

# *Inside the Chinese Business Mind: A Tactical Guide for Managers*

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***Ted Sun (2011). Inside the Chinese Business Mind: A Tactical Guide for Managers. Jaico Publishing House, Mumbai, Price: Rs. 250, Pages 191, ISBN: 0313365199.***

Over the last few decades, a lot has been written globally on China as a next superpower. Many authors have attempted to explore various dimensions to understand the incredible potential of Chinese business. Several case studies are developed for a better understanding of the tremendous potential of an awakening economic power and Chinese culture. However, for in-depth understanding of 'how the mind learns', the author has conducted the 'International Values Study' and as a result, this book offers the tactical insights for Western leaders. China is a country with a huge diversity, rich history of innovation and adaptation. Therefore, studying China as a single entity gives a limited perspective. Most of the books on China have this limitation as they consider China having a single culture. This book is helpful for those business leaders who want to conduct business successfully in China. Though the title uses the term 'Manager', the author has purposely used the term 'Leader' throughout the book. The author perceives that managers are a part of the hierarchy and believes that leaders can be anyone who makes a conscious choice.

The book is spread across five chapters followed by recommended readings, index and appendix on 'Values-Beliefs' survey.

First chapter 'The Rising Star of China' narrates the author's journey, and experiences in China. Considering China as a dominant economic power, with the help of ample economic data, the author has mentioned about China's transformation. The author has opined that for conducting business successfully in China, understanding of the history of transformation is essential. Therefore, the author tries to weave historical perspectives through various business concepts throughout the book. Huge population was the major hurdle for Chinese government during 1960s and 1970s. Though the government set the target of modernization by the end of twentieth century and

policies were instituted for liberalization of economy, country's huge population striving for food and basic necessities put the constraints on policy implementation. This was a wakeup call for Chinese government to come up with the rule of only one child per family and its meticulous implementation. Diversity and dramatic differences in social, economic and religious classes of the people, was another greater challenge before China. Government invited and implemented various innovative ideas from its people. In addition, China was also innovative in products, organizational processes and structures. China has a great achievement in gaining patents. While summarizing this chapter, the author has appreciated China's consistently increasing Gross Domestic Product (GDP) and commented that China will feel the heat of global economic crisis with a delay and so the country will continue to exist as dominant power. The author however, strongly disagrees with the common myth that China has one homogeneous culture and advises the organizations already conducting and/or willing to set up business in China about the cultural differences.

Second chapter 'Context over Content' deals with understanding the context or the environment for doing business in China and how to design the content or decide the behavior in that context. The author has advised that Western leaders require several training and behavioral workshops instead of a quick content fix. Content is always conditional and temporary and it changes based on events and people involved. Context is the relationship between people. The author has suggested for being conscious about the context. This chapter is a bit heavy to understand, since it deals with many theoretical concepts. This chapter has 3 sub-chapters: Going beyond Behaviorism, Business context in the West, and Business context in China.

The author has opined that Westerners practice behaviors without realizing the historical and philosophical context and judge the events and people based on their Western programming mind. Western business world largely believes in behaviorism. Behaviorism approach works on inputs or stimulus and responding behavior i.e. response. However, the author believes that human beings are not so simplistic to repeat a response to a certain stimulus and cautions not to blindly apply behaviorism while doing business in China. The author has commented that Western business leaders think that they know well about the economic context of China through their studies and data. However, China's perspective is quite different. Business context is a complex web of systems. For its better understanding, the author has suggested to avoid quick fixes and slowing down of quick judgments. He has discussed in length, three major components of context viz. individual, society and systemic interactions. The author has explained Chinese business context with the help of these three major components. The author has also commented on differences in defining the success in Western world and China. While summarizing this chapter, he opines that to conduct healthy and beneficial business with the Chinese people, an awareness of virtues and rules of propriety is a starting point.

In the third chapter 'Multidimensional Business Contexts', the author talks about the opportunities for profits and knowledge acquisition. Any business requires individuals to work together. Thus, in any business context, an individual is the basic element. Hence, it is imperative to understand the contextual web of interdependent relationship between individuals and Chinese business leaders. The author has used the 'Intimate Iceberg' model that has many levels of complexity. To understand the working behaviors, one has to know what lies beneath the surface by studying the skills, knowledge, beliefs, values and identity. However, most people operate at the surface by working in behaviors and measuring performance. The author has commented on proper or right behaviors in the business world and opines that despite right behaviors none have proven to yield effective leadership. According to the author, focus on behaviors only confuses people from their own personality.

This chapter is divided into 4 sub-chapters: Western Beliefs and Values, Western Business Principles and their Challenges, Eastern Beliefs and Values, and Chinese Business Principles and their Challenges. Values and beliefs significantly influence the way one thinks. These sub-chapters discuss the values, beliefs, their reflections in business principles and challenges due to that. The author has studied these aspects in both Western and Chinese business contexts and has presented the differences. The author has shared a study conducted on the value system and small set of beliefs within the Western business community, mainly in US. Many people, theories have a fundamental assumption that Western society is primarily individualistic. However, a study conducted by the author contradicts this assumption, as 'family' was observed as the most dominant value. Top eight values of Americans surveyed consisted - Family, Integrity, Honesty, Health, Fun/Happiness, Passion, Trust and Respect. On the other hand, the Chinese value system comprised of Health, Family, Career, Personal Achievement, Fun/happiness, Competence, Competition, and Responsibility. The author has talked about discontinuous change and outdated business principles such as harmful hierarchies, legal environment, avoidant norms, etc. The major challenges due to transition from industrial to knowledge economy and global economic crisis were discussed. Detailed discussion on the differences in Eastern and Western cultures and value system provides useful tips to the Western business leaders interested in doing business in China.

Chapter four 'Balancing Your Mind in Two Diverse Systems' is the extension of earlier chapter which presents the differences in Chinese and Western values and beliefs. Author has suggested on how to strike the balance of both while doing business and to understand the business context. The author has suggested developing thought process in multiplicity. This chapter is further divided into 3 sub-chapters: Relational consideration every second, Establishing your business, Product and market wisdom. First sub-chapter talks about the role of relationship in Chinese culture as well as in business. Author has opined that relationships are the center of Chinese culture. Next sub-chapter provides some quick tips on linguistic and

conceptual connotation, location selection, legal considerations, issues with business partner relationships, contracts and negotiations. In 'Product and Market Wisdom' sub-chapter, the author has suggested to prepare a solid marketing plan for the Chinese marketplace. Marketing becomes more complex when it is for not a single homogeneous population. To explain this point, the author has discussed the example of marketing of Sunglasses in China and basic marketing framework of 4 P to be applied in China. While concluding the chapter, the author has commented on working with Chinese partners and suggested conscious market segmentation. Last chapter '21<sup>st</sup> Century Multinational Beliefs and Skills' talks about the challenges of 21<sup>st</sup> century due to the changing rules of the life while doing the business globally. The author has discussed in length about some of the

basic challenges such as ethics of judgment, leadership within hierarchy, etc. The author believes that working harder is not enough in such challenging environment and suggests working smarter by establishing one or two key relationships. While summarizing the last chapter of the book the author leaves with some reflective questions for the leaders before entering a new environment. According to the author, doing business overseas can be a life-altering experience and a conscious choice to learn and grow.

This book gives important advice to the business leaders aspiring to conduct business successfully in China that they must have a deeper understanding of the Chinese business environment, its people and historical context with business practices than mere learning surface level behaviors.

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