CULTURE AND CORPORATE PERFORMANCE IN THE PHILIPPINES: THE CHINESE PUZZLE

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1. Introduction

The work of Harry Oshima is rare insofar as it has broken out of the disciplinary mould in which many scholars feel constrained to operate, and has brought into account factors from a range of disciplines. In particular, he has faced up to the inevitability of taking culture into account when explaining economic behaviour. This paper pays tribute to the quality of such a lead, by following it. His more recent interest has been in the effects of culture, religion and work ethic on labour force behaviour. This is not our direct theme, for we are more concerned with managerial behaviour and its results, but the main thrust of the analysis is in line with his thinking. Our interest is in the cultural make-up of the 250 largest Philippine companies and their performances as distributed culturally. More specifically, we have attempted to update and extend the pioneering study of Yoshihara (1971) which was the first to examine such questions empirically on a comprehensive scale.

We may perhaps preview the paper by indicating that significant differences in the pattern of management of a firm's financial resources are evident between Chinese and non-Chinese in the commercial sector. To the best of our knowledge, such empirical support for differences of this kind is rare, and perhaps, so far, unique. Further, it has been gathered in a context where Chinese and

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non-Chinese are operating in the same environment (except for the factor of anti-Chinese discrimination which makes the findings even stronger), and where the *ceteris paribus* assumption can be said to hold. Our contention will be that the results seriously undermine the assumption by economists that socio-cultural variables can be left out of account in explaining economic behaviour.

This study is exploratory and may pose more questions than it answers. The data used are indicative rather than explanatory, and closer studies of business behaviour in the Philippines are needed in order to follow up some of the leads indicated. It is hoped that research of such a nature may be stimulated, as the general field of managerial behaviour among the Overseas Chinese is still only poorly researched. This applies also to indigenous management throughout the Southeast Asian region, and the contrast with Japan is stark in this respect.

The paper will proceed by considering briefly the still sporadic, and so far unfruitful, flirtation of economics and the sociological disciplines handling culture. We shall then present a brief resumé of Yoshihara's findings, before presenting and analysing the results of a new study based on 1979 company performance data in both the manufacturing and commercial sectors of the Philippine economy.

2. Economics and Culture

A recent review by Jamieson (1980) has pointed to the long-dominant perspective of industrialism in the field of economic development. It is not necessary in this context to present the arguments for and against the convergence hypothesis in detail except perhaps to remind ourselves of the central argument that the technological imperative supposedly acts upon organizations to rationalize and bureaucratize their behaviour. Evidence is accumulating that, in Asia at least, this is not the case. For instance, in the case of Japan, Hayashi (1978) has brought into account the proposition that organizations tend to retain their pseudo-gemeinschaft nature. For the Philippines, Dannhaeuser (1981) has demonstrated that the rationalization of distribution channels to be expected with development does not in fact take place. Instead a more loosely organized channel develops and proves to be effective. An important contributory factor in both these instances is the set of local cultural values; in the first case, those so commonly descr in Japan as affecting organizational life, and in the second case, the Japanese way' of doing business, a factor which we shall return to in more detail.

The difficulty which economists have had in embracing such factors as parts of their models, is explained partly by the necessary division of academic labour and the consequent drawing and defending of boundaries which tends to set one group against another. A further factor has been the possibly comforting feeling of apparent certainty (or at least greater certainty) inherent in the ability to use quantitative methods. Meanwhile, the sociological field has been plaqued with conflict and doubt. Jamieson's resume (1980, p. 10) is perhaps useful here. In discussing the problem of incorporating cultural causes, he notes:

> Economics, that discipline principally concerned with economic behaviour and performance, must have found itself particularly reluctant to enter such conceptual confusion. By the 1930s the Anglo-American tradition of economics had largely ceased to be interested in the effects of cultural and institutional factors on economic activity. The great debates about method in economics, of historical induction versus deduction, individualizing versus generalizing, descriptive economics or an economics that searches for laws and patterns raged in the 1880s, particularly in Germany, but were largely over by the end of the first quarter of the twentieth century. Although the institutionalist school, led by men like Veblen, still stressed the importance of institutional factors in economic analysis, the majority of professional economists had turned their back on these factors and stressed the benefits to be gained by ignoring such non-economic variables, at least for purposes of analysis. The success of this approach compared with the performance of some of the other social sciences has been notable. In particular, Keynes showed how useful an analysis could be which based its reasoning upon very small amounts of primary data about human existence. The theoretical elimination of such cultural factors allowed a rigorous definition of purely economic concepts, and paved the way for the introduction of some very powerful mathematical techniques.

