From Defense to Advance: Protecting Businesses from Risk and Crisis - Business Resilience in the Selected Cases of China and Japan

著者 | WENG XUANBIN
学位授与機関 | Tohoku University
学位授与番号 | 00129436

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Doctoral Dissertation

From Defense to Advance: Protecting Businesses from Risk and Crisis - Business Resilience in the Selected Cases of China and Japan

Student ID:
Name: Weng Xuanbin
Takaura Lab.
Graduate School of Economics and Management
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Tohoku University
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Reference
Chapter 1 Introduction

The current world is full of uncertainties, and under such an environment, many individuals and organizations are far more vulnerable than ever before. In the business world, companies experience tough times due to product faulty, customer complaint in large scale, inappropriate business structures, and old fashioned business conceptions. However, all the listed threats to business organizations could be concentrate on one single topic-business resiliency. In general, business resiliency refers to the ability obtained by business organizations that could enable companies to mitigate and eliminate the adversity of unexpected emergencies and crises, then recover and grow from such fatal events.

However, bring in all sorts of business crises on a global scale is a project too massive for individual research. Hence, this research focuses on the topic of business resiliency under the circumstance of business risks and business crises due to the failed performance of products and services provided by various firms in different industries. Moreover, this research chooses Chinese businesses and Japanese businesses as the research targets because in both countries had occurred business crises and even scandals that hurt not only the business revenue but also industrial reputation in both nations.

Thus, in the next chapter, research motivations and detailed research questions that this dissertation designed to discover are provided. Illustration of research background, reasons for choosing businesses from China and Japan as research targets, the definition of business resiliency of this study are offered as well.

As the sequent impact factors that contribute to determining the performance of business resiliency under business crises and emergencies, Chapter 3 reviews typical academic literature of business strategy, business resilience, and corporate social responsibility (CSR).

Chapter 4 describes the research methodology deployed in the researches of this dissertation. In particular, sophisticated arguments that support the statements of choosing qualitative research methodology with grounded theory are given. Further, research tools practiced in this research, such as the research questionnaire and computer-assisted qualitative data analysis software, are introduced.

Chapter 5 and Chapter 6 include the contents of four case studies in each nation by processing data regulated in Chapter 4 and structuring individual analytical frameworks that respond to research questions. A broader picture of the research topic in businesses of both countries can be grasped.

Chapter 7, as the most meaningful chapter, contains the data related to the research result, is portrayed via comparing companies categorized in different groups of industries and opponent groups of nationalities. Consequently, several mind-changing insights were brought in.
Chapter 8 introduces several academic enlightenment and practical implications concluded from this systematic qualitative research, which contributes to analyzing the research topic of this study. Meanwhile, limitations of this research are confirmed as well due to the restrictions of the research environment. Moreover, ultimately, Chapter 9 helps readers to quickly review all of the structure and content of each chapter to facilitate the integrated understanding of this research.

Chapter 2 Research Interests and Research Questions

2.1 Research Background

Globalization is a popular trend for most countries and regions. China and Japan are seeking a framework of economic integration with another relevant country, South Korea, to increase the efficacy of economic performance. On the one hand, in terms of GDP, China and Japan are not only the two giants of economic entities in East Asia but also take the second and the third place in the globe up to date, respectively (World Bank, 2019).

**Gross domestic product 2018**

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Economy</th>
<th>(millions of US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>United States</td>
<td>20,494,100</td>
</tr>
<tr>
<td>CHN</td>
<td>China</td>
<td>13,608,152</td>
</tr>
<tr>
<td>JPN</td>
<td>Japan</td>
<td>4,970,916</td>
</tr>
<tr>
<td>DEU</td>
<td>Germany</td>
<td>3,996,759</td>
</tr>
<tr>
<td>GBR</td>
<td>United Kingdom</td>
<td>2,825,208</td>
</tr>
<tr>
<td>FRA</td>
<td>France</td>
<td>2,777,535</td>
</tr>
<tr>
<td>IND</td>
<td>India</td>
<td>2,726,323</td>
</tr>
<tr>
<td>ITA</td>
<td>Italy</td>
<td>2,073,902</td>
</tr>
<tr>
<td>BRA</td>
<td>Brazil</td>
<td>1,686,626</td>
</tr>
<tr>
<td>CAN</td>
<td>Canada</td>
<td>1,712,510</td>
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Figure 2.1 Top 10 of the World GDP Ranking in 2018

World Bank, 2019

On the other hand, given the reality of geo-politics, long-shared culture, and the increasing economic dependence, regional integration on various aspects between the two nations has revealed its validity (Taylor, 2013). Japan shows its economic importance after China practiced Reform and Open policy, Japanese businesses entered the Chinese market and played an active role by introducing investment of capital, technologies, and management. Recently, China is having a significant economic impact on Japan by exporting tourists and initiating new regional organizations and policies like The Asian Infrastructure Investment Bank (AIIB) and the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (B&R). Consequently, maintaining sound economics is critical for the two nations themselves as well as for each other.

The performance and development of an economy entity significantly rely on the sustainability of the business in both countries, as shown in Figure 2.2 and Figure 2.3 (NBS of China, 2019;
Statistics Bureau Ministry of Internal Affairs and Communications Japan, 2018). Regarding China, the primary industry, the secondary industry, and the tertiary industry shape the boost engine of its national economy in terms of GDP, which reflects the overwhelming impact of its businesses. While for Japanese industries, especially of its manufacturing industry and service industry, lies as the heart of the economic entity. As a result, helping companies to immune from avoidable and processible business risks and crises while they confront uncertainties could mainly contributing to the goal of the positive economic performance of the two states.

Figure 2.2 The Ratio of Value added of Industries in GDP of China
NBS of China, 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed persons 1)</th>
<th>Gross domestic product (GDP) 2)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Primary industry</td>
<td>Secondary industry</td>
</tr>
<tr>
<td>1950</td>
<td>48.6</td>
<td>21.8</td>
</tr>
<tr>
<td>1955</td>
<td>41.2</td>
<td>23.4</td>
</tr>
<tr>
<td>1960</td>
<td>32.7</td>
<td>29.1</td>
</tr>
<tr>
<td>1965</td>
<td>24.7</td>
<td>31.5</td>
</tr>
<tr>
<td>1970</td>
<td>19.3</td>
<td>34.1</td>
</tr>
<tr>
<td>1975</td>
<td>13.9</td>
<td>34.2</td>
</tr>
<tr>
<td>1980</td>
<td>10.9</td>
<td>33.6</td>
</tr>
<tr>
<td>1985</td>
<td>9.3</td>
<td>33.2</td>
</tr>
<tr>
<td>1990</td>
<td>7.2</td>
<td>33.5</td>
</tr>
<tr>
<td>1995</td>
<td>#6.0</td>
<td>#31.3</td>
</tr>
<tr>
<td>2000</td>
<td>5.2</td>
<td>29.5</td>
</tr>
<tr>
<td>2005</td>
<td>4.9</td>
<td>26.4</td>
</tr>
<tr>
<td>2010</td>
<td>4.2</td>
<td>25.2</td>
</tr>
<tr>
<td>2015</td>
<td>4.0</td>
<td>25.0</td>
</tr>
</tbody>
</table>

1) Due to the revision of the Japan Standard Industrial Classification, the figures from 1995 onward are not strictly consistent with those for 1990 or earlier. 2) Data from 1955 to 1979 are based on the 1968 SNA. Data from 1980 onward are based on the 1993 SNA. Data in 1994 and afterwards differs in the estimation method.
Source: Statistics Bureau, MIC; Cabinet Office.

Figure 2.3 Changes in Industrial Structure,
Statistics Bureau Ministry of Internal Affairs and Communications Japan, 2018
Uncertainties that fulfill the current business world originated from the issues of black swan and gray rhino, which further evolved into disruption changes of politics, technology advancement, and the industrial revolution (Taleb, 2011; Wucker, 2017). Businesses can be obsoleted by experiencing business failures and breakdowns due to these reasons. Hence it becomes more urgent and necessary for companies to prepare themselves to defend risks and crises, thus leading to the conception of business resilience.

Derived from material science, resilience, as a terminology, describes the restoring ability of objects after interacted with outside forces. In essence, it is about robustness and elasticity (Laprie, 2008). Later, it was practiced into organizational research (Rodin, 2014) but the business management field in an integrated manner up to date. Hence, it is valuable to research on resilience on business as a possible contributing factor towards a better economic performance for both countries under the circumstances of increasing uncertainties.

2.2 Research Interests and Research Motivations

When facing issues, risks, and crises, the numbers of companies had failed to handle them properly with huge losses. For instance, of Chinese business, Lu and Tao (2009) manifest the storyline of the breakdown of Sanlu, a failed leading player in the Chinese dairy market. Auto recalling on the global scale due to the affirmed several death reporting is still affecting various auto brands, and typically on Japanese brands of Toyoda, Nissan, and Honda. Segal (2019) states that the major Japanese auto manufacturers, including the mentioned three, had to abort the usage of airbags supplied by Takata. Hence, analyzing and answering why businesses from both countries could suffer dysfunction in risks and crises in different timing, even in distinctive industries, becomes the core motivation of this research.

Business resilience is not an independent sector for businesses; rather, it could interrelate with other business fractions like business strategy and corporate social responsibility (CSR) (Warhurst, 2005). However, how business strategy and CSR interact with business resilience is yet to be systematically analyzed. Therefore, research and explicit the interaction mechanism of the three forms the essential research interest of this dissertation. Nevertheless, tackling a single research task shall be difficult as a way to understand the overall picture of the research. Instead, breaking down the research motivation into several research questions in detail from diversified perspectives are needed. However, hypothesizing the concept of the 'business resilience' of this paper is a prerequisite for further discussion.

In the sea of current research on business resilience, the approaches of the research concept of the term can be categorized as follows:

1. Focusing on resilient strategies for businesses to achieve to detect uncertainties of the external environment (Winnard, Adcroft, Lee & Skipp, 2014). Researches in the type emphasized the connection between resilience and sustainability via study on the external unpredictability. Another purpose of the researches in this category is to zoom in the relations of bad-performed resilience and unexpected consequences.
2. Paying great attention to operational resilience by offering an integrated model, which is designed for coping with the risk-dynamic environment (Caralli, Allen & White 2010). Priorities of the type are to secure the survival of human lives, then assets of intelligence, equipment, and technology in a practical way for reaching the goal of business continuity ultimately.

3. Looking into the changeability as the essence of achieving business resilience by offering models. Researchers advocate this statement believe that a large number of businesses have not established a changeable business plant because of the 'absence of suitable systems to evaluate the economic sustainability of changeability in companies' (Bauernhansl, Mandel & Diermann, 2012, p. 364).

However, researches on business resilience that concentrate on business organizations of China and Japan are still necessary to develop. Moreover, current academic statements on business resilience prefer to study the term based on segmented fractions rather than to analyze the mechanism and variables that could positively or negatively contribute to the topic holistically. Thus, the research of business resilience is still on its way of forming a universal definition. By briefly refer to the current researches, a hypothetical definition of business resilience for the current situation has shaped.

**Hypothetical definition of business resilience for China and Japan**: The ability enables business organizations to prevent, mitigate, recover, and rebound from business risks and crises, or even improve the overall business performance in new circumstances under the framework of business strategy, resilience structure, and CSR.

Given the hypothetical definition of business resilience, detailed questions can thus be broken down.

### 2.3 Research Questions

Directly originated from the hypothetical definition, the first part of the research questions come to the surface. Since this paper hypothesize that business strategy, resilience structure, and CSR could effect on the overall performance of business resilience, hence reveals the first research question:

1. How to testify that business strategy, resilience structure, and CSR can contribute to the performance of business resilience?

As the further breakdown of the first research question, here raise an additional four research questions:

2. How could business strategy impact on business resilience?
3. How could resilience structure impact on business resilience?
4. How could CSR influence on business resilience?
5. What is the interaction mechanism of business strategy, resilience structure, and CSR mutually impact on business resilience and each other?
The above five research questions lay as the research guidelines of the following sub-research questions, as the second part, from the views of business strategy, resilience structure, and CSR.

Under the category of business strategy, the following specific questions are worthy of consideration in this research.

1. What type of business strategy could decide the existence or efficacy of business resilience?
2. What variables consist of the contributing factors that judge the functionality of business strategy on business resilience?
3. What are business strategies practiced by the current businesses in China and Japan?

In consideration of resilience structure, research concerns are listed as below:

1. Do the current Chinese and Japanese businesses incept a resilient business structure?
2. In what way, the current Chinese and Japanese businesses secure the ability to be resilient?
3. With more details, what variables can influence the operation of business resilience?

Within the concept of CSR, several points are worth discussing:

1. What factors consist of the current CSR concerns for Chinese and Japanese businesses?
2. What variables shape the of factors of CSR that can ultimately impact on business resilience?
3. What are the current CSR structures in Chinese and Japanese firms?

The remaining part of the research questions design to analyze Chinese and Japanese businesses as different groups for comparison. A comparison in this category would conclude the similarities and distinctions of the two nations. Furthermore, the research targets of this study are all attributed in the secondary industry and the tertiary; hence questions based on conducting comparisons of businesses in various industries take place as well. Sparing research questions refer as follow:

1. What are the similarities and differences of business resilience between Chinese companies and Japanese companies, under the framework of comparing business strategy, resilience structure, and CSR?
2. What are the similarities and differences of business resilience among businesses attributed to various industries?
3. Is it possible to form a universal conception or framework of business resilience regardless of nationality and industry?

Chapter 3 Literature Review

3.1 On Resilience

3.1.1 Originality

Resilience, as a terminology, is a popular conception that originated from the field of material science more than a century ago. Resilience is a vocabulary to generally describe the ability to bounce back into the normality of materials utilized in a various way, not only in the engineering
and construction industry as the function of resisting shock of iron materials (Johnson, 1890; 1898), but also medical science (Hulsen, 1896). Soon after the initial concept forming of the term, material patents partially referring to it started to show up continuously in large numbers in the following years. In short, during the early stage since the existence of the word in academia and industry, resilience is a prevalent jargon for manifesting the adversity-proof functions of materials.

However, social scientists who lived in the same period borrowed the core explanation of resilience firstly for civil management and organizational study a few decades later. Until then, the definition of resilience commenced to spinoff into social science; the idea of the term started its journey of evolution.

![Figure 3.1.1 Early Mindset Structure of Resilience](image)

3.1.2 Evolution

In the following seven decades, resilience was rarely discussed outside of material sciences. However, in 1965, the concept of resilience began to evolve beyond the board of general material science. Historians used the term, as a new one, to explain the research in his field. Anthony (1965) practiced the term to illustrate resilience as an attribution of Japanese culture since the late 19th century when the country encountered the western world. In detail, he argues that Japanese culture maintains its unity while being able to accept advantages from other societies, which shows the resilience of the culture.

Soon after the initial reference in the non-natural science study of history, ecologists began to describe their studies with the term within ten years. Among many researchers, Hollin (1973) gives a prerequisite while defining resilience on ecology, which is highly close to the current version, as the prototype. He states (1973, p. 1), 'But if we are dealing with a system profoundly affected by changes external to it, and continually confronted by the unexpected, the constancy of its behavior becomes less important than the persistence of the relationships.' Until then, the definition of resilience evolved from focusing on material, the item, itself, expanded on focusing the external environment that is going to affect on unities. In other words, scholars start to move their attention from focusing on whether their research targets are resilient or not while
confronting external adversity into considering what the mechanisms of interactions between external adversity and the research targets are.

Two years later, Holling, with another two researchers, as analysts, further integrated the questions of how to judge a resilient organization and how people can do to achieve organizational resilience more or less (Clark, Holling, & Jones, 1975). Moreover, they offer their definition of resilience as 'persistence-promoting (or "resilient") mechanisms and relationships in a variety of natural and human-made systems' (Clark, Holling, & Jones 1975, p. 1). Meanwhile, three components of resilience were proposed in this research as follows:

1. Boundary component, as the mechanism which enables the compromised part of the system to recover without any contribution from being non-affected parts.
2. Restorative component, which represents not only the existence of the uncompromised parts of the system but also the ability that the uncompromised parts could contribute to becoming the dysfunction parts.
3. Contingency component concerns the dependence extent of elastic properties of systems regards on the environment beyond its immediate impact.

![Figure 3.1.2 Evolution Flow on the Conception of Resilience](image)

In the late 1970s and early 1980s, the concept of resilience was further developed into the field such as educational research that compares the good and evil between the higher education system of US and UK (Shattock, 1979), philosophical science of discussing the way of preventing adversity accompanied by the appearance of computer (Branscomb & Gazis 1977), and ethnic study aims to analyze the immigration policy of a nation (Baureiss 1982).
Since the 1990s, researches on resilience not only limited to the topics related to the conception of the term but also integrate the term as processes from various perspectives. Psychologists argue that resilience, as an ability, is not given. Instead, it is a process learned by people during interactions (Egeland, Carlson & Sroufe, 1993). As a consequence, they find that caregiving, as the resilience process, contributed to mediating the accumulated adverse influence on children. Sociologists who study the pressure of economy based on family units propose marital support, as the resilience component in this topic, to erase the stress caused by marital problems and economic distress (Conger, Rueter & Elder 1999).

As the evolution of the concept of resilience from the late 19th-century until the end of the 20th century, the term itself had been first practiced from material science, then into various disciplines. Nonetheless, resilience is not discussed in the field of management science until the 21st century.

3.1.3 Research at New Stage

High Reliability Organizations

From the year of 2000, researches on resilience had gradually focused on various organizations, including business organizations, directly. The idea of resilience no longer stays in vagueness; rather, it had been further inserted into business operations as detailed guidelines and mindsets. Weick and Sutcliffe (2007) proposed five principles regarding organizational resilience, portrayed with a more explicit definition of the term. The two scholars first illustrate the underlying awareness, or 'mindful infrastructure' in their words, which obtains the following functions that shape the ground of the principles of resilience (Weick & Sutcliffe 2007, p.2):

1. Track small failures.
2. Resists oversimplification.
3. Remains sensitive to operations.
4. Maintains capabilities for resilience.
5. Takes advantages of shifting locations of expertise.

After discussing several cases that have caused terrible results, the two scholars consequently came up with five principles by the framework with the title of 'High-Reliability Organizations' (HROs).

Principle 1. Preoccupation with failure.
Principle 2. Reluctance to simplify.
Principle 4. Commitment to resilience.
Principle 5. Deference to expertise.

The principle of preoccupation with failure particularly emphasizes that any minor errors within the organization or system could be treated as the signals of unfortunate consequence. It is the most fundamental principle to forward to the next ones.
To improve operational efficiency, business organizations advocate simplifying their structures. Nevertheless, the two scholars argue that oversimplification could lead to overlooking information, sometimes a critical one, which could contribute to better judgment according to external dynamics. Thus, the principle of reluctance to simplify was concluded. By referring to the stage of sensitivity on operations, the two scholars emphasize that anomalies for the front line staff are required since they are the merging point of business operations and environment. They believe business personnel can make better decisions with well-formed 'situational awareness' (Weick & Sutcliffe 2007, p.12).

Moreover, regarding the principle of commitment to resilience, the two experts deny the existence of a perfect system, followed by an illustration of the importance of keeping resilient. Then retrieved from the description of previous work about resilience, Weick and Sutcliffe (2007, p. 14) assert 'Resilience is a combination of keeping errors small and of improvising workarounds that allow the system to keep functioning.' as the base of the term. Ultimately, the final principle highlights the weakness of business structure with flat hierarchies beforehand, therefore propose the necessity to support the decision making authorities of the front line staff with expertise without concerning their ranking positions inside of business organizations. On the other hand, it fits another attribution of HROs, which is encouraging diversity within organizations.

To conclude, the concept and framework of HROs kicked off the study of business resilience in an integrated manner; however, the validity of testifying on HROs was not sufficient by then. Nevertheless, other scholars prove the efficacy of HROs as time went by.

**The Resilience Dividend**

To gain the good, the dividend, from being resilient, Rodin (2014, p.3) suggests 'Resilience is the capacity of any entity-an individual, a community, an organization, or a natural system-to prepare for disruption, to recover from shocks and stresses, and to adapt and grow from a disruptive experience.' as clarification on the term. Specifically, she advocates five characteristics-aware, diverse, integrated, self-regulating, and adaptive-consist of the framework of resilience.

According to the framework, for entities, being aware becomes the most valuable part of the process of being resilient. Realizing the resources and weakness, as a strategic analysis of situations, form the core guideline of the awareness. Furthermore, under the category of 'aware,' Rodin (2014, p. 15) mentions 'ability and willingness to constantly assess, take in new information, reassess and adjust our understanding of the most critical and relevant strengths and weaknesses and other factors as they change and develop.' Meanwhile, the perception of 'situational awareness' is another essential term, which is a mindset of leading to the actions for entities to being aware. With some new considerations, Rodin complements the principle of preoccupation with failure from HROs.

Diverse, as the next element of the framework, Rodin essential agree with the idea of hesitate to simplify the organizational structure from HROs by making a further effort on stating resource that organizations could rely on, such as various capabilities, thoughts, intelligence channel, technical elements, and personnel. Moreover, she believes that entities should do more than
simply refuse to simplify their structures; they should prepare some spare or redundant parts that could replace the malfunction elements while confronting abnormities.

Equipped with awareness and diversity while facing unknown challenges, the ability to integrate available sources of entities plays a vital role while defining resilience. During the process of tackling the unexpected, entities are able to keep 'self-regulating' without taking fatal consequences. Last but not least, Rodin asserts that entities of adaptation are required as the last characteristic of resilience, which highlights the ability enables entities to make a timely adjustment based on the evolution of environments and situations.

Figure 3.1.3 Five Characteristics of Resilience from Rodin

Scholars quoted above proposed their understanding and frameworks on resilience from the experience of cases in various industries and communities by academic approach. Nevertheless, designing and analyzing resilient systems for business organizations in a practice-based manner were discussed as well by a different group of people.

CERT® Resilience Management Model

The CERT® Resilience Management Model, or known as CERT-RMM, is a managing process that individually pays attention to operational resilience. In particular, Caralli, Allen, Curtis, White, and Young (2010) manifest the model is originated based on the view of management study by emphasizing how systems, in the environment, fulfilled with uncertainty, to execute acutely and directly while reaching the goal of operational resilience. The initial version of overall CERT-RMM contains more than twenty processes on four categories of operational resilience management-'enterprise management, engineering, operations, and process management' (Caralli, Allen, Curtis, White & Young 2010, p.3)-for organizations varying industries.

Although with diversity for different processes, CERT-RMM mainly prints the definitions on six key components, which are services, business processes, assets, resilience requirements, strategies for protecting and sustaining assets and services, and life-cycle coverage. Independent processes
are practiced according to the category of the component. However, three distinctive characteristics can be concluded, as the advantages of CERT-RMM.

First, it devotes to integrate the tasks of security management, business continuity, and IT operations management that aims to increase the performance of risk and resilience management. Secondly, the model puts the operational tasks into a process, which improves the process of innovation by not only practice but also spinoff these innovations to other fields. Finally, it plants vital concepts for process internalization inside of organizations.

Nevertheless, even with the current available framework and model for dealing with uncertainties and risks, organizations, as still, are overwhelmed continuously on the road of being resilient, especially in an era of black swan and gray rhino.

**Review on Journal Papers since about 2000**

Besides the detail-fulfilled theories regarding resilience, journal papers, as well, had launched the discussion of the topic simultaneously. However, researchers present their findings on resilience from various perspectives by the given circumstances.

As an ability, organizational resilience is initially investigated for the mission of researching the characteristics or attributions that help organizations recover and rebound from the crisis; hence, researchers focus on the original input of organizations being resilient, which is an organizational crisis. For instance, Pearson and Clair (1998) argue that the corporate crisis, an event of high-impact with low-possibility, is not systematically integrated because the previous researches were grounded from distinctive standing-points while focusing on the topic. Therefore, she purposed the definitions of organizational crisis and crisis management throughout reframing the issue based on the views of psychology, social-politics, and technological-structure. Then ultimately 'develop a comprehensive model of the crisis management process' (Pearson & Clair 1998, p. 59), as shown below with some propositions.

![Figure 3.1.4. The Crisis Management Process](image)

By Pearson and Clair 1998, p. 66
Moreover, regarding the propositions proposed by this work, the relationship between organizational crisis and CSR starts to be uncovered since a particular interest group of organizational-crisis-affected have been brought in.

Later, in 2009, additional scholars illustrate organizational resilience from different methods based on the case analysis and discussion derived from types of organizations. Powley (2009) highlights the importance of resilience activation that concentrates on the movement or response organizations will practice during the unexpected shocks in light of human relations. He articulates that during external crisis events, the relationship among the personnel inside of an organization could significantly boost the resilient reaction that can resolve or mitigate the adversities. By launching qualitative research equipped with the grounded theory approach, Powley (2009) initiated an organizational resilience study in a US university and then concludes a mechanism of resilience activation, as shown below.

