

Insight of Chinese Economics Culture in Malaysia

Pek Chuen-Khee

Department of Economics, Universiti Tunku Abdul Rahman, Selangor D.E., Malaysia

Tel: +6-012-682-3811 E-mail: pekck@mail.utar.edu.my

Abstract

The Chinese Economics Culture (CEC), a blend of the moral values of Confucianism and Taoism, though has long been instituted, its application is still valid in this globalized world. This unique economics culture comprises eight elements; personal connection (*guanxi*), intermediary (*zhongjianren*), social status (*shehui dengji*), interpersonal harmony (*renji hexie*), holistic thinking (*zhengti guannian*), thrift (*jiejian*), “face” (*mianzi*) and endurance (*chiku nailao*) which co-integrate and synergise themselves holistically to smoothen the business arbitration processes. The rising of China as an economic superpower has called for more emphasis on the awareness and application of the CEC in the business negotiation process both in the western and eastern countries, Malaysia inclusive. Past economic events have shown that the Chinese-owned companies in Malaysia were more resilient to economic and financial turmoil than businesses of other ethnic groups. With the emergence of these phenomena, this research using the survey instrument, intends to study the awareness and perception differences of the employees of small and medium enterprises ($n=104$) and multinational companies ($n=108$) in Malaysia on the importance of the CEC and its eight individual elements respectively in business negotiations. The results have shown that there have been no significant differences in the awareness and perceptions of the importance of this culture and its eight elements in ensuring successful business arbitration. Hence it will be encouraging if companies can adopt and educate their employees with this culture to face the multi-faceted challenges posed by the awakening of the Chinese market and the ever more globalized regional and world economy. In the Malaysian context, it is suggested that a blend of this Chinese culture with the culture of other ethnic groups is exercised to bring forth a truly Malaysian Economics Culture for the enhancement of the country’s competitiveness in the new economy.

Keywords: Chinese Economics Culture, Small and Medium Enterprises, Multinational Companies

1. Introduction

The Republic of China has an extensive and unique six thousand years of histories, numerous territories, seventy four dialects, fifty six nationalities, and an entire range of human personality differences (Huang *et. al.*, 1994). Notwithstanding these differences, the Chinese has managed to develop a uniformed and unique business culture only identifiable to her own race. The business culture, forms the focus of this study, comprises eight elements which are co-integrating among themselves whilst setting the fundamentals for business negotiations. These eight elements are personal connection (*guanxi*), intermediary (*zhongjianren*), social status (*shehui dengji*), interpersonal harmony (*renji hexie*), holistic thinking (*zhengti guannian*), thrift (*jiejian*), “face” (*mianzi*) and endurance (*chiku nailao*) which were blended from the Chinese moral values of Confucianism and Taoism.

Although instituted a long time ago, these moral values which were contemporary to each other, are still being practiced by the Chinese worldwide. Not only are these values becoming more popular among the Chinese but also with the non-Chinese, the application of the Chinese business negotiation skills is also at its pinnacle. The Chinese negotiators are very much process-oriented and hence would emphasise more on the ways results are achieved than focusing on the final output (Graham & Lam, 2003). The emergence of the new economic superpower, China, has contributed to the increasing awareness, need and application of this business culture in trade negotiations and transactions among associated business entities. In 1997, more than 40 percent of corporate equity in Malaysia was owned by the ethnic Chinese whose businesses during the financial crisis were generally affected but not to the extent as expected. Following that, the impression of the Malaysian community was the Chinese-owned enterprises were not as badly hit by the crisis when compared with companies owned by the other races (Lee & Lee, 2003). The resilience of these Chinese-owned corporations against the crisis had much contribution of the CEC, practiced overtly or covertly.

The above phenomena set the impetus for this study to identify the awareness of this CEC and its application in commerce negotiations among the Malaysian employees in both the category of businesses; small and medium enterprises (SMEs) and multinational companies (MNCs). The perception of the importance of this business culture and its eight individual elements in business arbitrations between the workers of the SMEs and MNCs are essentially important to be revealed for organizational development purposes. In tandem with that, the ranking of the culture’s eight elements in order of importance, between the human resources in both the category of businesses is interesting to be revealed.

