

Chinese family businesses



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Chinese culture, insofar as it impacts on business operations, can be understood within the context of Confucian ideology, which places a premium on " the importance of society, the group, and hierarchical relationships within a society" (Ralston, Holt, & Terpstra, 1997, p. 5). In this respect, Confucian concepts of filial piety, harmony and hierarchy, interpersonal relationships or 'guanxi', family and family, and face are important concepts that must be given consideration for a successful business in China, and with Chinese businessmen, in general.

As a direct consequence of Confucianism, Chinese culture therefore places collective interests over individual interests. Their " socialistic philosophy teaches that the good of all is everyone's concern" (Ralston, Holt, and Terpstra, 1997, p. 7). This is in contrast with the Western concept of individual achievement and self-worth. This collective orientation is also evident in the manner that Confucian ideals place emphasis on the importance of family, such that most Chinese businesses are also family businesses. This collective orientation, however, is rooted not on the basis of emotional attachment to a group, but rather on " the web of reciprocal or moral relations in which one finds oneself, [and] defines oneself", apart from which " one can have no real identity" (De Bary, 1991, p. 3). Thus, for the Chinese, " the virtue of humanity is meaningless unless it is involved in actual human relationships" (Chan, 1963, p. 104).

This focus on collective interests, bound by interpersonal relationships, is a crucial focal point businessmen must take into consideration for a successful business relationship with the Chinese. It implies that the collective group given emphasis is not exclusive, such that non-Chinese can penetrate it, provided that they build good interpersonal relationships, or 'guanxi'. To do

so, however, they must build relationships by giving out favors that will benefit the group, such that through this utilitarian perspective, trust and 'guanxi' can be cultivated. In building these relationships, however, it is imperative to keep in mind that Chinese culture, as a consequence of their importance on families, is hierarchical, such that it also demands loyalty and respect similar to filial piety. Thus, Western businessmen, to ensure success, must not only show respect by addressing Chinese executives and businessmen properly; instead, they must also ensure that the individual they are dealing with is the 'father' of that company because other individuals, lower in the hierarchy may not command enough authority to make business decisions.

Lastly, the Confucian concept of harmony calls for an avoidance of confusion, competition and conflict, among others, such that new ideas and products introduced must not create conflicts or confusion in order to be received accordingly. Receptivity to change is therefore dependent on whether the change can be balanced within the nexus of the business environment to avoid rejection. In this respect, the manner that an idea is presented is crucial, such that it must adhere to "strong and ritualistically reinforced set of norms that rigidly guides Chinese behavior" (Marber & Wellen, 2002, p. 3).

Culture, is therefore an important aspect that must be given consideration in China because of its deep-rooted influence in the nation and among its people. The effect of Confucian ideals of filial piety, harmony and hierarchy, interpersonal relationships or 'guanxi', family and family, and face must therefore be given consideration because it determines not only the personal lives of Chinese, but their business practices as well. Hence, in order to

embark on a successful sales and marketing strategy, businessmen must keep in mind that insofar as the content of their sales pitch or marketing campaign is important, a more important aspect is the form and manner that rituals and norms are followed in their presentation. To do so, however, relationships must first be built through a constant exchange of favors to be able to penetrate the 'family', which businesses are analogous to. Lastly, it is imperative that conflict and confrontations are avoided at all times to ensure harmony and balance in the business environment, which Chinese businessmen places a premium on.

References

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