![Figure 3.1.5. Mechanisms of Resilience Activation](image)

*Figure 3.1.5. Mechanisms of Resilience Activation
Powley 2009, p. 1298.*

Although the research from Powley provided a part of the mechanism that could implement the analysis of organizational resilience, the study tries to diffuse the practicability of such mechanism into organizations by conducting research in an academic organization and reviewing previous relevant works. Nevertheless, as a generalized one, the validity and credibility of the mechanism for organizations are yet to be testified.

Similarly, Burnard and Bhamra (2011) research on organizational resilience focused on an organizational response, particularly on uncovering the characteristics of resilient organizations while responding to crises. In other words, this research concentrates on responding, which is logically followed by the step of resilient system activation extended from previous works. Nevertheless, the authors of the research portray a more holistic framework in speaking of resilient response as expressed below.

Unlike previous works, Burnard and Bhamra (2011) framed the conception of resilient organizational response with more process details. First, researchers highlight the significance of a
stage called 'critical period' that contains the movement of threat detection, resilient activation, and enhanced monitoring of the crisis. These three movements consist of the organizations' responsive activities under threat that will cause organizational adjustment with different consequences. Both positive and negative adjustments will evolve to the organizational learning process, aiming to improve the monitoring actions on a threat. Meanwhile, those organizational adjustments lead to positive consequences that would be identified as a resilient response that could handle threats.

**Figure 3.1.6. Resilient Response Framework**
*Burnard and Bhamra 2011, p.5589.*

Later, researchers started to review research works on the topic of resilience in business and management. By deploying quantitative research methodology, Linnenluecke (2015) retrieves 339 influential publications from 1977 to 2014 regarding organizational resilience. By analyzing the previous works, Linnenluecke (2015, p. 2) concludes that resilience had been researched from five significant directions sequentially as:

1. Organizational responses to external threats;
2. Organizational reliability;
3. Employee strengths;
4. The adaptability of business models or;
5. Design principles that reduce supply chain vulnerabilities and disruptions.

Grounded by hundreds of existed papers, Linnenluecke articulates a question for future research of "whether these are complementary or competing, or simply context-dependent 'approaches' to build resilience" (Linnenluecke (2015, p. 13).

Moreover, researchers try to put a more clarified framework that integrates the topic of crisis management and resilience. Williams et al. (2017) manifest a holistic process flow that illustrates the integration of crisis management and resilience, as depicted below.

Gathering the types of adversities, Williams et al. (2017) categorize the crisis events into two dimensions: a crisis with moderate urgency and crisis with profound impact. Under the structure
of a moderate urgency crisis, the researchers develop a loop of organizing and adjusting, which is further broken down into the elements of capabilities for durability consist of four endowments, as well as reliability organizing and adjusting, as another one. Meanwhile, reaction to a critical crisis, cognitive responding, behavioral response, and contextual reinforcement to adversity become the significant movements of organizations. Inside of this stage, Williams et al. (2017) discuss the reactions from organizations from the backgrounds of psychology, sociology, and organizational resilience.

Further, both types of resilience development and enactment would lead to positive outcomes and ultimately flow to the resilience feedback loop. Nevertheless, the authors highlight the disadvantages, or "the dark side of resilience" in their language, of both structures by arguing that resilience could trigger the phenomenon like reluctant to change in organizations, failed to learn and adapt from a crisis, and being vulnerable in scenarios of new normal.

![Figure 3.1.7. Process View of the Fusion of Crisis Management and Resilience](image)

**Figure 3.1.7. Process View of the Fusion of Crisis Management and Resilience**

*Williams et al. 2017, p. 751.*

### 3.1.4 New Challenges

**Black Swan**

Before Europeans witnessed black swan in Australia, they believed all swans were in white. For a long time, 'swans are white' was an unbreakable creed in their minds, which, as a consequence, shocked and surprised themselves. Taleb (2011) concluded that the most distinctive characteristic of a black swan event is the experience gained through many verifications in the array of human knowledge would cause upheaval as long as another phenomenon takes place only once. As the complement statement, Taleb (2011) discusses a black swan event that tells us the revelation of the severe limitation and vulnerabilities of the knowledge accumulated by experience and
Further, by taking examples of the Great East Japan earthquake hit the country on March 11 of 2011 that had caused a tragic loss, the and '9.11' event, the terrorist attack murdered thousands of lives, Taleb (2011) continues to supplement the remaining attributions of black swan event: high unpredictability and fatality on causing consequence. Meanwhile, he highlights the background of a high possibility of the occurrence of black swan event-a society of extremist, a society distributes inequality. These statements on reality of inequality, on diverse aspects, proved by other scholars as well (Atkinson, 2015; Western & Pettit, 2010; Murdock & Golding, 1989; Glied & Lleras-Muney, 2008).

At the same time, Taleb (2011) illustrates several critical mindsets on facing a black swan event:

1. Evolution takes place disruptively rather than smoothly.
2. Making judgments solely based on experience does not work.
3. Avoiding group thinking, in a manner of behaving, not concerning.

In essence, Taleb (2011) believes that even with the unpredictability of black swan events, individuals and organizations can improve the performance on risk and crisis defense with an awareness of being highly alert.

**Gray Rhino**

While Taleb came up with the phenomenon of a black swan event and created a corresponding explanation, Wucker (2017) proposes the type of crises that obtain opposite characteristics, known as 'gray rhino.' Wucker (2017) takes a metaphor, as a scenario and the originality of the term, to describe the perception of gray rhino by manifesting three persons observing rhinos in Africa. Although told by local guidance not to annoy rhinos for the concerns of safety, tourists who occasionally spotted the appearance of rhinos were so excited to take a look at the rare creature within a close distance for the film some pictures. One of the tourists blew the whistle and attracted the attention of a baby rhino, but the matured rhino was alerted as well and recognized the tourists were about to hurt the baby rhino-it was annoyed-and rushed to the people. While facing a fatal threat, the tourists were frozen to take action even they clearly remember the advice from the guide of "do not freeze.". The metaphor shows three distinctive attributions of gray rhino crises as below:

1. Individuals and organizations were told with some information for avoiding the dangerous.
2. Individuals and organizations choose to overlook the dangerous.
3. Individuals and organizations were reluctant to take actions to avoid and/or mitigate the consequences by the dangerous beforehand or during the process.

Wucker (2017) analyzes the mindset of those business organizations and other entities which overvalue the optimism when predicting possible issues. In other words, the over-optimistic organizations prefer to persist and deny the probable problem, as bias, that had been studied by another scholar (Sharot, 2011). As the reason for persists and deny risks, Mitroff (2000) states,
many organizations are in the absence of risk and crisis detecting mechanism. Even by the time of facing crises, Wucker (2017) suggests the way to dissolve is to, first, diagnose the applicability of crises responding and keep clam. With rationale, members of an organization can act according to situations. Further, for those who go-through crises successfully, the opportunities, such as revise and adjust internal structures, should be discovered as the learned experience. Last, Wucker (2017) highlights that having a long-term plan while issues, risks, and crises are far from showing up as the most fundamental method to keep safe.

For Further Research
Referred to the originality, evolution, and upcoming challenges on resilience, some questions are remained to consider based on the interest of this research.

1. The studied researches on resilience mainly focus on western organizations. Can the same conclusions on resilience reproduce in business organizations in China and Japan with practical evidence?
2. Do there exist universal resilient business structures for firms in China and Japan?
3. Do there exist universal resilient business structures for firms in the same industry or even different industries?
4. What are the factors that influence the performance of business resilience for Chinese and Japanese companies, if there are any?

3.2 On Business Strategy

The strategy is a term used to be utilized in the field of the military other than politics. As the world economy developing, the strategy began to emerge with the discipline of the business study of management. However, the cognition on the originality of business strategy is divided by the sides of the east and of the west.

3.2.1 Views from the West on Timeline before 2000

The concept of business strategy did not shape until the formation of the management discipline by Drucker decades later (Freedman, 2013). Drucker (1955), in his famous book of The Practice of Management, notices the linkage of distributing capital and labor forces. In detail, Drucker associates the management to the economic performance of firms. Further, he criticized the Taylorism management, scientific management, that strips the execution from planning with the neglect of dynamics of the environment.

With the background of management discipline, however, Kiechel III (2010) states that before the early start of the revolution of corporate strategy in the 1960s, there was no business strategy. He proposed before the establishment of the concept of business strategy, costs, customers, and competitors, or known as "three Cs", were the core components that refer to the destiny of business organizations. Nevertheless, as a matter of fact, Drucker (1955) describes the term "business strategy" as one stage in the loop of practical business judgment while illustrating the design of corporate performance. The book of Drucker made the term strategy prevalent since the
1960s (Freedman, 2013). The founder of strategic management, Igor Ansoff (1965) states his version on the purpose of strategic management, which links the concept of strategy with the discipline of management, as developing series of theories and processes with practical value to help a manager to operate the business so that the business firms could utilize these methods for strategic decision making.

The evolution process of the term went on continuously. Andrews (1971) describes the term based on a long-term view since he considers the development sustainability of businesses in the long-run. Later, with his colleagues, Andrews conducted a famous framework of SWOT (Strength, Weakness, Opportunities, and Threats) analysis as well as highlighted a substantial view of case-specific under according circumstances (Freedman 2013). Meanwhile, he emphasized it is critical that ensuring strategy formation is followed by execution and implementation, or otherwise, the gap between practice and planning would appear, which is advocated by Mintzberg, Ahlstrland, and Lample (2005).

Although by given the purpose of strategic planning, as the essence of business strategy, at the time, problems of over-redundancy were raised. Freedman (2013) reviews that because of the overwhelmed tasks and expenses on strategic planning, implementation was completely separated because of the bureaucracy and over-dependence on skeptical data, as Mintzberg criticized as the fatal shortcoming of theory on strategic planning defended by Ansoff (1991).

Nevertheless, Porter (1996) pulls back the discussion on business strategy by publishing his paper What Is Strategy with providing his answers to the title as a concern in late 20th century from five dimensions as the following:

1. Operational effectiveness is not strategy.
2. Strategy rests on unique activities.
3. A sustainable strategic position requires trade-offs.
4. Fit drives both competitive advantage and sustainability.
5. Rediscovering strategy.

Porter (1996) discusses that businesses must obtain operation effectiveness; however, not sufficient. Operational effectiveness refers to a company that performs better than its competitors on similar tasks, while strategic implies either performing distinct with others or performing similarly in a distinctive way. Hence, he steps to the second dimension. Later, he argues that businesses need to choose to maintain their strategic position sustainability, followed by an illustration of three types of fit. Lastly, he emphasized that the confusion within companies and the external changes, as a combination, could mislead the business strategies as the reason for refining and analyzing current strategies.

Though as the concept and practices of business strategy upgrade by time, the term itself have been combined with a new mindset and scenario-specific trade-offs since the 21st century.
3.2.2 Business Strategy After 2000

The tasks of business strategy, embody the value of the long-term interest of business from previous academic work, have been revised to not only ensure the survival and expanding, but also to achieve sustainability by implementations. However, scholars who concentrate on the study of business strategy analysis have proposed the mindset and methods of practice from various perspectives.

**Porter and the Five-Force Model**

At the very beginning of the paper that proposed the five-force model, Porter (2008, p. 25) highlights 'the job of the strategist is to understand and cope with competitions' as the background of his mindset. In brief, he focuses on competitions among business organizations to practice the five-force model as being strategic by given his academic specialty on market competition.
Porter (2008) believes that while referring to business strategy, companies shall consider five aspects. Businesses are expected to evaluate the replaceability not only on the products or services but also other new players who begin to join. Meanwhile, in the chain of value delivery, analyzing the dynamics of the bargaining power of their suppliers and buyers is critical as well. Last, taking account of the current competitions among existing players as the overall picture.

Nevertheless, the mindset and framework on business strategy from scholars like Porter concentrate on how to help businesses to compete in the red sea market. A theory based on the opposite mindset of focusing the competition in the red sea market emerges.

**Blue Ocean Strategy from Kim and Mauborgne**

Kim and Mauborgne are known for their researches on blue ocean strategy. The two scholars revolved the way of thinking on business strategy as they look beyond the full market competition. Their early work, a paper published in 2004, initially illustrates their mindset on business strategy, which put innovation as the cornerstone of the concept. Kim and Mauborgne (2004) state the case of Cirque du Soleil, a company which has had been trapped in a business paradox of increasing cost on their performance while decreasing the number of buyers but later achieved a large number of revenues from the market, as an example to start to engage with the analysis of blue ocean strategy.

With intensified market competition, such as price war among rivals or full market saturation, Kim & Mauborgne (2004) describes the distinctive characteristics of red ocean strategy and blue ocean strategy as below:

<table>
<thead>
<tr>
<th>Red ocean strategy</th>
<th>Blue ocean strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compete in existing market space.</td>
<td>Create Uncontested market space.</td>
</tr>
<tr>
<td>Beat the competition.</td>
<td>Make the competition irrelevant.</td>
</tr>
<tr>
<td>Exploit existing demand.</td>
<td>Create and capture new demand.</td>
</tr>
<tr>
<td>Make the value/cost trade-off.</td>
<td>Break the value/cost trade-off.</td>
</tr>
<tr>
<td>Align the whole system of a company’s activities with its strategic choice of differentiation or low cost.</td>
<td>Align the whole system of a company’s activities in pursuit if differentiation and low cost.</td>
</tr>
</tbody>
</table>

**Table 3.2.1 Red Ocean Versus Blue Ocean Strategy**


Moreover, the two scholars (2004) state that the fundamental method towards the blue ocean, the uncovered market, is to overlap the targets that the strategies of differentiation and low-cost design to achieve.
Thirteen years later, the theory on blue ocean strategy was upgraded. Kim and Mauborgne (2017) expand the theory from identifying blue ocean to setting practical steps by several case studies. In brief, they proposed five steps as the guideline for realizing practice:

Step One: Get started.
Step Two: Understand where you are now.
Step Three: Imagine where you could be.
Step Four: Find how you get there.
Step Five: Make your move.

Unlike Porter's view on the competition with rivals, Kim and Mauborgne (2017) suggest that emerging businesses shall concern on the products or services that directly lead to the blue ocean while recommending conglomerates, or large organizations, to have a product or service portfolio by providing an analytical tool (p. 86) 'called the pioneer-migrator-settler map.' That is to say, blue ocean strategy values innovative products or services rather than intensified competition in the existing market. While prepared with designated blue ocean market, setting up a group of people who could make explicit the uncontested market demand into products or services, tangible or intangible, jumps into consideration.

The second step is somewhat similar to the view of strategic planning proposed by other strategic researchers; however, Kim and Mauborgne mix the dynamics inside and outside of businesses with putting another analytical tool titled (p.120) 'strategy canvas' to portray the situation in a current market and the relationship between the demand and the supply. Distinctive characteristics of the mindset of blue ocean strategy reveal themselves in the following step. When the task of identifying utilities of the products or services, blue ocean strategy emphasizes reaching the segment that the current products or services, in the market, yet to function but highly expected by the market. Also, referring to identify the receivers, blue ocean strategy encourages to highlight the noncustomers - the potential customers who are blocked out due to various reasons - and unleash them to the businesses.

When it comes to the fourth step, Kim and Mauborgne (2017) state that businesses could spot away to blue ocean market by proposing a new value-cost frontier by practicing a six-path framework, an analyzing framework that helps businesses to look over all the nodes and chains systematically relate to their products. Then design the action plan based on The Four Actions Framework, which is consisted of the ideas to create, raise, reduce, and eliminate. Ultimately, choose the blue ocean movement by selecting opinions inside while producing market tests. By enlarge the good things achieved, the blue ocean strategy is achieved.

No matter it comes to the discussion on business strategy from the views of the red sea market competition or blue ocean market expanding, proper strategic portfolio according to cope with different business situations is somewhat less mentioned. Thus, strategic business experts, as scholars as well, transfer their sights to look into the study business strategy portfolio that guides businesses through a long period with different strategies.
Optimizing Competition Strategy from Boston Consulting Group (BCG)

In the introduction of the book, Your Strategy Needs a Strategy, Reeves, Haanæs, and Sinha (2016) assert that businesses could only find the most optimized solution based on analyzing specific tasks. They introduce a framework called 'Strategy Palette,' which translates five business environments and according to business strategies that fit them, respectively.

The framework, as shown in Figure 3.2.3, concludes five strategies that vary to five different market environments from three dimensions: unpredictability, malleability, and harshness. In brief, the framework believes that businesses could play classical strategy while the environment is comfortable to foresee and malleable. Adaptive strategies are appropriate for firms while things are in high-uncertainty but still changeable. In the time of high malleability with easy-foresee circumstances, visionary strategies can jump into the management, while if unpredictability and malleability are high simultaneously, then it is the time for companies to practice shaping strategies. Last, if the businesses were extremely constrained, that is to say, in high harshness, there is no alternation but utilize renewal strategies.

![Figure 3.2.3](image)

**Figure 3.2.3** The Right Approach to Strategy Depends on the Environment, From Reeves, Legrand, and Fuller, 2018. Also seen from Reeves, Haanæs, and Sinha, simplified Chinese translation, 2016.

Moreover, Reeves, Haanæs, and Sinha (2016) illustrate the core concepts of each strategy are distinctive. Classical strategies require businesses to enlarge its size by first analyzing, followed by planning, and ultimately implementing when everything is easy to predict but change. Being fast lies as the center of adaptive strategies in the situation of high-uncertainty with stability. Threatened by changes, picking up the most appropriate strategy and spread it out into business practices becomes the logic of the adaptive ones.

Within low stability but high predictability, it will be possible for enterprises to propose practical assumptions with value, then concrete the ideas and achieve perseverance to realize the visionary strategy. While the future becomes difficult to foresee, but the industry is easy to change, then it is
the right time to deploy shaping strategies by getting attraction from the market, coordinate with business partners, and develop. In the worst case for businesses, in other words, if firms were strand in the ocean of business competition, it is necessary to pick up renewal strategies from their tool knits. When uncertainties hit firms, they need to respond in the first place, then reshape their businesses scales and structures to save cost for future business growing after everything becomes stabilized.

Nevertheless, Reeves, Haanæs, and Sinha (2016) mention an implementation skill, which is not included in the 'Strategy Palette' but composed by elements of the 'Strategy Palette' to merge. They call it ambidexterity. The background of the emergence of the skill is that experts had aware and noticed that businesses need to take several strategies in one shot, notwithstanding the conflict that may occur. They (2016, p. 232) define it as 'the capability of businesses to apply multiple methods of strategies in a period of time or in a consistent period of time'. That is to say, experts and scholars are contributing to tackling the difficulties derived from the complexity and paradox of the environment.

Western scholars had and are still researching business strategy originated from various mindsets and technical tools; however, scholars from east, especially China, had formed the fundamental principles on the strategy which are enlightened by political and military activities for more than two thousand years before.

3.2.3 Views from the East before 2000

It is well-known that the theory on strategy in the east are mainly originated from ancient China, especially in the periods of Spring and Autumn and the Warring States. Despite the concept and practice of strategy had been practiced in China throughout history; however, due to the political policy of 'favor agriculture and disfavor commerce' that put ancient Chinese business personnel in the lowest social status, codes and records concentrate on the topic of business with known authors is rare up to date. Business wisdom has remained in forms of oral inheritance. As the Chinese proverb says, 'Business circles are like battlefields.'

Though some Chinese business strategists have been significantly influenced by western views to come up with specific technical tools and frameworks, in practice, Chinese experts like Wang (2018) proposes a strategic framework in the western style which pays more attention to specific issues. Nevertheless, strategies are the method of reaching the goal from macroscopic views rather than microscopic; otherwise, strategies become tactics. In short, the strategy is not a part of a business but a business itself. Business, withhold a centralized target, could synchronize and deploy its available resources thoroughly. If not so, a business loses or at least blur, the mission of its strategy. Sun Tzu, by his profound work of the Art of War, discusses and concludes the mindset of strategy about the time of 515 B.C. - 512 B.C. (Sima, 104 B.C.- 91 B.C.).

Sun Tzu: the Art of War

As Griffith (1963) translates the original text of the book, Sun Tzu declares five significant dimensions-moral influence, weather, terrain, command, and doctrine-before considering a war.
The same logic is applicable in a business context. Moral influence refers to the harmony of a leader with staff that can bond the two sides even in adversities. In short, it is togetherness. The weather could be translated as the macroscopic environment, which shapes the constrain of business movements. The terrain is equivalent to the landscapes of business. Command states the characteristics of the person who implement business activities. In modern language, command equals leadership. Doctrine is a combination conception of human resource management, organizational regulations, and audition. In brief, the doctrine can be interpreted as a holistic management system. Thus, it forms the base of philosophy enlightened by Sun Tzu in business strategy, as Figure 3.2.4.

By put the five fundamental elements as the blueprint, seven branches are broke down as Griffith (1963, p. 65) translates from Sun Tzu 'If you say which ruler possesses moral influence, which commander is the more able, which army obtains the advantages of nature and the terrain, in which regulations and instructions are better carried out, which troops are the stronger; Which has the better trained officers and men; And which administers rewards and punishments in a more enlightened manner, I will be able to forecast which side will be victorious and which defeated.’. Interpreting to the business context, a person in top place shall inspire and unite the rest of the people; executors, senior or junior, shall obtain various abilities in different places; businesses shall aware of the macroscopic environment and industry landscape; regulations and instructions shall be practiced as best as it can; business organizations shall devote to remain in an advantageous position with well-trained staff as well as the training system; companies shall have clear reward and punishment policy with transparent implementation.

Figure 3.2.4 Philosophy of the Art of War to Business Strategy

With the mindset on strategy, Sun Tzu describes several principles of strategy in his later writing. Sun Tzu highlights the war shall not be prolonged; otherwise, it becomes a disaster. Same for the strategy, if the strategy implementation takes a long time, people would exhausted, the resource would run out, and most importantly, the strategic goal would reveal as time goes by. Considering the cost of the resource, Sun Tzu asserts that it is more economical to take the resource of competitors or rivals to supplement. Moreover, he states that the best practice of war is to make the enemy's strategy unable. If not, break up the enemy's appliance; then attack the enemy; the worst is to attack cities. In business, different companies share various strategies with distinct
partners; hence it is meaningful to apply the idea.

Principle 1. Do not prolong the time to implement a strategy.
Principle 2. Take rivals' resources to supplement.
Principle 3. Compete with business rivals by disabling their strategic goal and not to directly offense them.

Further, Sun Tzu portrays five crucial elements that decide the result of the offensive strategy:

1. Knowing the timing of the attack and not so.
2. Knowing the force of large or small.
3. Sharing a consistent goal from up to the bottom.
4. Waiting for enemies' movement with caution.
5. Having a capable commander who has not interfered.

In a business context, a capable commander refers to the executor of business strategy implementation. Thus forms the guideline of how to implement offensive business strategy. In conclusion, the mindset of strategy from Sun Tzu highly values the unity of each element that form strategy supported by according tactics design to create relentless energy.

3.3 On Corporate Social Responsibility

Corporate social responsibility (CSR), a term evolved from social responsibility and corporate performance (Kuisma, 2017), describes the functions - basic and advanced - of businesses. Though as early as 1950, scholars had begun to research on corporate responsibilities from the various perspectives such as entrepreneurs and management, as a prototype of corporate social responsibility (Brown, 1950; Drucker 1954), and directly on the subject (Bowen, 1953), the term did not become valid in modern time until Carroll proposed his famous The Pyramid of Corporate Social Responsibility. However, his work can be traced back to the 1970s and expand to the 2010s.

3.3.1 CSR Before 1990s

Bowen initially published his definitive book on CSR in 1953, titled Social Responsibilities of the Businessman, which is considered as the foundation of the discipline (Carroll, 1979). In essence, Bowen (1953) believes that business decisions and the business activities derived from them are somehow shaping the future of society. Some business stakeholders, for instance, customers, employees, and the government will be inevitably affected. Hence, the responsibilities of the consequences of the business decisions are put on the shoulders of businesses. That becomes the reason to study and analyze related questions regarding CSR.

Bowen (1953) based his research and observation of the given time scale specified in the US; he declared to breakdown the term of CSR into several sub-categories with questions and assumptions accordingly. He put the economic goals of corporations as the first aspect to discuss. Then he analyzes the social responsibilities of businessman under the system of laissez-faire, which is similar to the absolutely free exchange market nearly without any intervention from the government. Further, he looks into the views of the social responsibilities of businessmen from different sides: protestant and businessman. Moreover, he portrays the concept of social
responsibilities of businessmen and roots out the reason that explains why businessmen put specific concerns into the topic. Finally, he brings in business ethics as an explanation of the law of social responsibilities.