This study therefore aims to first investigate the awareness of the employees on the existence of CEC in both the SMEs and MNCs, and next to check the existence of any perception differences between the two groups of employees on the importance of CEC and its eight individual elements respectively, in business discussions. It is also the intention of the study to check on the ranking differences of the importance of the eight elements between the workers of SMEs and MNCs.

2. Literature Review: Eight Elements of Chinese Business Culture

2.1 Personal Connection (*Guanxi*)

Personal connection (*guanxi*) is the mutually beneficial relationship between two or more individuals that provide an ongoing association. It involves the provision of assistance and the practice of reciprocity that extends mutual benefits to the members in the “*guanxi*” network known by Hutchings (2002) as the “Bamboo Network”. It is important to have “*guanxi*” to gain favour and goodwill from trade partners. An individual business negotiator has so many choices that he is capable of selecting his favourable target regardless the profits he may make. With the establishment of the “*guanxi*”, a person is able to access key sources of information, resources and other areas including smoothing transport arrangements, smoothing payment collection and building up the firm’s reputation and image (Davies *et. al.*, 1995).

Bian (1994) wrote that “*guanxi*” could refer to one of three: the existence of an affiliation between people sharing similar group status, or are related to a common person or the actual connections with and frequent contact between people, or a contact person with little direct interaction. Others considered “*guanxi*” as a network of personally defined reciprocal bonds (Redding *et. al.*, 1993) or a form of interpersonal relationship that is predominantly based on particularistic criteria or ties (Jacobs, 1979; King, 1991).

Undeniably, the term “*guanxi*” in Mandarin is very unrestricting and takes on multiple meanings. The common general idea across the definitions is that all of them refer to a certain type of interpersonal relationship, one that is personal and built on particularistic criteria. Jacobs (1979) viewed that a base for a “*guanxi*” exists when two or more persons have cohesion of shared attributes, identity, or origin.

Entrepreneurs often need political connections to develop their enterprises, obtain license, and building business opportunities. Lim Goh Tong, the former Chairman of Genting Group, first developed a strong reputation through construction business, and then it could be argued that he obtained his casino operation license through his close relationship with the late Prime Minister Tunku Abdul Rahman. The sugar king, Robert Kuok being the wealthiest Malaysian, (Malaysian Business, 1-16 February 2001) is a well known skillful cultivator of influential politicians, easing his path towards international investments to countries like Hong Kong and China (Lee & Lee, 2003).

China’s high context culture sees her people to be deeply involved with others and sharing information widely (Hall, 1976). Hence, the “*guanxi*” network is a key to Chinese custom and honing influential interpersonal relationships which will only allow the companies to be “just” sustainable without it (Buttery & Leung, 1998).

2.2 Intermediary (*Zhongjian Ren*)

Intermediary organizations refer to institutions or organizations which act as links between the government and enterprises, producers and distributors, or individuals and organizations. They provide market entities with any kinds of services such as consultation, training, brokerage activities, legal advice, sales distribution and etc. Intermediaries also help coordinate, evaluate, assess, inspect, negotiate and handle business activities. Intermediaries can be divided into five types which are self-disciplined industrial organizations, legal and financial services, consultancies, intermediate companies for market trading, and lastly market supervision and authentication organizations (china.org.cn., November 2003).

Self-disciplined industrial organizations include trade associations, trade guides, chambers of commerce and others that serve to provide enterprise members with economic information and services for market prediction, technical and investment guidance and etc. Legal and financial services consist of law firms, notary and arbitration organizations and etc which evaluate, and assess behaviours of companies. They also perform other duties such as supervision, ensuring the company competes fairly and neutrally, and minimising corporate fraud. Consultancies include information centres, research and consulting organizations and others which provide comprehensive information and consulting services to enterprises. They can help to gain economic benefits and achieve efficiency in resource allocation. Intermediary organizations for market trading comprise brokerage, pawn and auction firms, employment agencies and talents exchange centres which directly provide facilities and services for trading activities in the marketplace apart from helping to decrease transaction costs. Market supervision and authentication organizations include metrological verification agencies, commodity inspection agencies, qualifications verification agencies and etc that provide function on behalf of the government to provide some public products, such as defending customer rights and etc (china.org.cn., November 2003).

