

INNOVATIVE TO THE CORE



*Stories from China
and the World*

JUAN ANTONIO FERNANDEZ

EMILY M. DAVID

SHAOHUI (SOPHIE) CHEN

INNOVATIVE TO THE CORE

This page intentionally left blank

INNOVATIVE TO THE CORE: STORIES FROM CHINA AND THE WORLD

AUTHORED BY

JUAN ANTONIO FERNANDEZ

*China Europe International Business School
(CEIBS), China*

EMILY M. DAVID

*China Europe International Business School
(CEIBS), China*

AND

SHAOHUI (SOPHIE) CHEN

*China Europe International Business School
(CEIBS), China*



United Kingdom – North America – Japan – India
Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2023

Copyright © 2023 Juan Antonio Fernandez, Emily M. David,
and Shaohui (Sophie) Chen.
Published under exclusive license by Emerald Publishing Limited.

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. No responsibility is accepted for the accuracy of information contained in the text, illustrations or advertisements. The opinions expressed in these chapters are not necessarily those of the Author or the publisher.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-80455-084-7 (Print)
ISBN: 978-1-80455-081-6 ((Online)
ISBN: 978-1-80455-083-0 (Epub)



ISOQAR
REGISTERED

Certificate Number 1985
ISO 14001

ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.



INVESTOR IN PEOPLE

To my wife, Hanning, and my three sons, Simon, Oscar, and Daniel. They are the best that life has given me.

– Juan Antonio

For Diego – my proofreader, support animal, and the love of my life who also happens to be the most innovative person I have ever met. Thank you for doing life with me and making each day more exciting than the one before.

– Emily

To my loving family and friends as my extended family.

– Sophie

This page intentionally left blank

CONTENTS

<i>List of Figures and Tables</i>	ix
<i>About the Authors</i>	xi
<i>Acknowledgments</i>	xiv
1. Introduction	1
Section I Innovation at the Country Level	
2. Innovation Around the World	21
3. Innovation in China	53
4. The Impact of the Government on Innovation in China and the World	91
Section II Organizations That Are Innovative to the Core	
5. Culture Matters	129
6. Agile Organizational Norms and Systems	153
7. Attracting and Cultivating Innovative Talent	173
8. Leading for Innovation: Being a Servant and an Entrepreneur	197
9. Transformation to Becoming Innovative to the Core	219
10. Conclusion	237
<i>Index</i>	243

This page intentionally left blank

LIST OF FIGURES AND TABLES

Figures

Fig. 1.1.	The Funnel Model of Innovation	6
Fig. 1.2.	Innovation to the Core	13
Fig. I.1.	Most Innovative Country Sources	16
Fig. I.2.	Section I Structure	19
Fig. II.1.	Most Innovative Company Sources	125
Fig. II.2.	The Funnel Model of Innovation	126
Fig. II.3.	Section II Structure	127
Fig. 5.1.	Innovative Culture Components	149
Fig. 9.1.	Innovation Transformation Process	220
Fig. 9.2.	Three Roles of the CEO as the Transformation Leader	221
Fig. 9.3.	The Funnel Model of Innovation	230
Fig. 9.4.	Components of the TAB	233

Tables

Table 1.1.	Experts and Consultants (In Alphabetic Order)	8
Table 1.2.	Company Executives (In Alphabetic Order)	9
Table I.1.	Country Rankings by International Innovation Reports	17
Table 4.1.	Focal Country Comparison	93
Table 9.1.	Components of Innovative Organizations	231

This page intentionally left blank

ABOUT THE AUTHORS



Juan Antonio Fernandez is an Emeritus Professor of Management at China International Business School, Shanghai, China, where he has been a Professor since 2000. He was an Associate Dean and Director of the MBA Program from 2018 to 2020, which ranked two consecutive years fifth worldwide on the *Financial Times* index. He was also the Global EMBA Director from 2012 to 2015. He has taught executive programs in leadership, leading change, and innovation

to companies such as Volkswagen, Bank of China, PingAn, IBM, Tencent, Jaguar, Volvo, L'Oréal, and other multinationals. He was a Fellow at Harvard Kennedy School of Government from 2011 to 2012 and again in 2016 and was Visiting Scholar at Lancaster University (UK) in 2006 and 2009.