In this manner, the situation to which economics has been led, is now such that the leading textbooks in the field (e.g., Samuelson) pay only the slightest attention to socio-cultural variables. In some cases, a kind of puzzled acknowledgement of their importance is given but because of the puzzlement, they are consigned to the category of residuals or explanations of last resort. In some cases the ignoring of such elements when making predictions has resulted in prognostications which are embarrassing to look upon.

In this context, empirical evidence of connections socio-cultural variables and economic behaviour may prove Although not presented as part of an overall model, it is that refinement of existing models may be stimulated.

3. Yoshihara's 1971 Study

Yoshihara's work was carried out against a background of whether the process of industrialization with its rationalism and economic calculation was possible in certain contexts. He studied the 1968 performance data of 254 manufacturing corporations, extracting them from the top companies and restricting his sample to companies with sales of 5 million pesos.

Out of these, 166 were domestically owned, and he that 100 were under Filipino control and 66 under Chinese- control. Another category of foreign-owned companies subsidiaries and 23 non-subsidiaries.

Analysing the rate of return being achieved, he noted median rate of return was 21.5 percent for the subsidiary group, percent for the non-subsidiary one, 7.5 percent for the group and 8.9 percent for the Chinese-Filipino corporations.

Introducing an important caveat that the figures for Chinese-Filipino companies might be fictitious, Yoshihara contributing factors. First, "a corporation is not a purely institution whose sole aim is to maximize the rate of return. purpose is to increase the welfare of family members." It necessary to allow for "unnecessary expenditure often family members occupying high positions in corporations." second factor is the under reporting of earnings, for which high incentive. It is likely that the same elements are in force period of our own study, using 1979 data, and the same necessarily apply.

The thrust of the Yoshihara study was industrialization developing country and, after examining issues relating to transfer, scale of operations, and the country's desire to politically and culturally distinct entity, he concluded that not lie in duplicating the industrial experience of developed countries.

Our own concern is less with national economic policy than with the processes occuring within the economy itself and we now turn to the question of relative performance in various culturally-defined sectors. In pursuit of an interest in the effect of socio-cultural variables on economic behaviour, the main focus will be on businessmen of Chinese extraction, compared to others.

4. The Research Design

From the list of 1000 largest corporations provided in the *Business Day Special Report* (1980), the largest 259 were chosen, across all sectors. Of these, 140 were in manufacturing, 74 in the commercial sector, with smaller numbers in mining, services, utilities and agriculture.

Information from the Securities and Exchange Commission provided details of share ownership and identity of directors. Parallel with these data, a range of company financial performance figures was extracted from the *Business Day Special Report* and allowed the use of the following:

Paid-up capital
Sales rank
Sales volume
Income
Assets
Equity
Income to equity ratio
Income to sales ratio
Gross profit to sales ratio
Number of days accounts receivable
Inventory turnover rate
Liquidity ratio
Liabilities to assets ratio
Liabilities to equity ratio
Fixed assets to total assets ratio
Sales growth index (based on 1972)

Complete data were not available in every case, but in the data processing, companies where data were missing on a variable were excluded from the analysis.

5. Results

Table 1 presents a breakdown of the major sectors economy by culture of ownership. The two most significant both in terms of numbers of companies and sales volume, manufacturing and commercial sectors, which between them 214 of the 259 largest companies. In the manufacturing sector, bias is given to the data with the inclusion of two American companies whose combined sales were 9,974 million Yoshihara's data were for 254 companies all in manufacturing opposed to our own 140. It is clear that his research went down smaller size of company than our own, but in terms of proportions of cultural ownership, little appears to have changed. He Chinese-Filipino companies as opposed to Filipino in a ratio of 100. If we include Spanish with Filipino in our sample, the 47 to 67 (or 70 to 100). Although the samples are not comparable, there is no noticeable shift in proportions during the year gap between the two studies. If anything, the Chinese may increased their influenced slightly in this sector.

The commercial sector data are again somewhat distorted by American companies in the petroleum field, whose distribution activities account for 6,712 million pesos out of the American of 7,619 million. The remainder of the commercial sector, those two companies, has sales of 12,586 million. Chinese companies account for 7306 million or 58 percent of this total.

