

Managing Business and Projects with Chinese Enterprises

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Abstract—China its people, language they speak and their culture is unique in many ways. This also reflects in the way they accomplish their tasks and commitments. There are specific challenges faced by all in China. First and foremost is the language difference followed by the cultural differences and challenges arising out of different working styles. In this paper, the best ways to manage business and projects in China, as per experience of author are discussed. Solutions to specific problems have also been identified and presented in this paper.

I. INTRODUCTION

China is the second largest economy and biggest exporter in the world. Despite the recent slowing of its economy, GDP Annual Growth Rate in China is expected to be around 6.50 percent by the end of 2016. International estimates predict China to become the world's biggest economy within the next few decades. Keeping in view, the recent development China's progress and development is now closely linked with progress of Pakistan. The China – Pakistan Economical Corridor (CPEC) and the investments / projects that it brings to Pakistan has been termed as a Game Changer. It is therefore imperative that the Chinese Project Management Strategies and Methods be studied and understood.

Chinese methods of accomplishing tasks are complex and research is essential for success. Getting to understand Chinese trends takes time

and patience. It is all about trust and relationships. Long-term relationships are a key to being successful in the Chinese market. Once trust is established, you can achieve desired results much faster.

II. UNDERSTANDING CHINESE CULTURE

To understand the behavior during interactions with Chinese, you need to understand the roots of Chinese culture and the differences in basic cultural values and ways of thinking. One needs to remember that Chinese tend to have strong national pride, therefore, knowledge of Chinese history and culture, and respect for it, is highly cherished at all levels.

For thousands of year's Chinese culture has been heavily influenced by the great Chinese philosophers, the most well-known and influential of which are Confucius and Lao Tzu.

While, Confucius emphasized on the importance of maintaining hierarchy to achieve harmony within society, Lao Tzu highlights the relationships between different forces. According to Lao Tzu, the key to life is to find the Tao – meaning 'the way' between the two forces, the middle ground. The affects of these philosophies can still be found in daily dealings with Chinese partners. Often, they are more concerned with the means than the end through the negotiation process. Similarly rather than being a Boss, the person in charge is termed as the Leader who is followed in letter and spirit.

In the same context, "Face" (Mianzi) is a vitally important aspect of Chinese business culture, Understanding what face is key to

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success in China. In Chinese culture, the face defines a person's place in social network. It combines one's social status or prestige, and one's reputation. Social position, respect, and personal honor are very important in China. Therefore, your personal image and your effect on the image of those you meet are key to your success.

Similarly Businesses in China rely heavily on personal relationship (Guanxi). The same is developed with time. While personal and business relations are more or less independent from each other, the Chinese concept of Guanxi involves personal connections, such as with family members, friends, classmates and relatives as well as with close business associates. These social networks are important social force in China, far more so than what business networks are in Pakistan, Chinese network have their specific characteristics. Therefore it is entirely helpful if you maintain personal relation with big business players and relevant Government officials.

III. THE CHINESE LANGUAGE

While many Chinese can speak English, language remains the main obstacle in doing business. Don't just assume that your Chinese partners will understand you, as the resulting misunderstandings might lead to business failure. You might come across Chinese partners of whom you know that they can actually read and understand English but are still reluctant to speak. To some extent this problem is because of the focus on written language only and lack of verbal skills. Therefore, even partners who are able to communicate with you in English in writing might be uncomfortable with speaking English because they are afraid of making mistakes. This might be a strenuous experience for you but you must appreciate the effort.

Though learning Chinese may be a preferred option but this can be a difficult undertaking. However using the words Like "NI HAO" and "Xie Xie" etc may help u take long strides in your business endeavors with Chinese.

IV. DIFFERENCE BETWEEN WORKING STYLES OF PAKISTAN AND CHINA

While comparing Pakistani and Chinese working style, I believe, we tend to be more individualistic whereas Chinese are more collective, Chinese focus on relationships (Guanxi). Pakistanis, believe in Multi tasking, while Chinese are taking a more holistic view. Chinese would always seek the way and the means are more important than the end.

When dealing with partners in China, never assume that "yes" means "I agree" or "let's go for it.", but only that they understand what you are saying, that they see your point of view. This is one of the many differences in working style that you will encounter.

Pakistan	Chinese
<ul style="list-style-type: none"> • Individualist • Result-oriented • Multi Tasking • Seek the end • Argument 	<ul style="list-style-type: none"> • Hierarchical • Relationship-oriented • Uni- Directional • Seek the way • Bargaining

Be well prepared in advance of your meetings. Your Chinese host will most likely know you and your business quite well. You are encouraged to learn about your host and the area they belong and philosophies they follow for understanding their way of thinking and approach.

Giving / Receiving business cards are similar to introductions; hand out business cards to the most senior official first. Use both hands when giving and receiving anything of value,

including gifts and particularly business cards. Take a moment to look at and acknowledge the individual's card. You may also have your own cards translated into Chinese for your partners understanding.

