



Wearing Chinese Glasses

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China Has Changed, The Chinese Haven't

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Has China changed? Western companies bet millions on the answer, but are asking the wrong question. They should ask if *the Chinese* have changed. China has changed, the Chinese haven't.

Amazing changes too! New politico/economic system. New laws, social structures, buildings and consumption patterns, new fashions, hair and clothes. China in 1960 was a land transformed. **1960!?** Certainly, these changes describe China in 1960 as accurately as they describe China in 2010. Yet as Mao and communism didn't change the Chinese, just China, it's naive to think MacDonald's and capitalism will do any different. China changes but the Chinese don't.

We need a definition: just what does "change" mean when talking about China? Change means different things to different people. I define it in the context of doing business in China, and then by comparing possible meanings.

First, you can divide changes in China into "Avalanche" and "Glacier" changes. Think *fast* and *slow* changes, for example the fashions people wear vs. the social rules people use: the former changes quickly, the latter slowly. The color blue and long hair might be in fashion next year but I doubt the role of *guanxi* (poorly translated means "relationships") or the Chinese respect for humility will change much by next year. Thus one difference is in how fast changes happen.

Avalanches and glaciers differ in more than speed. Think *temporary* vs. *permanent*: avalanches flatten trees and buildings but that's temporary, whereas glaciers shape lakes

and mountains that last millennia. Many changes in China today are of the temporary variety, examples besides fashion would be eating habits (Starbucks, Western fast food), and transportation (cars instead of bicycles). These changes have little effect on being “Chinese:” my eating pizza instead of beef noodle and riding a bike rather than a car does not affect the basic “Greg.” On the other hand, many things in China are not changing much at all, or changing very slowly: top-down teaching methodology and the absolute importance of family as examples. Change in the later areas would have huge and lasting (effectively permanent) effects upon Chinese society, culture and people, but the former kinds of (temporary) changes have little affect upon *being Chinese*.

Finally, a last comparison, *political/policy vs. social/behavior* changes. Political changes can have deep, lasting effects but most are temporary by their very nature. Politics can change overnight: policies favoring stock markets and free trade can change to favoring command economy and managed trade. Changes like these can cause abrupt disruptions in business plans and bottom lines, true, but companies and people quickly adapt. Social and behavioral changes happen slowly however, two good examples being respect for authority and Chinese tendency to communicate disagreements indirectly. These latter aspects of Chinese behavior are changing, yes, but slowly, one could say at a glacial pace. As such areas do change, however, the effects will be huge.

What do these comparisons mean? First, that different types of change are happening in China. Next, that avalanche-type changes (fast, temporary, political) tend to affect *what is done*, whereas glacier-type changes (slow, permanent, social) tend to affect *how things get done*. For example, business in China can be done in either a capitalist or a socialist-economy fashion (what), but business relationships in both would still be made using *guanxi* and patience (how). Similarly, Chinese may eat Kentucky instead of “three-cup” chicken (what is eaten), but Chinese will still serve the father and young children before the wife and mother (how people eat).

The difference between *what* and *how* types of change is the heart of my argument, that while much of **what** we see in China has and is changing quickly, **how** Chinese do basic, fundamental things is changing slowly, or hardly at all. Types of businesses formed and the different products and services available are examples of what; the way people form relationships, solve problems and communicate disagreements are examples of how.

Both types of change affect business, but in different ways. Most changes are outside-in, important for what types of business *can be done* but not for *actually doing* business: that requires inside-out change, a harder thing. Many Western businesspeople confuse the two types of change, seeing *what* has changed and thinking the *how* has changed as well, leading to "Chinese are just like us" (continued below). This makes an already-difficult situation (succeeding in business in China) far harder than it need be.

China's market is growing in two (at least) ways. First, more people with purchasing power, the new middle class. A few hundred million so far, with hundreds of millions soon to come. Second, different consumption habits, coffee shops, convenience stores and beauty salons. Huge changes certainly, yet neither type of growth affects how business is done. To explain lets look at areas critical to every business, communication and building business relationships.

All cultures develop unique ways of using language, their *Rules of Communication*. Chinese and Western rules are very different. Consider disagreement. Westerners believe state your honest opinion, even if you disagree. Chinese believe disagree in an indirect, discreet manner. Each uses different ways to say No—Westerners tend to say No directly whereas Chinese usually say No indirectly, if possible without even using the word No. These differences lead to misunderstandings, the biggest hidden cost in international business.

