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Building Relationships as an Expat in China
An observation on how to successfully build and manage business relations in China

By

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**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in Business Administration in Supply Chain and Information Systems.**

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May 11, 2021

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Introduction

Since opening itself to free trade in 1979, China's economy has doubled in size on average every 8 years. With sustained growth across forty years, China now controls the second-largest economy, just behind the United States by an ever-thinning margin. Seeing opportunity, American businesses moved operations into China immediately. As China's economy grew, America's reliance on supply chains across China grew. 2020 U.S. trade value in goods with China surpassed 500 billion USD, with the majority trade value coming from imports to the United States. However, starting in 2018, trade war disputes, geopolitical disruption, and the largest pandemic of the last century have tested nearly every aspect of Chinese-American relations.

A 2020 Gartner, Inc. survey found that as of February 2020, 86 out of 260 global business leaders started or made plans to start moving portions of their supply chains out of China. This Gartner survey is an example of how many businesses first reacted to the increased disruption and uncertainty. As the disruptions of 2020 carried on, both supply chain experts and American business representatives in China became the center of attention for business decisions and support. However, unlike the results of the early 2020 Gartner report, these experts argue that fault for disruption should be placed on the poor management and development of these Chinese-American supply chains. Removing business from China would not only generate massive expenses for these businesses but squander opportunities for growth and success that had not yet been achieved. Still, a few questions remain. Where do these experts believe American businesses failed in establishing resilient supply chains? What should businesses focus on to mend or build new business in China?

This report focuses on the advice of American expats who have navigated life and work in China, American businessmen who have successfully established strong ties with Chinese partners on behalf of an American firm, and the Chinese businessmen who have collaborated with Americans to manage and support our businesses abroad. Their insights come from long and intensive efforts to establish resilient and sustainable relationships with Chinese counterparts. Though business expertise substantially helps in keeping up with China's fast-paced business environment, their ability to learn and adopt Chinese culture, and values into business practices and goals became the key differentiator for success over colleagues and competitors.

The perspectives provided in this report can be used to better understand what cultural knowledge and values construct resilient business relationships and what misconceptions often arise when companies rush relationship management with China. If fully recognized for its influence in Chinese business, supplier relationship management may be the key determining factor for overcoming future disruption and a gateway for establishing transparent, efficient supply chains.

Review of Literature

Though U.S. and China reestablished bilateral trade in 1979, it was not for several decades that comprehensive research and books regarding Chinese business practice were readily available to U.S. readers. With little information, American businesses were left to guess as to what values and practices were important to their Chinese partners. This created serious issues for both Chinese and American firms. American firms tended to use traditionally American business customs which were scarcely helpful in gaining Chinese trust while Chinese businesses grew wary and suspicious of American motivations for moving into China. By the time cultural business information was becoming available, American Chinese business relations were already strained.

It is relevant to acknowledge that most of the texts included in this literature review were compiled from experiences of the last two decades. The individuals whose perspectives are included most likely faced the consequences from the early lack of information. Some were motivated by the lack of research to compile it themselves, others faced frustrations in their early business endeavors which turned them towards the subject. Regardless, these individuals witnessed firsthand the mistakes and consequences of cultural misunderstanding and poor business relations. Their insights may be the first of their kind and should be considered building blocks for research that is necessary to conduct before working and doing business in China.

Values Led Business

Much like the core values of American companies explain business practices and decisions, Chinese business relationships can be understood through key cultural values. These values are sustained through deeply embedded traditions that have been passed down in business and life by multiple generations. Misinterpretation or lack of respect for these values can have disastrous outcomes when attempting to do business in China. Authenticity, harmony, sincerity, integrity, trust, and empathy are 6 motivating values for establishing a strong relationship with Chinese partners.

Authenticity

Authenticity is not only important for building relationships in China but is a great example of the limited applicability of Western understandings to Chinese contexts. The Western ideal of authenticity promotes a commitment to self through one's will to modify ideas and decisions in order to achieve personal desires. Though it incorporates integrity towards good citizenship, it is most strongly reflected in the individual's self.

In China, authenticity is reflected in your representation of the collective, where responsibility is both shared and individual. As a reputation-focused society, authenticity in China tests one's ability to make sound judgments while protecting emotions. Consistency in emotional response creates predictability and stability, demonstrating dedication to the relationship. What Westerners misinterpret as cold is the warmth that is felt through mutual support and dignified behavior. The strongest test of authenticity is through shared adversity. With emotional responses heightened during an intense period of heat, the Chinese can determine the true emotions and motives in a relationship. Relationships capable of overcoming adversity without losing authenticity communicate safety to exchange emotions "which, once given, is not easily or lightly withdrawn" (Turley 20).