Examining the sectors more closely, Table 2 presents breakdown by industrial subgroup for manufacturing, Chinese as opposed to non-Chinese ownership. This indicates Chinese-owned monopoly in tobacco, a small predominance terms of numbers of companies) in textiles and garments, and positions in vegetable/animal oils, food and beverage, paper and basic metals.

For the commercial sector, Table 3 indicates particular dominance in machinery supply, general retail, and chemical products.

Attention was next paid to analysing the financial characteristics of Chinese versus non-Chinese companies to see if it were possible distinguish certain performance patterns which would indicate simple terms how the Chinese manage, or at least what strategies are normal to them, and perhaps not to others.

Industry Sector	No. of companies included	No. of cos.	Spanish sales[b]	No. of cos.	Filipino	No. of cos.	Chinese[c]	No. of cos.	American[d]	No. of cos.	Others
Manufacturing	140	14	10,039	53	10,289	47	8,950	18	14,729	8	2,020
Commercial	74	2	302	34	3,341	32	7,305	3	7,619	3	761
Mining	13	–		6	2,400	2	171	2	873	3	N.A.
Services	14	1	106	9	3,303	1	174	1	615	2	N.A.
Utilities[e]	13	1	136	7	875	3	407	2	225	–	
Agriculture	5	–		3	367	1	96	1	72	–	
Total	259	18	10,586	112	20,545	86	17,106	27	24,135	16	

Source: See Text
[a]The control of a corporation by a certain nationality is determined by the majority of capital subscription.
[b]Naturalized Filipinos descended from Spanish stock are included here. e.g., the families Zobel, Ayala, Araneta, Elizalde, Ozaeta, Aboitiz, Soriano.
[c]Naturalized Filipinos who are of Chinese ancestry, and who still bear their Chinese names are classified as Chinese.
[d]This figure included two American companies with sales of 9,974.
[e]Excluding government controlled organizations in power, communications and air transport.

Table 2 – Manufacturing Industries (out of top 259 companies)
No. of companies, Chinese and non-Chinese, by industrial sector

Industrial sector	No. of Chinese owned	% in sector	No. of other owned	% in sector	[illegible]
Food + beverage	10	45.5	12	54.5	[illegible]
Textile + garments	10	52.6	9	47.4	[illegible]
Petroleum products	–	–	3	100.0	[illegible]
Vegetable + animal oils	3	50.0	3	50.0	[illegible]
Chemicals	2	10.5	17	89.5	[illegible]
Wood + wood products	1	11.1	8	88.9	[illegible]
Paper + paper products	3	42.9	4	57.1	[illegible]
Rubber + plastic products	2	25.0	6	75.0	[illegible]
Basic metals	3	42.9	4	57.1	[illegible]
Non-metallic minerals	1	10.0	9	90.0	[illegible]
Tobacco	1	100.0	–	–	[illegible]
Alcoholic drinks	–	–	3	100.0	[illegible]
Transport + heavy equipment	1	20.0	4	80.0	[illegible]
Electrical machinery appliances, supplies	3	25.0	9	75.0	[illegible]
Others	–	–	3	100.0	[illegible]

Source: See text.

The significant differences which are evident in the [illegible] turing sector are given in Table 4. From this table, it is [illegible] conclude that the Chinese-owned firm tends to be smaller [illegible] volume than the non-Chinese. It also operates on a smaller [illegible] margin, ending with a net profit of 3.1 percent of sales as [illegible] 4.3 percent. Its liquidity ratio is 1.24, as opposed to [illegible] non-Chinese, indicating a slightly more cautious approach [illegible] although the higher ratio of liabilities to equity is contradict[illegible] this, explained perhaps by a very small equity base.

A search for the key factors which distinguish the Chin[illegible] the non-Chinese firm, was carried out, using discriminant [illegible]

Table 3 – Commercial Industries (out of top 259 companies)
No. of companies, Chinese and Non-Chinese, by industrial sector

Industrial sector	No. of Chinese owned	% in sector	No. of others	% in sector	No. of total in commercial sample
...al commodities	4	44.4	5	55.6	12.3
...al merchandise	4	36.4	7	63.6	15.1
...y industrial ...ucts	1	33.3	2	66.7	4.1
...al retail	9	69.2	4	30.8	17.8
...vehicles + supplies	3	27.3	8	72.7	15.1
...m products	–	–	1	100.0	1.4
...al based ...ucts	2	66.7	1	33.3	4.1
...state and ...ruction supplies	5	38.5	8	61.5	17.8
...ural and ...trial machinery	3	75.0	1	25.0	5.5
... office appliances ...pplies	–	–	2	25.0	2.7
...	2	66.7	1	33.3	4.1

... text

...ultiple regression. Results are presented in Table 5. From ... it is evident that two major elements distinguish the Chinese ... one is the use of debt and the other is the satisfaction with ... margins. In this part of the economy, however, differences ... Chinese and non-Chinese firms are not strong and it is ... that the technological imperatives inherent in the ...turing process are causing companies to conform to certain ... deviance from which becomes perhaps dangerously inefficient.