**Economic goals**
Several goals form the list of economic goals of the corporation were concluded as follows: 1) high standard living; 2) economic progress; 3) economic stability; 4) personal security; 5) order; 6) justice; 7) freedom; 8) development of the individual person; 9) community improvement; 10) national security; 11) personal integrity. In brief, few dimensions could be extracted from the above list: 1. economic growth, for individuals, groups, communities, and nation; 2. social stability; 3. social equality, the concept not purely concentrate on the economy but individual opportunities and rights as well; 4. social and national welfare.

**Reviewing CSR under the Laissez-Faire System in the 19th Century**
By reviewing business practices in the 19th century in some countries that were once in the system of laissez-faire, Bowen (1953) argues that businessmen excellently followed the principle of being efficient on the economy to maximize the return of interests. Nevertheless, in the progress of the upgrade of the economy, of the market, and technology, businessmen practiced poorly on the protecting employees' legal rights while limited legal regulation legislated accordingly, not mention the implementation. The social responsibilities of businessmen were highly dependent on the moral standards of businessmen. Hence, he starts to look deep into the religious perspective-from the view of protestant.

**Defining Social Responsibilities: Protestants and Businessmen**
Regardless of the discussion on religious-related issues, protestant viewpoints on social responsibilities of businessmen, which later formed as The Amsterdam Statement, could be generally summarized into the following dimensions based on Bowen (1953) conclusion:

1. Being economic based on the value of serving the society. It refers to businessmen should put the consideration of the needs and interests of the public in the first place rather than overwhelmed by maximizing the economic profit. Stick to the above prerequisite; businessmen shoulder the responsibility to push forward social progress by improving the efficiency and productivity of business production. Meanwhile, eliminating poverty and economic inequality by business production shall be achieved. However, business productions must not overdraft the resources which are for the future human generations.

2. Being respectful to the stakeholders. Customers, employees, suppliers, business partners, and rivals, and other personnel who associate with the business, businessmen must confess and respect various rights, or in Bowen's word 'dignity.' Specifically, businessmen must not prejudice others because of (Bowen 1953, E-book) 'race, religion, political views, national origin, social status, physical appearance, or sex (expect as these characteristics affect actual work performance).'</br>Furthermore, providing opportunities with equality represents a manner from the businessmen of valuing human dignity.

3. Being considerable to the labor force. Bowen (1953) concludes that it is the responsibility of businessmen to offer moral and secure working space for the workers; however, it is far from enough. Working security indicates covers for employees via some welfare methods such as
social insurance to clear the economic concern of the labor force. Also, compensation is desired to be deployed originated from the needs of the household of employees and their performance. To the next stage, businessmen shall take care of the workers' families. Lastly, businessmen should guide workers to fulfill a sense of achievement by practicing day-to-day business operations.

4. Being decentralized and transparent as soon as possible when it is applicable. Institutions of politics and commerce shall be decentralized. Meanwhile, honesty dealings shall be witnessed all the way through.

On the other hand, businessmen thought similar social responsibilities with some differences to the views of Protestants with a different mindset. There is no doubt that businessmen regard being profitable of businesses lies as the footstone of the social responsibilities while with additional thoughts. Businessmen agree on their social responsibilities of realizing economic stability, progress, and improvement while not deplete the natural resources for future generations. However, by collecting and analyzing various materials on the statement and opinions of businessmen, Bowen (1953) asserts the social responsibilities of businessmen within the following categories:

1. Educating the modern business systems to the public. American businessmen believe that it is their responsibility to cultivate the concept of business and the bright side of businesses by showing their goodwill in communicating with society.

2. Human relations. The statement on human relations articulates the relationship between businessmen and workers via providing good working conditions without unhealthy conditions while with backups and opportunities. Nevertheless, the motivation of establishing good relations with workers is originated from the pragmatism viewpoint, which is to best practice the production efficiency rather than from the viewpoint of humanity.

3. Public relations. The term refers to the relationship between businessmen and the local community and government. For local communities, businessmen mainly put themselves as fund providers to participate in community activities for their business interests. As for the government, businessmen propose that they shoulder the responsibility of shaping public policies. Moreover, due to the economic contribution to society, businessmen regard themselves as having an obligation to offer leadership to society and contributing to national security.

Bowen (1953) mainly discusses the corporate social responsibilities from the views of US society in the given time, but the conception of the term CSR was kept renewing.

3.3.2 Carroll and Theories on CSR

**Before the Pyramid of Corporate Social Responsibility**

Before the year when Carroll came up with his famous description of CSR as the most prevalent theory of the discipline, he researched on corporate performance as the originality of his theory on CSR. Carroll (1979) proposed a three-dimensional model while analyzing corporate performance, as shown in Figure 3.3.1.

Carroll (1979) highlights his version of the concept of corporate social responsibilities after reviewed previous work on the subject. At the time, he suggests that the overall social responsibilities of businesses can be divided into four sections-economic responsibilities, legal
responsibilities, ethical responsibilities, and discretionary responsibilities.

On economic responsibilities, Carroll (1979) agreed on the previous view of corporate responsibilities to the society, which is businesses must provide their output to the society to secure the profitability as the most fundamental function. Aftermath, by fulfilling the economic tasks, businesses must operate their businesses under legal regulations. Most importantly, the economic responsibilities most are achieved with legal responsibilities. As for the responsibilities beyond the scale of legal responsibilities but are expected by society without an accurate description, it becomes the ethical responsibilities of corporations. Lastly, the responsibilities which are not clearly defined as well as entirely dependent on the will of an individual shape the discretionary responsibilities. By Carroll's words (1979), these responsibilities are voluntary ones because members of the society may look forward to businesses to shouldering them, however, not mandatory to businesses due to the requirements of the law.

However, Carroll did not identify the dimension of social issues that businesses involved as the result of finding that corporations categorized in different industries withhold distinctive social issues they pay attention to. Still, by reviewing the works of previous scholars, Carroll (1979) illustrates the rest dimension of his model-philosophy of social responsiveness. He claims that social responsiveness is a concept on the execution method while confronting emerging requirements from society.

![Figure 3.3.1 The Corporate Social Performance Model By Carroll, 1979, p. 503](image)

**Carroll and the Pyramid of Corporate Social Responsibility**

Twelve years later, Carroll built the sound model on CSR, the pyramid of corporate social responsibility, as shown in Figure 3.3.2, based on his previous review and later works. In this research, Carroll (1991) articulates the four categories of corporate social responsibilities. To economic responsibilities and legal ones, he remained the concept from the works of Bowen.
However, he clarifies the definition of the ethical responsibilities of businesses as 'Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral right' (Carroll 1991, p. 41). Moreover, Carroll interrelated corporate ethical responsibilities with legal responsibilities by demonstrating that by the holistic advancement of the economy, technology, and social values, previous ethical responsibility could transform into the legal responsibilities that firms must obey. Nevertheless, Carroll (1991) confessed that it was tricky for businesses to handle ethical responsibilities since the public has had not printed a clear picture of what is corporate ethical responsibilities.

As for the substitution or upgrade, to be more precise, of the term 'discretionary responsibilities,' Carroll (1991) came up with the term 'philanthropic responsibilities' as the fourth dimension of corporate social responsibilities. He concretizes the motivation of businesses being philanthropic to play the role of good corporate citizenship rather than purely focus on the viewpoint of corporate interests, regardless of the short-run or long-run.

![Figure 3.3.2 The Pyramid of Corporate Social Responsibility](image)

**Figure 3.3.2 The Pyramid of Corporate Social Responsibility**

By Carroll, 1991, p. 42

**Carroll and Further Researches on CSR**

Further studies on CSR were continuously attracting Carroll's attention. On the one hand, he summarizes (2015) that the history of the researches on CSR from segmented social rights representing various stakeholders then started to come up with a detailed discussion on CSR. Further, the topic was somehow evolved into corporate social responsiveness, which was later divided into four business research branches as the topics of business ethics, corporate citizenship, sustainability, and stakeholder management. Moreover, he highlights three research trends of CSR
as of 2015, 'mainstream adopters, social entrepreneurs, and social intrapreneurs' (Carroll 2015, p. 94). Being good corporate citizenship becomes the mainstream on CSR, while social entrepreneurship aims to reach the goal of successful organizations by spotting resolutions for kinds of social problems. As for intrapreneurship refers to businesses that devote to tackle social problems without social agenda but from the later stage (Carroll 2015).

On the other hand, Carroll (2016) re-discusses his famous pyramid of corporate social responsibility. In this time, he emphasized the importance of the ethical dimension because, from his observation, the topic of ethics penetrates the other three dimensions of responsibilities. Later, he portrays the paradox for businesses while facing the conflict between the interests of the firms and the public stakeholder (non-investor). He suggests, based on his accumulative works, that the interests of the public could ultimately lead to the interests increase and improvement for the firms. Also, Carroll (2016) articulates that the four components of responsibilities should be viewed in a holistic manner rather than sequentially or hierarchically. Finally, Carroll (2016) brings in the applicability in a global context by mentioning the comments of other scholars who research on CSR with the enlightenment of the CSR pyramid. Then he confesses that the applicability of the pyramid model differs from place to place.

### 3.3.3 CSR in the 21st Century: A Time of Prevalence of Crisis

The trend of the development of CSR had developed as what Carroll had observed in the 2010s. Studies and researches regard CSR have been analyzed based on nationalities and regions, though the framework of CSR on a global scale was kept mentioning and developing under globalization. Moreover, scholars testified the functions of CSR in crisis notably.

**CSR Depend on Nations/Regions**

CSR activities realize the performance of CSR. Crowther (2006) came up with a table to reveal the maturity of CSR activities in different stages, as shown in Table 3.3.1. concluded from the business operations from the European Union.

<table>
<thead>
<tr>
<th>Stage of development</th>
<th>Dominant feature</th>
<th>Typical activity</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Window dressing</td>
<td>Redesigning corporate reporting</td>
<td>Changed wording and sections to reflect CSR language (see Crowther, 2004)</td>
</tr>
<tr>
<td>2</td>
<td>Cost containment</td>
<td>Re-engineering business processes</td>
<td>Energy efficiency programmes</td>
</tr>
<tr>
<td>3</td>
<td>Stakeholder engagement</td>
<td>Balanced scorecard development</td>
<td>Customer/employee satisfaction surveys (see Cooper et al., 2001)</td>
</tr>
<tr>
<td>4</td>
<td>Measurement and reporting</td>
<td>Sophisticated tailored measures</td>
<td>CSR reports</td>
</tr>
<tr>
<td>5</td>
<td>Sustainability</td>
<td>Defining sustainability: re-engineering processes</td>
<td>Sustainability reporting</td>
</tr>
<tr>
<td>6</td>
<td>Transparency</td>
<td>Concern for the supply chain: requiring CSR from suppliers</td>
<td>Human rights enforcement: e.g. child labour</td>
</tr>
<tr>
<td>7</td>
<td>Accountability</td>
<td>Reconfiguration of the value chain</td>
<td>Relocating high value added activity in developing countries</td>
</tr>
</tbody>
</table>

**Table 3.3.1 Stages of Maturity of CSR Activities**

*By Crowther, 2006.*
While in East Asia, scholars from China, Japan, and South Korea share a consensus on the importance of CSR based on the early review on the subject of western countries and by the

<table>
<thead>
<tr>
<th>CSR Practice</th>
<th>China</th>
<th>Japan</th>
<th>South Korea</th>
</tr>
</thead>
</table>
| Supply Chain Management       | 1. More than half of the studied firms have written policies.  
2. Specific institutions are set for selecting suppliers.  
3. Lacking formal methods to influence suppliers proactively.  
4. The impact of the policies is limited. | 1. Codes and principles of conduct and sustainable purchasing are published.  
2. Helping suppliers to improve their performance to create win-win scenarios.  
3. Structures of supply chains are highly sophisticated. | 1. Considering mutual growth and win-win partnerships as the prioritized incentives in this regard.  
2. Fairtrade between partners via attempting to pay subcontractors with cash. |
| Stakeholder Dialogue          | 1. Stakeholders are clearly identified.  
2. The government is the stakeholder for all selected companies.  
3. Labour unions are almost the least significant stakeholder. | 1. Communication with customers and employees forms the core of management.  
2. In most cases, the government is less likely considered a stakeholder.  
3. Treat the relationships with consumers and employees as an internal issue.  
4. Prefer to organize dialogues with social elites. | 1. Identify stockholders, customers, business partners, employees, and the local community as major stakeholders.  
2. NGOs and international organizations become stakeholders, while philanthropic activities were operated domestically or globally.  
3. The government, as a stakeholder, is replaceable.  
4. Hearing from external specialists to knowing concerns from different groups. |
| Gender Issues                 | 1. It depends on the industries.  
2. The promotion speed of female employees to management positions is slow.  
3. Sexual harassment is a major challenge.  
4. In the disaster areas of the 2011 earthquake, females are expected to play leading roles for reconstruction. | 1. Equal rights for female employees are protected by law.  
2. The hiring number/ratio of female employees is not guaranteed due to the variation of industries. |

Table 3.3.2 CSR Practices in China, Japan, and South Korea

Source: Takahashi, Lee & Yang, 2011, edited by the author
business realities (Takahashi, Lee & Yang 2011). Later, CSR reports of the three countries under the investigation domains of supply chain management, stakeholder dialogue, and gender issues were formed derived from several case studies of some companies in respective nations.

**CSR and Crisis**

Researches of recent years not only categorized the CSR performance based on countries or regions but also find some evidence of the relationship between CSR structure and the function of CSR in times of crisis.

In Europe, Swiss small and medium enterprises (SMEs) cooperated based on their commitments to the welfare of their employees and the trust while confronting downturns, especially in the years of 2008-2009 (Looser, Clark & Wehrmeyer, 2017). While in the same period, companies in Romania highlighted the economic benefit to its consumers due to the constrain of the development of the national economy (Crisan-Mitra & Borza, 2015).

On the other hand, different stories were taken place in Africa on the identical topic. Lincoln (2017) states that CSR in Nigeria was mainly focused on legal issues to regulate local businesses to fulfill their responsibilities on environmental protection while in crises of lacking sufficient guidelines and implementations of the government. Whereas in Zimbabwe, businesses could still be rooted in the nation via valuing and implementing CSR initiatives even in an environment of crisis in which the accountability of the national government is poor (Mugova, Mudenda & Sachs, 2017).

**Brief Conclusion on CSR**

According to so far accumulated arguments and statements on CSR highlight various discussion trends, CSR is still on its progress of research evolution. The latest research has tried and is still devoted to uncovering the relationship between CSR performance/implementation and the situation/environment of crisis. Given the advantages of accessing businesses in Japan and China of this research, firms from the two nations would be studied selectively.

**3.4 Relationship Between CSR and Resilience**

As the researches have been reviewed in Section 3.1, the relationship between CSR and organizational resilience is uncovered. It is meaningful to look into the previous investigations to have a clearer understanding of such a relationship between the two topics.

Hsu (2012) provides an example of illustrating the relationship between CSR and corporate reputation and brand equity from the evidence of one industry, the life insurance industry in Taiwan, China. While reviewing existing works, the author mentions that companies with better corporate reputation will have higher asset returns, and with better corporate reputation, it becomes more convenient for companies to attract the attention of employees and customers (Hsu, 2012). As for brand equity, Hsu (2012) expresses that it can benefit the financial value of a business and customers' perception of a company. Thus, the linkage between CSR and a part of resilience is revealed.
To clarify the relationship between CSR, corporate reputation, and brand equity, Hsu (2012) proposed a simple framework complemented with several hypotheses as below.

As depicted in the above framework, the author interrelated CSR, corporate reputation, brand equity, and customer satisfaction by hypotheses of 1) policyholders' positive perceptions of life insurance companies' CSR initiatives lead to high levels of customer satisfaction; 2) policyholders' positive perceptions of life insurance companies' CSR initiatives lead to a high level of corporate reputation; 3) life insurance companies that are more favorably perceived by policyholders, concerning their CSR initiatives, enjoy higher levels of brand equity; 4) policyholders' satisfaction with life insurance companies' services at least partially mediates CSR's influence on corporate reputation; 5) policyholders' satisfaction with life insurance companies' services at least partially mediates CSR's influence on brand equity.

Throughout a quantitative analysis, Hsu (2012, p. 198) concludes that CSR initiatives' view of insurance policyholders 'has positive effects on customer satisfaction, corporate reputation, and brand equity.' Meanwhile, customers are more likely to be satisfied by those life insurance companies who are more capable of fulfilling social responsibilities in Taiwan.

Similarly, Zahller, Arnold, and Roberts (2015) test the benefit that organizations will receive from their investors if they are socially responsible, thus leading to develop social resilience under external shocks by doing experience. Lv et al. (2019) further discuss a theoretical framework that focuses on the relationships of organizational resilience and various CSR topics intersected.

Lv et al. (2019) express that five aspects of CSR engagement could influence on organizational resilience by two mechanisms, as depicted in Figure 3.4.2. However, the subjects of CSR aspects listed in the above figure are logically inconsistent. Shareholders and employees refer to a specific group regarding CSR, while the business environment and society are terms containing more dynamic groups.
To conclude, the current works highlight the relationship between CSR and organizational resilience, which remains fragmented; different research focuses on different regions, countries, and industries. Efforts trying to regulate such a relationship with a set of CSR groups are rare.

### 3.5 Relationship Between Business Strategy and Resilience

Though, as reviewed in Section 3.1, previous researches have implied some connections between business strategy and business resilience, discussions specified to such a relationship are rare.

Lengnick-Hall, Beck, and Lengnick-Hall (2011) initiate to put the linkage between business strategy-from the view of human resource management and organizational resilience.

In brief, they believe that by enhancing the competence of the critical employee and gradually
aggregate such competence on the organizational level, organizations would be enabled to confront external shocks within desirable outcomes (Lengnick-Hall, Beck & Lengnick-Hall, 2011).

Other scholars would levitate the issues such as extreme weather events that could trigger massive loss to organizations into strategic thinking, and thus fusing the topic of business strategy and organizational resilience (Linnenluecke, Griffiths & Winn, 2012).

Sahebjamnia, Torabi, and Mansouri (2014, p. 272) establish a framework that 'integrated business continuity and disaster recovery planning framework that includes all strategic, tactical, and operational decision levels with different time frames, and various elements of the IBCDRP at each level. Besides, the proposed framework consists of a novel resource allocation mathematical model to determine the required resources to cope with disruptive events'. IBCDRP refers to Integrated Business Continuity and Disaster Recovery Planning. Nevertheless, the framework was only testified on a single business in the Middle-East, which remains the generalization of the framework in doubt.

Chapter 4 Methodology

4.1 Suitable Approaches for Answering Research Questions

In order to look deep into the research questions brought in in Chapter 2.3, methodologies that enable the researcher to reach the first-hand data sources are irreplaceable, rather than second-hand data which were gathered by other scholars whose research objections may differ. Consequently, it makes sense that the researcher should visit several business organizations for data collection. Nevertheless, the formalities of data collections are various; some could complement each other to forming a more comprehended data corpse while some could contradict. Hence, the importance of applying appropriate methodologies reveals itself.

The most fundamental issue while deciding the methodologies of this research is to define the characteristics of the research questions. As discussed in Chapter 2.3, to answer the listed research questions, it seems that text-originated data becomes the most sounded data source. That is to say, the enlightenment of portraying, demonstrating, and clarifying the research questions derives from word-formed data at an early stage instead of data shown numerically. Therefore, the significant characteristics of this research could be categorized as qualitative because the research would collect non-fixed detail topics from non-specified research targets, in this research, businesses, as well.

Since the research style of this study has been set, then uncovers a suitable research methodology. Grounded Theory (GT), a research methodology stick to qualitative research data in which the validity and necessity for being applied in this research would be manifested later, could be considered as the most appropriate methodology. As a result, multiple approaches, such as audio record, video record, and note-taking, support the duration of qualitative data collection-interview.
4.2 Reviewing on Qualitative Methodology

4.2.1 Reviewing on the Grounded Theory

Grounded Theory, as known as GT, was initially proposed by Glaser and Strauss in 1967 by their famous work of THE DISCOVERY OF GROUNDED THEORY: strategies for qualitative research. In the very beginning of the book, Glaser and Strauss (1967, p. 1) defined ‘We believe that the discovery of theory from data-which we call grounded theory—is a major task confronting sociology today, for as we shall try to show, such a theory fits empirical situations, and is understandable to sociologists and layman alike.’. Then followed by the purpose of the theory generated from data as ‘Most important, it works—provides us with relevant predictions, explanations, interpretations and applications.’ (Glaser & Strauss 1967, p.1). Meanwhile, Glaser and Strauss (1967) highlighted the ideal circumstance to apply grounded theory in the social researches-comparative analysis.

Moreover, Glaser and Strauss (1967, p.101) introduced several approaches for constant comparative methods while researchers are doing qualitative analysis derived from different objectives as below as well as in Table 4.1:

1. In case that the mission of a researcher is purely transforming the qualitative data into quantifiable one, the data process approach is to code the data at first and then proceed to analyze.
2. In case that the task of a researcher is to formulating theoretical thoughts, the coding process and analyzing process can take place simultaneously because a researcher will renew the conceptions of the theory that would be generated while extracting the qualitative data.
3. To reveal a more structured theory without the adversities of the previous two types, a mixed approach that consists of 'an analytic procedure if constant comparison, the explicit coding procedure of the first approach and the style of theory development of the second.' (Glaser & Strauss 1967, p.102).
4. To uncover a theory that is holistic, accurate, generalized, and specified to a phenomenon, analytical induction is applicable.

<table>
<thead>
<tr>
<th>Generating Theory</th>
<th>Provisional Testing of Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Combining inspection for hypotheses (2) along with coding for test, then analyzing data (1)</td>
</tr>
<tr>
<td></td>
<td>Analytic induction (4)</td>
</tr>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Coding for test, then analyzing data (1)</td>
</tr>
<tr>
<td></td>
<td>Ethnographic description</td>
</tr>
</tbody>
</table>

Table 4.1 Use of Approaches To Qualitative Analysis
By Glaser and Strauss, 1967, p. 105
Furthermore, Glaser and Strauss (1967) introduced to field and documentary as the dominant sources about qualitative data while highlighting the possible incompatibility of the field-originated sources and library sources. While discussing the credibility of grounded theory, Glaser and Strauss (1967) believed that grounded theory enables researchers and their readers to have a close observation of the research questions. Audiences would be more likely to be persuaded by researchers with structured data analysis and logical instructions of the theoretical frameworks.

4.2.2 Reviewing on the Coding Approaches of Qualitative Researches

As Glaser and Strauss (1967) stated in their ground laying work, coding, as the substantial procedure for forming reliable theories, needs to be selected with caution. Hence, it is necessary to obtain the knowledge on the categories of coding approaches, the applicability of various coding approaches, and supportive method(s) to boost the efficiency of the coding process, if there are any. Luckily, Saldaña, an experienced qualitative researcher, provides his insights on the techniques on coding by his work of The Coding Manual for Qualitative Researchers.

Coding, as a process of interpreting data, outputs code(s). Saldaña (2016, p. 4) stated that the forms of qualitative data could be presented sorts of formalities, such as 'interview transcripts, participant observation field notes, journals, documents, open-ended survey response, drawing, artifacts, photographs, video, Internet site, e-mail correspondence, academic and fictional literature, and so on.' Then the author put the definition of code right after finishing the illustration on qualitative data. Saldaña (2016, p. 4) defined 'code is a researcher-generated construct that symbolizes or "translates" data (Vogt, Vogt, Gardner, & Haeffele, 2014, p.13) and thus attributes interpreted meaning to each datum for following purposes of pattern detection, categorization, assertion or proposition development, theory building, and other analytic processes.'

Before introducing the coding methods systematically, Saldaña (2016) enlightens that during the coding process, computer-assisted qualitative data analysis, as known as CAQDAS, could provide significant efficiency and convenience for qualitative researchers. AnSWR, AQUAD, ATLAS.ti, Nvivo, and some other additional computer-based programs are recommended by Saldaña (2016, p. 31).

Referring to detailed coding approaches, Saldaña (2016) summarized them under several methods, as shown in Figure 4.1.

Nevertheless, for the better performance of the coding stage, Saldaña (2016) emphasized researcher should select coding method(s) depend on the attributions of the research questions, and it is less likely that fixed package(s) of coding method(s) could be applied in distinct researches. Moreover, the number of coding method(s) utilized in qualitative researches shall be limited. Confusion, ambiguousness, and contradiction, for some cases, would appear during the coding process, thus losing accuracy of the node(s) if more than six approaches were deployed in
individual research. Though, on the other hand, most of the coding techniques exhibited in Figure 4.1 can be used to code qualitative data like interview transcripts, the researcher should be advised that additional constraints may exist. The threshold to weaving a theory from qualitative data is necessary to ensure the validity of researches. Hence, Saldaña (2016) suggested that in every single research, in case of more than ten interviews were launched, doing qualitative research implanted by grounded theory could be encouraged.