Authentic leadership also plays a large role in catering to China's expectations for work-life balance. In a quantitative analysis on the *Effects of Authentic Leadership on Work-Life Family Balance in China*, Lyu, Y., Wang, M., Le, J., and Kwan, demonstrate the strong positive relationship authentic leadership has between leadership-member exchange, work-family

enrichment, and work-family balance. Without understanding both the significance of authenticity and its cultural interpretation, a company runs the risk of misrepresenting itself through its leadership style and tactics. Individuals planning to take on a management role in China or work alongside Chinese managers should research and practice various leadership styles. Further discussion about leadership styles and methods will be discussed later in this report.

Empathy

As an essential value to any business environment and relationship, empathy builds trust through mutual grounds with which parties can relate, understand, and identify, the feelings and motives of others. With Chinese American relations spanning geographical and cultural boundaries, empathetic emotions become harder for an individual to cultivate and maintain. While cultural awareness and sensitivity can be starting grounds for identifying cultural differences, it is a depth of cultural intelligence that fully explains what empathy represents for Chinese individuals and its appearance in business.

In a relationship-centered culture where individual identities harmonize with ‘the other’, empathy is inherent to society. It is built and sustained naturally through the daily maintenance of oneself and relationships with others. Through the organization of empathy, individuals develop a sense of ‘the others’ boundaries. Empathy acts as a fundamental recourse in tightly knit and populated communities. When Westerners first experience this form of empathy, they often perceive it as intrusive to their personal space. This is not to say the Chinese do not need or rely on personal downtime and space. They place great emphasis on mental and physical care. Replenishment can be achieved “by taking excellent care of self physically (Tai-Chi) and mentally (the meditational aspects of Tai-Chi)”(Turley 37). To be available for another, one must already have a full store of empathetic resources and have a prepared positive outlook. Empathy provides reassurance, identity, and focuses on similarities rather than differences. Self-care through exercise, enjoyable activities, and hobbies, supplies Chinese individuals with the resources to live empathetic to the other.

The solicitation and expression of empathy in Chinese society often occurs through the desire to take care of others. Unlike Western society, where “tea and sympathy is provided” (Turley 38) to an emotionally strained individual, the Chinese commonly ask, ‘have you eaten?’. Struggles are viewed as a natural challenge of life. In Chinese society complaining and victim culture do not exist. Offering sympathy or emotional expression is limited to large-scale disasters, deaths, community, or national tragedies. Asking ‘have you eaten?’ empathizes with the need for wellbeing and places focus on replenishing an individual’s mental and physical strength.

At its bare bones, empathy calls care into action to address challenges and emotional dilemmas. A comparison of the two cultural interpretations can often be seen in professional settings. Western colleagues who jump in to offer deep sympathy for another often seem to out-speak their more reserved Chinese colleagues at first. However, months down the road the Chinese individual may still be offering empathy and care to ensure group success and balance. Should adversity arise during business in China, westerners should be careful to ask actionable questions, helping in addressing the issue and to check base on the well-being of those most emotionally strained. By committing to actionable empathy, you commit to others which in turn will strengthen mutual trust and respect between both parties.

Emotional Harmony

Emotional harmony is a critical value for cross-cultural businesses and teams. Implemented correctly, emotional harmony results in transformative views on cooperation, resiliency, and diversity. It is an enabler for positive perspectives and respect for differences in our environment. To the opposite end, Emotional Disharmony leads us to be defensive of differences that are perceived as inconvenient, burdensome, and dangerous. “Emotional disharmony makes us view the differences in perspectives as threatening, problematical, inconvenient and troublesome” (Turley 22), encouraging defensiveness towards perceived differences.

Though emotional harmony and disharmony seem similar enough to Western values, it is the strength of Chinese emotional discipline which throws most foreigners off. Emotional harmony is part of the Chinese model for establishing and sustaining trust. Though trust is a value to be explained itself, trust is also tied to the quality of control, which is necessary for both professional and personal aspects of Chinese life. Exercising discipline of emotions in China demonstrates trustworthiness and positively contributes to an individual and a business’s reputation. It is a Western misinterpretation of emotional discipline which often leads to emotional disharmony. Though Westerners recognize the strength of emotional discipline in Chinese society, they simultaneously perceive it as a barrier to trust and deep relationships. As Chinese partners express respect and trust through emotional discipline, American partners interpret their ‘inscrutable’ exteriors as cold and indicating a lack of interest in the relationship. Solving this barrier to harmony requires one to look past an individual’s exterior expression and put faith in the Chinese effort to express trustworthiness and respect. Relative to businesses in the United States, Chinese businesses only recently expanded into global operations. Though empathy remains strong within their own communal relationships, they have not yet been able to expand this practice into newer international relationships.

