UNDERSTANDING THE CHINESE MENTALITY
- SOME BASIC HINTS

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ABSTRACT

Trying to understand the Chinese mentality seems to be an issue often ignored by those who wish to do business in China. Commonly other aspects are on business persons' minds; they are rightly concerned about all the necessary resources, all kinds of business strategies, etc., they would even get acquainted with the most basic cultural facts, but would generally fail to consider the issue of mentality. However, putting serious efforts into trying to understand the Chinese mentality proves to be a good investment. Building a long-lasting business relationship with the Chinese partners (commonly suspicious of foreign business persons) is a pre-requisite for whatever further steps in the direction of cooperation. To successfully do business in China and with the Chinese requires lots of patience, knowledge and appreciation of their business and social culture, as well as understanding of their moral values and traditional views. In this paper we will try to present the starting kit for the beginners: some of the basic notions about Confucianism, collectivism, and concepts of face and guanxi.

Key words: Chinese mentality, Confucianism, face, guanxi, collectivism

1. INTRODUCTION

China - the most popular destination for business persons, no matter the field of work interest, and the most common country of origin of just about any product one can name. The so called "factory of the world" does not seem to give up, it has been moving ahead and growing for years at an impressive rate, and the mere fact makes it an obligatory destination for an increasing number of entrepreneurs coming from all over the world. China is an enormous country with diverse culture and an economy that is expanding at incredible rate. Therefore, the opportunities for doing business are great, but so are the drawbacks. The Chinese business culture is very different from Western business cultures and, in addition, it also differs from one Chinese region to another. Doing business with China and in China is certainly a time and resources demanding undertaking for any foreign individual or company.

Once a decision has been made to go to China, it is advisable to spend some time studying a few of basic aspects of Chinese culture, traditions, history, geography... This initiative will surely be appreciated by the Chinese business persons one will have to deal with. Such efforts may seem useless to foreigners used to quite different ways of doing business, but they are worthwhile since showing genuine interest in the host country, its people etc. certainly helps to make a good impression and proves one's intentions to establish long-lasting relations, which can be a basis for a good start.

It is quite difficult for Westerners to fully understand the Chinese mentality, their moral values and traditional concepts. However, this is a must for those who wish to do business (preferably with success) in China. In this paper we will present briefly some basic notions about Confucianism, concepts of face and guanxi, and collectivism.
2. CONFUCIANISM

Confucius (K'ung Fu-tzu, lit. "Master Kong") was a philosopher who lived about 2,500 years ago, and whose teachings still shape the mentality of the Chinese people (although these ideas were officially banned by the Communists). Confucianism is not so much a religion as it is a code of social conduct. Its influence is so pervasive and omnipresent that Chinese people unconsciously function in a Confucian manner. The basic canons of Confucian thought are obedience to and respect for superiors and parents, duty to family, loyalty to friends, honesty, humility, sincerity and courtesy. These norms should be taken into serious consideration, given the fact that they are applied in the business world as well. Age and rank are respected in China, and young people are expected to obey their elders unquestioningly. In the workplace, respect and status increase with age. Therefore, older foreign business people do have an advantage in this regard, and they are likely to receive more serious attention than younger people.

Some key concepts in Confucian thought

According to Confucius, the path to happiness for any society lies in the degree to which individuals understand and obey their given roles in the order of things. Individuals should not desire to change their place in the world and should not seek individual acknowledgment based on individual achievement; everything must be done with constant consideration for how it impacts others and the correct/imposed order of things.

A distinction between people should be made always, everyone must know at all times who is the younger and who is the elder, who is the guest and who is the host and so on. This means that every person must know his/her duty relative to others and what he/she can expect from them. Everyone is assigned a defined place in society as well as a set of behaviors related to that place. People are divided into categories, and a hierarchical structure of relationships is built within the group. Confucius's teachings comfort and reassure those who follow them, make their lives more complete and their sufferings bearable. An interesting thing is that religions in Chinese culture are not mutually exclusive entities; one can be a Taoist, Christian, Muslim, Shintoist or Buddhist and still profess Confucianist beliefs.