![Figure 4.1 First cycle and second cycle coding methods](By Saldaña 2016, p. 68.)

4.2.3 Reviewing on the Current Debate while Applying the Grounded Theory

Within the discussion scope of grounded theory as a research methodology, there exists a significant debate between the two subbranches of GT-classic grounded theory and constructivist grounded theory (O’Connor, Carpenter & Coughlan, 2018). Since the year of 2000, Charmaz, as an advocate of constructivism grounded theory, shown obvious distinctions with representative advocate and one of the founders of grounded theory originated from the discussion on epistemology, as O’ Connor, Carpenter & Coughlan (2018, p. 91) explained as a 'branch of philosophy that explores the origin, nature, and methods of knowing and the limits of human knowledge.' against Glaser as the followings:

1. Epistemology. Classic grounded theory suggests its epistemology as elastic because it enables the researcher to utilize full sorts of data resources while remaining objectivity. While constructivist grounded theory argues its epistemology as a researcher will construct the results of researches other than purely uncovering, which further enhances the validity between the
movements and judgment.

2. Researcher. Classic grounded theory prefers that researchers should not incept any preoccupation before they start the research process, while constructivist grounded theory obtains an opposite view.

3. Timing of doing literature reviews. Corresponding to the two antithetical attitudes of the classic grounded theory and constructivist grounded theory, the ideas of the timing of doing literature review are likewise. Classic grounded theory encourages the researcher to postpone reviewing previous works to prevent researchers from any pre-thoughts. Accordingly, constructivist grounded states that it is impractical that researchers can be free from any preconceptions.

4. Setting research questions. Classic grounded theory discourage researcher from clarifying their research questions beforehand; instead, it advocates the researcher to come up with approaches to stimulates research participants to raise their voices. As for applying constructivist grounded theory, researchers should concrete their research questions before kick-off the phase of data collection.

5. Interview techniques. Advocators of Classic grounded theory believes that interviews supported by clear-guided manuals could facilitate data bias while constructivist grounded theorists propose equipped with interview guideline would help novice researchers to valid their research questions.

6. Coding process. Qualitative research deploys classic grounded theory has two major coding stages of substantive coding and theoretical coding. However, constructivist grounded theory ones obtain three stages as initial coding, focused coding, and theoretical coding. Meanwhile, the focus of the classic grounded theory is 'first identifying the relationship between the categories and the core category and then identifying the relationship between categories' (O’ Connor, Carpenter & Coughlan 2018, p. 98). As for constructivist grounded theory, it cares about the reconciling and integrating the concepts from data.

Although it seems that the classic grounded theory is highly incompatible to constructivist grounded theory, other researchers, quoted by O’ Connor, Carpenter, and Coughlan, highlighted that the two styles of grounded theories are not necessarily against each other because it is unrealistic to launch researches by purely depend on one style of the grounded theory (Jacoby, Jaccard & Acock, 2011).

4.2.4 Methodology of This Research

Applying the Grounded Theory Constrained by Research Reality
As concluded in the previous section, grounded theory with different branches is attributed to distinctions on full awareness of how to utilize it. In order to grasp the essential points of the differences between the classic grounded theory and constructivist grounded theory, the below table, refined from the description in Section 4.2.3, reveals the distinctions.

Nevertheless, researchers, particularly those who focus on business management in China and Japan by deploying grounded theory as their research methodology, should keep in mind the limitation of the above two types of grounded theory highlighted as follows:
Table 4.2 Differences between Classic GT and Constructivist GT

<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Classic GT</th>
<th>Constructivist GT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elastic, utilize a wide range of data with objectivity.</td>
<td>Construct results of data other than only collect data.</td>
</tr>
<tr>
<td>Researcher</td>
<td>Should not have any preoccupation before start the research process.</td>
<td>Should have some preoccupation before start the research process.</td>
</tr>
<tr>
<td>Timing of Reviewing Literature</td>
<td>Encouraging researchers to delay their review work to prevent raising preoccupations.</td>
<td>Impractical for a researcher to be free from any preoccupation. Reviewing previous works is acceptable even before kicking-off the research process.</td>
</tr>
<tr>
<td>Setting Research Questions</td>
<td>Discourage researchers to clarify the questions to raise the voice of research participants.</td>
<td>Concreting the research questions before data collection is preferred.</td>
</tr>
<tr>
<td>Interview Techniques</td>
<td>Preventing usage of clear-guided manually to avoid data bias.</td>
<td>Using clear-guided manual help to valid research questions.</td>
</tr>
<tr>
<td>Coding Process</td>
<td>Two major codings, stages-substantive coding and theoretical coding.</td>
<td>Caring for the reconciling and integrating the concepts from data.</td>
</tr>
</tbody>
</table>

1. Both types of grounded theory were established and evolved in the context of western business society.
2. It is controversial if a business researcher could deploy all prerequisites of one of the above-grounded theory in China and Japan.

Based on the deployment practices of grounded theory in China and Japan, the reasons for proposing such limitations are based on qualitative management research. In China, in most cases, potential research participants would require researcher(s) to offer the research proposal of the research project(s) with clear illustration and instruction, or at least with general research guidelines. Then, they first proceed with those documents to judge whether they will involve the project(s) on behalf of their business organizations or not, followed by examining the appropriateness of contents of the questionnaire(s). In other words, before kicking off the data collection, researcher participants, or interviewees, demand researcher(s) to be clear about the research, otherwise, research participants would be easily confused about the research, considering the research(s) is/are with poor validity and organization, and finally refuse to cooperate. Further, regarding the research data collection methods, if researcher(s) prefer the participant(s) to provide qualitative data via the way of face-to-face interview(s), a participant would go-through the
research questionnaire(s) before formal data collection process. A researcher needs to clarify the participant(s) doubts about the questionnaire(s) to enhance the clarity of the questions and ultimately improve the data validity. Moreover, the process of data collection would operate more smoothly once supported by an on-site research participant visit to confirm the research scenario, as well as checking the participants' understanding are without noticeable deviation from the supposed route.

While practicing grounded theory on management study is an even more challenging research objective to complete. All four Japanese businesses, whose cases will be discussed in this research, are connected to the researcher by a senior personnel; otherwise, it would be demanding that research inquiry could be accepted. At the early stage of preparing supportive research documents for data collection, a researcher must prepare and introduce the research proposes, research questionnaires, and research methods to research participants in the first place. Then Japanese research participants would decide if they will join in research or not.

However, while doing business research, data could derive from the same source, but with different methods (e.g., reading a part of interview script and reading that script with playing the corresponding record), then more controversial data could be interpreted by the researcher. Hence, the significance of the notion extraction of data by different data styles with objectivity is concrete as a creed.

As the reality of doing qualitative management research back up by the grounded theory as a research methodology in China and Japan, the timing of doing literature reviews, the timing of the research question set, and interview techniques are not subject to the researcher. Instead, the research reality would force the researcher to set everything before they initiate their journey of data collection.

As for the coding process, the only principle is aim to deliver findings with overall research picture grasping. In other words, the coding process of classic GT is not essentially against the one of constructivist GT; they could complement each other. Grounded on the research reality, neither the whole system of classic GT nor constructivist GT is the optimal method of GT. Thus, a mixed version with the following technique details of GT is introduced for this research based on the feasibility of doing qualitative business management research in China and Japan as depicted in Table 4.3.

<table>
<thead>
<tr>
<th><strong>Epistemology</strong></th>
<th><strong>Mixture of Classic GT and Constructivist GT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Researcher</strong></td>
<td>Elastic, utilize a wide range of data with objectivity.</td>
</tr>
<tr>
<td><strong>Timing of Reviewing Literature</strong></td>
<td>Should have some or specific preoccupation before start the research process.</td>
</tr>
<tr>
<td></td>
<td>Reviewing previous works is mandatory before kicking-off the research process.</td>
</tr>
</tbody>
</table>
### Table 4.3 Contents of Mixture of Classic GT and Constructivist GT

**Research Questionnaire**

In order to carefully identify, discuss, and examine factors that could impact business resilience under a crisis from the perspectives of business strategies, business resilience, and CSR, field researches are necessary. In the case of this research, business visiting, including interviews with senior managers, is the appropriate method to fit the characteristic of qualitative research. In other words, this research practices case study. The range of research participants includes members from big businesses and SMEs from China and Japan, while micro-businesses are not in the discussion scale. Further, in the real business world, business field research is less likely to launch without help from personnel who obtains certain kinds of business connections. Hence, two experienced persons contributed to contacting research participant businesses in both countries.

Referring to the methodology for practicing this qualitative research, a mixed package of specific techniques from classic grounded theory and constructivist grounded theory is applied to ensuring academic credibility as well as the feasibility of this research.

Considering the emergence of both perspectives of academic and day-to-day business operations, the questionnaire designed for senior business management personnel, as well as the edited version on the same questions but target to junior personnel in businesses is referred from professional persons. The work of Enns and Lindsay (2008), 20 Questions Directors Should Ask About Crisis Management, forms the footstone of the questionnaires of this research. Detailed instruction was given to the research participants to help them to obtain a clear conception of the topics via pre-visiting to the research participant companies.

Nevertheless, five of the questions are the first three questions of Section 1, and the first two questions of Section 2 are originated from Fink (1986) as reviewed by Enns and Lindsay (2008). The ninth question in Section 2 is original from this paper to dig more insightful data from businesses instead of one question from Enns and Lindsay. All questions are categorized into different sections based on the major attribution grounded by the perception of the author. Therefore, 25 questions composed as a holistic research questionnaire. Specific questions listed on questionnaires are as below:

**Section 1: Business Strategy**

1. Is there have any potential crisis you will face, which obtains a good chance that this situation will, if left unattended, escalate in intensity?
2. Could it make you look bad or cause people (the public at large, or investors) to lose confidence?
3. How is it going to affect your bottom line?
4. What specific tasks should the board undertake as part of managing the crisis?
5. What are our competitors telling us?

Section 2: Business Resilience
1. Might the situation foster unwanted attention by outsiders, such as the news media or some regulatory agency?
2. Is it likely that the situation might interfere with normal business operations in some manner?
3. How well is the CEO responding to this sudden crisis?
4. What ongoing information does the board need to have about the crisis?
5. What is our financial reporting telling us?
6. How effective would the board be in the event of a potential or sudden crisis?
7. How effective would the CEO and management team be in the event of a potential or sudden crisis?
8. What should directors do if they believe that the board and management are ignoring warning signals?
9. Have you experienced any public crisis-oriented from the failed response to the public, or the failed performance of your product?
   1) If so, what was the result? Did your crisis-respond performance operate effectively?
   2) If not, have you studied such cases from other businesses or organizations, regardless of the category of their industries?
10. How do our governance processes contribute to identifying early warning signals?

Section 3: CSR
1. What are our customers telling us?
2. What are our employees telling us?
3. What are our investors and lenders telling us?
4. What are our regulators telling us?

Section 4: Mixed
1. Is it appropriate to replace the role of the CEO during the crisis?
2. What is going on in the world that could affect us?
3. What are the plans and mechanisms for your business continuity in the event of a crisis?
4. How effective are management and the board in identifying early warning signals?
5. How does the board learn from the experience?
6. How should the board and its members respond to this sudden crisis?

4.2.5 Computer Assisted Qualitative Data Analysis Program

Concerning the massive amount of qualitative data-driven by the text transcripts and audio records, this research utilized a CAQDAS program called Nvivo 12 plus. Nvivo 12 plus is a computer-based qualitative data analysis program that not only boosts the efficiency of the coding
process but also contributes to assisting the researcher in clarifying the relationship and the mechanism of the relationship of conceptions by visualizing data. Equipped with proper research questions, research methodologies, and research tools, here comes to the business stories in China and Japan.

**Chapter 5 Case Studies of the Chinese Businesses**

In this chapter, more than ten research participants from four companies had engaged. Information revealed in this chapter has been granted by most of the research participants, while a few of them required to have remained anonymous. All the figures, except figures, portray management structures of the businesses, displayed from Section 5.2 to Section 5.5, are based on the outcome of initial coding and axial coding that had been coded manually while the figures are the outputs of Nvivo12 plus.

**5.1 Data Collection**

Senior managers of the three companies who participated in this research obtain the position background of CEO, head of management division, head of marketing, head of designing, head of engineering, and head of finance. As for the remaining one, the participant is the representative of public relations. Pre-research visiting was given to the three engaged firms for clarifying the research topics as for responding to the requirement from the companies while one was not.

Since this research aims to portray the status of business resilience from several critical concepts based on an individual case based manner, the integrated description from the individual view will not be discussed.

**5.2 ZhongDa Construction Engineering Firm**

**Background Information**

![Organizational Structure of Zhongda](image)

**Figure 5.2.1 Organizational Structure of Zhongda**
ZhongDa Construction Engineering Firm (Hereafter referred to as Zhongda), established in 1993, was initially affiliated to provincial authority by 2000. According to the information provided by the company, the business scale of engineering cost of Zhongda had reached the top ten in Zhejiang Province at the time of 2008. In the following year, the companies launched consolidation and regrouping under the guidance of the Ministry of Finance. In 2012, the credit evaluation of the firm was entitled to AAA, which is the highest standard in the industry. Zhongda now possesses more than 180 professionals with the following organizational structure, as portrayed in Figure 5.2.1.

Zhongda provides more than ten categories of services, exceptionally expert at the service of the audit of project cost settlement, the whole process of cost control and follow-up audit, BOQ (bill of quantities) preparation, and budget price audit, and judicial verification of project cost. Meanwhile, the company shares strong connections with enterprises, judicial institutions, universities, and some local governments.

Moreover, given to the academic background of the CEO, Zhongda highly concerns about the internal training of its employees for better business execution and operation since the quality of the services it provides are significantly depends on text-based nuances. Hence, a research organization was set to train its employees monthly.

Research participants from Senior Management
President Mr. Hua, the Deputy General Manager Ms. Pan, and the General Engineer Mr. Zhang participated in face-to-face interviews individually with the researcher inside of the company.

President Hua is a specialist not only in business management but also in fields of accounting and law issues with verified certifications. He obtains multiple professional memberships in various communities. Meanwhile, he also works as an adjunct professor at a local college affiliated to Zhejiang University.

Deputy General Manager Pan is the head person of the business section of Zhongda. Day-to-day, she takes charge of business expansion and business acceptance.

Deputy General Manager Zhang is one of the senior engineers of the company who specialized in construction.

Concept Trees of Business Strategy On Crisis
Figure 5.2.2 is the output of the concept tree of business strategy of the three individual research participants. Referring same node, research participants identifications are distinguished by without bracket, bracket with number 2 and 3. Figure 5.2.2 (a) refers to the concept tree of President Hua; Figure 5.2.2 (b) illustrates the concept tree of Deputy General Manager Pan; Figure 5.2.2 (c) states the concept tree of Deputy General Manager Zhang.
Figure 5.2.2 Concept Trees of Business Strategy of Zhongda

Concept Trees of Business Resilience on Crisis

Figure 5.2.3 is the output of the concept trees of the business resilience of the three individual research participants. Research participants’ identifications, under the categories of identical nodes, are distinguished by without bracket, bracket with number 2 and 3. Figure 5.2.3 (a) refers to the concept tree of President Hua; Figure 5.2.3 (b) illustrates the concept tree of Deputy General Manager Pan; Figure 5.2.3 (c) states the concept tree of Deputy General Manager Zhang.
Figure 5.2.3 Concept Trees of Business Resilience of Zhongda
Concept Trees of CSR on Crisis

Figure 5.2.4 is the output of the concept trees of CSR of the three individual research participants. Research participants' identifications, under the categories of identical nodes, are distinguished by without bracket, bracket with number 2 and 3. Figure 5.2.4 (a) refers to the concept tree of President Hua; Figure 5.2.4 (b) illustrates the concept tree of Deputy General Manager Pan; Figure 5.2.4 (c) states the concept tree of Deputy General Manager Zhang.
Figure 5.2.4 Concept Trees of CSR of Zhongda

Concept Trees of Additional Factors on Crisis

Figure 5.2.5 is the output of the concept trees of additional factors of the three individual research participants. Research participants' identifications, under the categories of identical nodes, are distinguished by without bracket, bracket with number 2 and 3. Figure 5.2.5 (a) refers to the concept tree of President Hua; Figure 5.2.5 (b) illustrates the concept tree of Deputy General Manager Pan; Figure 5.2.5 (c) states the concept tree of Deputy General Manager Zhang.
Case Analysis

Conceptual Framework of Business Strategy of Zhongda
As Figure 5.2.2 shown above, all the three top leaders of Zhongda expressed their understandings and concepts of the business strategy of their firm. The three participants commonly share some
child nodes, while the contents of them are not all identical. In other words, regarding each sub-concept, different child nodes consist of the awareness of the business strategy of each participant. Hence, it is possible to reconcile the individual concept tree as an integrated framework on the business strategy of the company.

The unique views of President Hua, as portrayed in Figure 5.2.2 (a), he believes that the business strategy of Zhongda depends on five elements while the company is going through, or will encounter crisis issues: communication outcome, competitor observation, emergency detection, emergency encountered, and experience. On communication outcome, the company shall determine its business strategy while facing different communication results with those interest groups that were affected by crises. Further, he states that emergency detection about business strategy can attribute to two factors, market demand and service quality. He highly concerns the demand for missions as well as the type of public identity desired by the market. Meanwhile, on service quality, he put cost raising, customer dissatisfaction, and inadequate public assessment into his consideration. Lastly, he also illustrates that the experience of crises could also contribute to shaping business strategy on future crises.

According to the opinions of Deputy General Manager Pan that distinctive to others, she argues that bottom line, emergency attention, and reputation adversity play an essential role while considering business strategy on crises. She states that leaders of the company shall secure the operation bottom line of the company when crises could impact Zhongda. In such cases, minimizing the affection of crises is vital for maintaining the regular daily operation of businesses as well as closely paying attention to issues, risks, and even crises. On emergency attention, she judges emergency by three indexes-business sources, personnel, and service quality. From her appearance, customers grounded with a good business reputation are less likely to trigger crisis events.

Moreover, she also concerns the number of business channels. With fewer business channels, less profit the firm could earn, and ultimately causing an emergency. Regarding personnel, if the turnover rate is high, the structure of human resources becomes unstable, which is considered as a contributor to cultivating chaos. As for service quality, her concerns are close to the idea of the President; poor service quality will inevitably lead to troubles. Last but not least, she mentioned the reputation adversity as an optional factor that could relate to the business strategy of Zhongda, while the importance of reputation adversity is not critical.

Deputy General Manager Zhang, a relatively young senior manager, offers only one thought that is different from the previous two participants. He thinks emergency awareness contribute a lot to business strategy with three indicators: credibility and opportunity that Zhongda possesses, and service quality. On service quality, he shares a similar idea with the President and another deputy general manager.

Nevertheless, all three participants refer to two identical factors while manifesting business strategy: competitor observation and emergency encountered. The President argues that Zhongda could enhance the performance of its business strategy on crises via analyzing those crises that
had been resolved by its competitors, and those had not. Deputy general manager Pan provides a negative-issue focused observation by describing that comparing with the competitors of the company, Zhongda shall take care of the issues beyond its current achievement. While deputy general manager Zhang prefers to look into the issues of talent source and employee adaptation on competitor observation, in other words, he gives more attention to the dynamics of human resources of the competitors of Zhongda.

On emergency encountering, the President highlights that the company has prepared mechanisms and preventive measures that could deal with crises. Deputy general manager Pan illustrates that the company shall pay attention to those improvements that can be fixed. Meanwhile, the status quo of leadership decision and system measurement could highly determine the efficacy of the emergency encountering of the company.

Conceptual Framework of Business Resilience of Zhongda

Figure 5.2.3 reflects the conceptual framework of the business resilience of all three participants. The expression of the President concluded two unique ideas. First, he asserts that analyzing the historical experience in tackling crises is something that cannot absent. By retrieving the number of crises, consequence of crises, the performance of internal mechanisms of crises responding, and the parties that had been getting involved in history, the company could borrow some enlightenment to handle the upcoming crises. Also, he agrees that deploying rehearsal system with background instruction and designating goal exists as another layer of shield to protect the company from the negative consequence of crises.

Furthermore, he shares the same concept with different contents with deputy general manager Zhang on disruption. He suggests that disruption, historical encountered, and internal training could support the framework of business resilience. On disruption, the President judges that it is sure that the day-to-day business operation of Zhongda will be interrupted under the threat of crises. Hence, forming the system that contains necessary elements, including protecting regular business operations, prepare the remedy and critical information, and set a redundant system against disruptions is essential. However, deputy general manager Zhang focuses on categorizing the routine business and future business of the company.

Originated from her position, deputy general manager Pan proposes two pieces of independent thought. On the one hand, she believes that even without the experience of vital crises, Zhongda can still internalize the lessons learned from other firms by publishing operation guidelines internally. On the other hand, once Zhongda had to confront operation intervention due to receiving complaints from its customers, the company could punish its employees who should take the responsibility accordingly. By linking the service quality of employees with their economy return, the rate of complaint-receiving would decrease and then finally help the company to be more resilient. Moreover, she has one concept shared with deputy general manager Zhang but with inconsistent content. While against crises, information collection could somehow affect the resilience of a firm. Therefore, she explains that collecting information on customer needs, the origination of crises, checking risk points, the routine of crises occurrence, and shortcomings of the company could alleviate the severity of consequences of crises. As for comparison, deputy
general manager Zhang proposes that gathering risk crux, as well as severity assessment of crises, is the needed information during crises.

Deputy general manager Zhang contributes one different opinion derived from his position on business resilience by highlighting the importance of learning from failure to strengthen the business ethics of Zhongda with identifying illegal cases.

Although with many different ideas on business resilience from the three participants, somehow, they still share several similar concepts. All three top managers agree that financial information, leadership efficiency, the performance of the middle manager, outside attention, and risk/crisis recognition have the potentiality of impact on business resilience. The President prefers to analyze financial information about the cases that had been implemented successfully in the first place. Meanwhile, he confesses that digging the crisis-related information is critical as well even though there is no evidence of showing any correspondence between financial reports and crises up to now. Identifying the update of pricing and revenue could consist of the financial information that would be needed in crises as well. While for deputy general manager Pan, she only concerns about the business volume and the salary statement of Zhongda. As for deputy general manager Zhang, he regards the financial information as not significant to the company because his position makes him unable to reach financial intelligence.

On leadership efficiency, the President argues that external cognition, the ideal attribution that leaders should obtain, past management performance, the role of leader, as well as business structure, determine the term. Deputy general manager Pan shares some different ideas of leadership efficiency. She portrays that the collective management group of Zhongda is small and implies the leadership efficiency is high. Nevertheless, she persists that as long as there exists any brake out of crises, the existence of adverse effects and the leadership efficiency is irrelevant. In other words, no matter how good the leaders performed on crisis solving, adversity will rise for sure afterward, while deputy general manager Zhang considers the excellent validity of leadership efficiency by highlighting the positive experience of Zhongda.

When discussing what response shall be implemented among middle managers while they judge that the top management is neglecting crises, the President proposes that the response shall depend on the characteristics of the middle manager and their performance routine. Deputy general manager Pan only suggests that their middle managers shall do their best and keep updating with top management while deputy general manager Zhang tells similar ideas.

Concerning the outside attention in crises, President confesses that the company does not want to attract any attention. However, Zhongda will explain to the public if it is necessary. Deputy general manager Zhang mentions that is nature of the consequence of crises would determine whether the public would focus the company. For deputy general manager Pan, she provides an analyzing structure that emphasizes the outcome of regular crises and severe crises. Further, she values that information source from the customers and employees as well on this topic.

Lastly, on risk/crisis recognition, the President stresses the importance of the risk/crisis
recognition with sophisticated criteria. Deputy general manager Pan manifests her ideology of the topic by describing the development of business channels of Zhongda, decentralized decision-making structure with the operation guideline as a preparation method. Deputy general manager Zhang shares mixed opinions of the other two participants.

**Conceptual Framework of CSR of Zhongda**

Figure 5.2.4 indicates that the conceptual framework of CSR of the three participants. In general, they list four groups, customer, employee, investor, and regulator, as their shareholders. On the customer, all three participants express similar content. The President states that only service quality matters. Deputy general manager Pan and Zhang believe that specific market needs and the output that Zhongda could provide could somehow form the information flow while crises endanger the company.

For the employee, the President could tell the situation of crises by watching the workload of the employees. Meanwhile, the two deputy general managers assert that the company could use the requirement and knowing the survival pressure of employees as indicators of reflecting crises from the side of human resources. On the other hand, the firm could obtain information on crises by knowing the causes of crises that employees were emphasizing, the relationship that employees were clarifying, and the solution that employees were proposing.