A business negotiator can employ cultural experts, translators, outside attorneys, financial advisors or technical experts in helping to make the negotiation process smoother. These experts can serve two roles, namely as an agent who replaces the negotiator at the negotiation table or as adviser who provides information and recommendation (Burke & Wingard, 1997).

2.3 Social Status (*Shehui Dengji*)

The Chinese are conscious of and place a high degree of importance on social status and respect of hierarchy. In contrast with the other cultural traits, hierarchy is strongly visible in Chinese business meetings (Woo & Prud'homme, 1999). Social status is about a person's status, position and role, rank, and respect in a hierarchy organization. To stimulate cooperation, Chinese negotiators usually prefer to work and discuss with people who are of the same or higher level than them (Graham & Lam, 2003; Woo & Prud'homme, 2003). People of higher status are thought to bring a positive influence to an investment (VanDuijn *et al.*, 1999).

Social status is an essential factor in the communication process in China. An American negotiator might well be met by a whole contingent of Chinese businesspeople. Though one person is expected to be the spokesperson for the team, a solitary American negotiator is at a disadvantage. It may be supposed that he lacks status, that no one supports him, and that he probably does not carry authority to speak for anyone but himself (Gilsdorf, 1997).

Confucianism stresses respect for hierarchy, status and others. Confucianism is so prevalent in Singapore that the local Malays are also practising the concept of respecting the higher authority during their business dealings (Cucullu, 1998). The Honkies Chinese are very conscious of a person's social status (Runckel & Associates, 2003). Casualness does not play well in a country where the Confucian values of obedience and deference to one's superiors remain strong (Graham & Lam, 2003).

2.4 Interpersonal Harmony (*Renji Hexie*)

"Harmony" is related to the teachings of Taoism and Confucianism. The Chinese society has been strongly influenced by the Confucian principles of harmony and hierarchy (Hofstede, 1980; Ting-Toomey, 1994). Confucianism consists of four principles that enable a society to survive and prosper: humanism (jen), righteousness (yi), propriety (li), and wisdom (chong) (Yum, 1988). These broad principles still guide Chinese people's behaviour in seeking harmony in relationships with others and social integration (Ng, 1998,1999). In dealing with people, Confucius introduced a number of virtues; courtesy, persistence, patience, and sincerity, that allow for open and harmonious interpersonal relationships.

Herrington (2001), on his website of "Living, Retiring, Travelling, Business in the Philippines," points out that, under the impact of multi-cultural influence, the dominant cultural value of "smooth interpersonal relationships," permeates and guides the daily lives and behaviours of the Filipinos. The goal of preserving harmony between individuals, among family members, and among the groups and divisions of society is embodied in the core cultural value. Harmony is "attuning" which is the combining and blending of two or more ingredients in a harmonious whole with benefit and enhancement that maximizes the possibilities of all without sacrificing their separate and particular identities (Hall *et al.*, 1987).

One of the key concepts in the study of harmony in pragmatics is "co-operation", which, according to Grice (1981), provides the mechanism whereby speakers understand each other in conversational interaction. From a sociological perspective, co-operation can be defined as acting together in a coordinated way at work, leisure or in social relationship, in the pursuit of shared goals, the enjoyment of the joint activity, or simply furthering the relationship (Argyle & Michael, 1991).