This is an area of huge potential for American businesses to create strong relationships which can persevere through disruption and competition. By highlighting similarities in values, and priorities, we can establish common ground on which trust can be built. A great example to draw from is the shared value for family. “Revealing our own attachment to family, being willing to talk about our feelings, and show our care and emotional vulnerabilities around the area of family brings us so much closer to the spirit of China and to winning trust in business and professional contexts.” (Turley 24). Giving attention and interest towards the welfare of a colleague’s family builds immense trust in Chinese society. Maintenance of emotional harmony through an understanding of the Chinese heart and culture communicates a level of commitment that, when returned by Chinese partners, elevates business relations and opportunities.

Sincerity of Intention

Sincerity of intention can be determined long before one ever sets foot into China. If in during your journey “you are asking, what do I want from China? it is best not to seek engagement.” (Turley 24) This way of thinking is erroneous primarily for two reasons. First, with China becoming a center stage for global business and opportunity, they are center stage to bids from every country, organization, and group who want a piece of China’s influential abilities. Second, since the nineteenth century, America has built up a poor reputation for being self-seeking in business objectives. The U.S already entered China through the approach of ‘what can be gained’, ‘what can be extracted’ which only led to satisfaction for both countries.

American businesses now approach a China which is wary and suspicious of our intentions, creating an uphill battle for proving motives and pursuing objectives. If businesses

use objective-driven Western methods of building relationships, the Chinese will see motives that are goal-led and unfocused on relationships and collaborative success. To start on the right foot, it is critical to first focus on building a relationship with the Chinese partner. Goals and objectives can still have importance. However, it is important to convey the relationship as a priority in your intentions. Sincerity of intention like emotional harmony is about winning the hearts of Chinese partners. Though empathy and emotional harmony take longer to cultivate, opening to bonding and emotional dialogue in your first meetings can cement the first wisps of trust necessary to take you to the next level. Being authentic with your commitment to establishing connection provides relief to the stereotypes of artificial intention from Westerners.

Sincerity must be carefully sustained throughout the relationship, as it often provides a test for the Chinese to determine whether to carry on or walk away. Willingness to build on the early stages persevere through difficult times, and passion towards the other goals all communicate strong sincerity for long-term relationships. However, several key western behaviors can be perceived as superficial and fake. Both inappropriately times gift-giving, and event invites can come off as an extravagant cover for false motivations. In Chinese culture there are specific moments and methods which make such offerings genuine and others disingenuous. In China, gift-giving often occurs following a stage of development, celebrating the health and diversity of the relationship and those in it. Invites and gifts do not need extravagance. Be thoughtful in providing meaningful gratitude and think of what may provide value to another. Ostentatious gifts may cause anxiety as Chinese culture often looks to return the favor. Too lavish of a gift may lead to embarrassment when another cannot reciprocate. Stick to gifts and invites which reach the heart, not the pocket, as those gestures convey the greatest investment.

Time is the greatest challenger to sincerity, as it incorporates persevering through shared adversity. Every American business which has relations currently with China has undergone a recent test. Covid-19 proved the largest challenge that the US and China have mutually faced in many decades and both parties' true intentions are on display. When the pandemic first hit China, American firms which turned silent and a blind eye to their counterparts' struggles found themselves equally ignored when the pandemic reached U.S. soil. Businesses that offered support and empathy during the early outbreak continue to receive reciprocation from Chinese partners, as the fight carries on in America. At America's peak desperation for PPE, it was individual-level connections to Chinese friends and networks that supplied millions of dollars worth of safety equipment to American front-line workers. For the case of New Hampshire, Dean Kamen, an entrepreneur with supply chains in China, saved the day. Kamen "was able to facilitate a lot of the deals for [New Hampshire] using the relationships that he had" (Sununu 2020). Kamen's story is like many which occurred during the chaos of the early covid outbreaks.

In China relationships are lifelong journeys, with benefits that can prove limitless and far beyond the scope ever expected. Adversity should be accepted as an opportunity to prove worthy for such benefits and sincerity expressed in every facet.

Integrity

Though the U.S. and China express association for integrity. Both nations view each other as insufficient in their preservation. With both nations failing at interpreting the other's signals this value becomes more important to focus on. The American interpretation of integrity draws from its Latin root 'strength' and is a fundamental component of American relationships. Like the U.S., China's definition of integrity incorporates a component of strength alongside pillars of reputation and responsibility. However, in China's collective society, both reputation and responsibility take precedence over strength when defining the scope of one's integrity.

