

Politics of Culture in China

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China

The emergence of a transnational management culture in China is a very recent phenomenon. There have, of course, been precedents, which may be traced back to the early twentieth century or even earlier. But what we see happening in China today in Sino-foreign joint ventures has basically emerged during the 1990s. Small wonder that the study of transnational management is still taking its first steps, and that a broadly oriented approach in this research field is lacking. Last year, a workshop entitled 'Politics of culture in transnational management: China during the twentieth century' was convened by the authors in order to develop such an approach.

By Leo Douw & Chan Kwok Bun

The study of transnational management has been dominated by the concept of cultural difference ever since Geert Hofstede published his classical research on IBM and its branches over the world (1980). Hofstede suggested that the existence of cultural differences among the personnel of multinational firms offers a substantial explanation of the problems with which corporations such as IBM are confronted in their foreign branches; he also offered an apparently sophisticated methodology for the research of those differences, because his project provided a convenient outline of the components of culture and enabled students to efficiently interview the employees in those firms, measuring their proclaimed cultural luggage along sliding scales. In many departments of business economics and organ-

ization studies at universities, and in professional schools, the work by Hofstede and his followers is still the standard reference. As for China, Hofstede has provided the obvious starting point for a large number of research projects.

Undeniably, the Hofstede school has engendered a vast amount of useful information on work relations in foreign-invested firms, including those in China. There is no doubt about the existence of cultural differences nor about their being a real and often formidable obstacle to be overcome when doing business across national borders. Nevertheless, over the past decades the theory's limitations have also become clear. For one thing, the argument of cultural difference can be manipulated to the purpose of maintaining existing power structures. Research on gender relations in Sino-German enterprises indicates that whereas German expan-

atriate managers usually value women higher as to their work performance than men, they are nevertheless sensitive to the argument of their Chinese counterparts, that most Chinese employees would not accept a woman as their boss. In that way, career opportunities for women are being overlooked on a grand scale. Also, the argument of cultural difference may self-reinforce and perpetuate existing mutual stereotypes and thus hinder changes in work relations. In contrast with the Hofstede approach, the acknowledgement that employees of different cultural backgrounds also share many cultural features is obviously much more conducive to cultural change.

An even more challenging problem is that undue emphasis on cultural differences may block out a realistic view of structural factors, which determine much of the problems encountered by foreign firms in China. Foreign enterprises usually serve different purposes for the Chinese than for their foreign partners; they also, often unawares, serve quite diverse and sometime conflicting interests among their Chinese counterparts. A more realistic under-

standing of these interests on the Chinese side seems to be much more helpful in conducting business than any perception of cultural differences, however useful that may be. It would be better, too, if our rapidly increasing understanding of the workings of Chinese business networks could be extended to the analysis of transnational management, as a method of getting to grips with the question of where foreign firms in China are heading in the longer term, and which side controls that process. The past achievements of such business networks in accommodating the needs of Western enterprises in China would particularly merit such analysis.


What applies to claims that cultural differences really matter, applies equally to claims of cultural affinity. Research reveals that managers of a bicultural background are often perplexed by the conflicts which result from that situation: prospective Australian-Chinese business people for example, who try and enter the Chinese market, have often shrunk back from their initiative when realizing that they were considered as Chinese rather than as Australians, and were not prepared to live

up to the resulting expectations. The claim that their shared culture provides Chinese descendents with a big advantage over other foreigners in doing business in China is equally deceptive. For example, research into the Suzhou Industrial Park shows how a joint undertaking between the China and Singapore governments ended in failure because, amongst other things, claims of cultural affinity from both sides blinded the participants to objections against a local administrative project.

It is perhaps high time to transcend the Hofstede approach by examining what is behind the cultural divide rather than its alleged features and, also, by looking upon the newly emerged transnational management culture in China as a totally new phenomenon. To mention some final examples: German and Chinese female managers in transnational enterprises in Hong Kong have demonstrated a remarkable ability to create career opportunities for themselves, which is quite contrary to Chinese common practice. Also, there is now sufficient research showing that remuneration systems in transnational firms in China have their own specific features and can no longer be called either 'Chinese' or 'Western'. The new transnational management culture in China can be said to be composed of very different elements, but is more than the sum of its parts, and

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The workshop 'Politics of culture in transnational management' was held at Hong Kong Baptist University on 23-24 May 2002, as a part of the international conference on 'China in the world in the twenty-first century: hot development issues in contemporary China'.



is closely related to the power structures which gave birth to it and keep changing it. ◀

Reference

- Hofstede, Geert, *Culture's Consequences: International Differences in Work-Related Values*, Beverly Hills, CA: Sage (1980).

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