Xiào (filial piety, "of a son") is considered among the greatest virtues and has to be shown towards both the living and the dead. This term denotes the respect and obedience that a son should show to his parents, especially to his father. It is important to mention it because this relationship was extended by analogy to a series of five relationships: those between father and son, ruler and subject, husband and wife, elder brother and younger brother, and between friends. Specific duties are prescribed for each of the participants in these sets of relationships. Such duties, being also extended to the dead, led to the veneration of ancestors.

Humaneness (Rén) is another great virtue that can best be translated as human heartedness. Confucius's moral system is also based upon empathy and understanding of others. Virtue is based upon harmony with others. The famous Golden Rule instructs that a person should not do to others what he/she does not want done to him/herself and that one's inferiors must be treated just as one would want to be treated by the own superiors.

Confucius used the family as a basis for an ideal government and insisted on strong familial loyalty. One's first duty is to the welfare of one's family and working family members often pool their financial resources. In many ways, Chinese view themselves more as parts of the family unit than as free individuals. Confucianism honors humility and courtesy. Chinese are seldom excessively boastful or self-satisfied, even if their accomplishments are impressive or praiseworthy. The word individualism has a decidedly negative connotation in the Chinese language, and people can create enemies simply by standing out of the crowd. To function as an individual is to invite criticism of being selfish and opportunistic. Communist rule and Confucianism have homogenized
Chinese culture and slowed development of new inventions and new ways of thinking. Unquestioning acceptance of the status quo used to be the norm - this seems to be slowly changing nowadays. People in China do desire change, improved living conditions, better quality of life in general. They look to the West for new ideas, particularly regarding technology, business, management, as primary objectives. Together with them come other things too: persons exposed to a different environment (whatever happens to be the reason) are also exposed to a culture different from their own, to new points of view, to different value systems, etc. Consequently, people think about these new things and make comparisons; some small and imperceptible changes of the own ideas may slowly begin to take place in their minds. Nevertheless, we can expect the basic social structure to remain the same regardless of economic or even political change.

3. FACE

Chinese mentality cannot be fully understood without a comprehension of the concept of face. Face refers to two separate though related concepts: lian (the confidence of society in a person's moral character) and mianzi (represents social perceptions of a person's status). The Chinese and Asian concept of face is a cultural phenomenon quite different from what the Western people are used to in their own culture. It can be described as "personal dignity" or "public respect" that a person has in the eyes of his/her peers. Chinese are highly sensitive when it comes to face: to have and maintain face in all aspects of social and business life is a categorical must. Anything said or done which causes someone to lose face in the eyes of those around them is a very serious issue from which recovery of the relationship is very difficult (at times impossible) and which could result in ruined business prospects.

If one does or says something which causes a business associate to lose face, it is a double-edged sword: both persons involved lose face and this inevitably affects all future business dealings with anyone who has witnessed the event. Such a situation can occur everywhere, not necessarily during business meetings. For instance, if one is having tea with a business associate and one says or does something which causes the waiter/waitress in the restaurant to lose face, then he/she may lose face in the eyes of his/her business associate also. Paying attention all the time to all the face issues is not easy for the people coming from West but there is no alternative, it just has to be done.

Face can be given, lost, taken away, or earned

The easiest way to cause someone to lose face is to insult the individual or to criticize him or her severely in front of others. For example, Westerners can offend Chinese unintentionally by making good-natured jokes as they normally do with their friends back home. Another sure way to cause someone to lose face is to treat them as inferior when his/her official status in an organization is high. People must always be treated with proper respect. If not, both the "transgressor" and the "target" lose face for all others aware of the situation.

Face can be also be given by praising someone in front of peers or superiors or by thanking someone for doing a good job. Giving someone face earns respect and loyalty, and it should be done whenever the situation allows it, only very carefully, since exaggeration can be dangerous. Excessive praise may offend their collectivist culture or jeopardize their relationship with their superiors (the latter risk to lose face if their subordinates are praised too much). However, a person who praises others too much may appear to be insincere, so caution is required here as well.