Integrity “is a fundamental premise of Chinese life that public reputation, or ‘*Mianzi*’,³ is what every Chinese person needs to have, seeks to preserve and is conscious of, at every moment of their life.” (Turley 30) It is a precious goal for every Chinese person to uphold throughout their life to support, society, family, and relationships. It is thought to be a collective expression, “your face is also mine and mine is yours.” (Turley 31) There is no break from sustaining face, and the weight of its conservation is considered a demonstration of all three pillars of integrity. Though American and Chinese definitions for integrity overlap, the expression in both societies varies greatly. In America, integrity is often defined by one’s strength in standing out. Differentiating oneself through dedication to your goals and beliefs is viewed as ‘being true to yourself’. In China, integrity is the conscious act of ‘putting your best foot forward’. Showing up on time, following dress codes, and maintaining a confident appearance carries both your face and the face of others. Following guidance from the collective, enhances your individual abilities.

The Chinese feel privileged when upholding their national face and intense respect is placed on the collective’s wisdom and order. Acts that counteract face can quickly harm one’s reputation. Public challenges, persistent focus on personal agendas, and insistence on personal beliefs are perceived poorly. Ignoring hierarchies of age and wisdom and refusing to listen to the advice of the wise convey an attitude of ignorance. Challenges and confrontation must be left for the right moments and place. Business expats must pay close attention to an organization’s hierarchy and inner workings to determine where these ideal spots lie.

Responsibility to family (*Jiaren*) is further mandated in Chinese society. Integrity is first defined by dedication to family and loved ones and often extends to further networks of friends and colleagues. Chinese households are often multi-generational, and a Chinese co-worker may have responsibilities for supporting their family’s emotional and financial needs. Caring for additional household members leads to a greater sense of pride when one can contribute to both their families and society’s prosperity. Integrity goes far beyond caring for oneself and gains strength through adhering to societal expectations while achieving goals for both family and nation.

Trust

In China, the word trust is synonymous with heart (*Xin*). Many of China’s ancient philosophers believed the organ to be central to one’s judgment and intellectual abilities. The impulses of the heart are still believed to contribute to where trust is placed. Prevailing through thousands of years also allowed China to establish incredible analytical institutions and strategic mindsets. Strategists such as Sun Tzu, Confucius, and Laozi paved the way for prestigious educational institutes and provided mentoring for the elite and public.

Wisdom is the combination of clear focus, methodical analysis, and constant re-evaluation of life’s situations. The role of the heart explains the deep connection between the Chinese mind and heart. The strong interconnection of these two elements translates into varied levels of trust which determine the degree to which relationships in China operate.

Guanxi which has no direct English translation is a network of informal connections motivated by goodwill. Often interpreted for bribery and corruption, Americans often develop a sense of mistrust when first encountering *guanxi*. However, *guanxi* is based on the strong establishment of mutual trust and shared experiences. Business benefits from *guanxi* include protection from threats and uncertainty as well as access to broader business networks. Three primary levels of *guanxi* determine the degree to which reciprocity and mutual obligation should be provided. The levels are separated based on the relational proximity of individuals and parties.

Jiaren, mentioned before translates to family and exists primarily of blood-related individuals. Extended family, Chinese or non-Chinese are also considered *Jiaren*. This level of *guanxi* commits to the strongest level of support and trust.

Shuren (friend) refers to the second level of *guanxi* where non-family members with significant connections such as classmates, coworkers, and fellow village men share mutual bonds. A general business rule in China states that a business relationship must progress to the commitment of *shuren* for it to last. Strangers do not make for trustworthy business partners.

Those untrustworthy strangers are considered *shengren*, whose relationships are short-lived. *Shengren* do not automatically receive suspicion but they most certainly do not have the degree of trust required to significant business relations. For foreigners to enter the higher category of *shuren*, one must commit long-term. One's expression of intention, integrity, authenticity, empathy, and emotional harmony can determine their movement along the scale of *guanxi*.

Practical demonstration can be just as important for gaining trust. Devoting efforts to common goals, offering public support, and commitment to your word all exhibit loyalty to the relationship. Offering protection, support, and assistance will motivate Chinese partner to return favor in the future. Above all else be vigilant in your efforts to observe and understand the details of Chinese relationships. The depth of cultural detail when working with both American and Chinese culture is extensive. These relationships are mutual extensions of faith and resources which can offer benefits and opportunities beyond business barriers.

Understanding for the values in which business relationships are defined provides opportunities for both individuals and corporations to enter business in China 'the Chinese way'. Though a well-trained and open-minded individual can foster a relationship easily, businesses should also incorporate components of these values into supplier relationship management. As in Chinese society, a single individual can create a bad reflection on the whole business. Ensuring that individuals and processes reflect respect for your relationship with a Chinese partner, is essential to your Chinese business objectives.

