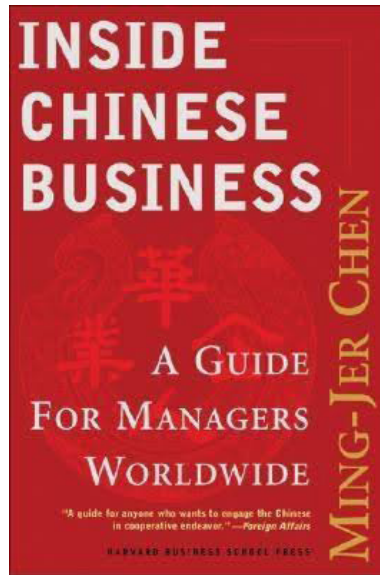


Book Review: Inside Chinese business a guide for managers worldwide by Ming-er Chen. (2001). Boston. Harvard Business School Press. 234 pages. paperback. ISBN 0-07-120249-8



## Introduction

Min-er Chen is the founder-director of The Wharton School's Global Chinese Business Initiative. Senior fellow at the Chinese University of Hong Kong, and Visiting Professor of Management, Imperial College of Science, Technology, and Medicine, London, England. He is the Leslie E. Grayson Professor of Business Administration at University of Virginia Darden School of Business.

The book shares information to clarify and have a better understanding on how to conduct Chinese business. Managers or even anyone, particularly those who are curious, will be amazed with the uniqueness of the Chinese in doing business. A wonderful

journey of knowing how history, philosophy, family, relationships, and other elements or components of culture play a major part in Chinese business.

## **Summary**

The book helps managers, or anyone interest, to have a clearer understanding of Chinese business from its cultural perspective, mostly from its history and philosophy. Readers will also better understand how Chinese business is conducted as rooted from their societal experiences such as social hardships, colonization, and other major events in the nation's history. One is guided to the view that conducting Chinese business revolves mostly on family, reciprocity, relationships, and trust; an extended web like networking; and the ability to sense the meaning of indirect answers or "reading between the lines." The success in conducting Chinese business relies also on the excellent working relationship with a local partner, establishing very strong understanding of each other and mutual respect, and goodwill within the industry and with the community.

## **Analysis and Evaluation**

The objective of the book is to provide a deeper understanding about the relationship between Chinese business and culture.

The new knowledge contribution of the book is that the perceived intricacies or uniqueness of conducting Chinese business by managers, or anyone could be better understood if viewed from a cultural context.

The perceived intricacies or uniqueness of conducting Chinese business is discussed for clarification in each chapter. Chapter 1 is an overview of the characteristics of the Chinese and where some settled outside of mainland China. Chapter 2 makes us realize the importance and major roles of the family in conducting Chinese business. Chapter 3 focuses on the interconnectedness of networking, family, reciprocity, relationships, and trust. Chapter 4 explains the changing roles of an individual in the Chinese social system. Chapter 5 emphasizes the need to appreciate both local culture or ethnocentrism and foreign culture or xenocentrism. Chapter 6 clarifies why Chinese businessmen project an image of simplicity or low-key which is also slowly changing in recent generations. Chapter 7 emphasizes the importance of being respectful of the local practices and sample statements are made available to help communicate in an indirect and subtle way when conducting Chinese business. Chapter 8 clarifies that the practice of negotiations is in the context of a continuing dialogue. Chapter 9 gives importance on the changing landscape of conducting business in China particularly the combination or the right mix of international business practices with the local culture and business practices. The epilogue serves as a reminder to realize the importance of multicultural understanding to succeed in conducting business in any country.

The text in each chapter is supported with figures and tables with data for further clarification. There are also boxes with key or important information for a better understanding of the ideas and concepts. Chinese words, expressions, syllables and Chinese characters, philosophies, beliefs, and other local information are given meanings or explanations for better appreciation and understanding. These make the book easy-to-use to truly serve as an excellent guide in conducting business for managers or anyone who wants to explore the possibility of doing business in China.

It is made evident from the valuable information the challenges in doing business between China and the West that conducting Chinese business is more personal or relational in nature while the West is more straight forward and exercise the use of official

agreements. This tells us that conducting Chinese business and the Western way of business are “worlds apart” or polarized and can be rooted in and affected by their own culture.

Aside from the intended important use of the book as a guide for conducting Chinese business, one realizes that certain chapters or sections narrate a few positive progressive changes not only in conducting Chinese business but also in economic and social development. For example, at the macroeconomic or country level, it has experienced the transformation of major economic growth centers concentrated in specific areas which made the country attractive to foreign investors and one of the most competitive countries in the world. While at the microeconomic or individual and organizational level, it can be observed that some Chinese business families or family members have developed also the preference for modern clothes and material items. In organizations, those managing Chinese business, particularly from the new generations who studied in the West may introduce or integrate business “know-how” and ideas that can be applied to be more efficient and effective in operating their family business.

These few positive progressive changes further raise various future implications that may eventually change the way to conduct Chinese business, affect culture, and help in economic and social development. The concentration of economic activity in certain areas has resulted in lack of development in most areas. However, the creation of the national rural development strategy, focused on sustainability (Organization for Economic Development Cooperation (OECD) Rural Policy Review: China. (2009), is a significant contributory factor, beneficial to the economic and social development in most of the less developed areas, which will eventually further help create sources of income and also attract investors to conduct Chinese business. The changing lifestyle, aside from clothing, such as the preference for food and entertainment, the interest in education and new experiences, particularly international travel, also affect the use of time, spending behavior, and motivations for pleasure and leisure or other elements or components of culture. The business “know-how” and ideas

of the new generation of Chinese business owners and managers who were educated in the West will have the opportunity to “transfer the technology” or pass the business “know-how” and ideas to their Chinese managers and other employees, creating a generation of more competent and skilled human resource, which is beneficial in terms of being familiar with how the West works and conducts business.

A key idea that we can also learn, is to develop an excellent working relationship with a local Chinese partner with the interest, capability, and traits to balance or have mutual respect with respect to the cultural differences in managing a business from both the Chinese and the Western business cultural context. There are several advantages with this key idea but some of the most important reasons are related to familiarity with regulations, providing understanding for policy decisions and the deeper understanding of the local market buying preferences or behavior. This is an excellent key idea in conducting Chinese business that is also applicable for other nations and organizations with a different cultural context in a fast and ever-changing world.

## **Conclusion**

The book was able to provide a deeper understanding of conducting Chinese business with a cultural context. This clarified some of the unknown, less known, and perceived intricacies or uniqueness in conducting Chinese business and/or its culture. As a result, managers from the West as well as with any nationality will be encouraged and confident to conduct business in China. As an indirect result, the book inspires managers and anyone from any country to have a deeper understanding of conducting business in another country from its cultural context

Raymund Sisenando Mercado

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