

**CHINESE FAMILY BUSINESS:
CORPORATE GOVERNANCE, SUCCESSION,
AND A NEW GENERATION OF ASIAN LEADERS**

Mgmt 833 Family Business Final Term Paper

Professor William Alexander

Jennifer Chiang, April 2007

The 21st century is often heralded as the Pacific Century. The East Asian “miracles” of Korea, Taiwan, Singapore, and Hong Kong in the 70s and 80s, coupled with the meteoric rise of China’s economy in the last two decades, have stirred increasing attention to Asian business, and in particular, Chinese business. Outside of the Greater China region¹, the strong economic dominance of overseas ethnic Chinese Southeast Asia has also spurred interest in the Chinese diaspora or “bamboo network”. For example, in Thailand, Indonesia, Philippines, and Malaysia, ethnic Chinese represent only a minority of the population, but control a majority share of the countries’ economic GDP. According to Fujitsu Research of Tokyo, ethnic Chinese control an overwhelming share of the publicly-listed companies in Southeast Asia, including Thailand (81%), Singapore (81%), Indonesia (73%), Malaysia (61%), and the Philippines (50%) (Amaral, 2007). Most importantly, the defining characteristic of these ethnic Chinese businesses is the prevalence of the family business model. In fact, most of the largest conglomerates and small-medium enterprises in Hong Kong, Taiwan, and Southeast Asia are all family businesses, or the recently-termed “Chinese Family Businesses” (CFBs) (Gatfield and Youseff, 2001). Thus, to understand the growing dynamism of economic development in Asia, it is imperative to understand how the family business operates.

CFBs share many common characteristics, the most important ones being familism (predominance of family at the expense of other social relationships), frugality, and hard work. In the late 90s following the Asian Financial Crisis, academia research began to advocate the major limitations of Chinese family business management practices in prohibiting further growth, namely *paternalism*, *nepotism*, *personalism*, and *fragmentation* (Yeung, 2000). This paper seeks to analyze and contrast each of these CFB limitations through the framework of corporate

¹ Greater China region includes mainland China, Hong Kong, Macau, and Taiwan.

governance tools and succession transition used in Western family businesses, specifically the board of directors, family-involvement policy, compensation plan, and finally, leadership and ownership transition. Finally, this paper offers suggestions for the next generation of Asian leaders to further grow their family businesses.

I. IMPACT OF CONFUCIANISM ON THE CHINESE FAMILY BUSINESS

The rise of China's economy, along with the continuing success of Hong Kong, Taiwan and Singapore, has prompted discussion about the Confucian roots of success. Confucianism is not a religion, but rather an ideology that has pervaded and guided Chinese culture for the past 2,000 years. Indeed, Confucianism can be viewed as the essence of *being* Chinese: it is woven into the very fabric of Chinese society (Yan and Sorenson, 2006). Confucianism defines the five core social relationships: father and son, ruler and ruled, husband and wife, older brother and younger brother, and friend and friend. With the exception of the last relationship, every relationship is defined by a strict hierarchy.

There are 4 key Confucian ideologies that have had the most profound impact on the traditional Chinese family business (Yan and Sorenson, 2006).

- ***The family is the basic unit of society.*** Familiness is the foundation of Chinese culture. Family is always more important than any individual member: the will of an individual is always subordinate to the group. Business implication: Ownership and management is controlled by family members. Family harmony is the most important.
- ***The parent-child relationship is defined by filial piety and submission.*** Filial piety (*xiao*) and submission (*xun*) is the cardinal virtue, superior to all other virtues such as love to spouse

and devotion to ruler². Business implication: It is very difficult for the younger generation to contradict or go against the wishes of the older generation.

