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BOOK REVIEW - THINK LIKE CHINESE BY ZHANG HAIHUA AND GEOFF BAKER

by Clive Gulliver

SYDNEY, Aug 13 Asia Pulse - China is building from scratch the equivalent of a city of two million people every month. The scale of its growing trade, its impact on global markets for raw materials and finished goods, its hunger for services and the sheer speed at which it has developed in the past thirty years, is breathtaking.

This boom exerts an almost irresistible attraction for overseas entrepreneurs. A market of 1.3 billion people, the emergence of an urban middle class of some 260 million and steadily growing links with global consumer markets ensure that investors and traders feel they have to be at the party.

But the story of foreign business links in China is a chequered one. For every successful joint venture or investment project there have been multiple failures, as foreign executives try to "cross the river by feeling for the stones". Mismatched expectations and cultural misunderstandings are often to blame, as illustrated by French food major Danone's bruising legal clash with its joint venture partner in China, Wahaha.

Airport bookstores are full of guides to the nuts and bolts of doing business in China, but Think Like Chinese by Chinese-Australian couple Zhang Haihua and Geoff Baker attempts to lead the reader on a guided tour of the underlying assumptions, values and experiences that inform Chinese people's dealings with both foreigners and each other in the business world.

Both authors come from opposite sides of the cultural fence but have extensive experience of the other. Zhang Haihua was born and raised in China but spent ten years in Australia as an investment banker and management consultant. Geoff Baker is a lawyer, investment banker and entrepreneur who has lived and worked in China for 15 years. Together Zhang and Baker offer a fusion of Chinese and Western perspectives on Chinese attitudes and behaviour and an abundance of advice to professionals working in China.

The book employs a combination of case studies and examples from the authors' own experience, as well as a profusion of traditional sayings and current expressions which illuminate Chinese thought processes.

Communications and how they go wrong is a principal theme. In a Chinese context, the authors say, people will often speak in a formal manner in meetings, using vague language and, alarmingly, avoid even the important topics the meeting was intended to address. "Don't worry too much if the conversation involves discussions about an ancient Chinese poet you have never heard of," the book soothes. "Admit that to the Chinese,

but make sure you tell them how much you admire the long and rich history of China."

In such meetings the purpose of dialogue may not be so much to exchange information as to demonstrate status and get a feel for the attitudes of the other side. Straightforward, informal communication should follow later after a period of confidence building.

The key assets of *mianzi* (face or social standing) and *guanxi* (connections) and their role in forming and maintaining business relationships are at the heart of the book. In many instances, the family is seen as the core circle within which the individual operates. Although the extended family circle is largely stable, a relatively distant family member on the periphery can be promoted to a more central position if their status or wealth receives a boost.

Hence people with acknowledged high status, such as leading politicians or industrialists, are in great demand as officiators at weddings or other such events, even if they are not part of the family circle, because of both the *mianzi* and *guanxi* they thereby bestow.

And the circle analogy extends to an individual's business relationships, which may include colleagues, business associates and members of industry associations. The relationships are nurtured carefully through gift-giving, dining out and the use of mutual favours.

Inclusion is to be sought and is defined by its opposite, exclusion. The logic is that the individual who cultivates his status in the circle through preference and obligation owes little or nothing to those who are not within. Hence the apparent rudeness of many Chinese in Western eyes to those they do not know: strangers in the subway, other drivers on the road, even the person behind them as they push open a swinging door.

Its somewhat jarring title aside (would Think Chinese not be better?), this book offers a wealth of experience and understanding of topics from building relationships to dealing with conflicts, handling localisation and attitudes to work ethics and the boss. It should be read and absorbed by anyone with an interest in doing business or managing staff in the world's biggest market.

Think Like Chinese is published in Australia by Federation Press, RRP A$35.

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