... influence applies less in the commercial sector where ...nal discretion is doubtless higher, and this emerges in greater ...tions between Chinese and non-Chinese firms. Table 6 presents ... discriminating variables and Table 7 gives the results of the ...inant and canonical analyses and the multiple regression.

... Chinese-owned firm in the commercial sector is clearly ... in terms of assets, and of equity. Its income to sales ratio is

Table 4 – Manufacturing Sector
Comparison of Chinese and Non-Chinese
Financial Performance
(in million pesos)

Financial characteristic	Chinese mean n=40	Non-Chinese mean n=94	t	Probability
Sales	203.9	387.3	1.25	[illegible]
Income + equity ratio	0.006	0.116	1.45	[illegible]
Income to sales ratio	0.031	0.043	1.17	[illegible]
Liquidity ratio	1.24	1.34	1.16	[illegible]
Total liabilities to equity	4.96	3.05	1.35	[illegible]

Source: See text

[a] Alternative calculations with logarithmic data produced no significantly different results.

Table 5 – Manufacturing Sector

Discriminant analysis	Raos V [a]	Canonical discriminant functions	
1. Total liabilities to equity	2.56	1. Income to sales	[illegible]
2. Liquidity ratio	4.06	2. Liabilities to equity	[illegible]
3. Total liabilities to total assets	7.67	3. Liquidity ratio	[illegible]

Multiple regression on Chinese share percentage	R [illegible]
1. Liquidity ratio	[illegible]
2. Liabilities to assets ratio	[illegible]
3. Liabilities to equity ratio	[illegible]
4. Gross profit to sales ratio	[illegible]
5. Sales	[illegible]

Source: See text

[a] All statistics referred to are derived from the SPSS package.

only a third to that of the non-Chinese, due in part to the lower gross margin of 9 percent as opposed to 14 percent. The most dramatically discriminating variable is days of accounts receivable, which is 27 for the Chinese and 54 for non-Chinese. This much tighter financial control is also reflected in the inventory turnover rate which is no less than four times greater than that of the non-Chinese sector. As in manufacturing, the liquidity ratio is lower.

It is, then, predictable that the key discriminating variables should emerge as days of accounts receivable and inventory turnover.

Table 6 – Commercial Sector

Financial characteristic	Chinese mean n=33	Non-Chinese mean n=40	t	Probability [a]
[illegible]	55.96	157.32	1.72	0.05
[illegible]	14.03	48.09	1.41	0.10
[illegible] to sales ratio	0.009	0.027	1.03	0.15
Gross profit to sales ratio	0.091	0.141	1.79	0.05
No. of days accounts receivable	27.0	54.8	2.90	0.005
Inventory turnover rate	56.68	14.16	1.58	0.10
Liquidity ratio	1.11	1.25	1.63	0.05

Note: See text

[a] Alternative calculation with logarithmic data produced no significantly different results.

6. Discussion

There can be no doubt as to the relative success of the Chinese-owned firm in the Philippine economy. In the commercial sector particularly, they remain the dominant force, and they are well represented in other sectors. One need hardly add that this has been achieved in the face of long-standing legislation deliberately designed to exclude them (McBeath 1973), the details of which are unnecessary to consider here.

The question is how this has been achieved, and this carries with it two ancillary questions, namely, why other groups [illegible] succeeded so well, and what the implications are for the [illegible] Philippine economics. We may attempt an outline answer to the [illegible] question, but will leave the other two for others to ponder.