- ***Other social relationships are characterized by reciprocity and trust.*** The golden rule of “do not do to others what we would not want others to do to us” is centered on reciprocity. Trust is crucial in establishing relationships (*guanxi*). Business implication: Reliance is on word of mouth, reputation, and honor, as opposed to written contracts and legal recourse in the West.
- ***Equal inheritance of family property by all male heirs.*** All male children have equal rights to inheritance, which underlies the concept of co-parcenary (*feng jia*). Sons are expected to cooperate with each other and share equally in the rewards. Business implication: Co-parcenary leads to large, extended family clans, but also has serious hindrances to the longevity and viability of the family business.³

Through all social spheres, Confucianism emphasizes filial submission, loyalty, duty, harmony, consensus, reciprocity, and trust. These values transcend into the business landscape, and even today, CFBs are governed by these traditional rules: adherence to hierarchy, deference to seniority, emphasis on group harmony over individualistic achievements, and reciprocity and trust in *guanxi* networks⁴. Finally, the Confucian work ethic and the emphasis on education have also been touted as success factors underlying Asian family businesses.

² From my own personal experience, filial piety was ingrained in me at a very young age. My mother’s favorite phrase was *xiao xun*, or filial submission. As a teenager during my rebellious years when I tried to “reason” with my mom, she interpreted that to be a sign of non-submission, or *bu xiao*.

³ The impact of co-parcenary will be explored in great detail in the “succession” part of the paper.

⁴ As will be discussed later in the paper, these traditional values are facing change with the coming to power of the new, Westernized generation.

II. CORPORATE GOVERNANCE TOOLS: ASIAN VS WESTERN FAMILY BUSINESS

Since the Asian Financial Crisis in the late 1990s, calls for better corporate governance have been gaining ground. More scrutiny focused on the underlying characteristics of Asian family businesses that led to ineffective corporate governance policies, extending beyond Chinese CFBs to Korean *chaebols* and Japanese *keiretzus* as well. As mentioned previously, the four limitations to Chinese family business growth have been identified as paternalism, nepotism, personalism, and fragmentation (Yeung, 2000). Each of these Chinese management characteristics can be contrasted with a Western best-practice governance tool in family business. By adopting a set of “hybrid” governance tools, hopefully CFBs can overcome its traditional restrictions.

Paternalism → Implications for the Board of Directors

Most CFBs are still dominated by the founder-entrepreneur who reigns as the patriarch over all aspects of the business. Decision-making is centered on the patriarch, and leadership is directive and authoritative. Paternalism reinforces the organizational rigidity and hierarchy of the family business system: the patriarch often dominates the board room at the expense of minority shareholders. This is further compounded by the family’s innate distrust of non-family outsiders. “There is reluctance to bring in professional managers because this requires reaching outside the bonds of the family, where trust is low” (Yeung, 2000).

As a result, the majority of CFB boards are “rubber-stamp” boards with no real monitoring mechanism. Most of the directors are family insiders whose chief concern is the family welfare,

and not the rights of minority, non-family shareholders. This is a common phenomenon not just in Chinese family businesses, but also prevalent in Korean family-dominated *chaebols*. According to Asiaweek Magazine, for example, Samsung Group appointed outside directors to its board for the first time in the late 1990s after the Asian Financial Crisis (Lee, 2001).

Asian board of directors can be understood within the *control model* of corporate governance, in stark contrast with the *market model* of governance prevalent in the US and UK (Lane, Astrachan, Keyt, McMillan, 2006). Most family businesses in the US utilize a hybrid control-market model of governance. The following table illustrates the main differences between the two models.

Control Model	Market Model
Asia, Europe, Latin America	US, UK
Concentrated shareholder base	Widely dispersed shareholders
Illiquid ownership	High ownership liquidity
Elements of Governance	Elements of Governance
Secretive	High level of disclosure
Focus on long-term strategy	Focus on short-term performance
Insider board members	Independent, outside board members
Significant overlap of ownership & mgmt	Separate ownership & mgmt

Source: Lane et al., June 2006

Reformers in both Asia and the West have increasingly called for a market-based model of board of directors, including increasing transparency and financial disclosure through the appointment of independent, outside directors. However, there are limitations to this Anglo-Saxon market-dominated model: 1) it overlooks the interest of its largest shareholder (the family), and 2) independent, outside directors cannot influence change without gaining the trust and cooperation of the owner-manager. Thus, this paper suggests a hybrid board of directors. To overcome the patriarch's strong opposition to outsiders, possible solutions could include:

- Appoint competent insiders, but not necessarily family members, instead of independent outsiders.
- Instead of a formal board of directors, informal councils of trusted insiders and business friends can also be utilized.
- Key to success in a family business board is the ability of the directors to engage in open, meaningful, two-way communication with the patriarch. To influence change, board directors must understand and attend to the family's collective needs (Lane et al, 2006).

