

Building Social Networks in China

The Chinese tend to ignore strangers and be intensely loyal to friends, so you'll want to do business in China with friends. Here's the art of relationship management in the Middle Kingdom

By Nailin Bu

About the author

Nailin Bu is Associate Professor of International Business at Queen's School of Business. A native of Shanghai, China, she completed her PhD at the University of British Columbia and taught at the University of Victoria prior to her current appointment. Nailin specializes in international business, cross-cultural management, management in China and the Asia-Pacific regions, and international human resource management. She has received research funding from the Social Sciences and Humanities Research Council of Canada, CGA-Canada, and other agencies. Her current projects include several studies exploring the networking practices of senior and middle-level managers in China, the determinants of voluntary turnover among managers and professionals in China, and Chinese consumers' retail store choice behaviours.

QSB Insight

FOR THOSE OF US WHO ARE KEEN OBSERVERS OF CHINA, THE MIGHT OF the Chinese economy has been known for some years. In today's global economy, failure in China is not an option for any business that intends to be a significant player. One of the key determinants of business success in China is being able to network and build strong, long-term relationships.

People will say that relationships are equally important in North American business culture but, in reality, there's a great deal of difference between North America and China in terms of the critical importance of relationships and the process of relationship development.

One reason why relationships are so important in China is that China is a high-context culture in which non-verbal information is more closely scrutinized than what is explicitly said. In low-context cultures, contextual information is considered to be noise that must be sifted out to reach the core information. In North America, people say, "Business is business. . . nothing personal." The Chinese would never buy that; *everything* is personal.

Because China has a high-context culture, the Chinese typically have long memories. A slammed door when negotiation does not go well will be remembered forever, whether or not it is followed by an apology. You cannot undo it. Even when negotiations fail and you never intend to see the person again, you must part on good terms. In Chinese business circles, information travels very fast. Your future business partners will check you out and what they learn will form part of their contextual information when they make business decisions.

A second reason why relationships are important in China is that a Chinese relationship is highly differentiated. The Chinese visualize their relationships as layers with self at the core, surrounded by family, then friends and acquaintances. The Chinese are devoted to their family, loyal to their friends, and helpful with acquaintances. Strangers are treated with indifference.

Of course, that's not unique to China. In North America, you certainly treat family members differently than strangers but there is at least the ideal that everyone should be treated equally. Even your enemies should be treated with benevolence.

This was a foreign idea to me. When I first came to Canada, I noticed that when you enter an elevator filled with strangers, you are supposed to nod with a smile and sometimes discuss the weather. If you do the same thing in China, people will think you are mad.

You will find that Chinese people won't even bother to smile at a stranger, but the same people will do almost anything for a friend. You can see that you will want to do business in China with friends, not strangers.

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Making an Acquaintance

To network successfully, you have several hurdles to get past. One is moving from being strangers to acquaintances and then to friends, and the second is the challenge of maintaining and developing that friendship.

Relationship Bases

How do you break down barriers? Simply greeting someone will not get you acquainted. You need to seek commonality, what is known in China as finding relationship bases.

Commonly used relationship bases in China include birthplace, hometown, kinship, and surname. Chinese people are adept at using hometown as a relationship base. When two Chinese meet in North America, the first thing they will ask each other is, "Which part of China are you from? Where is your hometown?"

I was born and raised in Shanghai. When I meet someone in Canada who is from Shanghai, this instantly serves as the relationship base. I would say, "How wonderful that we're from the same town! We are really the most cosmopolitan people in China. Those people who are not from Shanghai, they don't know anything."

Now, if I meet someone from Beijing, I would say, "How nice it is to meet somebody from a big cities! Shanghai and Beijing are both very big city and we know what we're talking about, unlike those people from small cities who don't know anything!"

If you're not from China, you have to be creative. For example, if you were born in Ottawa and you meet a Chinese person, you can say you're from Dashan's hometown. Every Chinese person knows and loves Dashan; it's the stage name of Mark Rowswell, a comedian born in Ottawa and now a freelance performer in China who is well known for his mastery of the Chinese language.

Another opportunity is past experience, such as where you went to school or which company you have worked with. These days, there are many Chinese students who have studied in Canada,

which may provide you with an opportunity to find someone who studied at the same university as you did. You may also use indirect connections: her uncle and my mom are alumni of the same university. That counts as common experience and can serve as a relationship base.

Surname can be another common attribute. You might not have a Chinese name but you can get one, which is highly recommended if you intend to do business in China. Have your Chinese name printed on business cards. This gives you a chance to establish a common attribute. Having a Chinese name also makes you easy to remember. Ask a Chinese friend to help you out.

Developing Friendships

Make Status Clear

It's not an exaggeration to say that the Chinese will simply not know what to do with you unless they know your status relative to their own. This is why it is important to exchange business cards at the beginning of an encounter; a business card with Chinese printed on the other side is preferred.

Everyone in the West understands the status implied by position in an organization. But in China, there are other indicators of status. Age is one: let people know your age so they know how to behave around you.