His prior experience includes serving as the CFO and member of the Board of Directors of Anfi del Mar S.A. (Norway), Advisor to the Ministry of Commerce of the Canary Islands, and financial Analyst for the Industrial Spanish Bank, Spain. He was also the Assistant to the Commercial Attache? of the Spanish Embassy in Venezuela.

He has co-authored seven books, including *China CEO II*, *China CEO*, *China Entrepreneur*, *America Latina en China*, and *China's State-owned Enterprise Reforms*. He has given presentations about his Chinese research in the UK, India, Japan, South Korea, France, Italy, Chile, Peru, Mexico, Mongolia, Ghana, Zambia, and Spain.

He received his PhD and MBA from IESE, Spain. He has a Master of Liberal Arts in Psychology from Harvard University and is currently pursuing a degree in Philosophy from Oxford University.



Emily M. David is an Associate Professor of Organizational Behavior at CEIBS. She earned her PhD in Industrial-Organizational Psychology from the University of Houston and did her undergraduate work at Louisiana State University, earning a perfect 4.0 grade point average. Prior to joining CEIBS, she was an Associate Professor of Management in the College of Business at Zayed University in Dubai,

UAE where she served as the Discipline Leader of the HR and Management faculty.

Her current research primarily focuses on discovering how to make workplaces more welcoming for people of all backgrounds and personality profiles in order to achieve better person–organization fit, maximize performance, and avoid employee burnout. She is also interested in fostering helping and other prosocial behaviors in the workplace. Her work has been published in a number of top scholarly outlets such as the *Journal of Management*, *Journal of Management Studies*, *Human Relations*, and *Journal of Organizational Behavior*. She was also awarded Poets & Quants prestigious “Best 40 under 40 Business Professors” in 2019.

She is an active member of the Academy of Management and Society for Industrial and Organisational Psychology. She has also worked as an In-house Researcher at both NASA (Wyle Laboratories) and the M.D. Anderson Cancer Centre in addition to consulting for a myriad of organizations including the City of Houston, Kuraray, Saudi ARAMCO, and Exxon Mobil. A true global citizen, she has also traveled extensively through over 42 countries, and has resided in Singapore, China, the UAE, Bolivia, and the USA.



Shaohui (Sophie) Chen is a Professor of Management at CEIBS, where she has been doing case development, teaching, and research work since 2005. She has been serving as the Program Director of Advanced Management Program (a flagship program of Executive Education in CEIBS) and Management Development Program for years. She is also the Core

Faculty member of CEIBS Healthcare Sector Research Centre. She had taught at China Institute of Banking and had worked as senior executive for companies in the securities industry for several years.

She received her PhD from The University of Auckland and MS from Renmin University of China. Her research interest has been concentrated on management and employment relations, organizational behavior, leadership, and human resource management. Her research outcomes has been published in academic journals including the *International Journal of Human Resource Management*, the *Asia Pacific Journal of Management*, and *Employee Relations*. She also writes for Chinese business magazines and practitioners. Since 2016, she has initiated a project of Middle-level and First-line Manager Competence Survey and published white papers for three consecutive years.

Her teaching interests focus on organizational management, human resource management and leadership development. Beside teaching for degree programs such as MBA/EMBA and Financial MBA, she has been providing corporate-specific training programs to companies such as China Development Bank, COMAC, Google, CMBC, BCM Leasing, SAICMOTOR, Shanghai Pharma, Tai Ping Life, Sinochem, Eli Lilly, Astrazeneca, Novartis, SANOFI, West China Hospital, Masterkong, Thermo Fisher, Carl Zeiss AG, Huazhu Hotel, etc.

She has been active in providing consulting services and serves as leadership coach and independent director for domestic companies and organizations. She has been the independent member of the Board of Directors of Shengang Securities O. Ltd, the first China-Hong Kong joint venture security company.

ACKNOWLEDGMENTS

We would like to thank, first and foremost, CEIBS for the generous research support that allowed us to undertake this project. We also thank each and every one of our interviewees for sharing the invaluable insights that made this book possible. Finally, we are hugely appreciative of our dedicated agents, Nick Wallwork and Christopher Newson.