Nepotism → Implications for the Family Involvement Policy

Nepotism has often been quoted as an obstacle to the growth of Chinese family firms. “A single family, no matter how large, capable, or well educated, can only have so many competent sons, daughters, spouses, and siblings to oversee the different parts of a rapidly ramifying enterprise” (Fukuyama, 1995). Nepotism is partly the result of the overarching emphasis on family. Instead of promoting the experienced, non-family executive, the family appoints an incompetent family member to run the business. Again, nepotism is not just limited to CFBs but also extends to other Asian family businesses. A 2001 Asiaweek cover story described how Samsung Electronics appointed Lee Jae Young, the 34-year old graduate student heir-apparent of Samsung chairman Lee Kun Hee, as the Vice President of Corporate Strategy. This appointment came despite the fact that Samsung had just bailed Jae Yong out of struggling dotcom investments made with Samsung capital.

In Taiwan, many members of the 3rd generation of huge family conglomerates graduate from Western universities and enter the family business as *Special Assistant to the Chairman*, usually their fathers or uncles. Most of the time, these positions are created especially for these college

graduates despite the 3rd generation's lack of experience. These special assistant positions carry great visibility within the organization, and usually spearhead firm-wide strategic initiatives.

Western best-practice in the form of a *family involvement policy* can greatly benefit Asian family businesses. Instead of *creating* high-level, senior positions for the next generation, specific criteria should be established for employment opportunities within the family business. For example, requirements such as a college education and certain number of years of outside work experience should be firmly stipulated at the outset. Most importantly, positions should not be created to accommodate the next generation: this could hinder true empowerment of the successors and evoke resentment from competent professional managers.

Personalism → Implications for Human Resources and Compensation Plan

Traditional Chinese family businesses are characterized by personalism and ad hoc decision-making. In stark contrast to Western management practices which is centered on rules, contracts and professionalism, Chinese management style is governed by informal, implicit regulations that can be interpreted differently in distinct circumstances. In the absence of standardization and explicit rules and regulations, Chinese businesses lack the institutionalization of formal organizational structures. Although this does not pose a serious problem in the early stages of a firm, the lack of objective and formal standards becomes a major hindrance to the continued expansion of the company once it increases in size and complexity.

This is most apparent in the management of human resources. In many CFBs, there are surprisingly few or no formal evaluation policies for its family and non-family employees, resulting in lack of accountability. Compensation for family members is not officially codified

nor pegged to any performance metrics, and is mostly at the whim of the patriarch. Non-family rank and file employee compensation is based solely on “impressions” of their direct manager. In a US consulting study for a huge Taiwanese family-run financial conglomerate, there was almost no pay differentiation between the top and worst performers. In fact, the average difference between a top and bottom performer was only two weeks of salary.⁵ For senior executives, under-the-table “red envelopes” was directly given by the Chairman and CEO at their sole discretion without objective performance standards.

A clearly-defined compensation plan, with objective and measurable performance standards, would be highly beneficial to most CFBs. Formal evaluations that are transparent to both family and non-family employees must be established and conducted on an annual basis. Compensation should be pegged to performance standards, and be redesigned to reward the top performers while appropriately punishing the laggards. However, compensation reform should be done gradually over the course of several years. Chinese traditional values of group harmony must not be undermined: the super-star, celebrity executive of the West is highly frowned upon in most Chinese businesses.

