“The Tao of Chinese Business” paints a broad picture of Chinese business strategy. Its eye-catching title may raise questions like: Why Tao? Why not Confucianism or Buddhist philosophies, not to mention history, society and politics? But don’t worry, all these influences are included to develop a comprehensive, sure-footed account of the problems and possibilities of doing business with Chinese companies and markets.

Although Tao (literally “the way”) is only one of the teachings that underlie traditional Chinese thinking, it has become increasingly intertwined with Confucian and Buddhist ideas. The authors call this philosophical melting pot “neo-Taoism,” and use it as the basis for studying the “ancient, universal, and eternal” principles of doing business in China.

On its own, such an analysis could be very abstract and academic. But when combined with a broad overview of Chinese history, interviews with leading Chinese businessmen and illustrative case studies, the end result is a very perceptive and readable analysis of Chinese business strategy.

Anyone who has worked in China will recognize the underlying credibility of the picture that emerges.

Authors George and Ursula Haley are professors at the University of New Haven, in the United States, and Chih-Tung Tan is provost at Singapore Management University. The three are widely published and have conducted many projects and studies in Asia.

As they assert, “Chinese markets introduce a bundle of contradictions for Western managers,” their insightful exploration of the strengths and weaknesses of Chinese companies, in relation to their Western counterparts, helps to deal with such contradictions.

The authors repeatedly show admirable cultural awareness and sensitivity. The discussion of guanxi (trust relationships) in China emphasizes that guanxi is not just “jobs for the boys.” Instead, it comes from a business ethic based on trust rather than litigation. In the same way, the contextual morality is clearly distinguished from the more dubious concept of situational ethics, with its implication of flexible standards.

As we are told, “Chinese ethical and moral standards are generally inflexible, but can vary according to the context.” Yin and Yang are well-known as the “harmonious interplay of opposites in the universe.” “The Tao of Chinese Business” takes this concept seriously, and explains how Western companies can succeed in China — and how Chinese companies can succeed overseas.

To bring everything together harmoniously, a new strategic planning model is outlined that synthesizes the best of Chinese and Western thinking. The book is recommended reading for anyone working or competing with Chinese companies.