It is also possible to save someone's face by helping him/her to avoid an embarrassing situation. The person whose face is saved will not forget the favor, and will remember to do something in return when the time comes. It is an important non-written rule. A person can lose face also by not living up to other's expectations, by failing to keep a promise, or by behaving dishonestly. In business interactions, a person's face is not only his own, but that of the entire organization that he represents.
In order to avoid losing face a foreigner should always be aware of the implications of what he/she says and does at all times: he/she should think twice before saying something, should listen carefully (lack of attention means disrespect). The key rule is: treat everyone with respect all the time. Let us add that face saving is not an issue regarding merely the Chinese, it is important absolutely everywhere, it is only a matter of degree and nuance. For example, in the same situation a European might feel a bit guilty, but a Chinese might feel ashamed or humiliated; or what a Westerner understands as constructive criticism, for a Chinese could represent a serious offense and hurt his/her pride. Also, saving somebody else's face as it is done in Chinese culture is more foreign to the Western concept of face (we care more about our own face without worrying too much what happens to somebody else's).

4. GUANXI

Gānxì (literally translated as "relationship"), is a one of the central concepts in Chinese society and describes a personal connection between two people in which one is able to prevail upon another to perform a favor or service. The two people do not have to be of equal social status. The term is generally not used to describe relationships within a family, and is also generally not used to describe relationships which are defined by bureaucratic norms (i.e. a boss and an office worker; a teacher and a student). The relationships formed by guanxi are personal and not transferable.

Guanxi has been extensively studied and described in studies of Chinese economic and political behavior, and sociologists have linked it with the concept of social capital. When a guanxi network violates bureaucratic norms, it can lead to corruption. Guanxi can also form the basis of patron-client relations.

Guanxi presents the key element of doing business in China, Taiwan and Hong Kong. As it has already been mentioned, little or no distinction is made between business and personal relationships. The person who wishes to succeed in China must cultivate close personal ties with business associates and must earn their respect and trust. Attempts to establish long term businesses in the country have often failed because foreigners did not recognize that business relationships were also very much personal relationships.

In order to get things done in China one needs to know people. This means that those who do not have guanxi do not have anything. Any successful person in China is a member of a loose network of personal friends, friends of friends, former classmates, relatives, associates with shared interests, and so on. These people do favors for one another and always seek a rough balance between help given and help received. The importance of guanxi has its roots in the traditional concept of family. For the Chinese, individuals are parts of the collective family whole. The family is the source of identity, protection, and strength. In the difficult times (wars, social chaos etc.), the Chinese family structure was a bastion against the brutal outside world, in which no one and nothing could be trusted. As a result, trust and co-operation were reserved for family members and extremely close friends.

The tradition of personal connections is as strong as ever. To be accepted into a network of personal or business relationships in China is an honor for foreigners. In the new business environment of China, executives and entrepreneurs work constantly to maintain and expand their networks of connections. Networks extend to other companies and individuals, to Hong Kong, Taiwan, and even abroad to Europe, the U.S.A. and Southeast Asia. Although it is done for mutual financial profit, the criteria are the same as for personal networks: trustworthiness and loyalty. Unlike many other societies, Chinese tend to see social relations in terms of networks rather than boxes. Therefore, people are perceived as being "near" or "far" rather than "in" or "out". Personal obligations and the degree to which individuals promote such obligations present the driving force in Chinese daily life even nowadays. Working in China today still requires recognition of guanxi's
power. For example, gifts are given as a token of respect and to allow individuals to build obligations between themselves and others who can assist them in China's business and social world.

5. COLLECTIVISM

About eighty percent of the Chinese population inhabit rural areas. For the majority of them life is a difficult daily struggle against the poverty. Eternal, it seems. Such harsh and merciless conditions reigning since the oldest days have induced the people to learn to live together in an everlasting state of inter-dependence in order to survive. As we know, Confucianism (respect for seniority, obedience to authority etc.), Buddhism (denies the individual ego; fortune, social position, family, body, and mind are only momentary manifestations of life) and Taoism (all beings and things are fundamentally one) presented a very firm foundation for Chinese collective ethics and behavior.

After 1949, the Communist party introduced another collectivism (political) to the already existing traditional one. Both of them had their own continuation and transition in these nearly sixty years, constantly interfering with and penetrating each other. In recent years, with the expansion of the market economy and the weakening of central planning, Chinese collectivism is facing new challenges. Chinese cultural and political collectivism both have a hierarchical structure and appear vertical. The majority of Chinese accepted the new Communist rule, just like they used to obey to other authorities in the past.