III. SUCCESSION: ASIAN VS WESTERN FAMILY BUSINESS

The last prohibitive CFB value often touted by researchers has been *fragmentation*, which is most relevant in the context of succession. Succession is one of the most researched subjects among the literature on Asian family businesses. In particular, succession within Chinese family businesses has garnered much academia interest because of its striking track record of failure. The old Chinese saying of “*fu bu guo san dai*” (“family wealth won’t pass through three

⁵ For example, a top performer’s bonus could be an additional 3.5 months of salary, while a bottom performer still received an additional 3 months of salary as bonus.

generations”) is a commonly quoted phrase to illustrate the short lifespan of family business and wealth. Empirical evidence suggests that CFB successions are typically value-destroying and short-lived.

Delayed succession planning. In a family firm project conducted by the Chinese University of Hong Kong (CUHK) and Hitotsubashi University, publicly listed companies in Hong Kong (60), Singapore (50), Taiwan (150), and Japan (300) were analyzed extensively. In the case of Hong Kong CFBs facing transition from 1999 to 2003, the average patriarch age at turnover in the last decade was a staggering 79.5 years old, which suggests that the majority of these patriarchs put off succession planning until their 80s (Fan, 2006).

Value-destroying. In addition, most successions in Hong Kong and Taiwan have been value-destroying. The family firm project tracked the long-term stock performance of 38 Hong Kong family businesses (8 years before to 5 years after the turnover) and 157 Taiwanese family businesses (5 years before to 3 years after the turnover). Both analyses illustrated that the long-term stock performance plummeted significantly in the preceding and successive years⁶ (Fan, 2006).

Short lifespan. Finally, there has been strong evidence highlighting the short lifespan of the CFB. In the early 1990s, more than half of the market capitalization was controlled by 10 family groups, 7 of which were ethnic Chinese. Without exception, all of these groups were 1st generation, established during the previous three decades (Chau, 1991). The other 3 non-Chinese firms groups (Swire, Keswick, Kadoorie Groups) were in Hong Kong since the 1800s

⁶ In the Hong Kong data set (38 family businesses), stock performance declined by ~80% (from 8 years preceding turnover to 5 years after turnover). In the Taiwan data set (157 family businesses), stock performance declined by ~30% (from 5 years preceding turnover to 3 years post-turnover) (Fan, 2006).

and have continued their success for over 100+ years. In contrast, Chinese groups such as the Kwok family⁷ that were ranked alongside British groups in Hong Kong for 50 years had all succumbed by 1989 under poor operations and heavy debt. None of these original CFBs were in the top 10 family businesses by the early 1990s (Chau, 1991).

Ownership Transition

Fragmentation, or the practice of co-parcenary (*feng jia*), can partly explain why CFBs are short-lived. Co-parcenary means the equal division of family assets among all male heirs (Chau, 1991). This tradition developed during imperial China as a reaction to the tax policy and to uphold private land ownership (Chau, 1991). The original taxation was based on the number of males in each household: the greater the number of males, the higher the taxes. Co-parcenary evolved to reduce taxes by permitting the tax burden to be split equally among the sons, and to reduce the number of males in each household. Furthermore, it was a deliberate policy by the bureaucratic elite to uphold widely-dispersed private land ownership to prevent the rise of another elite class.

Feng jia has important repercussions on CFB ownership transition.

- *Contributes to sibling rivalry.* In practice, the division of the estate is rarely equal. The eldest son typically gets the largest share, or inherits the crown jewel in the family business group. Sibling rivalry can be particularly intense amongst the younger siblings⁸.

⁷ Owner of Hong Kong's largest chain of stores and trading company at the time, Fung Ping-Fang Co.

⁸ Sibling rivalry amongst the 5 brothers of the Shin Kong conglomerate (Taiwan) made ugly headlines in recent years, as several brothers banded together to form alliances to block one brother. In the end, the mother had to settle the dispute in a face-losing situation.