As discussing the regulator, all three participants advocate that supervision would be given from the regulator. The supervision can contain inquiry of writing situation report with analysis on crises and implement the crisis response process while asking the company to recover the loss. Besides, the regulator offers some help by enhancing communication between the company and the public and even lifting cooperation.

However, the President is the only participant who mentioned about the investor. He briefly says that investor does care about the quality management because quality management is the base for ensuring revenue and reputation of the company. Another fact that investors concern about is the maximum value of the output of the service.

**Conceptual Framework of Additional Factors of Zhongda**

Figure 5.2.5 reveals additional concerns from the three participants on affecting the overall resilience of Zhongda. Based on his specific experience and knowledge, the President thinks experience retrieving with concrete measures, propose, and structure could improve the performance of the integrated resilience of the company. At the same time, he stresses that strategic choice which can determine the overall sustainability of the firm with clear motivations while guarded by the methods of risk prevention and risk response.

Deputy general manager Pan suggests that three elements support detection efficiency in defending crises. Although she implies that the way of business development of Zhongda is outdated, business development, quality issue, and staff training could contribute to crisis detection efficiency. Moreover, she believes experience conclusion is a critical way to learn from the past to prevent the company from crises while such a summary is in absence. Enhancing
communication among top executives helps to inform decisions with diversity, which could ultimately shape the overall resilience of Zhongda in a better way.

Deputy general manager Zhang offers two varified opinions. He states that the attitude of the company in crises can determine the overall resilience of Zhongda by implying that a better result could be achieved with sharp skills and a better attitude. Also, lessons learned from external cases play an indispensable role under the concept of overall resilience from his view via assuming cultivating the awareness of employees, reinforcing the perception of risk responsibility, and increase the protection of the service contracts and employees.

Interestingly, both deputy general managers share negative attitudes on practicing replacement of CEO/president while the top leader cannot lead the response of crises due to some constraints. Finally, all three participants agree that business continuity, as well as external impact, can affect the validity of overall resilience. Securing the functionality of normal operations, ensuring primary responders can handle crises, assuring ethics of professionalism, and quality of the service consists of the full picture of business resilience. Moreover, expanding the firm and stabilize the staff with precise methods and preparation could enable better performance of business continuity as well. As for external impact, they believe that the macroeconomic policy of the nation, trade war, government guidance, public event, business expansion, and support from the state could all be seen as variables that can fluctuate on the practice of overall resilience.

5.3 State Owned Company A

Background Information
The Company A is a state-owned business located in the capital city of a province in China. Founded in the middle of the 80s’, Company A operates various businesses with the core one of tourism. At the early stage of its business, the Company A started its business development as an individual hotel. After years of business expansion, the Company A successfully established several business brands for its diversified businesses.

Up to date, the Company A runs hotel investment and management, business investment and management, and sophisticated development. Under the current instruction of its leadership, The Company A designates to shape its business as a one-stop business service platform structured by two core business sections-hotel tourism and business commerce-supported by capital operation and capital management. Meanwhile, the Company A had set some complex projects nationwide.

The leadership group of the company is governed by several experienced specialists with rich experience from governments and businesses with certifications of professional skills.

Research participant from the Senior Management
The research participant that the Company A joined this research is senior personnel from the public relations sector. According to the requirement of the participant and regulation of the Company A, the information could directly reveal the company, with the participant identification, will be anonymized.
Concept Trees of Various Topics on Crisis of the Company A

Figure 5.3.1, Figure 5.3.2, Figure 5.3.3, and Figure 5.3.4 portray the concept tree of business strategy, business resilience, CSR, and additional factors of the Company A based on descriptions of the research participant.

**Figure 5.3.1 Concept Tree of Strategy of the Company A**

**Figure 5.3.2 Concept Tree of Business Resilience on Crisis of the Company A**
As described in Figure 5.3.1, five elements consist of the business strategy framework of the company on crises. First, attention to the emergency becomes critical, for Company A must know about the external information. Notably, the company cares about the biased reports or reports
with adversity that could hurt it. Consideration of reputation impact, as well, is regarded as an essential factor. On the one hand, the firm would evaluate the size and the severity of crises so that it could decide to respond in a cold, passive way.

On the other hand, the business needs to observe the actions of the market, though the participant says that the bad memory to the company from the public usually would not maintain for a long time as long as the crises were appropriately solved. Moreover, the participant mentions the concerns of operation bottom line though the crises, in most cases, were unpredictable. In crises, a prompt response is a primary method of maintaining day-to-day business operations. At the same time, the company would activate its issue judgment, though with limitation, to try to grasp the overall picture of the situation. Then, emergency encountered is involved inside of the consideration of strategy. During crises, the spokesperson of the firm acts as the only communication channel between Company A and outside, while the company would unify its opinions internally. Last, the company also takes the observation of its competitors on similar situations into account, especially on how its competitors feedback quickly and how do they make decisions.

**Conceptual Framework of Business Resilience of the Company A**

Figure 5.3.2 reveals the business resilience framework of the company with eight idea nodes. The company believes that while the crises breakout, attention from outside would inevitably focus on it. Now, the formations of showing public attention are evolving, and sometimes the public proposals could intervene in business operation. Hence, while referring to emergency recognition, the participants imply a keen negative awareness on crisis prevention and management withhold the perception of nonsense and unpreventable on the terms. However, Company A confesses that the energy of the company would be distracted, so the regular operation of it would be affected by non-minor crises.

While considering the management and leadership, the participant prefers to believe that the efficiency of leadership during crises depends on reacting collectively while the decision on response shall be made swiftly in a centralized structure with a definite attitude. On the other hand, the managers in intermediate ranks could only report to their supervision layers without any eligibility for making the determination. Moreover, the participant states the unique structure of information collecting during crises. Given the background of a state-owned business, the company must gather information from the administration line first, then combined with the update from the market to cultivating the method of crises responding. Meanwhile, the participant asserts that financial information could offer no clue on crises unless the bankruptcy were in a step far.

Last but not least, the company holds a view that sharing experience on crises widely inside is not necessary; on the contrary, only the members of top management should internalize such experience with accumulation.

**Conceptual Framework of CSR of the Company A**

Figure 5.3.3 manifests the concept framework of CSR of the company. While crises were about to
happen or they were occurring, the customers of the firm would notify the hazardous factors bounded by specific crises events. For employees, they could achieve no more than producing reports on crises. Investors are concerned about the financial performance of the company by looking into the financial statement. Finally, the regulator would supervise the process of response step by step with unambiguous claims.

**Conceptual Framework of Additional Factors of the Company A**

Several additional factors are considered to be able to affect the overall resilience of the company. In case of the inability of top leaders to tackle down crises, it is the top management group to judge the temporary replacement with the current management structure. Concerns on business continuity lay as critical ones on contributing overall resilience. However, the methodology of the company to analyze business continuity is only filtering the severity of crises than to determine whether the business continuity could be maintained.

The participant describes the crisis detection efficiency of Company A is outstanding because of the concise management chain, which contributed positively to the current overall resilience. Further, knowledge learned from the external environment, as well, could improve business resilience by accumulating crises cases with rich details. Ultimately, quick solutions design to tackle specific sorts of crises could evolve into ideal remedies for enhancing the performance of resilience.

**5.4 LUTEC**

**Background Information**

Although LUTEC is a company of designing and manufacturing lighting facilities established in 2006, its business history could be traced back when its parent company - Yaohua Lighting Company - was founded in 1992. LUTEC set its position as an oversea market concentrate firm from the beginning. In 1996, the initial shipment was made with meeting the international standards of lighting facilities. In 2001, LUTEC moved to its current site as the headquarter of the brand.

Businesses of LUTEC has been kept evolving as the emergence of new technology-based market demand. In the very beginning, the company mainly produce bulkhead lights and classical garden lanterns. As time went by, on the one hand, the types of lighting facilities driven by various functions and different energies had increased significantly. Outdoor connected lights, work lights, solar energy-driven lights, LED lights, security lights, camera lights, and security sensor lights (known as InMotion light) form the company's product categories. On the other hand, LUTEC no longer stands on its business ground purely as a lighting facility manufacturer; rather, it integrated the service ranging from design, manufacturing, and sales.

Up to date, LUTEC built a global network with more than 20 branches all over the world. The company's markets extend west from Ireland to South Korea in the continent of Eurasia. In North America, LUECT owns its branches in the US and Canada; in Oceania, the company locates its branches in Australia.
The management personnel of LUECT is overlapped with the parent company, while the current organizational structure of LUTEC is specific as shown in Chart 5.4.1 below:

![Organizational Structure Chart](image)

**Chart 5.4.1 Organizational Structure of LUTEC**

An emergency response system was established regarding emergency response management. The process flow is shown in Chart 5.4.2 with the announcement grant for this research from the company.

![Emergency Process Flow Chart](image)

**Chart 5.4.2 Emergency Responding Process Flow of LUTEC**

**Research participants from Senior Management**

Mr. Fang posits as the head of the marketing center who arranges and expands the company's oversea market and the CEO simultaneously. He is an experienced marketing and management
expert for over ten years.

Ms. Chen, a deputy general manager who works as the assistance of Mr. Fang, focuses on constructing internal management systems and mechanisms. She belongs to the management center. Mr. Chen, a deputy general manager, focuses on manufacturing with shouldering the responsibilities of managing production and supply chain.

Mr. Song is a manager from the designing center with over ten years of experience designing products in LUTEC. He is an expert on LUTEC productions.

**Concept Trees of Various Topics On Crisis of LUTEC**

Figure 5.4.1, Figure 5.4.2, Figure 5.4.3, and Figure 5.4.4 portray the concept tree of business strategy, business resilience, CSR, and additional factors of LUTEC based on a description of the research participants.
Figure 5.4.1 Concept Tree of Strategy of LUTEC
Figure 5.4.2 Concept Tree of Business Resilience of LUTEC
Figure 5.4.3 Concept Tree of CSR of LUTEC
Figure 5.4.4 Concept Tree of Additional Factors of LUTEC

In figure from 5.4.1-5.4.4, nodes without bracket represent the conceptions of Mr. Fang; nodes
with and under number "2" in bracket refer to the conceptions of Ms. Chen; nodes with and under number "3" in bracket refer to the conceptions of Mr. Chen; nodes with and under number "4" in bracket refer to the conceptions of Mr. Song.

Case Analysis

Conceptual Framework of Business Strategy of LUTEC
The conception of business strategy regarding on resilience of LUTEC is highly convergent, as shown in Figure 5.4.1. Participants rarely have their exclusive opinions on the topic expect Ms. Chen has a unique view. Ms. Chen articulates that the direction of business development, or in other words, the strategic direction of LUECT, helps to achieve better performance of crisis prevention because LUECT has had clarified the way of its strategic development.

Both Mr. Fang and Mr. Song allege measurement for solving crises, and emergencies from top management become one of the issues that matter. For Mr. Fang, he considers balancing the overseas market pressure while taking into account diversified market demand. Moreover, adjusting the price of the products according to changing situations is considered as a useful emergency responding method.

Mr. Song encourages to enhancing internal management and external management to help LUTEC to stay clear on account of strategic movements. On internal management, LUTEC needs to induce responsibilities in a broader range to realizing crisis prevention. Meanwhile, providing precise information that concerns the customers and the market when issues and crises occur shapes the measurement of external management.

All the four participants offered their ideas of emergency awareness, emergency encountered, and competitor observation (expect Ms. Chen) as sub-conceptions of strategy. From the view of CEO, customer relationship, a crisis that has been discovered, decentralization of sales, trade war, and reputation impact consists of the emergency awareness of LUTEC. The CEO declared that the relationship between the company and its customers is always considered the most profound issue. The better relationship is, the less likely the company would experience a crisis. The ability to take control of the revealed problem, which is managing and dispersing essential customers, to be precise, is a factor of emergency awareness.

Further, the company has been aware of the trade war between China and the US since the tariff rising, and sequencing market demand decrease leads to an increase of business uncertainty to LUTEC. However, as for reputation impact that proves the emergency awareness of LUTEC, Mr. Fang alleged that the impact of crisis would not be significant, although the negative impact on the reputation of LUTEC is inevitable. As another top manager, Ms. Chen simply described the emergency awareness of LUECT as ensuring product quality, securing security, and being carelessness on the operation of each loop of the management system.

Mr. Chen asserted that by uncovering the possible issues that could escalate into a crisis, an emergency awareness of LUTEC is incepted, while Mr. Song provides two dimensions to discuss
the topic-being sensitive to market development and market environment. LUTEC needs to grasp the changing trend of market demand to update the structure of the products it produces. Meanwhile, noticing the dynamics of the market environment, such as the rising cost of raw materials, the introduction of environmental protection policies, trade restriction, and upgrade of the business model, is critical to support the company's emergency awareness.

Discussing emergency encountered, the CEO extends his concerns about the trade war. The first step to initiate encountered is to estimate the adversity of the crisis, which is LUTEC is estimated to shrink ten percent of its business orders in the US in detail. Consequently, finding a substitute market to compensate for the market loss beyond the US becomes the other movement to encounter an emergency. Ms. Chen implied that solutions to prevent crises are practicing the market strategy of product differentiation due to the business reality of LUTEC, plus the consideration of ensuring product quality. While confronting the breakout of crises, LUTEC could utilize its method for tackling adversities if the company had achieved its market value beforehand. LUTEC needs to react and respond adequately to reality without hiding any information, thus enabling the business to diminish the adverse impact. Moreover, LUTEC obtains its crisis response system, as shown in Chart 5.4.2, with the absence of consideration on external management.

Mr. Chen, from the view of manufacturing and supply chain management, identifying the impact that emergency encountered would affect is prioritized with a specific description of the impact of market expansion and brand promotion. Thus, Mr. Chen believes that by distributing emergency teams, top management needs to intervene when confronting the emergency. As for Mr. Song from the designing center, he repeats emphasizing the importance of securing product quality as a defensive way to avoid crises, which also lies as the bottom line of the daily production of LUTEC.

Lastly, Mr. Fang, Mr. Chen, and Mr. Song suggested their conclusion on observing the crises that occurred on the competitors of LUTEC. Mr. Fang, as CEO, considered cases of crisis that happened on competitors would not be consistent with the crisis that might hit LUTEC, however, launching price war is the movement that LUTEC would ever deploy under crises. Mr. Chen suggested that to observe the opponent companies better; the senior management members need to collect updates of crises that take place outside of LUTEC. By analyzing the advantages of crisis-experiencing businesses, LUTEC would stimulate the same scenario inside of the firm to collect useful tactics from them. Mr. Song concluded three creeds learned from the rival businesses of LUTEC: respond fast, providing reliable solutions, and improve the product according to the defaults of productions.

**Conceptual Framework of Business Resilience of LUTEC**

As shown in Figure 5.4.2, specific views from the position of CEO, Mr. Fang suggested LUTEC should be resilient on the financial loss of product malfunction since the company is under cover of production liability insurance. In other words, LUTEC should impact no disruption regard on production originated risk. However, LUTEC products failed to fulfill the market standard need to recall, which may affect the regular operation of manufacturing. Moreover, LUTEC has deployed
the system of the response team in case of occurrence of crisis; various problems are supposed to be tackled down.

As the senior manager, as the assistance of the CEO, Ms. Chen argued four distinct points from the rest three participants. First, crisis affection comes into her consideration while analyzing the business resilience of LUTEC. She highlights that short-term business operations would be impossible to remain processing once significant emergencies on product security breakout since the suspension or temporary shun-down may take place. Moreover, crisis yet to be identified raise her concerns as well. A lawsuit and fake report would lead to unknown consequences to LUTEC while the company was incapable of offering updates to the customer and public; thus, market confidence on LUTEC would start to vanish. Hence, to eliminate such adversities, Ms. Chen proposed two prerequisites for crisis responding-fulfilling standardized business performance and legal legitimacy. While concluding the experienced performance on business resilience of LUTEC, Ms. Chen implied that LUTEC received complaints from its customers for defaults on some of the productions, which means the experience of testifying business resilience was scattered. Given the current environment, Ms. Chen proposed several dimensions, such as implant crisis management system with functionality, case analysis for crisis occurred outside and launching staff training sessions for crisis confronting for crisis management.

Working as a senior manager on manufacturing and supply chain management, Mr. Chen claimed his differentiated perspectives on business resilience of LUTEC. He specified that when LUTEC was about to go through crises but cleared all the threats beforehand by enhancing internal argument regarding upcoming risks and then revealing the information to the public in a holistic manner. On leadership measurement for crises dealing, Mr. Chen believes that the top management of LUTEC can respond positively and swiftly according to the issues concerns the public since the size of LUTEC is limited, thus enables LUTEC to process crises tackling with specific steps. On external learning, he assembled a Wechat group for sharing legal issues and dynamics of suppliers to enhance the sustainability of LUTEC. Meanwhile, Mr. Song suggested that dealing with crises based on reality could contribute to achieving business resilience. However, he asserts that LUTEC would be disrupted once LUTEC product causes safety issues to customers, which may lead to rising difficulties in future development since the preset pace of the business operation of LUTEC compromised.

Nevertheless, some nodes were mentioned by a different couple of participants. While referring to an experience that lays as the guideline of crisis response method, Mr. Fang portrayed that LUTEC launched recall events years earlier. Since LUTEC played transparently on crises responding during crises, which is described as the critical point by Mr. Fang, the company was able to promote its crisis-dealing procedure with a backup of public understanding. Consequently, LUTEC could have reached an ideal result in front of urgent circumstances. As well, Mr. Song retrieved the recall events but with a detailed process mechanism. In recall crises, LUTEC set a routine which conduct market survey to collect feedback, then initiate product retest to confirming defaults. Afterward, LUTEC must notify its customers about the reasons for defaults with according solutions. Ultimately, check with the customers, LUTEC reproduces the products and make the shipment to its market.
Six identical nodes were brought in by all the four participants, though with variations. Mr. Fang believes that in crises, governmental divisions and oversea markets will focus on LUTEC if LUTEC was reluctant to be public. Ms. Chen, on the one hand, states that LUTEC had raised its awareness that crises will unavoidably attract outside attention while the current preparedness for such circumstances is instead in short. On the other hand, she observes that since LUTEC behaves well in terms of quality, it is less likely to be tangled with adverse outside attention. Similarly, Mr. Chen implies that once crises occur, LUTEC would more likely be exposed to the public in its oversea market than the domestic market derived from the unequal realization of consumption rights. However, LUTEC prepared a resolution on crises dissolving designed for its various markets. Mr. Song shares a close idea with Mr. Fang by highlights that the company will get notification from the government side and the market.

On leadership efficiency, Mr. Fang, Mr. Chen, and Mr. Song portray their conception logically alike. They all regard the crisis responding mechanism implemented in LUTEC is efficient in the given simple and identified responsibilities of each personnel. Moreover, because of the overlap identification of directors and senior managers, up-to-date, LUTEC remains the ability to dissolve crises promptly. Ms. Chen, with a little different description, believe that top management members solve the dilemma of crises collectively with ideal efficiency even without rehearsal and profound experience.

LUTEC believes that for better achieving overall resilience for itself under the category of business resilience, they need multiple sorts of information during crises. First, the company needs to grasp the complete story of crises by knowing the background information and extent of crisis events and classifying the major and minor problems caused by crises. Moreover, clarifying the method of resource allocation counts as the last piece of the puzzle. Nevertheless, the technical index, like the product return rate, could help to uncover useful hints for crises tackling. Meanwhile, LUTEC could judge whether it is in crisis events by financial information despite its sensitivity to market sale decrease and governmental penalty.

Management personnel in middle-ranking in crises, in principle, need to follow the instruction delivered from the top management board. With no such instruction, managers junior in the hierarchy cannot proceed their duties. Nonetheless, middle managers have data collection missions followed by overall situation analysis, then update the processed information to the senior management members. Something special in LUTEC is that junior personnel could report to top managers by bypass the immediate leadership.

As for the node emergency detection, three of the four highlights the significance of assuring product quality. The CEO asserts that the system of emergency detection of LUTEC could not enable the company to prevent crises thoroughly, but the company does collect product safety-related cases to discuss and analyze. Mr. Chen and Mr. Song put quality assurance and quality control as the first two loops when modeling or manufacturing products. Mr. Song further specifies only with a strict quality assurance test; then, the mass production can proceed. Mr. Chen complements that top managers need to identify and control risks while the rest of the
management personnel collect crisis cases regularly and retrieve the lesson inside of LUTEC. Nevertheless, Ms. Chen articulates in crises, LUTEC will strictly follow the pre-determined internal regulations backed by launching rehearsals designed for various emergencies. After evaluating the internal impact of the rehearsal, feedback from the government, mass media, and customers are all destined to investigate.

Conceptual Framework of CSR of LUTEC
LUTEC maintains its definition of CSR regard on its attitude to customer, employee, investor, and regulator, as revealed in Figure 5.4.3. Among the four participants, only Mr. Chen explains that LUTEC will achieve operation balance by securing a stable manufacturing process; otherwise, the company's investors will raise concerns.

Mr. Fang, Ms. Chen, and Mr. Song portrayed the responsibilities that LUTEC needs to fulfill in front of its regulators. First, LUTEC needs to cooperate with the governmental supervision division to review the management system of the business operation of the firm. Moreover, LUTEC must report the updates of crises in response to requirements and commands from its regulators. In some cases, the regulation division would help to foster communication between LUTEC and the public. In the meantime, LUTEC must test its malfunctioned products under the pressure of its regulators then verifying the feedback from customers.

Nonetheless, participants value the responsibilities of the LUTEC to its customers and employees with a portion of consistency. LUTEC believes it should take care of the assurance of product quality and delivery punctuality, so the most direct interests of customers would not be damaged. Once such customer interest was compromised in the first place, the company needs to adjust accordingly with taking a survey and finally doing statistics on the complaints received from the market. Regard on employees, LUTEC proposes that its employees have the right to know the situation of crises and thus need to guarantee their welfare under such circumstances. Moreover, LUTEC shoulders the responsibility of implanting practical report channels vertically and horizontally inside to ensure its employees to carry out their duties in crises better.

Conceptual Framework of Additional Factors of LUTEC
The four participants share similar nodes on additional factors that could fluctuate the overall performance of resilience. Reviewing the system of crisis detection from various considerations becomes the first concern of the company. Before crises breakout, LUTEC practices a system that produces an integrated form contains the processed information on customer feedback, complaints, and the outcome of crisis assessment conducted by the top management board. Based on the performance of such a system, the company implies it carries out an excellent performance on crisis detection. Meanwhile, external dynamics can intervene in the operation of LUTEC. Changes in product quality of customers could influence LUTEC at utmost. For most cases, policy alternations in domestic and abroad, the exchange rate between currencies, rising cost of production, as well as product transformation consist of the specific elements that put affection on the business operation of LUTEC.

Furthermore, internalized experience based on occurred crises contributes to shaping better overall
resilience. Prompt response in a proactive manner significantly decreases the cost of compensation for crises dealing. Practicing internal audit, implementing PDCA (Plan, Do, Check, Act) loop to be specific, on problems and risks revealing followed by reviewing on management processes and distribution of resources secure crisis events to some extent. However, for crisis cases that failed to be processed, LUTEC summaries the crisis-resolving process methods of engaged firms with a clear storyline, highlighting the problems existing by then. Maintaining business continuity posits a vital role in achieving overall resilience. LUTEC keeps some plans and measurements, such as practicing the above mentioned PDCA loop, to realize its sustainable business performance for crises dealing and besides, observing the external environment of product innovation and cost control as well as its internal management transformation of staff cultivation and communication channel maintaining complement to solidify business continuity.

Meanwhile, all participants agree on by proposing alternating options could further enhancing the resilience of the company. Complementary versions of emergency planning, new techniques of crisis tackling, the assignment from the top management board, and simulation on resource distribution and employee backup under crises can all patch into a more comprehensive guideline for improving resilience.

As for circumstance, the top leader who makes the decision but is unable to engage in crisis, all of the participants express a positive attitude to find appropriate personnel for substitution, as long as such a plan with authorization from top management guarantees mobility of crisis management.

5.5 Palcent Group

Background Information
As one of the most prominent household appliance businesses in China, Palcent Group was initiated as a branch of a state-owned business specialized in chemical materials back to 1954. Ten years later, after its establishment, the company transformed its businesses into hardware and electricity device. At the year before the practice of Opening and Reform, the company merged its original business sector with its then-available services. Right before reaching the millennium, the company's attribution was altered to a corporation held by the state with 10 million yuan as registered capital. In 2017, by a supply chain management company became the biggest holder of a share of Palcent, the company finished its journey of privatization.