The Business Environment

Beyond values, China also has its own cultural approach to performing business operations. Communication, negotiation, networking, and leadership styles in China all vary significantly to styles deployed in America. The remaining part of the literature reviews a few of these skills and how they should be adapted to business in China.

Networking

With the amount of emphasis placed on the establishment and conservation of relationships, it makes sense that the levels of *guanxi* are far more complicated than what was mentioned previously. Networking as a *waiguoren* (foreigner) is often difficult given that one may walk into China with essentially no network. It can be overwhelming to not know anyone or how to get to know someone. The biggest misconception to *guanxi* is that one only needs to enter the network to have access to others. This is not true for Chinese society. "A Western expatriate manager, for example, who comes to Greater China to replace a colleague will inherit that colleague's desk, responsibilities, and address book, but not his *guanxi* network." (Chen 54) Cultivating networks in China is about building and expanding your own network.

To start gradually you may want to consider connecting to Chinese individuals living in the United States. Over 5 million Chinese immigrants and students live in America, many of whom have networks reaching into China. These individuals can offer insights as to how to adapt

to the cultural differences of both countries and may be able to connect you to others abroad. While this method is great for an individual, companies must be careful when going through a third-party, as the third-party's familiarity with specific cultural and business practices may be unreliable. Additionally, U.S.-Chinese political relations have created both envy and resentment for Chinese individuals who receive education or employment in America. Knowing an individual of Chinese ethnicity may be enough to put your foot in the door, but it cannot guarantee expertise or success. When meeting a Chinese connection for the first time, the goal is to establish a common ground. This may play out in several questions. As a young expat Ming-Jer Chen I was most asked; "where are you from?", "do you know so-and-so?", "are you married or in a relationship?" Though seemingly personal, these questions help place you in a social context with the other. Any opportunity to mention a Chinese friend or acquaintance may garner an excited response. For example, revealing common ancestry or birthplace elicits a much larger response than it would in America. Depending on the degree to the connection, you may find yourself quickly moved to *shuren*.

Though *guanxi* creates a network of individuals in society, it is fostered and preserved through individual relationships, not companies. Think back to the example of a new expatriate manager facing the challenge of building a new network. An American expatriate who is taking over a managerial role for a previous colleague, is expected to build their network from scratch. Historically, this has created several issues for American firms in the past, and many have learned ways to avoid such a crisis. Bringing the new employee along to introduce them to their predecessors' network gradually, stabilizes the transition. As well, maintaining contact with prior employees can help someone work backwards through a network to identify whom to reach out to.

Good quality *guanxi* includes diversity of connections. Network diversity "cultivate[s] a diverse network of *guanxi* connections [giving] you greater maneuverability." (Chen 55) In the event that yourself or a colleague is stuck with a problem, diverse members of your network may save the day. However, one mistake with diversifying network is the purpose of quick expansion. Familiarity with fast growing social media networks led many Americans to believe it is best to add a lot of connections quickly, regardless of your strength of relationship. This is not only accomplishes very little in China, as an entire network of *Shengren* (strangers) offer no value, but because "the chain itself is only as strong as its weakest link." (Chen 55) Focusing on building a strong reliable network should be one's primary goal.

Relationships and *guanxi* have been a component of Chinese business for centuries. The relevancy for these relationships and networking is demonstrated through the returns being realized from relationships which started decades ago. It may be a frustrating and confusing process in the beginning, however networking with an understanding for China's *guanxi* provides deep loyalty and support, leading to competitive advantages and new opportunities.

Business Communication

Many businesses and expats report that daily frustrations with communications, are leading factors to increased tension and frustration. Perhaps it is the over two hundred and fifty living languages spoken in China or the fifty plus ethnicity groups adding complexity, but with over one billion citizens it is understandable that Chinese communication methods cannot be easily defined. It would be near impossible for any outsider to obtain full mastery of China's complex communication system. However, American expats have identified a subset of communication skills which act as a communication quotient for foreigners looking for success in China.

Staying calm and levelheaded under pressure is the most important component to communication. This section aims to reduce initial tensions and stress by providing a broad overview of Chinese business communication styles. Understanding of base level communication strategies opens the door for individuals to learn and adapt to further nuances as they are faced. Communication in China should be first understood for its context. Unlike in America, where communication ends following the close of a deal or project, communication in China is expected to continue. This is in part because Chinese culture is considered “high-context, where a message can be properly understood only in relation to its environment or context” (Hall and Hall 1989). Context of a message includes multiple variables, such as tone, social hierarchy, and background information. This contrasts American society which is considered to be “low-context” where the message is drawn from what is said, not what is implied or through other factors.

