



## HOW TO SUCCEED IN CHINA: BUILD STRONG RELATIONSHIPS

### A useful checklist to help you forge and keep good relationships

1. Remember that whatever is on the (written) agenda, the most important unstated item of business is always the relationship.
2. Don't underestimate the role played by the social elements of any visit. You're being assessed.
3. Be patient with the time taken, as your character and sincerity are sounded out.
4. Choose team members with care and make sure your colleagues also understand the important role of good relations.
5. Try not to change your team. If you have to, ensure careful introduction of the new person.
6. Bear in mind that relationships are personal – if someone moves on their 'guanxi' belongs to them not the organisation.
7. A long term view is vital. Nurture key relationships over years, not months. Favours are often reciprocated over time.
8. Be honest and authentic. If you can't do something, say 'no' politely and with some care. This way you'll win the friendships you want to keep!

#### *The term 'relationship' doesn't mean the same everywhere*

Even the cheapest of those 'quick-read' airport books, designed for Western business people, will tell you 'relationships are important in China'. You've probably heard this truism before and you're thinking, "Well, yes, of course! Relationships are *always* important in business!" The result is that when you and your Chinese counterpart use the term 'relationship', you might assume you share the same mental model. In fact, the idea that business relationships are exactly the same everywhere is one the biggest myths interfering with business success.

The importance of relationships is also highlighted when Chinese talk about themselves. It acts as a backdrop against which ideas about contracts, time and negotiations begin to make sense as elements within a coherent system. Taking on a new relationship means becoming a member of a type of in-group, with strong bonds of mutual advantage and obligation. These bonds are frequently strengthened through reciprocal favours, assistance and protection ('guanxi'). So relationships aren't entered into lightly, or abandoned easily. They may involve long-term, mutual commitments that can surmount the inevitable ups and downs expected in an imperfect world, characterised by constant change.

#### *The key role of trust*

This stress on relationships and their quality mean that trust and sincerity are valued. From the Chinese perspective, if I am going to form a relationship with you (where there may be long-term mutual obligations), then I need to be sure about your character. Are you a sincere person? Can I trust you? What sort of reputation do you have? Do you keep your commitments? Do you have a good network?

Counterparts will want to take the time to assess you. As a foreigner, you start as an outsider. Building trust will require more time than if your family was known by name and reputation, or you already shared some other in-group bonds, such as the same university or the same city of origin. So the allocation of a short time to relationship building at the start of a meeting, and then 'down-to-business' doesn't reflect the significance attached to good relations in China. A person's background, their character and sincerity, their connections and networks all need to be probed. It can be a slow and delicate process of sounding out.

If a breakdown occurs and it isn't repaired, there's a risk the network of connections where this particular relationship is situated will close ranks. The person not respecting their obligations will be viewed as untrustworthy. Thus your ability to monitor the health of a relationship promotes harmony and maintains face. Trust, rapport, face and relationship are inextricably bound together for Chinese.

#### *Contracts and relationships operate together*

If there's a problem, the Western tendency is to retreat to the contract. But the Chinese view is that relationships should be responsive to fluctuations. They are not simply a pleasant 'spice of life' in the good times, but a resource when bad times come.

Some Western business people see the Chinese emphasis on 'guanxi' as an anachronism, an obstacle to 'proper' (i.e. Western) business practices and something that will disappear as China modernises. But while cultures certainly change over time, they do so slowly. Evidence from large studies shows that cultures modernise along a values trajectory that echoes their historical roots. In the case of China, those roots are Confucian and relationships are at the heart of Confucian philosophy. In this way of thinking, the 'self' is realised through relationships. Confucius would have argued that we are the sum of our relationships. In fact, psychologists have identified 'human relatedness' as a critical element of the Chinese psyche.

Confucius identified five pairs of relationships as symbols of all others: ruler and subject; father and son; husband and wife; elder brother and younger brother; friend and friend. All these relationships are characterised by reciprocal obligations. People become bonded together as these favours and obligations are exchanged. Reciprocity functions as a two-edged sword that includes favour *and* hatred, reward *and* punishment. There is an old saying: if you are good to me, I will be ten times better to you, but if you are bad to me, I will be ten times worse to you.

#### *'We', not 'you' and 'me'*

Historically, well-defined social relationships, with bonds of favours given and owed, formed a buffer against the uncertainty of what was at times a violent and unpredictable society, where people could not necessarily expect their rights to be protected by the law. Life comprised defined in-groups and out-groups. Even today, in forging a relationship with your Chinese counterpart, you should try to be seen as an in-group member, moving beyond 'you' and 'me,' towards 'we'.

All this means pre-meeting or pre-negotiation phases tend to be more elaborate. Be patient! It may seem you have spent a lot of time with very little progress. In the West, trust in business tends to rely on perceived competence. This can be extended to the organisation through its representatives. In contrast, the Chinese focus on the quality of personal connections means that a belief in your compatibility needs to accompany any estimate of your competence. All that that small talk and socialising are not actually small in importance! They might even prove to be the critical part of your visit.