Currently, the businesses of Palcent Group are range from wholesale, terminal retail, online to the customer (b2c), household projects, and logistics. Palcent posits itself as a massive platform enterprise that concentrates on household appliance sales. Products from nearly one-third of the top 500 hundred companies, regarding the global ranking, are managed by Palcent in domestic and abroad. With years of experience, Palcent built a characterized business model of 'agent distribution, channel management, terminal control.' Consequently, the revenue of sales, excluding 100 million yuan of tax payment, had reached 6 billion yuan in 2017.

Agent distribution is the core business sector of Palcent engaged with a variety of household appliances up-to-date. Nevertheless, Palcent is trying to upgrade its business into providing
intelligent integrated household appliances with advanced technologies via its self-built platform Weilai, which means the future in Chinese, with collaboration with another two major online business platforms in China, T-mall and WeChat mall.

By holding 29 subsidiaries, Palcent shaped its organizational structure as Chart 5.5.1 below:

![Chart 5.5.1 Organizational Structure of Palcent Group](chart)

**Research Participants**

Mr. Ye is the President of Palcent Group, who has operated the company for decades. He is a famous business person in Zhejiang Province with credibility and awards entitled by government and industrial organizations.

Mr. Jiang serves as the general director of the Human Resource Department of Palcent.

Ms. Jiang complies with his duties as the general director of the Finance Department, who has served the company for about 14 years. She takes charge of the financial issues of the company.

**Conceptual Trees of Various Topics On Crisis of Palcent**

Figure 5.5.1, Figure 5.5.2, Figure 5.5.3, and Figure 5.5.4 portray the concept tree of business strategy, business resilience, CSR, and additional factors of Palcent based on a description of the research participants.
Figure 5.5.1 Concept Tree of Strategy of Palcent
Figure 5.5.2 Concept Tree of Business Resilience of Palcent
Figure 5.5.3 Concept Tree of CSR of Palcent
Figure 5.5.4 Concept Tree of Additional Factors of Palcent

In Figure 5.5.1-5.5.4, nodes without bracket represent Mr. Ye; nodes with and under number "2" in bracket refer to the conceptions of Mr. Jiang; nodes with and under number "3" in bracket refer to the conceptions of Ms. Jiang.

Case Analysis

Conceptual Framework of Business Strategy of Palcent
As shown in Figure 5.5.1, titles of nodes regarding on business strategy of Palcent are highly overlapping while some nuances and distinct differences have existed on the detailed contents derived from each participant's experiences. In general, the President, Mr. Ye, provides fruitful information based on his thinking while the other two participants discuss this topic more from the company's operating performance.

All three participants brought in the node of emergency awareness, or similarly, emergency attention, into the consideration of business strategy. The President analyzes the picture of strategy as a whole from two visions, business culture and strategy, and market change. He articulates that
corporate culture could have some effect on its employees, which could contribute to the performance of the business. While the business culture becomes twisted or inappropriately introduced, the company will face unexpected adversities. Moreover, considering the future trend of development based on a five-year and ten-year plan forms the definition of business strategy. If leaders brought the company on the track of the wrong direction with mistaken strategic judgment, again, the company would suffer from the crisis of breakdown. Meanwhile, in the dynamics of the market, the company needs to obtain a rich understanding of the changing market situation with clear clues as to the reasons for the business alternations.

On the other hand, Mr. Jiang gives his idea of emergency attention by telling the evolution of business models as the head of the HR department. He states that the changes in the business model components, such as consumption concepts and technologies, could introduce business crises if Palcent did not pay attention to such transformations. Ms. Jiang, as the head of the finance department, explains her thinking on emergency awareness of the firm. She portrays the capital flow between Palcent and its suppliers, manufacturers in Palcent case to be specific, lays as one of the risks to the company once the manufacturers failed in delivering products. During the period of capital intension, banks would distribute more attention to the company, which could trigger further financial constraints. Another issue that needs to concern is the financial performance in the off-season that causes a problematic time to Palcent one finance, as the other risk point.

On reputation damage and adversity, Mr. Ye and Mr. Jiang share a close attitude on the node. Both of them believe that once Palcent failed to achieve its function in the market, terrible consequences will be something the company has to confront. In the meantime, they both propose a mindset on the resolution of the node. Mr. Ye prefers to come up with preventive measures that could help the company avoid reputation damage while Mr. Jiang proposed his perspective more concretely via highlighting the necessity of fulfilling value creation to the consumers of Palcent. Nevertheless, the observations from Ms. Jiang against the views of the other two participants. She feels that once a crisis stroke Palcent, reputation of the company, will not be severely disrupted since Palcent is a leading local business in the industry.

Regard on interruption on the bottom line operation of Palcent under the scenario of crises, all of the participants provide their insights. Mr. Ye implies the result of interruption of crisis introduced to the bottom-line operation of Palcent is fatal. Palcent could experience bankruptcy and obsolete by the market. Mr. Jiang, restate his opinion that affirming the ability to deliver business value with integrity to customers of Palcent becomes the operation bottom line while a crisis besieged the company. Ms. Jiang describes that affection of crisis on the bottom-line operation is mainly about the production withdrawal from its suppliers and the sequent partial loss in terms of money.

The last node shared among the participants is about emergency encounters, which is a topic filled in by various perspectives. Mr. Ye discusses that change the business platforms of Palcent according to the advancement of technologies, and the evolution of the methods that customers consume could be the most effective way to prevent a crisis at the utmost even before orientation of crisis. Mr. Jiang argues the emergency encountered from two layers. First, he suggests that Palcent needs to clarify the value it would deliver to the market to enable its employees to pursue
a better quality of the service as excellent as it could achieve. Meanwhile, implementing the
day-to-day business operations with the concept of value mentioned above, such as the marketing
concept and service concept, can further decrease the occurrence of crisis events. From the view
of finance management, Ms. Jiang concludes a way to offset emergency caused by its supplier. At
the same time, it becomes unrealistic for its suppliers to assure the product supply that the Palcent
had paid for, the company will send its cargo convoy to the warehouse of its suppliers to pull back
the available good to reduce to financial loss as much as possible.

A single node on strategy is shared between Mr. Ye and Mr. Jiang on competitor observation. Mr.
Ye identifies the category of its opponent industry and the specific business players. Then, he
continues his analysis of macroscopic environment factors like provincial policy on usage of the
acquired land. Simultaneously, the forecasts evolution direction of market channels, followed by
the judgment of industry development in advance. Finally, Mr. Ye concludes that measurements to
crisis observed from its competitors-expand business partnership to ensure the business
redundancy from both sides of suppliers and customers; expand the market from Zhejiang
Province to the rest areas of the nation; introducing innovative productions to the industry where
the rivals of Palcent survive.

On the other hand, Mr. Jiang provides a different and more simplified version of crisis prevention
based on the topic's consideration. He believes that there exist few competitors in the market to
Palcent so that the company is not under the challenge from opponents. Instead, Palcent needs to
concern about the emergence of upstream suppliers and downstream distributors that will put the
existence of Palcent into a threat. Consequently, Palcent must design a way out to actively
simplify the process of delivering products to its customers and consumers.

One unique node mentioned by Mr. Ye is about market expansion beyond the border of China by
benchmarking the business model of other giant Chinese E-commerce players as a way of
clarifying the strategic practice to decentralize the risk of a crisis.

**Conceptual Framework of Business Resilience of Palcent**

Figure 5.5.2 reflects the conceptual framework of the business resilience of the three participants
on behalf of Palcent. Nodes inducted into seven dimensions are commonly discussed with existing
nuances and distinguishing variations by the three, while several nodes are considered
individually.

All three research participants agree that Palcent will surely draw attention from outside of the
company under a crisis scenario. As the President of Palcent, Mr. Ye is exceptionally concerned
about the banks' attention while the company is in trouble because banks will retrench the capital
flow of the company, which would further deteriorate the financial status as chain reactions.
However, Mr. Jiang states that he, as a senior manager of Palcent, would prefer to get the sight
from regulatory divisions and news media to help the company to enhance the awareness of crisis
prevention, even though such a story is not desired. Half like the observation of Mr. Jiang, Ms.
Jiang articulated that the company would receive complaints from its customers regarding quality
defects of the products and services that Palcent had delivered to the market if there is an
occurrence of a crisis. Meanwhile, news express from various channels will update the crisis of Palcent to the public, thus gathered as the attention from outside of Palcent.

Speaking of the affection, influence, and disruption that crisis will pour on Palcent, Mr. Ye narrows down his eyesight on the business's cultural issues. He emphasizes that the implementation of business culture is as of the root of crisis occurrence. Without sharing cultural consensus on business, it would be challenging for Palcent to unify its employees in day-to-day operations that could further weaken its business competence. Nevertheless, Mr. Jiang provides his idea on the topic lean on the customers' view, with the concerns of losing the confidence of customers, while confessing the regular business operation is going to be affected by a crisis event. Ms. Jiang holds an identical conclusion as the other two participants but with different details. She highlights that under a crisis, stakeholders of Palcent will inquire about the company to reveal the information they concern about, and the company has to distribute its comments to them, and thus creating additional working load while the company needs to tackle down the crisis.

In terms of information dynamics during a crisis, Mr. Ye withhold the attitude of not hiding information of crisis to the employees of Palcent; instead, he will sharing all the update to all of the staff to achieve better performance of crisis dealing by the backup of internal trust. Mr. Jiang and Ms. Jiang explain their opinions similarly in logic. Mr. Jiang suggests that in crisis, senior management of Palcent needs to acquire the cause of the crisis event with a specific context, then knowing the practical solutions and the respective estimated outcomes. Finally, the senior management is supposed to have summarized measurements on crisis responding. Ms. Jiang, on the other hand, highlights the significance of receiving information from the consumers' side, meanwhile knowing the overall situation of the crisis.

Referring to the signals derived from the dynamics of financial status, all the three participants express their perspectives, with or without access to financial documents of the company. Mr. Ye and Ms. Jiang can both reach the financial report; hence some of their ideas are overlapping. Mr. Ye portrays that the company can judge approaching crises by analyzing the fluctuation of financial loss, operation cost, and shift of the employees. Homologously, Ms. Jiang states that many data will decrease during a crisis. Data on cash flow is considered the most critical index since members from different positions highly focus on it. However, detecting crisis signals is something that cannot be realized by purely reading financial data. As for Mr. Jiang, although without direct experience on accessing to financial information of Palcent, he assumes that financial information contains the hint of the trajectory of business development, continuity of business operation, and business profitability which could be useful to the company to determine whether it is going to go through crises or not.

On crisis response efficiency of the top management team, Mr. Ye evaluates that limited top managers of Palcent could promptly deal with crisis events with mobility since the board does not work on site. Mr. Jiang apprises the performance of top management on crisis responding positively; however, he feels reluctant to comment on the efficiency of the board of directors. Similarly, Ms. Jiang says that top managers of Palcent can execute qualified and delivering centralized standpoint to the outside of the business with cautious without the engagement of
board members due to the physical distance.

Considering the managers' duties in the middle ranks while they think the senior managers are ignoring crisis signals, Mr. Ye, as well as Ms. Jiang, claim that they can, and they are authorized to report their judgment directly to top managers. Nevertheless, Mr. Ye further implemented the middle managers are still required to carry out their duties based on the routine set by the group collectively. While Mr. Jiang assumes that middle managers should stick to the principles of creating values to the customers, consumers, and stakeholders of Palcent, meanwhile, propose their suggestions to the senior managers.

The last node share by the three participants regarding the experience learned from the crisis. Mr. Ye concludes that Palcent has a close collaboration with factories of suppliers to eliminate the crisis on products. Moreover, Palcent had polished skills of conducting good communications with the customers and consumers who leave a bad comment, sometimes even unfriendly comments, as complaints, though Mr. Ye believes that Palcent can still play better on lowering the rate of bad reviews with better services. Mr. Jiang describes his views on experience learning of Palcent by pointing out that the subsidiaries of Palcent are the intersections confront with a crisis. Meanwhile, Palcent can acquire insights via retrieving the unexplored crisis events, while they still have some space to improve the experience internalizing mechanism of Palcent. Nonetheless, Ms. Jiang reveals her negative cognition on experience whatsoever. She articulates that Palcent confronted with no mega-crisis; meanwhile, the company only mention the topic of harvesting external experience rather than real implementation.

Besides the above seven nodes commonly discussed by all of the participants, Mr. Ye offers an additional three nodes on considering the business resilience of the company. First, he highlights that the efficiency of crises encountered matters to business resilience. To be specific, the President has rich management experience; the business culture of Palcent is good; employees of Palcent enjoy the commitment from the company with equality and promising payment; business model, Amoeba, is advanced; therefore Mr. Ye feels confident on the efficiency of crisis encountered that are deployed. Nevertheless, he agrees that preparing additional plans to respond to the public crisis is still in need to achieve better performance of crisis response preparation because of the absence of a holistic system that can encounter crises.

Mr. Jiang mentions the crisis detection method of Palcent that at the beginning of each year, Palcent conducts customer surveys to identify whether crisis from the customers' side lurks in the dark or not. Oppositely, Ms. Jiang declares that the crisis detection system is disabled; rather, Palcent strengthens the crisis detection system by enhancing internal management supervision, especially in the finance field. Ultimately, archiving original documents is treated as the backup to prove the standard operation process of the business activities of Palcent.

**Conceptual Framework of CSR of Palcent**

Figure 5.5.3 reveals the conceptual framework on CSR of Palcent. Each participant holds his/her view on what are the corporate social responsibilities of Palcent that could contribute to better overall resilience. All three participants express the social responsibilities to the employees of
Palcent under crises based on their position in the company. Mr. Ye claims that the company needs to hear and collect the opinions of the employees, hierarchically or directly, to guarantee their rights to express regard on emergencies. Similarly, both Mr. Jiang and Ms. Jiang agree on Mr. Ye's idea by saying employees need to report the problems they confronted to the supervising managers.

Moreover, all three believe that Palcent has the responsibility to cooperate with the instructions given by its supervision department from the government, such as accepting financial supervision and punishment while without receiving concrete guidelines.

Regard on social responsibilities to consumers and customers of Palcent, Mr. Ye and Mr. Jiang articulate that it is vital to Palcent to process consumers' complaints and restore satisfaction from the market since the reputation of the company highly depends on the word of mouth of its customers. On the other hand, Mr. Ye and Ms. Jiang claim that Palcent, as well, is required to fulfill its responsibilities to its investors. Mr. Ye specifies Palcent would accepting the proposal of changing on management from its investors derived from the corresponding risk intersections. Ms. Jiang, however, failed to provide any specification since she could not identify responsibilities in detail because all the investors of Palcent are satisfied by the performance of the company.

Notably, Mr. Ye extends the social responsibility of Palcent to its competitors. He firmly argues that Palcent should not slander its competitors to join an unethical business play while Palcent pursues its correct mistakes. In other words, Palcent plays in the business world ethically not only to its customers, employees, investors, and regulators but also to its competitors.

**Conceptual Framework of Additional Factors of Palcent**

As revealed in Figure 5.5.4, the concept tree of Palcent on additional factors that could affect its overall resilience is portrayed. Something special is that all three participants discuss the topic grounded by nodes shared with similar contents, though there are some differences in detail.

On the node of replacement of the President, while the top leader is incapable of handling crisis for some reason, Mr. Ye articulates that the general manager of Palcent would be on duty with the possibility of receiving a proposal crisis resolving measure from the major shareholders of the company. However, Mr. Jiang and Ms. Jiang both refuse to agree to accept personnel to take over the role of the President under the present scenario, and rather, they express that the company should take movement collectively. If someone would temporarily act as the President, authorization from the top leader is required.

All the three participants agree that impacts from the environment will trigger operation fluctuation inside of Palcent. Mr. Ye is concerned about the industry's development trend since the trend could decide the fate of Palcent. Mr. Jiang explains that the ongoing trade war between China and the US will ultimately deliver adversities to Palcent, ultimately because the consumers of Palcent are going to be affected. Meanwhile, the business operation model could judge future business performance, as well as the workforce cost. Ms. Jiang put the dynamics of the suppliers of the subsidiaries of Palcent into her analysis in the first place. She stresses that any fluctuation
derived from the suppliers could affect the business timing of Palcent. Furthermore, failed communication with suppliers could extend business adversities since the cooperation ties are crippled. Moreover, if the head of the bank which grants to release loan to Palcent were changed, then the company would have to deal with issues originated from this change, which could affect the financial situation of Palcent significantly.

Proper implementation of business continuity is considered as an essential factor in achieving resilience. Mr. Ye says that by merging into online sales channels, enhancing partnership with the strategic partners in industries, and initiating supply chain finance, business continuity is assured even under the crisis. Mr. Jiang retrieves the experience of past crisis that proved the reliability of business continuity of Palcent; he highlights the significance of cultivating employees the awareness of maintaining a good business reputation of Palcent as a value that guides the operations of crisis responding so that the company could bounce back even after the confronted with a crisis. Secondly, push forward the strategic transmission of a business lays as the engine to secure profit growth of Palcent. With more resources in hands, the business continuity will be more promising. Ms. Jiang, emphasizes the play of changing the time of contract signing with a supplier could help Palcent to earn some initiatives to secure its product stock under various circumstances.

Meanwhile, the efficiency of declaring approaching crises by management is a critical factor in determining the performance validity of resilience. Mr. Ye claims that Palcent is enjoying ideal efficiency in this regard due to the correct judgment accumulated from the past, the various available system can cope with the situation, and the monetary investment is consistently pouring in. Mr. Jiang argues conservatively by divide the crisis detection efficiency into two layers. To identify external crises, Mr. Jiang agrees with Mr. Ye; however, he believes that the efficiency of revealing internal crises conducted by the management is at a disadvantage since the company missed several opportunities to develop its business. Contrary to the optimistic attitude of Mr. Ye, Ms. Jiang feels pessimistic about the efficiency of the alarming crisis of Palcent because of the simple management structure with the untested system verified by a real crisis.

Further, the three participants deem by internalizing the lesson learned from crisis events, regardless of where they occurred, could shape the better performance of overall resilience. From the view of the President, Mr. Ye emphasizes that being sensitive to a crisis is a way of internalizing experience to conclude from a crisis. Mr. Jiang states that peer to peer communication inside Palcent can be considered a method of experience internalizing. Ms. Jiang, on the other hand, argues that crisis internalizing is subject to top leaders. Hence it is difficult to portray a clear picture of the system of crisis-experience internalizing.

Finally, by implementing practical countermeasures to crisis events, Palcent would be more resilient during its daily operations. Mr. Ye and Ms. Jiang suggest that the process of crisis-dealing should mainly depend on the senior management team based on the given reality. Logic flow to crisis encountered from Mr. Jiang is do not panic in the first place, then solve the crisis under the instruction according to the result of crisis analysis.
Chapter 6 Case Studies of the Japanese Businesses

In this chapter, six research participants from four companies had engaged. Information revealing about the research participants has been granted by all of the research participants for this research. All the figures, except figures, portray the businesses' management structures, displayed from Section 6.2 to Section 6.5, based on the outcome of initial coding and axial coding that had been coded manually while the figures are the outputs of Nvivo12 plus.

6.1 Data Collection

Research participants affiliating to the four companies, who have engaged in this chapter, required the researcher to distribute the questionnaire designed for the senior management staff before the formal operation of data collection. Olympus prepared the answer in a written format given to the consideration of communication efficiency. Data collected from Shiseido were produced by two senior management members, whereas a single senior management member from each of the rest two companies was interviewed. Data of this chapter were recorded in audio format by the author of this research and his language translator. Hence the objectivity and validity of the data are assured.

Noticeably, some companies do list their views on strategy and CSR on their website; however, this research only considers firsthand data as accurate data for qualitative analysis.

6.2 FANCL

Background Information
Founded in 1980 as a company specialized in mail-order sales of the cosmetic product in Japan, FANCL turned into a formal corporation in the next year. As of today, FANCL has several subsidiaries in Japan, as well as in several overseas markets, and is well-known globally, particularly in East Asia. FANCL strives to develop innovative cosmetic products only formulated by natural ingredients that are hazard-free to its consumers.

FANCL formats its management system to ensure the functionality of its daily business process as one of the giant players in the cosmetic industry. Figure 6.2.1 shows the structures of the General Meeting of Shareholders and Governance.

Research Participant
Mr. Uda, a division manager affiliates to the Research Promotion Division of FANCL Research Institute of FANCL Corporation, collaborated on providing data regulated by the questionnaire accord to his position and experience. Missions of where Mr. Uda leads are to take charge of all management themes of the laboratory, providing solution of operation and budget management, managing intellectual properties, and managing patents and utility models and designs of patents.
Figure 6.2.1 Structures of the General Meeting of Shareholders and Governance of FANCL
By FANCL, 2019

Conceptual Trees of Various Topics on Crisis of FANCL
Figure 6.2.2, Figure 6.2.3, Figure 6.2.4, and Figure 6.2.5 reflect the concept tree of business strategy, business resilience, CSR, and additional factors of FANCL based on a description of the research participant.
Figure 6.2.2 Concept Tree of Strategy of FANCL

Figure 6.2.3 Concept Tree of Business Resilience of FANCL
Figure 6.2.4 Concept Tree of CSR of FANCL

Figure 6.2.5 Concept Tree of Additional Factors of FANCL
Case Analysis

Conceptual Framework of Business Strategy of FANCL

As Figure 6.2.2 reveals the conceptual framework of the business strategy of FANCL from the view of the research participant, five elements comprise the dimension of the strategy concept. Consideration of risk awareness is the first issue that jumps into the mindset map of the strategy of FANCL. Technically, ensuring customer privacy, guaranteeing the security and quality of the products, and prohibiting data manipulation are the tasks that activated the risk awareness of FANCL in terms of strategy. Consequently, reputation adversity will rise once the company failed to maintain its risk awareness, which leads to a real crisis. Hence, reputation adversity is a critical but ambiguous topic for FANCL because, for sure, it will negatively impact on the company but with various reasons due to distinct risk causes.

Securing bottom line operation put as a vital indicator for FANCL to achieve the overall resilience under the category of business strategy derive from the concerns of affecting the product sales in the market. As of deploying crisis encountered, strengthening corporate governance and preparing for crisis response via advancing the crisis management system could decide how the company cope with a crisis.

Moreover, observation collected from competitors helps FANCL to avoid the identical mistake that could as far as impact on the strategy implementation, such as using unqualified ingredients to produce products.

Conceptual Framework of Business Resilience of FANCL

From the view of the research participant, FANCL obtains rich content on consideration of resilience. Ten nodes regard thoughts, practices, and suggestions on the parental topic that are reviewed, as shown in Figure 6.2.3.

Outside attention, agreed by the participant, is something that FANCL would inevitably receive from the public under crisis event(s). In particular, FANCL would first be focused by the media who report the update of crisis to the rest of the public. Furthermore, guidance from the Ministry of Health, Labor, and Welfare will be given to the company as the direction from the government side, and further relevant penalties will be delivered, as well, by the government. Further, the penalty from the government side is something FANCL had learned via observing its competitors.

When discussing the deploying method of confronting crisis influence, once there are quality problems or security problems of the products, the company launches recall and replacement practices in the market as a method to mitigate the adverse influence.

On identifying leadership efficiency when encountering crisis, leaders of the FANCL are trusted. On the one hand, FANCL deploys delivering accurate information to the leaders strictly as the premise for the leaders to judge appropriately. On the other hand, leaders of FANCL are equipped with rich experience and knowledge on cope crises grounded by a successful case like handling the earthquake disaster hit Japan in 2011.
Meanwhile, the company needs to receive information as the process of resource input to initiate the progress of crisis response. First, confirming the information collection channel, the inner system implanted in the operation framework of FANCL, to be specific, is the original work for information gathering. Next, by identifying categories of the harvested information, then valid the security of the information could be referenced by FANCL. By analyzing the processed information, then FANCL needs to be clear the reasons for the fault, the influence scale of the crisis, and the situation or attitude of mess media, therefore enable the company to design the crisis-response proceeding strategy. As for financial information, the participant implies that it can reflect the decline in sales and share, as a routine to identify crisis. Also, information is involved in risk detection of FANCL, as the company established an information control system engaged with multiple internal management divisions for assuring the validity of the intelligence.

Referring to the crisis encountered, it is critical to securing the availability of alternative material for production, or in other words, achieve redundancy of raw materials for FANCL. Depending on the crisis event, managers in the middle-rank could report their thoughts to the superior manager during and after the crisis. However, middle managers are required to delivering accurate information, and suggesting their measures for tackling crisis is acceptable as well.

Lastly, the phenomenon of group-thinking is beware by the company since things could go wrong while everyone in the company practice in the same way.

**Conceptual Framework of CSR of FANCL**

Figure 6.2.4 shows the conceptual framework of CSR of FANCL in case of crisis occurrence. The participant believes that the reliability of FANCL would decrease among its customers in such crisis scenarios. Hence, to the customers, FANCL has the responsibility of providing qualified products with security to its customers.

Considering the employees, FANCL needs to fulfill the responsibility of allowing and functioning the channel of communication that enables the junior staff from various divisions inside to report to the top managers.