With parties taking different contexts ‘to the table’ communications such as negotiations are often misinterpreted by both parties. American negotiators expect the literary interpretation of a contract to be followed to a concrete level. What is not written is not binding, meaning Americans expect very concise, verbose contracts that incorporate every expectation or detail. Higher-context societies such as Chinese society, tend to use more personal and less literate wording during agreements. Contracts in China may focus more on defining the relationships of the agreement and their interworking with a large network. The inclusion of relations and networks communicates commitment to togetherness and overcoming problems or tasks outline in the negotiation. Reference to networks may communicate assurance in case of problems or challenges during contract execution. Be careful during key conversations to understand what contexts are being considered and how the context you bring may lead to misunderstanding.

China’s connection to self and other, shapes both language development and conversational styles. Never saying no, is an important nuance to Chinese communication. Not only is there no single word for ‘no’ but Mandarin adopts to China’s interest in consensus. ‘No’ conveys disagreement, which is largely avoided by the Chinese. Its direct dispute with the other creates conflict which most Chinese feel uncomfortable with. Using polite and indirect methods for turning down an offer or to rebuttal a comment shows respect to the other and their feelings. Though China is largely populated and speaking quietly may be difficult at times, using a softer voice conveys politeness to one’s surroundings.

Chinese language often deflects the use of ‘I’. Though in America, self-marketing and pitching is an acceptable way to approach promotion of ideas and thoughts, the Chinese often downplay self. If you are congratulating a Chinese partner, it is likely that they will deflect the conversation towards superiors or higher groups, giving respect to mentors and contributors of their success. In situations where Americans would normally use ‘I’ a Chinese partner is likely to use ‘we’, deferring to the other in most situations. Hierarchy and position play influence to conversations as well. When giving compliment, Chinese associates may quote another person as the original bearer of the sentiment. However, the heavy use of roles in conversation can lead to issues at times. A hierarchy has many variables including, age, gender, professional experience, and education and each component has rules regarding their priorities. If you are unsure of where an individual is placed, its best to assume the other as senior, if you are comfortable with your own positioning and authority.

Nonverbal communication plays an increased role in Chinese conversation as well. Using facial expressions, body language, and varying gestures can convey a large amount of information. A common practice in business settings is to deliver business cards using two

hands, with writing facing the recipient. Having a translated side to the business card also expresses respect for the individual's culture.

Body language is often used to indicate one's opinion about what is being said in the conversation. During negotiations, if the Chinese partner is frowning with pursed lips and a tight frame expect 'no deal'. Additionally, some components of non-verbal communication used the U.S can be perceived poorly. "The Chinese never greet each other with kisses on the cheeks, nor do they exchange bear hugs" (Chen 129). If confusion arises from non-verbal communication, is it best to clarify verbally. However, "communicating through action rather than words is a useful way to build and maintain relationships in the Chinese context." (Chen 129)

Virtual Communications

Just a few years ago, it would not have made sense to dedicate an entire section to virtual communication. However, in the last year as boarders shut down and offices emptied, virtual meeting spaces became the predominant space for communication between U.S and Chinese counterparts. Fortunately, technology has made the language barrier across the internet increasingly obsolete. Many software's offer translation tools, such as text adapters for characters or romanticized pinyin. Microsoft and many other large companies offer Chinese versions of business tools and sales platforms. Companies in the US are also adding Chinese translated versions of webpages and ecommerce platforms in efforts to attract the large Chinese consumer market. All these efforts place China and America closer together.

Technology also assists in maintaining relations at long distances. Platforms such as WeChat, WhatsApp, and LinkedIn all offer free international messaging. With over one billion users and several additional features, WeChat maintains preference with most Chinese individuals. Asking for a colleagues messaging ID or number conveys interest in carrying out a relationship. Though individuals tend to use more relaxed conversation styles on virtual platforms, it is still important to uphold manners and respect. If face-to-face conversations are not possible, periodic check-ins with partners assures them of your care and may inform you of information not visible to you.

Business Leadership

Unlike the U.S market where every other business book mentions or focuses on leadership techniques, China's book market offers little direct explanation for Chinese business leadership. Individuals should never be disgruntled by lack of information coming from China. Given China's strong connection to verbal sharing of wisdom and history, information may simply live in Chinese society. Leadership trends are often derived from historical leadership and ancient philosophers or passed down from generation to generation by leaders. Asking questions and observing a Chinese business you can derive a lot of information.

Though having a fair share of differences, China, and the U.S align in the separation of management and leadership. In their journal *Making Sense of Business Leadership vis-à-vis China's Reform and Transition*, Ren and Zhu define management in China as "the application of organizational structures and rules" or "getting things done" while leadership "get[s] things done the right way". The distinction between the two acknowledges management as the lesser in quality, often leading to issues and poorer performance. In China, the consequences of management are often exaggerated or become more dire. In such a competitive and demanding market, management leads to cutting corners and cheating to survive. Businesses heavily avoid the use of management but acknowledge its presence.