- Fragmentation of economic resources. Co-parcenary leads to fragmentation of economic resources. After two of three generations, the diluted inheritance may not be enough to shield the separate businesses from economic slumps.
- Widely-dispersed ownership rights. Under the widely-held Western family business model, most family members become passive investment holders with only one dominant family member as the CEO/leader. In contrast, the Chinese CFB dilutes both the ownership and management, meaning that separate family branches inherit and manage distinct parts of the business group. This results in a downsizing of the firm over many generations, and contributes to the short lifespan of the CFB.

As an illustrative case study, Hong Kong's shipping tycoon Sir Y.K. Pao (net worth of US \$1.5B in the early 90s) owned a sprawling conglomerate including one of the world's largest fleets of container ships, the Omni Hotel chain in the US, department stores, and a wide range of financial concerns (Chau, 1991). Pao had no sons but four daughters. As part of his succession, he split his business empire into four separate parts to pass to each of his four son-in-laws. In an interview, Pao remarked, "I thought it would be better to let each one manage something separately" (Chau, 1991).

In contrast, traditional Japanese and European succession systems followed the principle of *primogeniture*, in which only the eldest son inherits the estate. In Japan, primogeniture is rooted in Japan's decentralized unification political system exemplified by the shogun period (Chau, 1991). Primogeniture is most similar to the American *closely-held* family business, in which each generation has one dominant family member that typically buys out his or her siblings' shares. Of course, the key difference is that the ultimate successor is determined by competency

and not through birth-order. The primogeniture system prevents sibling rivalry, encourages capital accumulation, and contributes to the longevity of the family businesses. It is perhaps no coincidence that the Henokiens currently consist of only European and Japanese firms.⁹

Leadership Transition

A classic framework for determining the incumbent's attitude towards succession includes the incumbent's sense of financial security, self image, life stage, and attitude of key stakeholders. This framework can be applied to explain why succession in Chinese family businesses has been exceedingly difficult, and why planning has been delayed.

- *Sense of financial security.* Most Chinese family businesses in Hong Kong and Taiwan and Southeast Asia have only risen in the last three to four decades following the end of the Chinese civil war when millions of Chinese migrated abroad. Hence, most CFBs today are still controlled by the 1st generation founder-entrepreneur, and are only now beginning to slowly transfer power to the 2nd generation. The 1st generation founder typically has experienced traumatic political uncertainty¹⁰ and extreme poverty¹¹. Through hard work, frugality, and sheer determination, many of these founders have created huge businesses and amassed huge fortunes. Having grown up in poverty and political turmoil, however, these founders never feel financially secure and feel the need to maintain control until the very end.

⁹ (<http://www.henokiens.com/>)

¹⁰ Sino-Japanese War (WWII) lasted 8 years from 1937-1945, followed immediately by the Chinese Civil War between the Communists and Nationalists from 1945-1949. During these times, personal land and fortunes were seized by the state. In Southeast Asia, ethnic Chinese have had to live through long periods of political uncertainty, often times marked by anti-Chinese riots, as with the case in Indonesia and Malaysia.

¹¹ Taiwan, Hong Kong, and Singapore were considered third world countries until the 70s and 80s when their economies drastically took off in the so-called East Asian "miracles". Many parts of mainland China and Southeast Asia today are still in extreme poverty.

- *Self-image.* Having worked hard his whole life, the incumbent's personal identity is tightly woven with the family business: the founder cannot separate his personal life from his business identity. Moreover, whereas in the West many retired CEOs turn towards philanthropy or civic involvement after retirement, these concepts have been gaining ground only in the past two decades in Asia.
- *Life stage.* Incumbents in their 70's and 80's, at the end of their lives, have the desire to be needed at all costs by their family. The best way to maintain control over his children is through continued management and ownership of the business.
- *Attitude of key stakeholders.* The key managers of CFBs are typically the incumbent's peers that have been loyal to the founder for the past several decades. These old guard employees view the younger generation suspiciously with their increasingly Western-educated backgrounds and experiences.

