

Book Review

Chinese family business in Malaysia: Survival in the modern world. [Review of the book *Inheriting century-old businesses: A Chinese narrative (in Chinese)*, by Yean-Leng Ng. Kajang, Malaysia, New Era University Press, 2023, 202pp. ISBN: 978-983-3527-87-8

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The Chinese family is an entity with social, economic and cultural functions. The functions of sheltering and feeding include wealth creation to improve the economic prospects of the family. In the traditional social setup of Chinese society, the social pecking order was arranged in a hierarchical scheme headed by the literati and followed by the peasants, artisans and merchants. But among Chinese communities in the far-flung territories outside China, this pecking order was instantly rendered socially and economically untenable. They were denied access to positions of administration of the territories in which they found themselves and where they lived as immigrants. By far the most common mode of survival of these communities was by selling their labour to work in the mines, plantations, or construction sites. A few managed to work on their own or were employed as hired labour in different occupations in the emerging towns, ports and villages. A new social hierarchy thus emerged that was mediated by wealth rather than knowledge of the classics. While the buying, selling and making of goods as a living was looked upon with less than official blessing in the traditional society of China, they were instead relied upon by overseas Chinese as rewarding and honest means of survival and even pathways to wealth. The family business provided an alternative means of livelihood to those of the mines, plantations or ports. Colonial administrators wished nothing more than to collect revenue from their territorial possessions and the development of businesses of all kinds fitted perfectly well into the colonial model. In an environment where economic activities were driven by a *laissez faire* policy of almost unrestricted

freedom in engaging in business, the Chinese sensed immense opportunities for generating and filling in new demands for goods by the growing population in small and large towns, ports and villages that were appearing at the early stage of colonial rule.

Chinese businesses range in size from the small to the medium-sized and the major enterprises. Having limited access to gainful employment in the public sector, the business-minded Chinese fall back on their families by mobilising savings and manpower resources to set up small businesses. The majority operate on a shoe-string budget to earn enough to feed the family and meet its basic needs. While many have disappeared and eliminated by changes in the moods, tastes, fashion, and demand of the modern world, some families have passed on the business to the next generation and have even succeeded in upgrading the scale and scope of their operation. A number of families, through unremitting hard work and enterprise, have transformed their businesses into large corporations and spread their business empires to other areas through a complex network of inter-business and inter-personal relations. Indeed, several family businesses have expanded to become some of the largest corporations in banking and finance, industries, properties and others.

Family businesses are enterprises in which ownership and management are intertwined. The business becomes a training ground for family members and relatives. Some pick up the rudiments of business as apprentices and others with proper education are put into management positions. The more enterprising undertakings are well-managed and succeed in building a name for themselves. In almost every town there are certain businesses that have created unique “time-honoured” brands. This delightful volume entitled *Inheriting century-old businesses: A Chinese Narrative* is a timely attempt to revive memories of the persistence of selected Chinese family businesses that have attained almost iconic status in the eyes of the average consumers. Selected for special study are ten family businesses each with its own brand and identity. They range from the most recently established, Khind Industries of Shah Alam set up in 1961, to the oldest, Ghee Heong of Penang, dating back to 1856. All may proudly be looked upon as “time-honoured” brands and have weathered the harsh reality of changing times and circumstances to survive against all odds. Surprisingly, the brands are not the high-value, specially-designed products that connote social status but are common yet rather unique items such as traditional biscuits, snacks, food, and household products.

Importantly, what lies behind the durability of these old brands are worthy of study in order that we may decipher the factors that have allowed them to withstand the test of time. Aik Cheong started as a modest coffee shop by a Hainanese lady in Melaka in 1955. It has since evolved into a substantial enterprise dealing in coffee bean products with a RM200 million turnover and planting its footprints in overseas markets. The century-old Guan Heong Biscuit Shop was established in Ipoh in 1918, to produce Chinese-style biscuits to satisfy the demand of different dialect groups and to cater to the needs of festive days and ceremonial occasions. Then there is Soon Hing Cheong of Kuala Lumpur, founded in 1956, as a Chinese medicine shop to continue a family tradition in China.