However, in spite of all the changes which occurred over the years, collectivism on the political level maintained certain continuity. Since market economy may put ideas of individualism into people's heads, the Party continued to advocate socialist collective morals in the same aggressive way. Nevertheless, individualism is becoming very popular, especially with the younger generations (Chinese are very much impressed by wealth in general), which represents one of the new challenges in recent years. An "alarming" example is that the children are no longer taught to share with others, on the contrary, selfishness is encouraged. Such a strong individualist tendency in contemporary China (so far from Lei Feng's famous words "A person's life is limited, but serving people is unlimited, and I am willing to devote my limited life to unlimited service for the people") might have several causes: transition to a (capitalist) market economy (profit oriented); numerous cultural exchanges with the West (the government sent a great number of students abroad who brought home not only the expected technology and science, but also various ideas, values, ways of thinking, etc.); the power of the mass media including the internet (notwithstanding censorship); and the one-child policy (children becoming "little emperors" in their families). In addition, a great number of foreigners (business people, intellectuals, educators, politicians, tourists) on Chinese soil certainly contribute to the increase of individualism. Some of the above may not apply to the entire country, but could be more characteristic of the parts of China where business is done more extensively (the more developed parts that are very different from those non-developed ones) and where ties and exchanges with the West are strong and frequent.

6. CLOSING REMARKS

Cross-cultural issues exist everywhere, in every aspect of our lives and at all times. We "cross cultures" with every person we come into contact with, no matter to which culture he or she belongs. Within the business context, cross cultural communication refers to interpersonal communication and interaction across different cultures, and has become a sine qua non in the age of globalization and internationalization.

Becoming conscious of cultural differences and exploring cultural similarities help communicate with people belonging to cultures different from our own. We should first try to think about the ways in which culture shapes our own thinking and doing, and then try to see the world from the
other people's standpoints. In order to be really successful cross-culturally it is not enough to know what the culture of our business partners is, what matters more is why it is like that. Once we find that out, we will have more chances to understand why they do things in certain way (and not in some other), and "walk in their shoes". Concentrating on similarities rather than getting trapped in the differences makes life a lot easier, saves time and energy that otherwise would be wasted in trying to "solve" things that cannot (and should not) be solved.

When China decided to finally start opening doors to the rest of the world it was well aware of the great need to create an investment environment which would encourage the necessary foreign capital, technologies, and production capabilities that would then permit the country to raise living standards and transform its economy. China's desperate need for capital and economic development met with foreign firms' operating needs. In order to survive and resurrect, China was forced to begin with important economic and social reforms which would, along with increased exposure to foreign cultures, initiate a slow inexorable cultural change. Although it is premature to speak about real, specific and profound changes in the culture of China, one thing is certain. The awaken dragon is still raising. However, despite the fact that some traditional values seem to be getting lost (society taking care of its members; difficult to speak about honesty when so much crime and corruption is going on), some others are still very much alive and apply a great deal to doing business (the importance of face issues and personal relations, respect for age and hierarchical status, group orientation, etc). We should also mention generational change and increasing exposure to global media as factors that are contributing to change of some aspects of Chinese culture. Another interesting phenomenon is witnessed: tourism. The Chinese have been going abroad intensively in the recent years and the trend is expected to bloom (the favorite destination: Europe). And vice versa, it seems like the entire world is extremely curious to explore on the spot the great Chinese civilization. Traveling and getting in touch with other persons and their cultures enrich people in various ways, make them think over about many things which can contribute to some small alterations regarding their viewpoint, for example: it is a two-way street that leaves traces in all the persons involved. And the real changes are said to begin in the heads of individuals, then to slowly enter the society.

To really understand the culture requires an understanding WHY the culture is the way it is and this, particularly for China, involves a deep study of the history of China and its people. However, the country is changing, but how and how fast? And how can we preempt these changes in order to be successful in business there. Additional and more detailed research is needed in order to find out about the changes that are happening in the Chinese society and their possible impact on China and the world in the future.

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