

The Concept of “Guanxi” in Chinese Culture for Foreigners

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In the past thirty years, I have chances travelling around different cities in China Mainland. From time to time, I meet some foreign businessmen and expatriates and an issue that often comes up in our conversation is about the Chinese concept of “guanxi”. I find out that most of them cannot understand or have misunderstanding about it. I tried to search for the literature and was not very satisfied with what have been introduced as well. Usually, this concept is defined as the Chinese particularistic ties of interpersonal relationships. Unfortunately, this definition does not offer description of the exact nature of guanxi. Even worse, most foreigners believe that guanxi is the basis of corruption in China. I have met John, an American expatriate working in Beijing and his subordinate, Xiaoming, who graduated from a major university in China. The following is what they told me.

John: Although Chinese people seem to be very nice, I always feel like an alien even after I have worked with them for a long time. It seems that without guanxi, I am always the outsider. Some of my Chinese friends told me that without guanxi with the other party, the other party will not do anything for you. On the contrary, if you have guanxi with the other party, the other party will do anything for you. Unfortunately, this is not limited to private affairs. Even for doing business or dealing with public officials, they will have the tendency to act differently according to their guanxi with their business partners or citizens who seek help. I really hate this and I think this is one of the major reasons for the relatively high level of corruption in China. As a foreigner, I do not know how I can break into the Chinese society to develop closer or better guanxi with them. It seems that the only way to achieve this is through kinship such as marrying to a Chinese girl. Otherwise, it seems to be an impossible mission for me.

Xiaoming: Chinese is a society that needs a lot of guanxi. If you do not have any guanxi, no one cares about you. We have to develop guanxi with other people,

especially those whom you need to cooperate, having power, or occupying positions which you need them to do something for you, or simply someone controlling some useful resources. For example, once I went to the police station to apply for an ordinary certificate which basically states that I have been living there for a particular period of time. The first police officer whom I asked that it would take one month before I could get it. However, the police officer next to him asked me if I were from Jiangxi because he noticed some usage of words in my dialect. Then we chatted for about fifteen minutes. Interestingly, we found out that we were from the same county and my father was a friend of his uncle. At that point he asked me to wait for him. He went to his superior and gave me the certificate fifteen minutes later. This is what *guanxi* is about and that is why so many people in China are trying different ways to *laguanxi* (i.e., establishing *guanxi* with some people in power). From my formal training in management, I think this is not a good phenomenon as we can never develop management systems which are free of personal relationships. This rule by person practice cannot be replaced by rule of law. Most Chinese people do not like it as well, but on the other hand, everyone is trying to *laguanxi*.

Both John and Xiaoming have quite accurate observation about the interpersonal relationship phenomenon in China. You can see sometimes being related to someone is very important in China to get things done. Thus, to cultivate good interpersonal relationships in China is one of the critical success factors in doing business here. However, interpersonal relationships exist in every society. Why is China so unique?

From Xiaoming's experience, we can see that as the second police officer found out that his uncle was a friend of Xiaoming's father and so he and Xiaoming has closer *guanxi*, he did not follow the administrative procedure and got the certificate for Xiaoming immediately. Interestingly, his superior also went along with this request. In other societies such as Hong Kong, this probably will not happen. If there are differential treatments, the police office may only act in a more friendly way and explain in more details about the procedure so that Xiaoming did not need to worry to the same extent. Even if there is a close relationship with the client, civil servants will still need to follow the same administrative procedure to serve the client in some other countries. Thus, this particular component in the Chinese *guanxi* concept and we should not regard this as corruption because no personal gains are involved for the police officer and his superior. Also, he probably does not expect Xiaoming will return this favor as he may not meet Xiaoming any more in the future. So, this is not about personal gains or getting return in the future. Why will the Chinese police officers act in this way?

I am interested in this question and so I have done some research with my collaborators. We found five major components of the Chinese *guanxi* that may be different from the interpersonal relationship concepts in other societies. The first emic component of Chinese *guanxi* is its *emphasis on obligations and the strong strength of social pressure on conformity*. Two important elements of Chinese cultural roots may emerge that govern interpersonal relationships. One is obligation and the other is social and ethical norms. The key element of Chinese *guanxi* is about obligations rather than interpersonal attractions and instrumental values such as liking, emotional attachment, or returns of benefits. The obligations of *guanxi* will determine the appropriate set of behaviours and activities towards the other party. Obligations are different for people with different levels of *guanxi*. If one does not fulfill their obligations accordingly, they will be regarded as unethical and unacceptable by the society. Thus, when the police officer realizes that Xiaoming is close to him, he has obligations to help Xiaoming. Otherwise he is not ethical. So, even Xiaoming did not ask, the police officer still helped him.