Coping and answering the inquiries and orders from investors and government are treated as the method of realizing the responsibilities. FANCL is mandatory to release information that concerns its investors with integrity, meanwhile following the process of regulation modification directed by the government.

**Conceptual Framework of Additional Factors of FANCL**

Some factors without clear boundaries among the three above-illustrated categories matter to the overall design of resilience of FANCL. For instance, external impact consisted of the sustainability of the environment and dynamics of productions, services, HR management, and corporate system, could fluctuate the performance of FANCL.

Conclusions drew from experience determine the future performance of FANCL as well. To FANCL, the company changed a large proportion of its maintenance system after hitting by 2011
earthquake. Then, spontaneous integration of separated staff into formulated divisions with specific tasks further enhances the performance of FANCL while processing crisis. Lastly, the company traces the deployment of crisis, responding to ensuring precise execution without accidents as learned from the past.

While asked about temporarily replacing the top leader when he/she is not capable, but crisis events need to be dealt with in urgent, FANCL argues that this idea is not good since it will bring significant influence to the company. On business continuity, organizing prompt resolution to a crisis by knowing the crisis promptly could decide the performance of business continuity. The efficiency of crisis signal identifying, which is considered capable by the FANCL, could help prevent a crisis beforehand.

Last but not least, measures of crisis encountered proposed by internal staff could affect the performance of the overall resilience of FANCL; however, these measurements shall be grounded in each scenario and under the centralized direction from the top management.

6.3 Olympus Corporation

Background Information
Initially founded as Takachiho Seisakusho in 1919 that strives to design and manufacture microscopes in domestic, Olympus stands as one of the giants of medical-optical equipment around the world. The company titled itself from Mt. Olympus of Greek mythology illustrates the vision and aspiration of its own. Withstanding in the market for over a hundred years, Olympus has evolved from a domestic company of developing and manufacturing microscope to a business giant in the optical equipment industry that has extended its business overseas with 37 branches established globally.

As the development of the company, Olympus valid its governance structure, as portrays in Figure 6.3.1.

![Figure 6.3.1 Corporate Governance Structure of Olympus As of 2019, By Olympus Corporation, 2019](image)

Research Participants
Mr. Horiuchi, the General Manager of Technology Strategy Planning Department of Technology Innovation Office, and Mr. Koike, the Senior Supervisor from the same division as Mr. Horiuchi, participated in this research.

However, the method of data collection with two participants is delivered in a written format based on the questionnaire sent by the author of this research before the on-site research.

**Conceptual Trees of Various Topics on Crisis of FANCL**

Figure 6.3.2, Figure 6.3.3, Figure 6.3.4, and Figure 6.3.5 reflect the concept tree of business strategy, business resilience, CSR, and additional factors of Olympus based on a description of the research participants.

![Concept Tree of Strategy of Olympus](image-url)
Figure 6.3.3 Concept Tree of Business Resilience of Olympus

Figure 6.3.4 Concept Tree of CSR of Olympus
Case Analysis

Conceptual Framework of Business Strategy of Olympus

As Figure 6.3.2 reveals, five dimensions come into being of considerations of the business strategy of Olympus while the company confronts crisis events.

Firstly, Olympus regard itself in a crisis of technology innovation, which leads to Olympus of being devoted to accelerates the process of product innovation as proof of the awareness of the crisis. Moreover, due to the significant consequences such as a dramatic sales decline in the company's leading business sector and regulation violation, the company strategically raised its mindset of reputation adversity.

Put the assurance of bottom-line operation of Olympus, no concrete measure was given, but a confession of triggering the significant impact of failure to maintain the bottom-line operation by the participants. Furthermore, designing a crisis encountered measure, with proper decision making based on both mid-term and long-term development of the company, is strategically critical as well.

Olympus implement ESG (Environment, Social Responsibility, Corporate Governance) as a strategy that learned from its competitors via consistent business observation.
Conceptual Framework of Business Resilience of Olympus

According to the depth and range of the nodes, leadership efficiency, financial information, and crisis detection lay as priorities while considering the business resilience of Olympus. Olympus feels confident in the efficiency of crisis response conducted by its top leaders grounded with the advantages of qualities, in both the medical field and management field, of the leaders, trust recovering under the help of outside directors, and proper decision determined by the leaders. With parallel importance, signals of business risks hidden behind the financial information, such as sales activities, events of merger and acquisition, and regulatory issues, enhance better performance of Olympus to be resilient on crisis identifying. A system of crisis detection by nominating a particular committee to be specific to Olympus processes the discussion sessions on crisis and delivering conclude report to supervisors contributes to helping the company avoid a crisis as best as it could.

With less significance but considered as necessary, the response of managers in middle ranks and the experience concluded from past crisis events draw the attention of Olympus while analyzing business resilience. For managers in middle ranks, similar to the system of crisis detection, the company will nominate a relatively independent committee in which the members fulfill their duties based on their respective roles. As for the crisis experience that the company had gone through, a lawsuit is a fatal issue that the company would prevent due to the sequent financial loss of it.

Outside attention, operation interference, and the information required by the company under crisis are the nodes with the least importance to Olympus. The participants suggested that the company be required to confront the media in crisis scenarios without referring to any additional details. Similarly, the company believes that it will suffer from massive affection while absent in detailed analysis due to the interference of the crisis on the regular business operation of Olympus. Also, the company seeks information from diversified aspects inside when the need for tackling the crisis appears.

Conceptual Framework of CSR of Olympus

Figure 6.3.4 illustrates the mindset of CSR of Olympus under crisis scenarios. The company believes it shoulders the responsibility of uncovering cancers for patients via the medical operations of its professional customers.

To its employees, Olympus would direct them to fulfill the company's motto better if forms of organized volunteering events. Moreover, the company is required to ensure its business operation since its investors highly value the work that Olympus has achieved.

Lastly, Olympus needs to fulfill its responsibilities to its regulators by receiving and executing its mandated orders.

Concept Framework of Additional Factors of Olympus

Beyond the dimensions of strategy, resilience, and CSR, some additional factors, as well, bring in when discussing resilience from an overall view.
External impact like technology innovation could influence on processes of product designing and manufacturing of Olympus, which could further determine the development routine of the company. Meanwhile, to reassuring business continuity, Olympus strengthened its factories as a method against natural disasters. Performance of identifying crisis, which is considered as capable in Olympus, is treated as an index that could judge the performance of the overall resiliency of the corporation.

Highlighting the importance of governance originated from the occurred scandal is the approach of experience internalization that consolidates the resiliency of Olympus. Finally, taking the balance of chance acquiring and risk in the decision-making process, as a suggestion of crisis encountered, would enable Olympus to boost its resilience performance.

6.4 Shiseido

Background Information
Established in 1872 in Ginza of Tokyo, Shiseido is the first pharmacy deploys western style in the history of Japan. Shiseido acts as a leading giant in the cosmetic industry, not only in Japan but around the globe. As of 2020, the company has distributed its service channel in about 120 countries and regions. Meanwhile, the company has a sophisticated but precise management system, as shown in Figure 6.4.1, with a total number of nearly 46,000 employees withhold highly diversified backgrounds in terms of nationalities.

Up to date, Shiseido is ranked in the first place of its cosmetic brand in both Japan and Asia, with an operating profit of 113.8 billion yen (Shiseido, 2020), which is almost equivalent to 1 billion US dollars.

Figure 6.4.1 Company’s System for the Management and Execution of Business
By Shiseido, 2019
Research Participants
Mr. Uemura, the Vice President, took charge of Frontier Science Business Division of Shiseido as of the interviewing time, participated in this research as the main force. As the additional personnel who contributed, Mr. Igarashi, a manager of Frontier Science Business Department of Business Planning Group of Shiseido, engaged in this research.

Conceptual Trees of Various Topics on Crisis of Shiseido
Figure 6.4.2, Figure 6.4.3, Figure 6.4.4, and Figure 6.4.5 reflect the concept tree of business strategy, business resilience, CSR, and additional factors of Olympus based on a description of the research participants.

Figure 6.4.2 Concept Tree of Strategy of Shiseido
Figure 6.4.3 Concept Tree of Resilience of Shiseido

Figure 6.4.4 Concept Tree of CSR of Shiseido

Figure 6.4.5 Concept Tree of Additional Factors of Shiseido
**Case Analysis**

**Conceptual Framework of Business Strategy of Shiseido**

Issues from five dimensions consist of Shiseido's mindset on account of business strategy under crisis, as suggested by Figure 6.4.2.

Shiseido has a rich sense of risk awareness it might confront. Research and development of products and quality and security of the products are the most fundamental issues, as well as the most critical ones that Shiseido concerns. Moreover, the company identifies rumors, in cases of crises, due to delayed information revealing to the public would create crisis towards itself. Compliance management acts as the method to deliver accurate execution all the way top-down raised the company's attention since the gap of misunderstanding during crisis dealing can be assured by consolidating its validity.

Meanwhile, the company acknowledges that crisis events could lead to the occurrence of reputation adversity to itself from two aspects. On the one hand, Shiseido would suffer from trust losing reflected by declining income, sales, and profit. On the other hand, with the appearance of crises, it means that the company failed to fulfill the missions that are intended for the well being of the public.

Encountering on crises, regarded by Shiseido, guarantees the resiliency of the company strategically. As of time point of data collection, Shiseido established a report line that enables the information and feedback conducted from corners all over the business to be centralized on the table of the top management, which aims to function timely judgment while responding to crises. Further, the correctness of actions and decisions to crisis handling are simultaneously reviewed since it directly determines the outcome of the efforts that Shiseido devotes under the preset scenarios.

Moreover, the fundamental management culture enhances the performance of resiliency. In Shiseido, junior staff could talk to the supervisors who can directly reach the top management in crises promptly as they wish. Then, the supervisors would tell the board members in case of when they believe personnel with more authorities should engage.

Lastly, observing the competitors' performance of crises dealing is a useful path for Shiseido to complement its strategic system of resilience assurance. By the time of the data collection, the company had reinforced the awareness of the significance of information revealing and product safety confirming in crises.

**Conceptual Framework of Business Resilience of Shiseido**

As proved by Figure 6.4.3, Shiseido holds ten nodes of the topic of its resilience with luxurious, layered specifications.

In respect of resilience, outside attention in crises concerns Shiseido at the utmost because of its operation autonomy would be constrained due to the report conducted by mass media and intervention directed by supervising authorities. In speak of mass media, the company concludes
that it would be an apparent target attacked by loads of media agencies under crisis scenarios. Moreover, supervising authorities will not only intervene in the attitude of Shiseido on crisis responding but also implementing a strict checking process on small issues that broke down from a significant problem.

The following six nodes are considered equal to the importance on account of the richness of the content. As described by the participants, leadership efficiency could play it partly in building a system with resiliency inside Shiseido. For the performance in this regard, the data suggest that Shiseido practices on the right track due to distribute the quick response to the public by transmitting clear instructions to its employee. Meanwhile, the information required by the company, to some extent, could decide the performance of resiliency in crisis. Shiseido focuses on acquiring information about the cause of crisis events linked with relevant consequence estimation simultaneously.

Similarly, the Shiseido group's group guarantees its efficiency in emergencies with executing swift response under the support of the report line discussed previously. Furthermore, top leaders share information in their hands with each other to prevent potential risk due to a lack of communication. Then they will promptly predict adversities as the preparation for following movements.

Meanwhile, a particular management system would be nominated subject to the dynamics of crises in Shiseido. Internal division and departments engaged in would process crisis response procedures with specified duties of their specialties, as well as information exchanging among them. Experience concluding is one of the aspects to boost the performance of the resiliency of Shiseido. For example, the company had learned that biased information would incur if the inquiries raised from the external were left untouched, which would further require Shiseido to invest much more energies and resources to cope. Equally, obtaining a system that contributes to detecting risks is vital. In Shiseido, this system is divided into two parts. On the one hand, under crises, the internal staff report either in a written or verbal manner so that the information secured with accuracy could flow as quickly as possible. On the other hand, the system is assured to conduct outcomes with objectivity since half of Shiseido's board members are external.

Three other facets, though with less significance, are also in the range of consideration of resiliency. First, the company acknowledges that the crises, under this research category, would have a huge impact on itself, which implies that Shiseido would proactively avoid such circumstances. Second, Shiseido believes that by carefully examine the fluctuation of budget performance, its financial information could reveal part of the information regarding potential crises. Lastly, Shiseido set a top-down channel that can execute while the management staff in middle-rank express their concerns about crises from their specific views to senior managers, then the senior managers could implement methods correspondingly in a top-down structure.

**Conceptual Framework of CSR of Shiseido**

As portrayed in Figure 6.4.4, Shiseido concerns its stakeholders under four categories. The company identifies that it shoulders the responsibilities of risk announcing and advise providing to its customers. Employees of Shiseido has the right to know the reality of crises and expressing
their thoughts and solutions.

As to investors, Shiseido persists that its investors are secured the right to knowing crises responding details such as the introduction of crisis responding system, and the measures have been taken under emergencies. To regulators, though without acknowledging specific responsibility, Shiseido insists to actively cooperates with its regulator with integrity as the cornerstone of responsibility fulfilling.

**Conceptual Framework of Additional Factors of Shiseido**
Figure 6.4.5 illustrates the additional concerns of Shiseido with respect to its overall resiliency. The efficiency of signal identifying is considered vital to the company. In practice, Shiseido assures this efficiency underlay by fact confession and quick decision-making process. Moreover, Shiseido also values on constructing experience internalization system a lot. On the one hand, the company makes judgments under crises root in the feedback of its frontline staff. On the other hand, the company conducts drills regularly as a simulation of a crisis occurring, which aims to cultivate better performance on crises responding.

Further, on business continuity, Shiseido deploys the BOP system that responds to crisis events with careful review. However, both participants failed to provide the full name of the BOP. Meanwhile, the company is sensitive to the external impact, as the need for alternating its oversea customers. Finally, the company is less likely to consider replacing top leaders while they were not available in an interim manner because the company believes it is not easy to do so.

**6.5 Sysmex**

**Background Information**
Once as a subsidiary of TOA Corporation, Sysmex was established in 1968 for promoting the electronic medical equipment of TOA by the brand name of TOA MEDICAL ELECTRONICS CO., LTD. Expanding the site scale and promoting innovative hematology analyzer in Japan, the company changed its name, as of currently known Sysmex at the year of 1978. By now, the company is a renowned company specializing in designing and manufacturing hematological equipment to medical institutions and individual end-users. Meanwhile, Sysmex operates import and export businesses on parts of its medical products. Throughout its business journey, Sysmex has formed and currently deploys its management system, as revealed in Figure 6.5.1.

**Research Participant**
Mr. Ohyama, the Vice President of R&D Administration of Technology Strategy Headquarter, participated in this research as the data provider. Moreover, he holds a concurrent post as a manager of Security Assuring Trading Management.

**Conceptual Trees of Various Topics On Crisis of Sysmex**
Figure 6.5.2, Figure 6.5.3, Figure 6.5.4, and Figure 6.5.5 describe the concept trees of business strategy, business resilience, CSR, and additional factors of Sysmex based on a description of the research participant.
Figure 6.5.1 Corporate Governance Structure of Sysmex,
By Sysmex, 2020

Figure 6.5.2 Concept Tree of Strategy of Sysmex
Figure 6.5.3 Concept Tree of Resilience of Sysmex

Figure 6.5.4 Concept Tree of CSR of Sysmex
Figure 6.5.5 Concept Tree of Additional Factors of Sysmex

Case Analysis

Conceptual Framework of Business Strategy of Sysmex
As portrayed in Figure 6.5.2, Sysmex considers five elements strategically on resilience. According to the richness of child-nodes of each parental node, the company values the adversity caused by crisis events and encountering methods of crises as equally vital. On concerns of adversities, the participant describes that the crisis events will lead to a value decrease of the stock price, then triggers the investment declining on various aspects and ultimately result from trusting losing massively in public. As for the crisis encountered system deployed by the company in detail, while there is any crisis occurred, the company implies it would predict all possible consequences at first. Based on the prediction, Sysmex would proactively respond to the concerns raised by its customers while maintaining normal business operations.

However, considered with less significance, the rest three nodes have remained in the mindset of a strategy of Sysmex. Firstly, Sysmex is aware of risks of dynamics of technological innovation, which could significantly impact the development direction of the company, such as the product it would design and produce, the business model it would take, and the relationship it would establish with its customers. Regard on clarifying the bottom line of its business operation, Sysmex set the routine of ensuring the investment in the research and development programs, which are the cornerstones of revenue conducting. Securing product quality is an important matter that Sysmex had learned by observing its competitors with valid cases. In other words, Sysmex obtains a mechanism that enables the company to absorb the experience of crisis handling from its
competitors as a strategic task.

**Conceptual Framework of Business Resilience of Sysmex**
Sysmex put the system of crisis-responding of the top management as the priority on resilience, as shown in Figure 6.5.3. To be specific, the company operates this system as setting duties of each crisis-response engaged personnel initially, then later digging out the reasons for the crisis, followed by distributing instruction, processed by a management review system, from top management.

Moreover, the company regards its leadership efficiency during crisis events as a significant factor that assures Sysmex's resiliency. Up to date, leadership efficiency is evaluated adequately for the top leader of Sysmex is secured to deliver clear instructions discussed collectively with authorized personnel. Meanwhile, the company values the function of experience internalization significantly. The company established a case study system that shares the crisis cases that take place externally to its staff to alert them of the risk points with the absence of crisis events hitting Sysmex. Moreover, the company always prepares information that concerns its shareholders in the shareholder meeting, which is the action put under this category. With the equal importance of the previous two nodes, the company, as well, recognizes the risk detection efficiency conducted by the crisis-responding system as weak in mindset but well performed in terms of process.

There still exist additional nodes that complete the puzzle of resilience consideration, nevertheless with less significance. In speak of external attention in crisis events, Sysmex argues that it would be intervened by authority institutions similar to the FDA (Food and Drug Administration) on the quality-issue relevant crisis. Regard to the information needed by the company, Sysmex claims it only requires the intelligence about the adverse effect on the patients caused by its products. Further, the participant partially acknowledges the function of crisis-revealing of its financial information, which would expose crisis events by revealing the dramatic decline of the stock price of the company. Once more, the participants emphasized the reactions that would be executed by the board of directors on the crisis response system. Last but not least, Sysmex believes that its middle managers need not shoulder the responsibility of crisis-dealing individually so the company could better perform its compliance management.

**Conceptual Framework of CSR of Sysmex**
As reveals in Figure 6.5.4, the framework of CSR consideration of crisis events of Sysmex is straightforward. The company only recognizes its responsibilities to two groups of its stakeholders.

On the one hand, the company needs to allow it, employees, to report the information about competition under crisis breakout. On the other hand, Sysmex must maintain its loyalty to its investors because its investors highly expect the company.

**Conceptual Framework of Additional Factors of Sysmex**
Under this category, Sysmex highly focused on maintaining its business continuity. In practice, on supplying products, the company implement a customer-focused mechanism to meet the need and
inquiries from its customers. Moreover, the company would assign the manufacturing mission from an overloaded factory to other available ones to continuing its overall business operations. In other words, Sysmex acquires a redundant production system.

On identifying a crisis signal, the company organizes a monthly meeting designed for analysis advantages and disadvantages of its business operation for each month. Signals tell approaching crises could reveal by look into the weak points with sufficient discussion. Meanwhile, the participant suggests that withholding sensitivity to the crisis could contribute to enhancing the performance of crisis response to Sysmex.

However, the company speaks highly of its CEO, its top leader. Hence the company would entirely rely on the performance of its CEO regardless of his availability.

**Chapter 7 Comparison**

By first concluding the overall statistics of the studied Chinese businesses and Japanese businesses, this chapter aims to focus on analyzing the comparisons between the Chinese business cases and Japanese business cases discussed in Chapter 5 and Chapter 6. In particular, nodes affiliate to cases under the structure of a business strategy, resilience, CSR, and additional factors that are going to be compared based on categories of industry and nationality.

Nevertheless, it is essential to notice that the absolute number under the category of 'Number of the Coding Reference' and 'Percentage' are subject to the structure of the research questionnaire deployed in this research.

**7.1 Overall Statistics of the Chinese Businesses**

Statistics in the following table portfolio, as shown in Table 7.1, that calculate from Chart 7.1, reflect the statistical information regarding the dimensions of business strategy, business resilience, CSR, and additional factors on overall resilience under crisis scenarios from each business.

(Table starts from the next page)
(c) Statistical Nodes Distribution Map of LUTEC

(d) Statistical Nodes Distribution Map of LUTEC

Chart 7.1 General Nodes Distribution Maps of the Studied Chinese Businesses
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(a) Table of Statistic of Palcent

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(b) Table of Statistic of Company A

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<td></td>
<td>Percentage (Calculated to two decimal places):%</td>
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<td>(second tier - third tier)</td>
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<td>48-173</td>
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</tbody>
</table>

(c) Table of Statistic of LUTEC

111
Table 7.1 General Statistics of the Studied Chinese Businesses

<table>
<thead>
<tr>
<th></th>
<th>Number of the Coding Reference</th>
<th>Percentage (Calculated to two decimal places):%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>99</td>
<td>40.74</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>68</td>
<td>27.98</td>
</tr>
<tr>
<td>CSR</td>
<td>24</td>
<td>9.88</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>52</td>
<td>21.40</td>
</tr>
<tr>
<td>Total</td>
<td>243</td>
<td>100.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of the Items Coded (second tier - third tier)</th>
<th>Percentage (Calculated to two decimal places):% (second tier - third tier)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>14-55</td>
<td>38.89-43.31</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>8-26</td>
<td>22.22-20.47</td>
</tr>
<tr>
<td>CSR</td>
<td>4-12</td>
<td>11.11-9.45</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>10-34</td>
<td>27.78-26.77</td>
</tr>
<tr>
<td>Total</td>
<td>36-127</td>
<td>100.00-100.00</td>
</tr>
</tbody>
</table>

(d) Table of Statistic of Zhongda

Table 7.1 General Statistics of the Studied Chinese Businesses

Regard on the less numerical value of the statistics of Company A is due to there is only one research participant in this case, whereas there are three for Palcent, four for LUTEC, and three for Zhongda.

The 'Percentage' column right to 'Number of the Coding Reference' refers to the percentage of each dimension occupied in the total number of the coding reference, vis-a-vis 'Number of the Items Coded' to 'Percentage' at the right column of it.

The percentage of the number of the items coded reflects the quotation volume of each topic in each business case. As illustrates in Chart 7.1, square with the larger area means more quotations are contained in the node which it entitles. However, according to the clarification at the beginning of this chapter, it is not objective to judge the importance of business strategy, business resilience, CSR, and additional factors while analyzing overall resiliency under business emergencies of the present scenario of this research. However, it is highly valuable to judge perception difference or deviation on each topic of each company to the median percentage, respectively. Nevertheless, it is not a mission that this research focuses on.

'Number of the items coded' reveals the number of child nodes contained by their parental node, which means more child nodes contained in a parental code, more perceptual aspects that parental code includes. In other words, if a parental code can be broken down into more sub-conceptions, it implies that the parental node is attributed to more meaning based on various perspectives. As the data in the column of 'Percentage' of the nodes of second-tier and third-tier shown in Table 7.1, about 5% of deviation, positive or negative, between the respective tiers of nodes could be observed in most second-tier to third-tier percentage.

7.2 Overall Statistics of the Japanese Businesses

Chart 7.2 and Table 7.2 depict the general statistics draw from the qualitative data from the studied cases of Japanese businesses on the topic of business strategy, business resilience, CSR, and
additional factors under crisis circumstances in Chapter 6 of this research.

(a) Statistical Nodes Distribution Map of FANCL

(b) Statistical Nodes Distribution Map of Olympus
(c) **Statistical Nodes Distribution Map of Shiseido**

(d) **Statistical Nodes Distribution Map of Sysmex**

**Chart 7.2 General Nodes Distribution Maps of the Studied Japanese Businesses**
### General Statistics of the Studied Japanese Businesses

#### (a) Table of Statistic of FANCL

<table>
<thead>
<tr>
<th>Number of the Coding Reference</th>
<th>Percentage (Calculated to two decimal places)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>37</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>9</td>
</tr>
<tr>
<td>CSR</td>
<td>16</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
</tr>
</tbody>
</table>

#### (b) Table of Statistic of Olympus

<table>
<thead>
<tr>
<th>Number of the Coding Reference</th>
<th>Percentage (Calculated to two decimal places)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>18</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>7</td>
</tr>
<tr>
<td>CSR</td>
<td>9</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

#### (c) Table of Statistic of Shiseido

<table>
<thead>
<tr>
<th>Number of the Coding Reference</th>
<th>Percentage (Calculated to two decimal places)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>18</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>15</td>
</tr>
<tr>
<td>CSR</td>
<td>2</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

#### (d) Table of Statistic of Sysmex

<table>
<thead>
<tr>
<th>Number of the Coding Reference</th>
<th>Percentage (Calculated to two decimal places)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>9-13</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>5-9</td>
</tr>
<tr>
<td>CSR</td>
<td>2-1</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>4-5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20-28</strong></td>
</tr>
</tbody>
</table>
During the data collection process for Japanese businesses, each company organized a single interview. Hence, disparity among numbers under the column of 'Number of the Coding Reference' in Table 7.2 is limited. However, the statistics of Olympus differ from the other three businesses, though an identical questionnaire was distributed to all. In particular, Olympus prepared a set of binding papers with answers to the questions listed on the questionnaire but with the single question answered on site. It is noticeable that data bias may exist in the first-hand data of Olympus with sequence statistics because of the interviewees responded to the questionnaire in written form rather than real-time feedback as what other companies had gone through. However, this bias is not manipulated subject to specific. Instead, it is revealed under a particular case for respecting the business in which the research participants work.

