools and attached importance to management practices. In recent years, many multinational enterprises have hired anthropologists to provide management measures with stronger operability to meet external market and internal management requirements. In China, because anthropology is still leading management studies in its early stage, Chinese indigenous management practices call for considerations from the anthropological perspective.

Management practice is not only about modes of production but also about the relationship with production. More importantly, it is a cultural process and the product of the cultural environment. Corporate philosophy, values, business ethics, and organization systems fully embody the impact of culture on management practice. The significant influence of local environment and culture on management practices cannot be overlooked since management practice is closely related to the mode of production, relations of production, and culture, and it is undoubtedly not "universal" (Lv, 2009). Over long-term research processes, anthropologists have established themes that support the epistemology and methodology closely related to the "localization" of management practices. Some central themes include cultural relativism, unified theory, adaptation, and holism (Zhuang, 2006). These themes stress research that places culture in a specific historical and social context and reveals the general commonalities of cultural characteristics and elements based on the everyday demands of people. Localization requires considering China's national conditions and exploring the universality of management theory and its conditionality.

Anthropology has always been employed for practical application. In addition, the rapid development of economic and business culture in the past three decades has provided latent conditions

for the emergence and growth of business anthropology in China. At the same time, the role of humanistic elements in management research is acknowledged among Chinese materialists who delve into applying anthropological achievements and methods in management research. Guo (2010), for instance, once pointed out that Chinese enterprises' organizational culture and management phenomenon cannot be explained by mechanically applying Western management theory to a simple "situation." Instead, they are deeply rooted in "local knowledge" as a relatively independent knowledge system with distinct characteristics. The Western management theory also derives from its institutional environment, which has different political, economic, and cultural backgrounds. China must, therefore, have its management theory given its overall situation. The combination of anthropology and management and localization of business and management anthropology in China is essential for exploring Chinese management theory and management practices.

## 6. Conclusion

Since the introduction of Western management theory in the 1980s, management science research and education in China have been confronted with where to go next through the learning, reference, and imitation stages. From "following suit" to "following along" and on to "innovation," management in China places greater emphasis on Chinese characteristics. In essence, management is a branch of science, and it is the response and interpretation of a specific culture. Therefore, management must be localized for further development in China.

Empirical analysis methods are still dominant in the present management research, which largely ignores the condition of constructing variables and hypotheses; moreover, it ignores the fact that management behaviors occur in a specific culture, which is the central premise of empirical analysis. Furthermore, Western management theories cannot be applied mechanically to explain questions by attaching control or intermediary variables. An effective path of localization of management and management practices is to use anthropological research methods to local management practices so that management theory in China can better explain human responses and factors that influence their behaviors. During localization, Chinese management scholars accept and conscientiously apply qualitative research methods, which will help explore new paths of management research on a broader scale.

While assimilating Western management theories and methods, the management academia in China should continually add Chinese elements to establish management science and methodology with Chinese characteristics. The five thousand years of history of Chinese civilization lays a solid humanistic foundation for developing management science in China. Therefore, more emphasis should be placed on Chinese characteristics during the development of management science, which is difficult to highlight in empirical research through quantitative analysis. Consequently, it is a practical approach to enhance applying a non-positivist paradigm in management science research to develop management science with Chinese characteristics.

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