2.5 Holistic Thinking (*Zhengti Guannian*)

Holistic thinking is the viewing as a whole of all smaller issues such as price, warranty, delivery, quality and so forth into a complex issue during negotiation business. The Chinese tend to think in terms of the whole, entire package. On the other hand, Americans are more likely to think sequentially and individualistically. They tend to break up negotiation topics into minor issues (Graham & Lam, 2003). The Chinese way of thinking everything as a "whole" makes it easier to understand the relationship between issues. They believe that nothing can be placed in a special category, as every issue is connected to each other (Dellios, 2001).

In Holistic thinking, it is necessary to view things as whole in order to grasp more information (Dellios, 1996). Holistic approach will prevent businessmen from making blind decisions and help them to act more intuitively. Holistic thinking, which can also mean "synthetic thinking", assists businessmen in timing their business intentions, and strengthening their financial position (Peat, 1987).

However, Americans view "zhengti guannian" as "the failure to settle anything" because negotiators who practice holistic thinking are usually petty as they require long descriptions of background and context, aside from asking a lot

of questions during each negotiation (Graham & Lam, 2003). Besides, the authors also said that holistic thinking tends to involve long courting processes compared to the quick styles of American meetings.

There is a Chinese adage that says, "There is room for discussion in everything". That is to say nothing is final and definite. Whatever that has worked out in written form [contract] can be changed (Wong *et. al.*, 1998). That is why the Chinese prefer to talk about issues as a whole instead of in a sequential manner. For example, after discussing on the price they move on to the transportation issue but they later return to settle the price issue.

2.6 Thrift (Jie Jian)

The practice of thrift can be seen in the Chinese culture of having high savings rate and the haggling or bargaining over prices (Blog, 2003). Thrift also means frugality, which is directly related to Taoism. According to Graham & Lam (2003), the Chinese tend to be thrifty and are always saving their household income. Thrift has been practiced by the Chinese due to China's long history of instability which has taught them to save their money. Most Chinese businessmen love to bargain over the costs whenever they are involved in business talks. Chinese negotiators are famous for wiggling into room for more price cuts and giving price concessions with great reluctance.

According to Singapore's former Prime Minister, Lee Kuan Yew, the belief in thrift, hard work and filial piety would determine a nation's economic success or failure (Zakaria, 1994). Those who practice thrift and hard work, and others are likely to succeed much faster in business (Vatikiotis and Daorueng, 1998). Thrift or frugality is a survival tactic, which helped ethnic Thai-Chinese keep afloat during stormy economic waters. Doing business at a manageable size, being liquid enough, having sufficient cash reserves, and saving money in the bank is crucial for sustaining many businesses whether big or small through the challenging times. The former Prime Minister, Tun Dr. Mahathir also said that thrift, hard work and others are Asian values which have in fact contributed to the emergence of Asian Tigers and Dragons (Milner, 2004).

Thrift is very important as it could determine the fate of a person, a family or even a nation. Most overseas Chinese kept in mind that, "A coin should be separated into two before spending it," particularly in the early days when they started business in foreign lands (Jiazhen *et. al.*, 1994). Economists have proved that high savings contribute to high growth. People become richer and are able to save more money especially during economic booms. These positive signs in turn promote investment and growth, thus generating a virtuous cycle (Jiang, 1999).

2.7 "Face" or Social Capital (Mianzi)

"Face" is the respect, pride, and dignity of an individual as a consequence of his or her social achievement and the practice of it (Goffman, 1972; King, 1993; Lam & Wong 1995). The "face" of an individual has a quantitative and a positional aspect (Hwang, 1982).

Most Asians are intensely concerned with their own status, integrity, and dignity. Thus, "face" is the perception of persons and identifies "who they are" in respect to everyone else. You must never cause one of your players the "losing of face". Never deny them a request in front of their companions, do not create a situation that will turn into confrontation. Speaking too frankly is something to be avoided. Beating around the bush or avoiding unpleasantness is a basic communication skill in China. You must be extremely polite and even avoid unpleasant responses or decisions that can cause a player potentially to lose "face". Therefore, if you create an atmosphere where a player can be confident that he be in casino where his "guanxi" is strong and he will be treated with great respect then he will develop a strong relationship with your operation (Nazarechuk, 2000).