Banquet seating is another. Usually the most senior people will sit at the centre table furthest from door, facing the doorway. Then you are arranged based on status from high to low. The person sitting back against the door is the lowest person and usually the caretaker who will pay the bills. When you are the guest at a banquet, sit where you are told.

Be Considerate of Other's Feelings

A second relationship principle is to be mindful of others. Make a genuine effort to look after the other person's comfort and feelings.

In China, a lot of business is done at meals. When you are dining with the Chinese, look around and see how you can show that you care about your friends. Notice that Chinese people will always serve others first and try to give you the best food. You must show that you are not self-centred and that you also worry about people around you. If possible, serve people around you first before you serve yourself. Usually the Chinese host will say, "No, no, we serve

you! You are the guest, you should be comfortable. Don't worry about us." But your gesture will be noticed.

Another consideration when dining in China is to look after other people's feelings. Your host wants to know that you are well taken care of, so compliment the host and the chef on the quality of the food. The Chinese are obsessed with food; if you show that you simply don't like Chinese food, you are stuck. People just won't like you.

Be Unassuming

A third important aspect of developing friendships is exercising self-discipline. Keep your impulses in check. Be very humble. Exercise a form of self-denial.

It can be difficult for people brought up in an individualistic culture to understand why they should exercise self-denial. But the Chinese are taught to demonstrate that I, as a person, think of myself as being less important than you. Exhibiting humility is important.

If you were to arrive in China for a meeting, for example, people will say, "Oh you've come all the way from Canada. You must be jet-lagged and exhausted. Please sit down, have a seat." Now, truly, you may be exhausted. Should you sit down? I would say no. People will insist, but wait. The's because in China, the symbolism of being seated is related to status. Usually, the highest status and oldest person is seated first. If you sit down right away, you are communicating that you are the most senior person.

This is sort of a Chinese trick they play on everyone. They ask you to sit down, but if you really sit down it looks as if you think you're the greatest. So ask others to sit down first to show your humility. Even if you are really the oldest person, your modesty will endear you to others.

During banquets, people will ask you to start eating when food comes. Again, hold back. Gesture others to start first. The highest status person should be the first to start eating. If you are the guest of honour, you are considered to be the highest status person and should eat first, but it will serve you very well to show some reluctance.

So forget about small concerns such as sending food flying because you can't use chopsticks. That's not important. It's important to get these three things right:

- Be respectful of hierarchy.
- Be mindful of others and take good care of others.
- Exercise self-restraint.

Maintaining Friendships:

Consider Reciprocity in Gestures

Once you become friends, don't just show when you want something. Be a constant presence in your friend's life. Remember the Chinese holidays, the Chinese New Year. Send a card or a message, for example, when children get married.

Another good practice is reciprocity. People tend to think about gifts: a friend gives you a gift and you give one in return. That's important, but what is more important is to look at gestures. An example is how your friends host you when you visit China. Don't focus on how many meals they invite you to but on the details. At meals, who else is there? What are the ranks of people at the table when you are visiting China?

How do your Chinese friends behave when you visit? When you're leaving, do they just say, "Okay, goodbye," or do they walk you out of their office? Do they walk you to the elevator, ride the elevator down to the ground floor with you, and wait until your car disappears? Do they wave as you drive away? Those are important gestures. If your Chinese friend walks you to your car and waves goodbye when the car leaves, do exactly the same. Reciprocity isn't just things you give, banquets you throw, or the golf game you host.

Another consideration about reciprocity is to not ask for favours you won't get. If you cause your Chinese friends to say no to you, they will be embarrassed, which is something they intensely dislike. In North America, people say, "If you want to find something out, just ask. The worst you can get is a no." In China, if you get a no, it's very bad. Try to find a way to prevent a Chinese person from having to say no to you.

In China, between friends, people are not as clear in terms of give and take as they are in North America. Chinese people do not want it to appear as if it's me repaying you for something. It's more subtle than that. For example, if I'm with a Canadian friend, they will tell me that they will buy the movie tickets because I paid for dinner. I found this odd when I first arrived in Canada. In China you don't have to repay favours right away and don't expect others to do the same. In China, a relationship is lifelong and you have many opportunities to repay a favour.

When you ask for a favour, don't remind others of the favour you extended to them previously. Don't ask for a favour because you helped them last time. In China, you don't need to do that, and it

doesn't sound right. Rest assured, your favour will be remembered. When you repay your favour, don't say explicitly why.

Use Affectionate Language

One final best practice for maintaining friendship is to always use affectionate language regardless of the nature of exchange. The reason friends always use affectionate language comes from the desire to push friendship ever closer to a family relationship. I don't look up to my parents because of how much money they spent on me when I was a child. I don't compare that to how much money I'll spend on them as an adult. It's not how it works in a family; it's about affection, so use affectionate language when deepening your connection with a friend.

Effective networking is crucial for long-term business success in China. By establishing things in common, you'll be remembered and become acquainted with Chinese business contacts. Show that you're worthy of friendship by being respectful and humble. Finally, maintain the friendship by reciprocating kind gestures and remembering important events in your friends' lives.

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