But Chinese are all learning English, often quite well too. Doesn't that solve this problem? No, it doesn't. Even Chinese with good English language skills tend to use traditional Chinese *Rules* (as most Westerners—myself included—still tend to use Western *Rules* when speaking Mandarin). A very common result is Westerners and Chinese hearing the same words but receiving different messages. Always leads to trouble.

Differences in building business relationships adds more trouble. Take contracts. Westerners feel the Contract determines the relationship, with disagreements decided by referring to the Contract. Chinese think the Contract is a good place to start, but if the situation changes then the terms and conditions should change. Westerners put faith in law, Chinese in relationships. "How can you ask me to lose money?" could only be asked by Chinese, "It's not personal, just business" only said by Westerners.

Some caveats. Exceptions of course exist, and some areas defy categorization. One such is the role of women: China has changed so much in the past 50 years that Wu Zetien (Tang Dynasty Empress) or Cixi (Qing Dynasty Empress Dowager) would not recognize male-female relations in modern China. Yet I cannot decide if this is a what or a how change: Chinese women enjoy more freedoms and opportunities (what can be done) but still struggle against ingrained, Confucian, male chauvinist ideas of a women's proper role (how they must do things). Another hard to categorize change is the effect of the one-child family policy.

Continuing, it is clear Chinese are better educated and more globally sophisticated than ever before, which has caused changes in Chinese viewpoints and mindsets. But are these simply changes to what Chinese do and/or believe possible, or changes to how they go about doing them? A bit of both, probably. I am not sure.

Such uncertainty is why I use "tends to" to describe different types of change and what these differences mean. Yet uncertainty about the effects of a specific change does not negate my larger point: some parts of China/Chinese culture are changing quickly while other parts are changing slowly, and Westerners must be aware of these differences and act accordingly. This central point seems inescapable. One sure requirement to success is being able to see communication and business relationships as Chinese do. Westerners can use their own eyes to look at China's outside-in changes, but need to look at doing business (the inside-out changes) through Chinese glasses.

Using another culture's glasses is uncomfortable, even difficult at times. One reason many Westerners say "the (or even more condescendingly, "my") Chinese are changing" is to avoid the discomfort that adapting to another culture causes, a *as the Chinese have changed there's no need for me to thought*. Saying the Chinese have changed though, begs the question, changed into what, the hidden premise being *changed into Westerners*. Why that? The only evidence offered is that Chinese do Western (sic) things, wear Western fashions, eat Western food and speak Western languages, thus ... are becoming just like Westerners. What an insult to Chinese people, to the depth, breadth and strength of Chinese culture! The irony is, though, that Chinese people also insult Chinese culture.

Mao wrote that "the Chinese people are poor and blank, and on blank paper beautiful words can be written, beautiful pictures can be painted;" and as they were "blank" it

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would be easy to change them into communists. Wrong: it wasn't easy (or even possible), in large part because of the stranglehold that small c Chinese culture has on the Chinese. If communism didn't change the Chinese it is both folly and arrogant to think capitalism will either. At least not quickly.

How Chinese communicate, solve problems and build business relationships are changing, but slowly. Moreover, Chinese control extent and pace of such changes, not Westerners, and the fundamentals of culture don't change easily. Instead of thinking they don't have to change (as Chinese are becoming like them), Westerners should wear Chinese glasses, should change to match Chinese ways when in China. Hosts determine proper manners, and polite guests use these manners. And manners count in China, especially in business.

My first trip to China was in 1985, roads full of bicycles not cars, no Starbucks, hair salons, foreign banks or convenience stores. Precious little convenience either: China was hard travel, for locals as well as visitors. Every part of this has changed: China is (relatively) easy travel, there are banks, coffee shops and stores local and foreign, and sometimes it seems more cars than people, let alone bicycles. Yet I still use the same behavior lessons I learned more than two decades ago, still base my actions on the fact that I am a guest in China and must respect my host's ways.

*I was a classic Type A personality when I arrived in China, impatient, loud and direct. I quickly learned that Chinese tend not to like Type A behavior (and learned **why not**, a key to success in China that most neglect). I had two choices, keep being loud and direct and ask Chinese to change for me, or to change for the Chinese and become quieter and more polite. It was an easy decision, if not always easy to accomplish: learning patience takes patience.*

The walk along the Bund in Shanghai is much different in 2010 than it was in 1985, but the way Chinese want me to act and to treat them has not changed much at all. That, more than anything else, is my point.

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