In China leadership goes beyond the job description and takes on a holistic approach to overseeing goals and business operations. Leadership is a method of conducting one's self

through emphasizing proper management of relationships, networks, and operations. It requires the consideration of several intricacies and factors. Ren and Zhu extracted two common phrases associated to business leadership. “*zuo ren zuo shi*” literally translated to conducting oneself, with execution leading to attentiveness and true dedication to the roles of a leader. “*Wei ren chu shi*” relates to the degree of ‘appropriate handling’ required by leadership intricacies. Leaders must understand “*wei ren chu shi*” to obtain success of pursuits. Further “*wei ren chu shi*” is an extension of *guanxi*, reaching beyond the ability to perform respectful to a rich comprehension of subtle business proficiencies.

For subordinates, leadership is felt when common goals and objectives are pursued with appreciation, empathy, and support for all members. Leadership requires one to sacrifice and give up time and attention to the success of others. Once this dedication is felt by the others, they too feel motivated to commit to the whole. Entire commitment by a team or office allows for the most efficient and effective operations.

Americans who take time to understand the leadership methods of Chinese businesses often find similarities to servant leadership. This assumption can be strongly supported through many observations of leader, member transactions as well as the relationship between company values and member values. When leadership goals serve members, members receive stronger benefits when accomplishing goals. This in turn motivates the leader and ownership. Businesses in China that find alignment with the values of their employees often find success.

The overarching goals for Chinese leadership reaches for consensus in decision, goals, and tasks. This requires the leaders to dedicate efforts to members who in turn dedicate themselves to leaders and the organization.

Walton Case Study

There is no argument that being located next to the headquarters of the world's largest business influences the University of Arkansas. As Walmart went global in the 1990's, the U of A saw increased demand for international minded students and global engagement via research and collaboration. Through establishment of international campuses, international student programs, research initiatives, information exchange and an incredible amount of time and effort, the University of Arkansas earns regular recognition for its global influence. China's stance as an economic and academic leader offers unique opportunity for such initiatives, and several departments across the University of Arkansas established varying levels of relationships with Chinese entities. Recently a project funded by the Walmart Foundation united the University of Arkansas and Chinese universities in unique interdisciplinary collaboration.

Launched in 2016, the project - "Poultry Excellence in China: Improving Food Safety in Poultry Supply Chains" – incorporates Chinese-American relationships across seven academic departments, six universities, and three research centers. Though academia is the key driver for collaboration, the University of Arkansas' methods for cultivating and maintaining relationships remain similar to those used by American businesses.

This case study analyses relationship management methods and business skills used by three members of the University of Arkansas Supply Chain Management Research Center (SCMRC). John Kent (Director of Supply Chain China Initiative), Brian Fugate (Department of Supply Chain Management Chair), and Ellie Falcone (Assistant Professor of Supply Chain Management-University of Oklahoma) were strategically selected to represent the University of Arkansas, and the Supply Chain Management Research Center's "effort to improve food safety, transparency, and traceability in China's poultry supply chain".

These individuals bring with them complex knowledge of supply chain operations, understanding for China's business culture, and agile methods for overcoming challenges. Though the seemingly perfect team, some disruptions have been unavoidable. Success in phase one of the project, led to approval of phase two which began in fall of 2019. Geopolitical disputes and Covid-19 quickly threw phase two to halt. However, while most American firms were thrown into doubt and uncertainty, Kent, Fugate, and Falcone used the opportunity to strengthen relations and ensure project restoration. Their methods for overcoming adversity and success in strengthening relations regardless of doubt, example the opportunities American firms have in reestablishing relations with Chinese business entities.

Capitalization of Networks

Pre-existing networks played a large role in the SCMRC teams' success. Outside of the project bounds, Kent manages multiple networks of relations for both the University and personal friendships. Admitting to spending 100 days of the year in China, Kent conveys pride and commitment to managing relations face-to-face. Separated into multiple categories Kent's visits consist of leading student study abroad programs, teaching, research, service, and outreach. A defining characteristic of Kent's relationship management tool-book is his ability to interconnect networks from each initiative. For example, students in the study abroad program visit business partners whom Kent has worked with for many years. This interaction provides dual feedback to both the students who get to experience the inner workings of a Chinese organization and the business partner whose position, and business receives promotion and recognition. Willingness to connect networks allows for growth and expansion. The more time dedicated to a relationship the stronger it can become.

