

# Traditional challenge

[History](#)



Traditional Challenge Introduction Guanxi is one of the oldest histories of Chinese meaning relationship. It usually stands for any type of relationship. In the Chinese business history, it can also refer to a network of relationships that various business organizations use to support one another. Many people in china who do business usually help each other in a way that, " You scratch my back, I'll scratch yours." This is an important thing that one has to understand if need be to perform business in china.

### Guanxi

Guanxi system is an important way of doing things as in China, Guanxi makes all the difference. It is a good way of doing business and this has gotten China to being successful in that part. Most of the Organizations in China, after they get the right Guanxi, they minimizes the rate frustrations, disappointments, and risks in their businesses. Once an organization gets the right Guanxi through the required authority, Guanxi determines how long that business will last depending on the competition that exists in the business environment. Most of the risks that may encounter a business are reduced once you have the right Guanxi system at work for you. The right Guanxi is a key factor when it comes to a business in China (Gold and Doug 3, 4).

Guanxi sometimes can be demanding when it comes to resources and time. The resources needed and time required in establishing this network is worth the investment as everything else in the business becomes secure. In the current China's situation, Guanxi is to be considered as an asset. Looking at how China is growing business wise, Guanxi system will be of high help as it minimizes the risks in business. China has got a different way of doing business that they only do business with the people that they trust; having <https://assignbuster.com/traditional-challenge/>

the Guanxi system in place they increase the chances on being more successful in their businesses (Gold and Doug 6).

Although sometimes Guanxi can be mistaken for corruption, relationships are better virtues when it comes to businesses. Guanxi is usually regarded legal in Chinese culture and it does not involve bribery in any way. Before conducting any business in China, having a good relationship with a partner in business will increase trust and this is what Guanxi comes about with.

Looking at the current situation in China, China is trying to gain trust from everywhere in the world so that they can have more business partners (Fan 548). Most of the companies in China that have wide Guanxi system are seen to perform better than those with little relationships. China is one of the leading countries in business worldwide. Having a cheap labor every country is willing to work with China in order to improve in economy. China having the tradition of Guanxi has to make sure that they have a good relation with the country that they partner with this increase their indemnity in business (Fan 550).

#### Conclusion

Guanxi is a system in China that emphasizes in creating good relationship with others in a hierarchical way in order to maintain a good social and economic order. Guanxi increases trust in either business or any other thing that one has to get involved with. Having this system, China is sure of being more successful in business and poses a great threat to any competitive country. Guanxi is one thing in China that makes most of the organizations to be more secure when conducting any business with any partner.

#### Works Cited

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