

Taiwan is a new and worthy addition to Routledge's Studies in International Business and the World Economy series, providing a well-researched and intensive look at the manner in which major South Korean and Taiwanese firms have ventured overseas. The detailed case studies — all taken from the electronics sector — and analysis fill a lacuna in the existing international business literature. (The four firms put under the microscope in the case studies are: Samsung Electronics, LG Electronics, Acer, and First International Computer.) However, as the book is based on a doctoral thesis, it tends to be quite a "dry read".

Cutting off at 1997, the book does not have an opportunity to plot what is probably the beginnings of the third wave of overseas investment by Korean and Taiwanese firms, since 1997 and the impact of the financial crisis that swept the region. In the immediate aftermath of the crisis, South Korean firms and banks alike withdrew from a spectrum of overseas operations, refocusing their attention on saving domestic operations. The profile of Korea's corporate sector is likely to be markedly different in the years ahead (including a less dominant role for the chaebol), and this should have an impact on Korea's overseas investment profile. And for Taiwan, recent successes by chip "foundry" corporates like Taiwan Semiconductor Manufacturing Company (TSMC) and United Microelectronics Corp (UMC) — the latter now the world's second biggest producer of made-to-order computer chips — may prompt a radical change in this country's FDI patterns too. For companies like UMC in Taiwan and Samsung Electronics in Korea, these computer hardware companies are well positioned for the "new economy" that many observers predict will be in the ascendant over the next decade. But it remains to be seen whether some of the more "old economy" firms in Korea and Taiwan will fare so well.

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***Managed in Hong Kong: Adaptive Systems, Entrepreneurship and Human Resources.* Edited by Chris Rowley and Robert Fitzgerald. London: Frank Cass Publishers, 2000. Pp. 135.**

This is a timely and insightful edited volume preoccupied with the future of Hong Kong as rooted in current and past performance. The introductory chapter, written by the two editors, Chris Rowley and Robert Fitzgerald, sets the tone by discussing the three main themes "national competitiveness", "deindustrialization", and "human resources". The conclusion of the introductory chapter is well taken, that old solutions representing a continued frantic search for low cost production in response to new systemic shifts in the economic environment may create a vicious circle hard to break. As part of China in the new millennium, I could not agree more with the statement that Hong Kong needs new ideas for the rocky path ahead.

The second chapter by Mick Carney and Howard Davies, takes a historic perspective of the Hong Kong economy up to the present day in an attempt to understand whether past adaptive abilities may play a role in the future. The conclusion is as clear as it is alarming: the "merchant manufacturers" of Hong Kong are not likely to be able to change their traditional strategies towards the required technological upgrading and product differentiation. It is also deftly pointed out that this may not only have negative repercussions for Hong Kong, but also for the Chinese mainland, making the capabilities of Hong Kong firms operating there obsolete as the mainland develops further.

Chapter 3, written by Paul Ellis, again bases its analysis on past times but adds a theoretical flair in introducing complexity theory analysing Hong Kong as a complex adaptive system. Somewhat surprisingly, the result is more positive for the future of Hong Kong even if the arguments in favour are a bit weak. It is argued that Shanghai will not have a chance against Hong Kong in the future because established patterns of entry into (mainland) China will not be broken easily.

Currently, when one of the main problems in business is that “established patterns” are broken so easily and quickly that there is less and less time for firms to detect the changes in time (let alone respond to them), the authors’ argument for the continued success of Hong Kong seems a bit feeble.

The fourth chapter by Victor Lee deals with the future demand for higher education, especially in business and management. The implication based on an analysis of Hong Kong government statistics and data reveals what every Hong Kong academic in this discipline already knows, that the market for business and management education has a lot more room for expansion. Touching on the virtues of distance learning and the prospects of foreign institutions linking up with local universities, the main point is lost. The government must invest more in management and business education. The only natural resource Hong Kong ever possessed is its people, and if this is not worth investing in at this historical period of rapid environmental change for businesses worldwide, what will be the future of Hong Kong?

Chapter 5, written by Aimee Wheaton, analyses the notion of organizational commitment in a Chinese sense, as contrasted against the corresponding Western connotations. Based on original empirical research, the author compares the extent of organizational commitment, both in behavioural and attitudinal terms. As expected, she finds that the Chinese exhibited a lower level on both counts than their Western counterparts, but this difference was not statistically significant. Additionally, personal interviews were used to explore the cultural meaning of organizational commitment. Despite some similarities, several key differences reflected the cultural values of each group. Needless to say, while the Westerners defined their commitment in terms of the abstract notion of “the organization”, the Chinese took it more personally, defining their commitment in terms of their interpersonal relationships and networks. These insights have useful practical implications in understanding management in Hong Kong. Although often difficult to detect, the cross-cultural divide is always present.

The sixth chapter by May Wong and Chris

Hendry compares the international human resource management (IHRM) practices among Japanese department stores in Hong Kong. These stores belong to a dying breed in Hong Kong, and one of the stores, Yaohan, has closed its doors for the last time. Nevertheless, the chapter provides interesting primary data collected through in-depth interviews of both Japanese expatriates and local employees of Yaohan and Jusco. Living up to the anecdotal evidence of Japanese multinational corporations (MNCs), it is concluded that Yaohan had a much more ethnocentric IHRM policy than Jusco. More interestingly, it is concluded that Yaohan’s ethnocentrism directly led to its demise due to the ignorance of Yaohan’s many Japanese expatriates in terms of their professional knowledge and cross-cultural skills. On the other hand, Jusco’s less ethnocentric IHRM practices, involving relatively less Japanese expatriates, especially in senior positions, made better use of local talent and know-how. These findings are another important part of the picture of management in Hong Kong.

The two editors conclude the book in Chapter 7 with a closer look at Hong Kong’s prospects and possibilities. The need to develop alternative means of competing, including production and human resource upgrading (although I would have preferred it the other way around) is all too obvious by now. The problem is how to achieve this, when it involves a completely new way of thinking for everybody concerned and requires a complete break with old traditions that previously were the proven way to success. Current mental blockages and resource restrictions become the straitjacket in which Hong Kong finds itself today. The editors seem to flounder at the hopelessness of this impasse, calling for more research in the hope of gaining a better understanding of Hong Kong’s prospects and possibilities. Unfortunately, there is no time for that now. Action is urgently required, and it must come from the traditionally *laissez-faire* government. To enter the knowledge-based economy, more education is sorely needed and only a comprehensive and drastic upgrading of human resources can produce the changes needed for a bright future for Hong Kong.

Despite the uneven standard of some of the chapters of the book, it is a thought-provoking collection of essays on a common theme: What now, Hong Kong? As such, it is recommended to academics and business practitioners alike as it provides ample information and analyses about Hong Kong at the crossroads. Business students will better understand the challenges ahead not

only for Hong Kong, but for all of Asia which faces a similar situation. The trick is to realize that yesterday's truth may have become today's lie, which is a message clearly delivered by this book.

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