V. GIFTS AND HOSPITALITY

Like in Pakistani culture, Chinese often use gifts to show their appreciation. Gifts that reflect the interests of both the giver and recipient are highly appreciated. For instance, Chinese tend to choose gifts with Chinese characteristics or delicacies known in their local area. Therefore while choosing a gift, something from your home country or delicacies for which it is famous are usually good choices, as are simple items for daily use, such as books, pen sets and traditional dresses and shawls. Certain gifts like clocks and anything related to the number four and items in white and black should be avoided as are considered unlucky.

Try to avoid expensive or lavish gifts for two main reasons: first, gifts exceeding a certain value can be considered as bribes; secondly, this will make it difficult for the recipient to reciprocate in kind, thus causing embarrassment for both partners. Last but not the least, there is a risk that the recipient will be forced to refuse the gift, which might cause humiliation.

VI. MEALS AND NON-BUSINESS TOPICS FOR DISCUSSION

Business often gets conducted during meals. As with business meetings, food and seating are determined by the hosts. The interaction during meals will include large numbers of courses with your host introducing local delicacies.

Such social engagements are essential to relationship building in China. Similarly, to reciprocate you may invite Chinese to Pakistani restaurant introducing local cuisine. A

willingness to engage or participate in such activities demonstrates not only respect for your Chinese host but also your desire to deepen the relationship.

VII. Projects Management

In Pakistan both public and private sector favor loosely structured management systems, which can process new information quickly, and managers who can act independently. Chinese companies especially the state owned believe in tight control and communication only when essentially required. This reflects in the behavior of their Managers.

No matter who your partner is in China, whether you are in control or you are a minority partner, make sure that you add value to the partnership. Value addition is really your long-term insurance for success.

VIII. NEGOTIATION

Conducting negotiations in China is more an art than a craft. Negotiating in China takes time. Differences in basic cultural values and ways of thinking also lead to different approaches to negotiations. While working with Chinese, your negotiation skills will also be tested again and again, and the ability to adjust and perfect your negotiation skills will be the key to your business success. Often the first few meetings will involve a lot of seemingly unrelated discussions. The rule is "friendship first, business later". For instance, during the introductory part, While we tend to be informal and brief and we usually move to the discussions within five to ten minutes. In China, this phase can be much longer. The meetings are formal and long process and in few cases the person sitting in the meeting having limited authority.

Hierarchy is important in China; therefore make sure that you meet the top decision-makers at the early stages of the negotiations.

Usually these are the people who will set the tone of the negotiations. As a matter of course, they are also the ones who must be consulted before the final approval can be granted. Having the lower-level working team present is useful as well as they will be the ones working out the details in later stages. Moreover, when the bosses speak it is earnestly recommended that others should listen.

IX. CONFLICT MANAGEMENT

Conflicts and disputes are an integral part of Projects Management and business. In a culture where people are used to bargaining, tough negotiations are the norm. Yet, for a variety of reasons, most conflicts do not end up in court. Chinese people don't like to expose their problems. Of course, the best way of managing conflicts and resolving disputes is to avoid them. If conflict is unavoidable, the best is to negotiate your way out. If you cannot resolve the dispute through negotiation, use mediation through a neutral third party to help resolve the issue. Try to avoid litigation whenever possible.

X. BUREAUCRACY AND TRANSPARENCY

China is not different than Pakistan in the sense that bureaucracy does exist, including overlapping responsibilities and sometime delay in processing time. Since this is not unique to China do not attempt to influence officials with lavish gifts, entertainment or cash. Interacting with government officials or local agents requires cultural knowledge and patience. But once you have demonstrated your commitment to the project, Government officials can become your most important allies and supporters.

XI. Recommendations

Overall, based on my experience I believe that for efficient working we need to;

- a) Visit China to understand the Culture and Norms.
- b) Foster an atmosphere where shared interest can emerge.
- c) Maintain small teams with decision making with team leader only.
- d) Make Chinese team feel a part of your team.
- e) Avoid geopolitical discussions, even if encouraged by clients.
- f) Be aware of the time differences. Moreover, Check the Chinese calendar. If you are scheduling a meeting, avoid all national holidays, especially Chinese New Year. Schedule meetings at times convenient to both, starting at 0930 are recommended.
- g) Never plan a visit to or inside China during the Spring Festival Season.
- h) Discuss expected Project Milestones during holidays or annual leave in advance.
- i) Invite your business partner for a one to one meal, followed by gift exchange.
- j) Never show lack of respect.
- k) Learn Chinese language

All in all, Chinese methods are unique and take time to understand, however, once assimilated they help in establishing strong bonds with all facets of Chinese society. While the Country is rapidly changing, these cultural norms will always last and will feature in all interaction now or later.

“Be careful what you water your dreams with. Water them with worry and fear and you will produce weeds that choke the life from your dream. Water them with optimism and solutions and you will cultivate success. Always be on the lookout for ways to turn a problem into an opportunity for

success. Always be on the lookout for ways to nurture your dream.”

Lao Tzu

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