The second component is the *strong pressure to protect the interests of people with close guanxi*. While differentiated treatments according to closeness of relationship may be common across human societies, the emphases in Chinese *guanxi* is so strong that it even legitimatizes sacrificing the interests of parties with more distant relationship in order to fulfill the obligations to parties with closer relationship. When there is no conflict of interests, or nobody else's interest needs to be sacrificed, it is natural that people favour those with close relationship, no matter this happens in China or in Western societies. The difference emerges for those cases that might violate the laws, regulations, or harms universal common good. In some societies, this dilemma of sacrificing someone else's interests in order to protect the interests of those close to the focal person may also happen, but the main stream judgment and consensus is that this is wrong and people are not supposed to do so. However, the social and ethical norms of Chinese society actually endorse the focal person, to a large extent, to do so. This is perhaps the most important reason why it is so difficult to use formal rules and regulations to manage people's behaviours in China.

The third component is the *emphases on principal-subordinate relationships*. In the Chinese *guanxi*, the principal-subordinate status is usually emphasized and the nature of obligations for the two parties is very different. For those *guanxi* based on biological relationship, the principal and subordinate status is pre-determined. If you are the elder brother, then you must be the principal and your younger brother must assume the subordinate role. Otherwise, it is not moral. For some relationships that

are not biological based, such as husband–wife and teacher–student, the principal–subordinate status is also clearly specified. Social norms exert strong pressure for reversing the principal–subordinate status. This may also be reflected in the fact that it is almost impossible for Chinese parents and their sons/daughters to assume an equal status even when the sons/daughters are grown up and have their own achievements.

The fourth component involves the *mechanisms of establishing and changing the closeness of relationship*. This component refers to the mechanism of establishing and changing *guanxi*. The first characteristic of the Chinese society in establishing *guanxi* is that the role of particularistic ties plays an extremely important role to determine the initial *guanxi* between two people. *Tong*, in Chinese terminology meaning “same” or “shared”, is comprised of very important source of *guanxi*, such as *tongxue* (classmates), *tongxiang* (same locality), and *tongmen* (same teacher or supervisor). The second related characteristic of the Chinese society in establishing *guanxi* may be the transferability of *guanxi* based on particularistic ties. For example, if the focal person has a friend who is regarded as brotherhood (i.e., in the second closest *guanxi* loop), he may immediately treat this friend's younger brother in the same loop and take up all the obligations as an elder brother even though they may have never met in the past. In other societies, this friend's younger brother may only be regarded as an ordinary friend.

The fifth component is the *clarity and differences of obligations for people with different closeness of guanxi*. It is common across societies that people will treat other people differently according to their closeness of relationship, and they will adjust their treatment when the closeness has changed. However, the exact obligations towards people with different closeness may be much clearly defined by social and ethical norms in China. One typical example is between teacher and student. In traditional Chinese society, a teacher usually would choose a small group or even only one student to provide extensive training on the core knowledge and skills. This particular teacher–student *guanxi* will be as close as parents–sons/daughters relationship. However, for other students, the *guanxi* may only be similar to those distant relatives or ordinary friends.

So far I have introduced the concept of differences of obligations for Chinese people with different *guanxi*. How can we judge the closeness of the *guanxi* between two persons? As it is about obligations, then it must be reflected in activities that the two parties will engage in. I and my colleagues have done some research concerning the

activities in the workplace where supervisor and subordinate will engage when they have close guanxi. We summarize them as five types and each type has some concrete examples. They are:

- (1) Social Activities, e.g., play tennis (or some other two person sport) with each other, do exercise together, go to the other person's home as guest.
- (2) Financial Assistance, e.g., lend money to the other person even when the other person may not be able to repay, guarantee the other person's loan, lend money to the other person's family.
- (3) Giving Priority, e.g., skip a social event to run an errand with the other person, miss a work meeting in order to visit the other person in the hospital, give up vacation to help the other person with a family issue.
- (4) Celebrate Special Events, e.g., exchange birthday or holiday gifts, bring back gifts to the other person after travelling, celebrate and play an important role for special events such as birthday and wedding of the other person.
- (5) Mutual Emotional Support, e.g., listen to fears and worries of the other person, comfort the other person when he or she has quarreled with a family member, help the other person to relieve stress from work and non-work issues.

With the above understanding of the guanxi concepts and knowing examples of activities that two persons with close guanxi will engage frequently may provide us with insights concerning how to build a closer guanxi with a targeted person. Below are my advice to my foreign friends who are doing business in China.

On top of getting references from someone whom the target person has good guanxi, one may also try to proceed to build closer guanxi with the target person by one's own actions. First, one should play one's role well. For example, if you are the subordinate, you should do your job well so that your boss knows that you are a capable and hard working person. If you are the supervisor, you should be reasonable in setting job requirements and be a good leader as what we have introduced in the last session. If you are a business partner, you should respect your partners and being fair in deals and distribution of benefits among partners. Without this fundamental trust by playing one's role well, it is very difficult for a foreign person to build a close guanxi with another Chinese person in the business settings.

Second, one needs to proceed with patience and caution. Try to invite the target

person for the above activities (e.g. play tennis or other types of two-person sport). At the beginning it will be very infrequent but the frequencies can gradually increase and this means the guanxi becomes closer. Proceed with patience and do not rush or push the target person to engage in such activities in a short period of time. Together with one's roles well played, the target person will gradually regard you as a person with closer distance in their guanxi network.

References

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