This framework provides a good explanation why most Chinese successions fail: most of these founders act as "monarchs" (Sonnenfeld, 1998). A monarch typically wields unchallenged control over all business decisions and family matters throughout their long reign of power, but experiences frustrations towards his career-end and cannot contemplate life after retirement. In addition to this classic framework, the following unique Chinese characteristics further compound the succession issue.

- *Confucian virtue of filial piety.* Filial piety and submission implies that the parent's opinion should always be honored and obeyed. This has had profound impact on CFB succession, as children are generally not permitted to openly challenge the parent, which makes it difficult for the next generation to persuade the older generation to relinquish control.

- *Early stage of Chinese firm development.* To a significant degree, American firms are at a later stage of development than its Asian counterparts: American firms have passed from founders' family leadership to professional management to capital obtained from the public markets (Mills, 2005). In this transition, Anglo-Saxon leadership has also increasingly been more transparent and receptive to public shareholders. It can be argued that the CFB is still in its infancy age in the evolution path of development, in which family and political connections outrank the rights of public shareholders. It is possible, but not certain, that CFBs will follow the same Anglo-Saxon evolution path.

Overall Implications for Chinese Family Business Successions

In order to facilitate smooth CFB successions for the future, many fundamental Chinese characteristics must be challenged, foremost among them the concept of co-parcenary. It may be beneficial to introduce the concept of buy-sell agreements between siblings to prevent dilution through the generations. The problems posed by leadership transition may be mitigated gradually through the natural evolution of Chinese family firms as more Western-educated 2nd and 3rd generation family members take over. Most importantly, however, the younger generation should encourage the older generation to start planning for retirement earlier, and help them find purpose outside of the business through philanthropy or other causes.¹²

IV. WHAT'S NEXT FOR CHINESE FAMILY BUSINESS: A NEW GENERATION OF ASIAN LEADERS

¹² This may be too much of a jump for 1st generation founders, as a lifelong of habits and beliefs may be impossible to change at this point. The transition from 2nd to 3rd generation should be much easier.

The new Asian leader is dramatically different from the 1st generation founder-entrepreneur. The meteoric economic growth and wealth accumulation in Asia over the last several decades have exacerbated the clash between generations. This is evident in a 2006 study conducted by INSEAD commissioned by ABN-AMRO Private Banking, in which 33 Asian high net-worth families from Hong Kong, Taiwan, Singapore, Indonesia, Malaysia, and India were interviewed. The following table summarizes the main differences between the 1st and 2nd generations.

1st Generation	2nd/3rd New Generation
Political turmoil, extreme poverty	Prosperity
Little to no formal education	Western, advanced graduate degrees
Frugality, sacrifice	Driving own dreams and goals
Collectivism	Individualism
Lifetime spent in family business	Keen to try out other careers
Business Implications	Business Implications
Trustee role: preserve wealth	Manager role: expand growth internationally
Distrust of public markets (IPOs)	Liquidity via IPOs
Control majority ownership	Comfortable with non-family shareholders
Abstain from debt (borrowing \$ is bad)	Debt is low cost of capital

Source: INSEAD/ABN-AMRO study, 2006.

The key challenge for these new Asian leaders is their ability to reconcile their Asian upbringing and values with their Western education and professional credentials. The process of implementing the right East-West hybrid will be the biggest challenge for these leaders. While the trend going forward is increasingly tilted towards professional management and market-based corporate governance, these leaders must still preserve the underlying Chinese values that have defined the CFBs for many decades. “Rather than being a hindrance, Chinese cultural values were the glue that held everything together and provided continuity” (Yeung, 2000). These values of frugality, welfare for employees, honesty, and group harmony collectively formed the backbone of the corporate culture of CFBs. To abruptly replace traditional

management practices with Western best practices would be highly disruptive and even destructive.

