

MANAGEMENT THINKING FOR THE CHINESE TILE INDUSTRY

Youzhuo Zhang Yongheng Xian Rita Jia

Huaxia Ceramics Exposition City, Canton Fair

ABSTRACT

In the last 20 years, the Chinese tile industry has developed continuously with the increased demand in the domestic market and abroad. In 2006, the output of tiles in China was over 4 billions of square meters and amounted to 65% of the world's tile production. China is the country with the largest tile output. But the situation of the Chinese tile industry has experienced deep changes with the rapid development of the Chinese economy. Therefore, it is necessary to reconsider the development and management mode of tile industry. The situation change includes the domestic and international situation.

1. THE CHANGE IN THE DOMESTIC SITUATION AND CORRESPONDING MANAGEMENT THINKING

The important changes in the situation are serious environmental pollution and waste of resources. High energy consumption and serious pollution have threatened our living environment. For a country with low resources per capita, the situation of high resource consumption and low added value can not be allowed any more. In the new situation, the national policy has correspondingly changed from GDP-driven to a sustainable development mode. Energy saving, discharge reduction and clean production are the requirements set by government. Due to the changes in the situation, the management mode for the tile industry must be reformed. The previous management mode experienced several different stages.

A. GOVERNMENT MANAGEMENT

Before the 20th century, most tile factories were state- and collective-owned, and the government managed them directly, so that factories lost their autonomic right, while the government as a manager did not bear any responsibility for their benefit and development.

B. SEMI-GOVERNMENT MANAGEMENT

After entering the 21st century, the tile industry used the semi-government management mode; that is, joint management by the government and an industry association which evolved from the previous management dept. of the government. Most objects of management are private enterprises instead of state owned ones, so the government can not directly manage them. The industry association lacked policy resources, power and basic carriers to push the development of the industry. Recently, many new production bases have been constructed in the inland, but local government has just considered rapidly developing the local economy and ignored the strict management of environment pollution and resources waste, and upgrading of the industry. The serious result of this situation is a disordered development, which has failed to form synthetic force. Therefore, it is a hopeful mode to set up a Tile Industry Alliance to unite and integrate all kinds of resources irrespective of where those enterprises come from.

C. INDUSTRY ALLIANCE MANAGEMENT

The Tile Industry Alliance will set up demonstrative and integrated industry parks with clean production technology. The Alliance will set up specifications and standards for the tile industry based on the government policy, and requirement of the social and industrial development. All members of the Alliance will carry out the unified specifications and standards and exert their rights, duty and responsibility. The Alliance will carry out the policy of self-service, autonomic management and self-upgrading.

2. THE CHANGE IN THE INTERNATIONAL SITUATION AND CORRESPONDING MANAGEMENT THINKING

The rapid development and increased exports of the Chinese industry result in a large trade surplus. The situation of unbalanced trade will be remedied by our

continuous development and shall be changed by increased imports. In these global times, no country can develop by itself. The upgrading of the Chinese tile industry needs importing advanced technology design, machinery, glaze, management skills, etc. from the developed countries. Therefore, the Chinese Tile Industry Alliance shall set up strategic alliance with relevant associations of developed countries, jointly developing the Chinese and world market.

The barrier in international cooperation is an IPR issue. The successful experience between Microsoft and China is worth our studying. The experience of Microsoft is its change of idea from simply selling its products to setting up a good ecological system. Now, more and more Chinese enterprises understand the importance of the IPR issue. There will be no progress without IPR protection, because some enterprises are also the victims in many cases. It is also the important responsibility of the tile industry alliance to protect the IPR under the direct support of the top Chinese government. The new management mode of the Tile Industry Alliance is a good choice, which can bridge the gap between government and enterprises and put government policy into practice. This Alliance has been approved by the Central Government. It is also a good challenge for developed countries to catch the opportunity in China.