The Chinese way of doing business, as we have already [illegible] not widely understood, and often the subject of a degree of [illegible] Amyot (1973), in his close study of the Chinese of Manila [illegible] factors as contributory to Chinese economic success: hard work [illegible] frugality, the ability to work together, the availability of [illegible] business acumen, and a pioneering spirit. Dannhaeuser [illegible] 590), in his study of Philippine wholesaling, included [illegible] description of "the Chinese way," the following resume:

> . . . . [there is] a preference for autonomous personalized owner [illegible] business which set their own informal terms and a tendency to [illegible] factors being equal, fellow Chinese a slight personal edge over [illegible] kinship (the family) provides one of the more effective principles [illegible] to entrepreneurs for organizing their enterprises. A similar point [illegible] made here with respect to ethnic identity and relations *among* [illegible] In essence the Chinese combine two things. They maintain [illegible] nomy on each market level within the context of giving vertical [illegible] ences to one another largely on ethnic grounds.

Omohundro's study (1972) of Chinese merchant culture [illegible] noted the synonymous nature of the business and the [illegible] the Chinese. Constituting only 2 percent of the city [illegible] nevertheless pay 35 percent of its taxes. Describing [illegible] the firm as being in concentric circles, he notes that it is in the [illegible] circle of exclusively family members "where all the money [illegible] decisions made, all responsibility shouldered, and where [illegible] accumulates." The money is held closely, and expenses [illegible] Expansion depends as much on available family talent as on [illegible]

Looking at the same question from an historical point [illegible] Wickberg (1965, p. 121) concluded significantly:

> The Chinese were able to expand their economic influence [illegible] factors: liberalized Spanish policies, new opportunities offered by [illegible] export crop economy, and Chinese business methods. Of the three, [illegible] the last was the most decisive.

Historical influences of a different kind are discussed by [illegible] (1973), who, in considering the prohibitions of the [illegible] Constitution, says "The impact of the American [illegible]

Commonwealth period was to further entrench basic Chinese economic interests. This was particularly the case with commercial transactions." He further notes that any further compromise of these economic interests has been prevented by taking citizenship, using Filipino 'fronts' ignoring the law, and the use of bribes to prevent prosecution.

This last element, that of a somewhat besieged community, is perhaps more important than it first appears, and certainly adds justification for the high levels of co-operativeness noted for Chinese business. Such co-operativeness is decisive in the key area of finance, a description of which is provided by Weightman (1960, p. 147)

> The Chinese merchants belong to associations which are 'borrowing pools' and price-fixing agencies. No firm can expect to continue in business if, by unilateral action, its prices, which are often fixed by the association concerned, fluctuate wildly, or if it goes back on its word. With respect to loans from compatriots, it would appear that practically any Chinese (or at least any Hokkien) who does not have a record as a poor risk and who has a plan of establishing a business can easily obtain a loan by merely presenting a plan of his intentions and prospects to a Chinese bank or a rich Chinese. It need hardly be added that the chamber of commerce, the bank or the interested associations, bend every effort to insure the success of the undertaking and the return of the loan.

An example of this working is provided in Dannhaeuser's description (1981) of the textile industry. Here the importers/wholesalers invested in the mills and have continued to support them with their orders. Trade terms are normally nondocumented and extremely flexible, guaranteed entirely by personal trust. It is not unusual for provincial dealers to receive high credit from Manila at low interest rates, with loosely defined payback dates, which Filipinos and others would find it next to impossible to obtain. Such a system is supported by information sharing and the organizational forms of trade and mutual aid associations, partnerships and surname groups.

Such descriptions of the Chinese approach to business as it is practised in the Philippines accord with other descriptions of general Overseas Chinese business forms (Redding, 1980). It is, however, a big step from describing such practices to defining which ones are the most crucial to success. In any case, the answer to that will depend, at least in part, on the context being studied.

Relating back to the data presented earlier, it is possible to argue that they provide evidence that the Chinese way of doing business is, in fact, more efficient, at least in terms of its use of capital. As this is generally taken to be the ultimate criterion for business success (Ansolf, 1966), it takes on more significance than other variables. In arguing this, it is important to take account of the problem of using profit figures, and thence yield, a problem which Yoshihara acknowledged. The under reporting of profit in the Philippines is likely to distort this criterion. Instead, it should be more revealing to look at criteria which indicate the *way* the capital is used, namely accounts receivable and inventory turnover. On both of these counts, signs of the careful husbanding of financial resources, the Chinese businessman is distinctly ahead of his competitors.

For the commercial sector, where they dominate, the data present a picture which accords well with the previous descriptions of Chinese managerial behaviour and it need hardly be added that such corroboration in empirical terms is, to our knowledge, unique in the literature.