As an example, in Hong Kong, the most representative new Asian leaders are Victor and Richard Li of *Hutchison Whampoa-Cheung Kong*. Richard Li's father, Li Ka-shing, is Asia's richest resident, making the 2007 Forbes Richest list at #9 with a personal fortune of US\$23 billion. Truly a self-made man, Li Ka-shing started out selling plastic flowers in Hong Kong in the 1950s. Today, his conglomerate is the world's largest operator of container terminals, a major supplier of electricity to Hong Kong, a cell phone provider, retailer and real estate developer. Both of his sons are Stanford-educated and have introduced Western management practices while retaining many of Li's original core Chinese values. Furthermore, through internationalization of the family business¹³, it can be argued that the conglomerate gradually absorbed Western best-practices through its foreign headquarters first, which over time influenced the home headquarters as well (Yeung, 2000). Finally, Li Ka-shing himself has turned out to be quite receptive to succession planning. At age 78, he has already turned over most management control to his two sons, and recently announced plans to donate one-third of his wealth over time to philanthropic causes, which he refers to as his "third son" (Forbes.com).

V. CONCLUSION

To conclude, the Chinese family business has been the single most important engine of growth in the Greater China region and Southeast Asia. Family businesses played a key role in lifting Asian economies out of poverty by mobilizing scarce capital and displaying extraordinary entrepreneurship (Lee, 2001). However, as these CFBs increased in size and scope, they were

¹³ Hutchison Whampoa's international holdings consist of extensive investments in Canada including a US \$10B investment in Husky Oil and various real estate development projects.

often hindered by poor corporate governance tools and failed succession transitions stemming from underlying management characteristics such as paternalism and fragmentation. Today, the challenge is whether the new crop of Asian leaders can successfully bridge the generational gap and implement the right East-West management hybrid that is most suitable for CFBs. While the trend is towards a more Western, market-based model, Chinese values are still relevant today in weaving together a sense of belonging and loyalty amongst the employees at a family business. The next couple of decades in Asia will be closely studied to draw important implications for family businesses worldwide.

BIBLIOGRAPHY

ABN-AMRO Private Banking/INSEAD Study, "Asian Families: Emotional Aspects of Wealth Transfer and Inheritance", 2006.

Charles S. Lee, "Open Up", *Asiaweek*, Cover Story 2001.

D. Quinn Mills, "Asian and American Leadership Styles: How are they Unique?", *Harvard Business School Working Knowledge for Business Leaders*, June 2005.

Joseph P.H. Fan, "Paradigms of Family Business Issues: Key Findings on Succession in Asian Family Business", Seminar Presentation 2006.

Theodora Ting Chau, "Approaches to Succession in East Asian Business Organizations", *Family Business Review*, Summer 1991.

Suzanne Lane, Joseph Astrachan, Andrew Keyt, Kristi McMillan, "Guidelines for Family Business Board of Directors", *Family Business Review*, June 2006.

Wee-Liang Tan, Siew Tong Fock, "Coping with Growth Transitions: The Case of Chinese Family Businesses in Singapore", *Family Business Review*, June 2001.

Henry Wai-chung Yeung, "Limits to the Growth of Family-Owned Business? The Case of Chinese Transnational Corporations from Hong Kong", *Family Business Review*, March 2000.

Jun Yan, Ritch Sorenson, "The Effect of Confucian Values on Succession in Family Business", *Family Business Review*, September 2006.

Terry Gatfield, Mark Youseff, "A Critical Examination of and Reflection on the Chinese Family Business Unit and the Chinese Business Clan", *Family Business Review*, June 2001.

Wen-Hsien Tsai, Jung-Hua Hung, Yi-Chen Kuo, Lopin Kuo, "CEO Tenure in Taiwanese Family and Nonfamily Firms: An Agency Theory Perspective", *Family Business Review*, June 2001.

Murray Weidenbaum, "The Bamboo Network: Asia's Family Run Conglomerates", *Strategy + Business*, Q1 1998.

Ricardo C. Amaral, "Here is Why Brazil Should Adopt the New Asian Currency", *Brazzil Magazine*, March 2, 2007.

Forbes 2007 Richest, www.forbes.com

Fukuyama, F. (1995). *Trust*. London: Hamish Hamilton.

Jeffrey Sonnenfeld, "The Hero's Reluctant Farewell", New York, NY, 1998.