It plays a dual role in making available traditional medical treatment to all and to popularise the fine tradition of the centuries-old Chinese medicine in Malaysia. The Bukit China Soya Bean House of Melaka, founded in 1948, makes a name in marketing the humble soya bean drinks and bean curd, items that are common yet of high nutritional value. The Bunn Choon Teahouse of Kuala Lumpur has a history tracing back to 1893. It is the place for Cantonese style dim sum and a venue to sample Chinese tea and delicious tidbits and snacks as a way of life. Down south in Johor, the Kluang Teow Chew Fishballs Sdn. Bhd. appeared in 1938 specialising in making fish meatballs of such quality and taste as to spread its reputation to its hinterland. By far the oldest family enterprise is the Ghee Hiang biscuit shop of Penang. Founded in 1856, its special biscuits are now known among the Chinese throughout Peninsular Malaysia. The *Kwong Wah Daily* of Penang is the oldest Chinese press in Malaysia and possibly outside China. It was established in 1910 by the great revolutionary Sun Yat Sen who in the following year overthrew the Qing Dynasty to change the history of China. The only manufacturing enterprise in the list is KHIND Industries, with its origins in Shah Alam in 1961 with modest ambitions to make a name in the new area of producing electrical appliances. The company has now become a household name among residents in major urban centres. The final example is Fungwong Biscuits of Kuala Lumpur, operating since 1909, to produce traditional Chinese biscuits for auspicious occasions such as weddings, birthdays especially of the elderly, and different types of appetising snacks. These family businesses share certain characteristics. These include:

Emphasis on family values: All have modest beginnings yet guided by some basic Chinese cultural values. Aik Cheong and Guan Heong emphasise the interests of its customers; the Soon Hing Cheong medicinal shop serves the health of its clients in terms of quality, value and dignity. The Bukit China Soya Bean House stresses “quality first, customer first,” while Bunn Choon Teahouse attempts to preserve the delicious tastes of Cantonese cuisine and to bring them to the next generation; the mission of the Kluang Teow Chew Fishballs Sdn. Bhd. is to repay the community upon which it relies for its business; the Ghee Hiang biscuit shop of Penang believes in “quality first in satisfying customer needs;” while The *Kwong Wah Daily* operates on the principle of “Justice for Humanity” while the KHIND Industries is guided in its business “to bring happiness to all,” and Fungwong Biscuits has a proud history of producing traditional Chinese biscuits for auspicious events to project the cultural meanings associated with weddings, birthdays and festive occasions. It is clear that these businesses pursue their profits by observing the cultural imperatives of serving society with *ren* and *yi* or benevolence and righteousness.

Adherence to traditional cultural values: These businesses are directly or indirectly linked to certain cultural traditions to project the auspicious features of weddings, birthdays, festivals such as the

Mid-Autumn Festival, the New Year and other occasions to connote the ideas of joy and perfection that are valued in Chinese traditions.

Transgenerational succession of management: That these businesses have succeeded in being durable and sustainable testifies to the passing down of management to the younger generation. In some cases, this process of transgenerational succession has occurred over 3-4 generations.

Adoption of new management style: To cope with new trends these businesses have been able to modernise their management style in order to sharpen their competitive edge, diversify their market outlets, improve the production process, raise efficiency and productivity, reduce cost and to diversify product brands to cater to different tastes of the old and young. Building up the trust of customers: All these businesses have strived to build and maintain the trust of the clientele. The various brands have survived because of the success in establishing a lasting reputation in producing quality products and to retain the loyalty of the clients.

The Chinese old brand-named businesses have been part of Chinese community life for decades. They are looked upon with pleasant nostalgia as they recall a way of life that is associated with blessings, luck and happiness. Dr. Yean-Leng Ng has helped to initiate a study that basically touches on the important idea of the continuity and durability of Chinese family businesses. In short, it is about the concept of “sustainability” in the cultural context. Most small businesses have proven to be short-lived as their operation fails to withstand changing circumstances. The concept of sustainability of businesses connotes the idea of continuity and survival that is built on a foundation of efficient management, cultural importance, and innovation to stay relevant to changes in social and cultural behaviour and demand of different generations. That some businesses are able to remain viable over time is not due to chance but rather to something more significant. Attempts to uncover and to understand why some small businesses are sustainable while others are not is a subject that is worthy of serious study.

This book, though not intended to be an academic study of Chinese family businesses, is nevertheless a timely contribution to a subject that has hitherto been neglected. The accounts are rich in detailing the beginnings of each business and the thoughts, struggles and feelings of the founders and those of the successors. The family operation that has continued over generations is in reality an attempt towards achieving sustainability. It is hoped that this study will inspire similar efforts to increase the knowledge of an important heritage of the Chinese community in Malaysia.

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