Having a reputation for interconnected networks paid off during early phases of the project when Chinese partners were uncertain of the team's motives. Having such a large network where dedication and respect is so openly demonstrated, gave Kent's team a convincing leg. The team still needed to convince Chinese partners to invest in the project initiative but there was no doubt about Kent's experience and dedication to working with Chinese teams.

Pre-existing networks assisted the team again when work went virtual. Having already led cross boarder initiatives from afar, made the transition to a virtual project much smoother. Many companies forget that virtual communications also include being able to virtually collaborate and work just as one would face-to-face, it is not just messaging and calls. The team's familiarity with conducting virtual business and research made establishing this process much smoother with the poultry project team. The combination of consistent conversations and virtual business tools eased transition pains that most American firms are still trying to overcome.

Persevering with Values

The poultry supply chain initiative is not only difficult due to the complexity of the problem, but as well for the number of parties with whom relationships establishment need to occur. Aligning so many entities to a common goal is no easy task and any lack of authenticity, trust, or empathy could be devastating to project outcomes.

At project initiation the SCMRC team experienced persisting hesitancy to include supply chain team members even after the funding was received. Convincing the agricultural teams in both China and the US required both facts and value communication. Convincing the University of Arkansas agricultural department involved proof of research and credentials. However, Chinese partners needed to know that the SCMRC team was willing to dedicate efforts of building relations with all investing partners before placing trust in the team's motives. At one point in the two-year process of relationship cultivation, Kent spent two weeks with a Chinese colleague, traveling to meet various Chinese team members. During so Kent vigilantly reaffirmed the need for supply chain expert collaboration which he communicated through the SCMRC's authentic goal of improving health and safety for Chinese consumers. By relating the frustrations of American consumers to the experiences of Chinese consumers, the need for sincere international development and growth was born.

Though sincere intentions had been established, trust took longer to fully develop. In January of 2020 before knowledge of Covid-19 hit national and international news, Kent made a predictive call to cancel a group meeting which was planned to take place in Wuhan, China. Following the larger outbreak and closure of the city, several American and Chinese team members expressed gratitude for Kent's foresight and knowledge of current events. The impressive feat for a foreigner to have such knowledge of Chinese society, gained enormous trust, that quickly become detrimental for persevering through the pandemic.

Furthermore, at witnessing the outbreak in China, the SCMRC team immediately reached out to Chinese friends and associates to offer support and empathy. The first Covid outbreak in China coincided with the month long Chinese new year's holiday which offers one of the only opportunities for families to visit one another and vacation. Additionally, closure of Chinese schools, is indicative for community pain in not being able to educate younger generations, a practice invaluable and precious to Chinese society. Recognizing and acting upon the struggles their Chinese partners were facing conveyed empathy that would be returned in kind when America began its own outbreak.

Though the pre-existing networks and understanding of Chinese business culture may not be present in all business situations, it does demonstrate just how powerful they are to the success of a business initiative in normal circumstance and crisis. The true success of the SCMRC team extends far beyond trust in the supply chain component of the project. By establishing a relationship built upon shared values and goals, the SCMRC team reflects a good reputation on the University of Arkansas as a whole, the Walmart foundation, who funded the project, and future collaborative supply chain initiatives between U.S and Chinese academic entities.

Conclusion

As American businesses look to recover and rebuild after the severe disruption of the Pandemic and ongoing geopolitical disputes, they must first decide whether to stay in China. Though the initial instinct may be to withdraw and build elsewhere, opportunity analysis and critical inspections in existing supply chain relations may indicate a better alternative. The lack of critical cultural and business information, made worse by the many ingenuine endeavors of the early movers into China, created poor standards and reputations for American businesses who today have interest in fostering relations with China. It should be the priority and responsibility of American firms looking to conduct business in China, to understand and respect the nuances and components which define China's business environment. Using assumed values and practices will not pave the road to success. Dedication and willingness by multiple members of an organization to engage and practice Chinese business values and customs is a pre-requisite to advancing business abroad. These components not only accelerate the success of a business to a level not yet realized but lead to richer relations which can withstand the tests of crisis and time.

Glossary of Chinese Terms

Guan xi (guān xi): relationship and network based on trust

Jiaren (jiā rén): household / (one's) family, family members

Mianzi (miàn zi): face, honor, self-respect

Shengren (sheng rén): stranger

Shuren (shú rén): acquaintance, friend

Taichi (tài jí quán): shadowboxing, traditional form of exercise

Waiguoren or laowai (wài guó rén) or (lǎowài): foreigner

wei ren chu shi (wéi rén chū shì): doing things for others

Xin (xīn): heart, mind, intention

zuo ren zuo shi (zuò rén zuò shì) : conducting / performing to the extent of the role

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