# China

This series of interviews was conducted in 1996 in Beijing. This video was made without official approval. Although all individuals agreed to be interviewed, there was concern that privacy be protected. We were not able to shoot this video under ideal conditions.

This 30-minute tape contains four parts that can be used together or individually.

## For Hour Long Classes

Part I (Return to China) can be used alone to demonstrate cultural differences between doing business in the West and in China.

Part III (Advice from Chinese Managers to Western Managers Working in China) can be used by itself to promote discussion of the skills expatriate managers need to develop to work outside their home countries.

## For Longer Classes

Parts I and II (State-owned Enterprises versus Multinational Firms) provide first-hand experiences with the cultural upheavals the new generation of Chinese managers have undergone. They contrast the old and new economic systems in China and the differences between state-owned and private enterprises.

Used in its entirety, showing the film's first three parts followed by Part IV (Views of Chinese Professor/Consultant) permits students to view the first-hand accounts of Chinese managers' participating in the new, more Capitalist system, followed by a Chinese psychologist's insights into how these experiences fit in with Western theories of management.

# I. Return to China

Lily (not her real name) is a young woman in her 20s who returned to China after receiving a college education in the United States. She now works for a western firm with a branch office in Beijing. She describes the contrasts between the Chine left five years ago and the China of 1996. Her face is blocked due to her concern for the political repercussions of being videotaped by western academics.

#### **Key Words**

"There are always exceptions." "...under the table..." "Human relations is not a good word here." 1. Contrast the themes of the Chinese system as Lily describes it before she left for the U.S. and her present experiences.

Old	New
Focus on jobs	Focus on money
Family	Getting things/consumerism
Politics	Politics is a less popular topic

2. What does "human relations" mean? What are the differences between the Chinese meaning of this term and in your home country?

# II. State-owned Enterprises versus Multinational Firms

Adam is an engineer in his 30s who has made the transition from working in a governmentowned organization, to which he had been assigned by the Chinese government after graduation, to employment in a multinational firm. He describes the different experiences he has had working for these two contrasting types of firms. The transition from government-assigned employment to accessing employment on the external labor market can be difficult.

Taking a job with a multinational firm means foregoing many forms of social security provided by the government to its employees (e.g., housing, medical benefits). Many Chinese married couples try to gain the advantages of both by having the husband work in a state-owned firm and the wife in a multinational firm. In Adam's case, he and his family depend on the multinational firm without a government-provided safety net.

#### **Key Words**

"Future can be not limited." "...the 'package' versus the 'system'..." "In a state-owned organization, you are somebody's property" "... the front edge of change..." "... the Capitalism concept..."

In the state-owned enterprise, there is relatively low pressure for performance or responsibility. The pay earned is less than on the external market, but the government takes care of personal needs, for health care, schooling for children, recreation, etc. However, superiors exercise control over employees' personal affairs.

In the multinational firm, in contrast, employees are expected to exercise more responsibility, accept greater job demands, and can access greater promotion opportunity. There is little interest on the part of the firm in controlling the employee's personal life; however, there is the financial package offered by the employer (which might include subsidies for housing or home loans, but are mostly monetary in nature).

- 1. Why might the transition from a state-owned enterprise to privately owned firms be difficult for workers? What do you have to know to function as a worker in a Capitalist system ("the Capitalism concept")?
- 2. Why would employees be attracted to working in a multinational firm? Learning a lot, exposed to a wider point of view.
- 3. Ask students to put themselves into the role of an expatriate manager in China. How would dealing with a state-owned enterprise be different from doing business with a multinational firm?

# III. Advice from Chinese Managers to Western Managers Working in China

Two managers offer suggestions for how non-Chinese managers might learn to work more effectively in China.

The first is Lily, who has studied and worked in the United States (from Part I). She discusses the importance of informal relations, the role of bribes and favors, and the dependence of western managers on their Chinese assistants.

#### **Key Words**

"Human relations has a different meaning in China than in the U.S."

Leah, the second manager, works in a personnel function for a joint venture (western firm collaborating with a state-owned enterprise). She describes some of the difficulties Chinese employees can experience in working for managers from outside China.

#### **Key Words**

"Westerners appear proud and arrogant." "Be careful to give understanding to Chinese." "Build family style culture."

- 1. What kinds of experiences and personal development would help a manager learn to manage people in another culture?
- 2. How might the transition from working in the West to working in China affect a manager? How can a would-be, non-Chinese manager learn to be effective in working in China?
- 3. Recall that in Part II, Adam advises "the development of a capable local assistant to start with." How would you develop such a person? How would you help that person convey your expectations to other people that assistant would manage?

# IV. Views of a Chinese Professor/Consultant

With a doctorate in social psychology, Professor Sun has consulted for several years to Chinese government organizations and multinationals.

He describes changes among the younger generation in China where increased education and westernized values has led people to be more reluctant to follow orders. Younger workers are different from their older counterparts in wanting greater personal autonomy, self-expression, and spiritual development.

He talks candidly about some of the differences between what western management theory says and the realities of working in China. Traditionally, Chinese have distributed rewards based on position, seniority, and age. To some extent today, performance is more likely to be considered. Given the differences in motivation between young and old, a single system of rewards may not be particularly effective in today's China.

#### **Key Words**

"Dictatorship works everywhere."

- 1. Empowerment is an important principle in the U.S. How well does empowerment appear to work in today's China?
- 2. What are the implications of Dr. Sun's comments for a U.S. manager in China?

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