The assets of the Chinese firms are only a third the size of firms in non-Chinese ownership, thus supporting the notions of small size associated with family identity. As previously noted, the expansion of the Chinese firm depends more on managerial talent within the inside circle than it does on the normal rationalities of corporate growth or the normal constraints of capital raising. The question of growth in the Chinese firm is still insufficiently understood and much more research will be needed before the constraints and rationale are understood, but the fact of some size limitation remains a common observation. Weightman (1960) noted that 'there seems to be a limit to the ability of the Chinese to organize on a large commercial scale," and he cited in support, Purcell's earlier comment that:

> they seem to lack the breadth and boldness of conception that would enable them to enter upon large enterprises as rivals of the Europeans, but between the Europeans and the natives they have an assured position.

The same element is reflected in the value of equity which is distinctly smaller in the Chinese case than for non-Chinese. Here again, the retention of equity ownership within a small family group is likely to be restricting. The resort to wider ownership would be uncommon. The normal constraints which this would introduce to capital raising are of course counterbalanced by the communal fund raising systems described earlier.

The net income to sales ratio is thought to be insufficiently reliable to take seriously, but insofar as the same under reporting of profit may occur across both sectors, Chinese, and non-Chinese, the much smaller Chinese figure may be taken as prima facie evidence for the commonly described business thrift and patience, the ability to survive on the basis of a steady accumulation of small returns. Possibly more reliable is the gross profit figure, which supports the same contention, and this time at a higher level of probability ($p < 0.05$) as an indicator of Chinese/non-Chinese difference.

The number of days of accounts receivable, at 27 for Chinese and [illegible] for non-Chinese, is the strongest differentiating element ($p < 0.005$). In simple terms, credit is controlled stringently. This may be partly a reflection of organizing ability in the finance area, and a strong focus on finance itself, and partly a result of the trust networks described earlier, in which default or late payment becomes a cause of social and business ostracism. It is also clear evidence that the communal funding system described earlier is not a cushion into which the inefficient businessman can relax. As already noted "the interested associations bend every effort to insure the success of the undertaking and the return of the loan".

Similar conclusions could be made from the difference in inventory turnover rate, with Chinese business turning stocks faster and thus using capital more efficiently. Here again, is prima facie evidence for a higher level of concentration on an important aspect of management control. The lower liquidity ratio also supports the other findings and suggests a smaller proportion of idle cash in a Chinese business than a non-Chinese. Such data, while adding support to the earlier description of Chinese business behaviour, also begin to explain the source of the efficiency which has led a group comprising no more than 2 percent of the population to take control of [illegible] percent of the country's commerce. The stark reality of this comparative efficiency, and its basis in culture, must provide grounds for questioning the economists' normally universalistic assumptions about the distribution of business skill in a community.

There are, we suggest, important questions posed by these findings. The question for economics is whether it is prepared to adapt its models to take more respectful and serious account of socio-cultural variables. The question for applied economics when it is being used in the making of policy is whether it should treat all competing nations as the same, or same more significant than others in business terms. The mainstream economists, what one might call the Power-Sicat-Ranis-Little-U.N. School have been pushing for a more open economy, the promotion of labour intensive manufactured exports, and a reduction in the protection afforded to high cost import substituting industries. Examples from the super successes such as Korea and Taiwan are often given. All this makes fine economic sense given the economists' implicit assumption about "equality of potential entrepreneurial ability," but we would hold that such an assumption is far from proven.

If it could be shown that the assumption is more likely to be false than true, then it may well be that, although the Philippines has been following policies which in some pure sense are second (or third) best, it follows that the consequences of taking the economists' advice could have resulted in an even less favourable outcome. The world trade in manufactured goods for the developing countries is dominated by the so-called Post-Confucian cultures (Korea, Taiwan, Hong Kong and Singapore) and it is at least possible that only the tiny minority of Chinese-Filipinos could compete in this environment. The question of Filipino business performance, as opposed to Chinese, is the other side of the same coin, and we have proposed that others should consider it. Some tentative views have already been expressed (e.g., Redding, 1978) on sources of weakness but much closer research attention is needed in this area.

It has always been possible to gather support, from people making intuitive judgements, for the idea that Chinese business acumen was high. It has not until now been possible to know empirically just how such acumen is expressed in managerial behaviour. This study of the largest enterprises in the Philippines will hopefully have begun to fill in this large gap in the understanding of Asian management.

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