Back to the clarifying Chart 7.2, four maps describe the number of coding references of each node child or parental. Meanwhile, the color brightness of each node distinguishes the tier of the node. Nodes with darker color stand for the parental ones while brighter color blocks claim for child nodes. About the area scale of each block, nodes with larger square size mean more coding references are concentrated under them, vice versa. Parental squares include more child squares refers to more dimensions are brought up, vice versa.

In light of the numerical data in Table 7.2, on the one hand, judging the significance of each topic by the percentage of a respective number of coding references is not practical under the context of this research. The reason to bring in 'Percentage' of 'Number of the Coding Reference' is to form the base of a certain average percentage on each topic derived from accumulated cases. By then, with that more-precise average percentage of all of the cases, the individual company could test its deviation compared to the general situation. However, this research focuses on other fields, constrained by the research questions of this dissertation. On the other hand, the percentage of the second-tier nodes and the third-tier nodes occupy in their respective overall issue, in most cases, share a 5% deviation approximately.

7.3 Comparisons of the Cases on the Dimension of Nationality

Comparisons with Discussion Based on Numerical Statistics
Originated from the statistics state in Table 7.1 and Table 7.2, Table 7.3, as followed below, illustrates:

a) The difference in the average percentage of the number of coding references regards four aspects of Chinese businesses and Japanese businesses that have been examined thoroughly in the previous two chapters.

b) The difference of average percentage of second-tier nodes and third-tier nodes of each aspect between Chinese businesses and Japanese businesses that have been examined thoroughly in the previous two chapters.

Firstly, look into the (a) table of Table 7.3. Under the identical questionnaire, uniform method of data collection (except the case of Olympus), consistent scenario, and on the average level, in
terms of business resilience, Japanese businesses consider more than Chinese businesses, which implies Japanese businesses value business resilience more than Chinese businesses. On business strategy, again, Chinese businesses do not consider their importance as much as Japanese businesses. While to CSR, it seems that Chinese businesses attribute more attention on it than Japanese businesses. Nevertheless, it is highly impressive that this conclusion is quite against common sense, even though it might be against part of the reality in the business world, that Japanese businesses are much more trustworthy and experienced on CSR than Chinese companies. As for concerning additional factors that could play a part in overall business resiliency under business crises, it is evident that Chinese businesses that have been analyzed with great details consider it with more significance than Japanese businesses do.

Then, based on the statistics in the table (b) of Table 7.3 on the percentage of second-tier nodes and third-tier nodes include in each topic, some differences disclose. For the percentage of second-tier nodes of business resilience, Chinese businesses failed to compete with Japanese businesses, with an accurate 39.535% accuracy of 40.758%. In other words, Chinese businesses, on the second tier concepts of business resilience, are not as vibrant as Japanese businesses. However, the statistic of third-tier nodes of business resilience obtained by Chinese businesses is
higher than the one hold by Japanese businesses. Furthermore, it implies that Chinese firms consider their second-tier nodes from more dimensions than Japanese businesses do.

The same logic applies to the comparison of the following three aspects. Regarding both second-tier nodes and third-tier nodes of business strategy, it is clear that Japanese businesses have more fruitful insights than Chinese ones. In sequence to the table (b), referring to CSR, Japanese businesses overwhelm Chinese business on the statistic of second-tier nodes. Nonetheless, Chinese businesses are much more at a good, expanding the focusing point on their second-tier nodes than Japanese businesses since there is 15.213% of third-tier nodes percentage from them while the alternatives hold only 10.978%.

Consistent to the statistics of 'addition factors' in the table (a), numbers in table (b) shows that Chinese businesses are more aware of other possible factors that affect its overall business resiliency under unexpected emergencies than Japanese businesses for their percentage of second-tier nodes and third-tier nodes are higher than Japanese businesses.

7.4 Comparisons of the Cases on the Dimension of Industry

Comparisons with Discussion Based on Numerical Statistics

<table>
<thead>
<tr>
<th></th>
<th>Secondary -Tertiary Industry (Calculated to three decimal places)</th>
<th>Tertiary Industry (Calculated to three decimal places)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>46.334</td>
<td>45.907</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>25.98</td>
<td>24.62</td>
</tr>
<tr>
<td>CSR</td>
<td>9.582</td>
<td>9.47</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>18.102</td>
<td>20.003</td>
</tr>
</tbody>
</table>

(a) Average Percentage of Number of the Coding Reference of the Studied Cases

<table>
<thead>
<tr>
<th></th>
<th>Secondary -Tertiary Industry (Calculated to three decimal places)</th>
<th>Tertiary Industry (Calculated to three decimal places)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Resilience</td>
<td>41.772-42.256</td>
<td>37.437-44.350</td>
</tr>
<tr>
<td>Additional Factors</td>
<td>23.346-20.968</td>
<td>27.807-24.280</td>
</tr>
</tbody>
</table>

(b) Average Percentage of Second Tier Nodes and Third Tier Nodes of the Studied Cases

Table 7.4 Difference on Average Percentage on Several Issues of the Studied Cases
In this section, Table 7.4, which includes numerical statistics root in Table 7.1 and Table 7.2, will be discussed in a manner of industry distribution of the businesses from China and Japan. Before interpreting the detail information revealed by the statistics from Table 7.4 below, three critical issues need to be clarified:

1. In this research, categorizing all of the studied companies with a clear boundary of the single general industry is not practical, since some companies operate their businesses in secondary industry and tertiary industry simultaneously.

2. Data overlap may occur since part of industry attributions that the businesses categorized under the column of the secondary- tertiary industry are similar to the ones under the column of tertiary industry.

3. Statistics of the tertiary industry are all contributed by Chinese businesses.

According to the table (a) of Table 7.4, in terms of average, businesses from secondary- tertiary industry and tertiary industry of both nations share highly close importance of business resilience that influences on overall business resiliency in business emergencies. Same for the factor of business strategy, only with a slight deviation compared to the previous factor. The factor of CSR follows the identical statement of the above two. Nevertheless, businesses from the tertiary industry regard the importance of additional factors a bit over firms distributed in the secondary-tertiary industry.

Table (b) of Table 7.4 provides further insights into the depth of understanding on each topic of the analyzed businesses. It is interesting to see that businesses in the tertiary industry are not good at establishing rich sub-concepts of business resilience, as they belong to secondary or tertiary industries. However, they are more capable of digging into the meaning of the sub-concepts that have maintained than businesses in the control group. While observing the factor of business strategy, businesses from the secondary-tertiary industry have a deeper understanding of both tiers of nodes than the firms from the tertiary industry. Moreover, the extent of the deviation of such understanding is further widened on the third tier nodes. Regard on CSR, both groups share highly constant awareness with mild differences on both second-tier nodes and third-tier nodes. Nonetheless, when additional factors jump into consideration, it is evident that businesses in the tertiary industry are implanted with more ideas than businesses from secondary-tertiary industry on both tiers of nodes. This phenomenon implies that companies in the tertiary industry are more sensitive to factors other than business resilience, business strategy, and CSR than the businesses categorized in its control group.

**Chapter 8 Implications**

In this chapter, discussion on implication, academic and practical, enlightened from the overall research process, would be given. Noticeably, an individual implication is not necessarily either academic or practical; for some, it can be both.

**8.1 Academic Implications**
Implications, mainly a new-spotted phenomenon and pieces of existing-theory complementation, will be highlighted in this section.

8.1.1 the Grounded Theory for Management Studies in China and Japan

As concluded in Section 4.2.4, a hybridized version of GT has been applied in this research. Nevertheless, during the holistic interview journey, this research finds that the social connections that researchers have would influence on the data quality while applying GT approach. For example researchers funded by the government could reach much more critical data than researchers who do not obtain such an advantage. In other words, researchers share close connections with research interviewees are more likely to discover ‘hidden’ stories in businesses. Moreover, the social connections could affect on the role researcher, which could allows researchers to connecting business with ambiguity. In the research practices of this dissertation, the author contacted the studied businesses with senior personnel in business field in both countries. Hence, by adding the dimension of the identity of the researcher based on reality, a new type of GT approach called the Neutral Grounded Theory is proposed in this research.

### Table 8.1 Contents of Neutral Grounded Theory

<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Elastic, utilize a wide range of data with objectivity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher</td>
<td>Should have some or specific preoccupation before start the research process.</td>
</tr>
<tr>
<td>Timing of Reviewing Literature</td>
<td>Reviewing previous works is mandatory before kicking-off the research process.</td>
</tr>
<tr>
<td>Setting Research Questions</td>
<td>Concreting the research questions before data collection is necessary.</td>
</tr>
<tr>
<td>Interview Techniques</td>
<td>Using clear-guided manual help to valid research questions.</td>
</tr>
<tr>
<td>Coding Process</td>
<td>Practicing two major codings stages-substantive coding and theoretical coding, while caring for the reconciling and integrating the concepts from data simultaneously.</td>
</tr>
<tr>
<td>Social Relationships</td>
<td>Interviewers (researchers) will be more likely to acquire information with more secrets if they share close relationship with interviewees. Relationship closeness dependent.</td>
</tr>
</tbody>
</table>

8.1.2 Relationships Consist of Resiliency under Business Emergencies

Originated from literature reviews of this research, in Chapter 2, the number of questions that regard the relationships between business strategy to resiliency, business resilience to resiliency, and CSR to resiliency are designated to be answered. Throughout the overall research, answers to those questions are revealed by analyzing organizations via studying on data provided. First and foremost, on relationships between business strategy to resiliency are regulated by different mind approaches of business leaders, size of companies, and business cultures. In China, according to
the findings from the studied businesses, it is clear that the market expansion mindset dominates most business leaders. That is to say; they value the efficiency of deploying resources more than other considerations. While stories among Japanese businesses in this research are quite different. Though, as well, Japanese businesses do care about resource deployment efficiency, they all have prepared routines related to business resilience in documents.

To respond to detailed research questions in Chapter 2, Chart 8.1 offers integrated information on resiliency models of Chinese businesses and Japanese businesses containing elements of business strategy, business resilience, and CSR.

Chart 8.1 portrays mechanisms of business resiliency elements in both countries. On the one hand, in China, the mechanism is not as constructed as Japanese since the interactions among elements of business resiliency are less intensive. However, the uncovered interaction in Chinese framework is clear:
1. Practices and structures of business resilience and CSR are determined by business strategy.
2. CSR has some mild impact on business strategy.
3. Certain connections exist between business resilience and CSR.

On the other hand, the Japanese framework is a bit sophisticated as follows:
1. Business strategy dominates the deployment of business resilience and CSR.
2. CSR could play its role while deciding on business strategy.
3. Business resilience could play its part while deciding on business strategy.
4. The mild connection between business resilience and CSR exists.

![Diagram](image_url)

(a) Epistemological Framework of Chinese Businesses

Expressing the Framework (a) by Interviewees

On business strategy:

“There then the management mobilizes the resources of all parties, and decide the departments that will deal with crises, instead of the departments making their own decisions. It must be a unified step.”-Personnel of PR Sector, the Company A
“From the marketing perspective, we focus on the relationship with our important customers. This is a problem in the customer relationship network, because the customers’ needs are always our concerns.”-Mr. Fang, LUTEC

“That is to say, in Vietnam, the market should be developed as comprehensively as in China. So I followed the steps of Alibaba to Vietnam to open a shop. We didn't sell in foreign markets before.”-Mr. Ye, Palcent

“As we all know, we exist because of the customer's welcoming, and because of the customer's needs; when the customer is not welcome and does not need us, we have no survival value in society.”-Mr. Hua, ZhongDa

On business resilience:

“I always feel that crises cannot be wholly prevented. Many companies are dealing with crisis prevention and public relations, but most of them are just comforting the enterprises themselves because nobody knows where the problem will happen. What we need is to respond and deal with it in the shortest time.”-Personnel of PR Sector, the Company A

“For General Manager Fang on crisis dealing, our company, for so far, have not endangered by the crisis, which means we neglect the consideration on crisis dealing and respective drill. So I cannot tell his performance on your question, but there exist differences between experience on crisis managing and preparedness on crisis responding.”-Ms. Chen, LUTEC

“It's not yet planned, but you reminded me today that I really need to discuss this matter and prepare a plan in case of a public relation crisis. Because nothing had happened, we're going to change this time by accepting criticism from others.”-Mr. Ye, Palcent

“We don't have a document concentrating on the crisis, but we will feedback that we should vigorously develop branch companies and develop joint ventures with other companies. Then, we make suggestions together. We have this process, but not necessarily for the crisis, but in fact, it extends the theme of this problem, that is, to prepare the process of business channel development.”-Ms. Pan, ZhongDa

On an additional CSR focusing group

“It is meaningless for me to comment on wicked ones when I know my competitors are the commentators. I don't need to comment on it. However, nowadays, there are a lot of bad reviews, aren't there? The only thing we can do is to correct the mistakes, if any, and keep the good record if none has been committed accordingly.”-Mr. Ye Palcent

Expressing the Framework (b) by Interviewees

On business strategy:

“However, as I said then, when the earthquake, materials will be lacking, we used alternative materials to cope with it soon, created a system to supply the materials, and established connections between material companies and so on.”-Mr. Uda, FANCL

“New technologies such as AI can be alternative to our main product, medical endoscope. We (Olympus) have to accelerate the innovation to prepare such a situation. We are doing medical equipment business globally and regulatory compliance is very important.”-Mr. Horiuchi & Mr. Koike, Olympus

“It is because by increasing satisfaction of employee, increasing the loyalty of employee to the
company, to all of the stockholders, and to the whole company as a family, we can heading to a good direction.” - Mr. Uemura & Mr. Igarashi, Shiseido

“On the other hand, in the situation, as expected, there is a possibility that a new technology will be invented and a product, a technology, a solution, or the relationship of a service with a customer will be changed, which we using the existing medical technology introduce to the world.” - Mr. Ohyama, Sysmex

On business resilience:

“There is an inner governmental committee, under it, there are many sections like corporate ethics, information security and various information is collected through them.” - Mr. Uda, FANCL

“Our main manufacturing facilities in Fukushima prefecture, from the experience on great East Japan earthquake we planned to establish the strengthened factories against the natural disasters and will be completed in few years.” - Mr. Horiuchi & Mr. Koike, Olympus

“I visit them again and again and tell them my opinions frankly. I don’t believe that we will have crisis but we are strongly conscious on them. I will tell my opinions frankly if there were risks that cause troubles to customers, and losing trust on us for 5 years or 10 years while we perused immediate profit.” - Mr. Uemura & Mr. Igarashi, Shiseido

“When it comes to other companies, we make a case study of a crisis or accident of other companies. Recently, we conducted a case study that we see the quality issue such as Kawasaki Heavy Industries’s and Kobe Steel Group’s in the Sysmex position.” - Mr. Ohyama, Sysmex

(b) Epistemological Framework of Japanese Businesses

Figure 8.1 Epistemological Framework of Business Resiliency Element in China and Japan

Note: Arrows with solid lines refer to strong causality; arrows with dotted lines refer to mild causality; dotted lines refer to the mild connection

Expressing Relationships of the Both Frameworks

According to the contents of the conversations, on-record, and off-record, with the research participants, relationships among business strategy, business resilience, and CSR are revealed.
In Chinese businesses, activities of the companies are mainly derived from the purpose of maximizing revenue, while internal guidance on business resilience is absent without concrete notions. Therefore, the business strategy could directly impact the performance of business resilience, while business resilience cannot affect the settings of business strategy. On the other hand, social responsibilities required by different groups of stakeholders in China make Chinese businesses consider CSR into the contents of their business strategy, and thus CSR could somehow influence business strategy in Chinese businesses.

Though the mission of Japanese businesses is the same as that of Chinese businesses, Japanese business leaders and managers design specific guidelines regarding business resilience. Hence, routines and plans relate to business resilience could somehow contribute to formulating the strategic business landscape in Japan.

As for the relationship between CSR and business resilience in firms of both nations, it is considered as interrelated. However, concrete evidence to support such a relationship is missing. Therefore, the relationship is not clarified.

8.2 Practical Implications

8.2.1 Over the Outbreak of the COVID-19

Though the unprecedented spreading of COVID-19 torturing the whole is not the case mentioned in this research, acquiring organizational resiliency is the lesson that the business world, even for other groups and communities, could learn. Similar logic could simulate or even apply to business emergencies enlightened by such an ever-experienced virus threat. Like COVID-19 to many nations, businesses would be less likely to prepare plans for response to the worst-case scenario; instead, minds of how to increase revenue, how to expand market ratio, how to propaganda their products to designated customers are always their business priorities. Nevertheless, once breakout the crisis event(s) with significant adversities, companies will be highly sensitive to the difficulties they confront with no response or response full of ambiguity. Then further deteriorate the progress of crises responding, leading to being far away from recovering from chaos. Thus, the mindset of being resilient is challenging the principle of current management from to full use of the resources that businesses have to grasp the business interests at utmost to draft the worst scenario and prepare a redundant resource for that to come.

Except for the bring in the mindset of resiliency, considering attacks from bio-environment should be put into the picture of resilience as well. Because plenty of big companies are facing a tough time, some have even declared bankruptcy due to the outbreak of COVID-19 or the sequent phenomenon of COVID-19. SMEs are experiencing hell-like time since the labor mobility, manufacturing ability, and market demand has either been frozen or disappeared. Although it may seem impossible to discover a resilient path to lead SMEs to walk out from current dark hours, it is critically valuable to them to seriously consider sustainable business models that can enable themselves to survive under an environment that is glutted with uncertainties.
8.2.2 Providing An Analytical Business Resiliency Structure

Business resiliency is a systematic concept that contains different elements. Business managers would find it is challenging to crack down the analysis on the term without an analytical framework or mechanism. Hence, by concluding the research results of this dissertation, companies could uncover the starting point to discuss its business resiliency in crises situation from the view of business strategy, business resilience, and CSR.

Moreover, by accumulating the number of business cases, an individual company in case base distributed in distinct industries from China and Japan would be able to find its performance on business strategy, business resilience, and CSR, then compare it to its average performance industry or in each country. By implementing such a process, firms can realize its advantages and disadvantages on its organizational resiliency in the overall business circumstances, thus proceed enhancement accordingly.

8.2.3 Challenging Common Sense

Throughout all of the case analysis, a finding that challenges the common sense in industry and academia reveals. In common sense, Japanese businesses are far better on concerns of CSR than Chinese businesses with a long history. However, both data concluded in this research and the contents of interview scripts show that it is Chinese business leaders and managers have thought, and they are still thinking about structuring an effective CSR system to their businesses. On the one hand, the simple quantitative data revealed in Chapter 7 clearly illustrates that leaders and managers of Chinese businesses do think, analyze, and foresee the business CSR structure more than Japanese business leaders do. One the other hand, based on the interview script, in the CSR section of the questionnaire, business managers in Chinese companies are more capable of speaking CSR related topics. Besides, a piece of interesting observation was witnessed as a supporting for this main statement is that it takes less time for business managers in Chinese firms to understand and answer questions on CSR than those in Japanese businesses under the constant circumstance.

Nevertheless, such a phenomenon may be derived from the deviated development of business regulations regarding CSR in each nation. In Japan, the CSR topic is comparatively matured, so business managers are less likely to explore beyond the current border of CSR topics. Meanwhile, in China, since the pre-mature regulation on CSR, business managers are inspired to consider the term from various perspectives based on the business environment in China.

8.2.4 Chinese Businesses May Become More Resilient under Uncertainties

Though it is subject to conclude that Chinese businesses are, in fact, more resilient than Japanese businesses in a general manner, this possibility remains. Uncertainties keep rising in the up-to-date world, which means the whole world, including the business sector in both countries, is in high dynamics. Thus, the importance of paying attention to the changing circumstance is highlighted more than ever. According to the quantitative data, the author of this research spotted that business
managers in Chinese companies are more aware of environmental fluctuations by mentioning more topics beyond business strategy, business resilience, and CSR while considering business crisis scenarios. Chinese managers are more inclusive of unusual, unprecedented, and temporary methods that may function to resolve crises than Japanese businesses. While Japanese businesses are more likely to be constrained by without authorization.

Whatsoever, the potentiality of merging the Chinese method of crisis responding with the Japanese one exists due to the same purpose-make business survive in crisis-with some shared business commonalities.

8.3 Acknowledgement

This research practices grounded theory on analyzing academic research questions in the field of management study with research conclusions and findings. However, it is far from perfect research due to the following two main reasons:

1. Though it has reached the threshold of deploying case study methodology supported by grounded theory, the number of business cases is limited. In other words, the validity of the quantitative data-driven by qualitative data of research has the space to improve.

2. There is lacking blueprint to conduct grounded theory on the research topic as this research; some inappropriateness could be evident to other experienced researchers.

Except the information of the Company A and the personnel from public relation of the company as the research participant, all of the rest research participants have granted the author of this dissertation to use the information of them and provided by them as follows (names of the interviewees are expressed in the order of surname followed by given name):

**ZhongDa Construction Engineering Firm:**
- Mr. Hua Zhongxin, the President
- Ms. Pan Yaping, Deputy General Manager
- Mr. Zhang Guoquan, Deputy General Manager

**LUTEC**
- Mr. Fang Yi, the General Manager/the Head of the Marketing Division
- Ms. Chen Tiaofeng, the Vice General Manager
- Mr. Chen Chunchao, Deputy General Manager of the Manufacturing Center
- Mr. Song Yinjie, Manager of Designing Division

**Palcen Group**
- Mr. Ye Huizhong, the Chair of the Board
- Mr. Jiang Jinbo, the Head of the Human Resource Division
- Ms. Jiang Lifang, the Supervisor of the Finance Division

**FANCL**
- Mr. Uda Masaki, Division Manager of the Research Promotion Division of the Fancl Research Institute

**Olympus**
- Mr. Horiuchi Katsuji, General Manager of the Technology Strategy Planning Dept. Of the Technology Innovation Office
Chapter 9 Conclusion

This research focuses on studying business resiliency under business crises due to product or service default originated from companies by deploying qualitative methodologies-case study conduct by grounded theory-from perspectives of business strategy, business resilience, and CSR among businesses in China and Japan.

Initiated from discussing research motivations and following research questions, Chapter 2 highlights the economic importance of China and Japan, as the dominant economic players in East Asia, with the necessity to enable businesses in both countries to sustain with resiliency.

After sub-categorize the detailed research directions, in Chapter 3, typical theories on business strategy, business resilience, and CSR are retrieved based on the timeline, which functions as the ground of uncovering relationships of the three topics that could wave into the theory of business resiliency under business crises and emergencies.

Chapter 4 provides the picture of research methodologies utilized in this study, including literature reviews on grounded theory, reasons for using qualitative research of this project, ways and tools of data collection and data process, and the research questionnaires.

Chapters 5 and 6 depict particular business cases in China and Japan regarding how the research topic is processed as regulated. In China, four individual case-LUTEC, Palcent, Zhongda, and Company A (anonymous)-are offered. Similarly, in Chapter 6, the case of Shiseido, Olympus, FANCL, and Sysmex is introduced. Conception structures presented with node layers, as well, are inserted.

Chapter 7 visualizes the qualitative data and interprets quantitative data from qualitative ones while discovering some critical, mind-changing results, which are further analyzed with more specifications in Chapter 8 in forms of implications.

To conclude, this research devotes to build resiliency structure for the business to overcome business crises and emergencies not by second-hand data but first-hand data. Meaningful discoveries, academically and practically, were concluded. Meanwhile, this research contributes to enrich the practice of studying management questions via qualitative research with grounded
theory in China and Japan, which could be considered as another promising academic path in the discipline. Nevertheless, data and findings concluded from the current number of cases could be further complemented by additional individual cases so that the research conclusions could be further enhanced. Moreover, since the research methodologies, as a combination, used in this research are relatively new; hence, the consequences spotted in the research could be natural to challenge.
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