

Power and Control in Chinese Private Enterprises

- Organisational Design in the Taiwanese Media Industry -

by

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Abstract

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An empirical study was undertaken to (a) examine various determinants influencing (de-)centralisation in Trans-World, the largest producer of television programs in Taiwan, and (b) make normative recommendations as to how insights from organisational dynamics models can be used in practice. The research was based on a sample of 63 standardised personal interviews with all Trans-World employees. Scales were particularly developed for the purpose of this study. In-depth interviews, participant observer and archival data were combined with the survey data to test a model predicting uncertainty and interdependence as primary drivers of decentralisation.

Results showed that despite high uncertainty and interdependence, Trans-World was highly centralised. This apparent paradox was explained by the overriding influence of two other factors not usually modelled, including both the owner-manager's desire to control and national culture. Reduced organisational effectiveness due to this partial "misfit" was sustainable through the company's oligopolistic power based on personal relations. Managerial recommendations included the use of a "company profile grid" to determine the optimal degree of decentralisation.

Key Words

Chinese management - decentralisation - influencing factors - television company - media industry - organisational structure - organisational dynamics - organisational performance - case study - survey - emerging markets - guanxi.

“The principles of organisation got more attention among us than they did in universities. If what follows seems academic, I assure you that we did not think it so.”

Alfred Sloan (Sloan, 1964: Page 50)

Table of Contents

1. Introduction	1
1.1 Overall structure of dissertation	1
1.2 Definitions	3
2. Research design	5
2.1 The research objectives	5
2.2 The research object	6
2.3 The research question	9
2.4 The research hypothesis	10
2.5 Methodology	12
2.5.1 Field Research	12
2.5.1.1 Standardised Personal Interviews	12
2.5.1.2 Personal In-Depth Interviews	16
2.5.1.3 Work Experience at Trans-World	17
2.5.2 Desk Research	18
2.5.2.1 Literature on organisational design	18
2.5.2.2 Documents relating to “Trans-World” and its external environment	19
3. Review of existing literature and knowledge	20
4. Research results	35
4.1 The exogenous variables	36
4.1.1 Internal factors influencing (de-)centralisation	36
4.1.1.1 Specialisation	36
4.1.1.2 Staff functions	37
4.1.1.3 Span of control	37

4.1.1.4 Incentives -----	38
4.1.1.5 Motivation -----	39
4.1.1.6 Discretion (no rules)-----	39
4.1.1.7 Hierarchy -----	40
4.1.1.8 Teamwork -----	41
4.1.1.9 Interdependence-----	41
4.1.1.10 Matrix-----	42
4.1.1.11 Complexity inside Trans-World-----	42
4.1.1.12 Non-routine work -----	43
4.1.1.13 Bounded rationality -----	43
4.1.1.14 Taxation of information processing-----	44
4.1.1.15 Performance measurement -----	46
4.1.1.16 Control loss (postcontractual opportunism) -----	46
4.1.1.17 Asset-specific investment -----	49
4.1.1.18 Trust -----	50
4.1.1.19 Culture-----	51
4.1.1.20 Competence of management-----	52
4.1.1.21 Competence of workforce-----	53
4.1.1.22 Employee satisfaction -----	54
4.1.1.23 Local knowledge (information asymmetries)-----	55
4.1.1.24 Project work -----	56
4.1.1.25 Levels-----	57
4.1.1.26 Depth -----	57

4.1.2 External factors influencing (de-)centralisation -----	58
4.1.2.1 Uncertainty -----	58
4.1.2.2 Complexity outside Trans-World-----	59
4.1.2.3 Competition -----	59
4.2 The endogenous variable -----	62
5. Conclusions -----	65
5.1 Analysis of research results -----	65
5.2 Interpretation and explanation of research results -----	71
5.3 Evaluation of research results -----	83
5.4 Normative Recommendations-----	91
6. Research problems, limitations and outlook -----	94
6.1 Potential problems-----	94
6.2 Limitations -----	96
6.3 Outlook: The research agenda -----	98
7. Summary -----	100
8. Bibliography/References -----	103
8.1 Contract theory-----	103
8.2 Organisational Dynamics-----	103
8.3 Transaction Cost Theory-----	103
8.4 Principal - Agent - Theory-----	103
8.5 Decentralisation-----	104
8.6 Behavioural Theory of the Firm -----	104
8.7 Incrementalist and Political Approach to Decision-Making and Strategy -----	104
8.8 Evolutionary Theory of the Firm -----	105

8.9	Trans-World	105
8.10	Others	105
9.	Appendix	106
9.1	Regression analysis (tentative)	106
9.2	Questionnaire translated into English with frequency distributions	110
9.3	Questionnaire in Chinese	129
10.	Glossary	140
11.	Index	151

List of Tables

Table 1: Sections of the questionnaire for personal standardised interviews-----	16
Table 2: Merits and Demerits of Decentralisation -----	33
Table 3: Specialisation inside Trans-World -----	36
Table 4: Staff functions inside Trans-World (staff-line ratio)-----	37
Table 5: Incentives inside Trans-World-----	39
Table 6: Motivation inside Trans-World-----	39
Table 7: Discretion inside Trans-World-----	40
Table 8: Hierarchy inside Trans-World -----	40
Table 9: Teamwork within Trans-World-----	41
Table 10: Interdependency inside Trans-World-----	41
Table 11: Complexity of product inside Trans-World -----	43
Table 12: Non-routine work inside Trans-World -----	43
Table 13: Information processing taxation inside Trans-World -----	45
Table 14: Performance measurement inside Trans-World-----	46
Table 15: Control-loss inside Trans-World-----	48
Table 16: Asset-specific investment inside Trans-World -----	50
Table 17: Trust inside Trans-World -----	50
Table 18: Culture within Trans-World -----	52
Table 19: Competence of management inside Trans-World-----	53

Table 20: Competence of workforce inside Trans-World -----	54
Table 21: Employee satisfaction inside Trans-World -----	54
Table 22: Local knowledge inside Trans-World -----	56
Table 23: Uncertainty outside Trans-World -----	58
Table 24: Complexity outside Trans-World -----	59
Table 25: Competition with Trans-World -----	59
Table 26: Company profile Trans-World: Internal factors influencing (de-)centralisation -----	61
Table 27: Company profile Trans-World: External factors influencing (de-)centralisation -----	62
Table 28: Decentralisation inside Trans-World -----	63
Table 29: Delegation of decision-making authority inside Trans- World-----	63
Table 30: Financial centralisation inside Trans-World-----	64
Table 31: Comparison of model predictions with actual results: The Puzzle -----	68
Table 32: Personnel turnover inside Trans-World-----	87
Table 33: Co-ordination inside Trans-World-----	89
Table 34: Elements of regression equation on (de-)centralisation (tentative)-----	109

List of Figures

Figure 1: Organigram Trans-World-----	8
Figure 2: Organisational dynamics model -----	23
Figure 3: Modified organisational dynamics model -----	82