From the "success stories entrepreneurship at its best" (Song, 2004), emphasized the importance of understanding traditional Chinese constructs such as "mianzi" and "guanxi" and applying them at different levels, at the right time and to the right person and hard work in order to be successful in doing business.

2.8 Endurance (Chiku Nailao)

In the context of Chinese "chiku nailao" means endurance, relentlessness, eating bitterness or enduring labour. The Chinese are famous for their work ethic in which they see "chiku nailao" or hard work as much more important and honourable compared to the Americans who place high value on talent as a key to success. The Chinese shows diligence during business negotiations primarily in two ways that is by working harder in preparation for the negotiation, or expecting longer bargaining sessions. Sometimes, this may include their jet lags and late night entertainment of clients, which is a different concept from that of the westerners (Graham & Lam, 2003)

Endurance is considered as the secret to the success of the ethnic Chinese abroad in the business world (Carruthers, 2003). Endurance, perseverance, and determination are the only ways to counter short term setbacks, while conveying a brighter future ahead (Pahlawan, 1998). Hard work is a universally acknowledged Chinese virtue. Nowadays, although many Jamaican Chinese are involved in various professions but they still feel that hard work is the key to a successful entrepreneurship. Historically, the Jamaican Chinese who operated small grocery shops and sold farming

tools relied on hard work to prosper. Due to their diligence, Chinese businesses became the pillars of early commerce in Jamaica (Zhao, 2004).

The Malaysian Prime Minister, Datuk Seri Abdullah Ahmad Badawi encouraged his people to embrace the culture of hard work in order to provide better services or products by improving skills and knowledge. He admitted that hard work is extremely important to be competitive (The Star, 17 December 2004).

3. Methodology and Research Design

To study the perception of the employees in both the SMEs and MNCs on the CEC, an exploratory research is employed. This research method is adopted because the population in the SMEs and MNCs may have incomplete knowledge about the CEC and its eight elements, especially the non-Chinese ethnic groups, if not the Chinese employees themselves. An exploratory research is a logical step towards improving the acquaintance of the employers and employees of the two category of business on the prevailing issues here. This study tries to reveal the importance given by workers of SMEs and MNCs on this culture and its eight individual elements in business negotiations.

3.1 Sample

The target respondents of this sample survey include employees of SMEs and MNCs from Peninsular Malaysia, particularly the states of the Federal Territory of Kuala Lumpur, Johor, Penang, Perak and Selangor. SMEs are enterprises in the manufacturing sector with full time employees not exceeding 150 or annual sales turnover not exceeding RM25 million and companies in the primary agricultural and services sectors with 50 or less employees and annual income below RM5 million (National SME Development Council, 2 December 2004). MNCs on the other hand comprise companies which operate actively in more than one country (Hill, 2005).

Employees working in either SMEs or MNCs located in Peninsular Malaysia were eligible to take part in the survey. 230 questionnaires were distributed with equal half to each category of business; SMEs and MNCs. The response rate was high at 92 percent. Out of the 212 questionnaires, 104 (49 percent) came from SMEs while the remainder 108 (51 percent) was collected from MNCs. The respondents came from various levels of the organisation hierarchy. Most of the interviewees were managers, supervisors, executives and businesspeople. A small percentage of them were engineers, salespeople, information technology analysts and auditors. Majority of the respondents came from the Chinese ethnic group and aged between 16 to 25 years old. The greater part of them was aware of the CEC and its application.

The majority of respondents from SMEs were male (54.8 percent) while the female made up the balance of 45.2 percent. In contrast, most of the MNCs participants were female (61.1percent) and 38.9 percent was male. The age category was divided into five interval groups. There were 16 to 25, 26 to 35, 36 to 45, 46 to 55 and 55 and above. Most of the SMEs and MNCs respondents came from the 16 to 25 age group.

3.2 Pilot Test

The survey instrument was pre-tested. A total set of 35 questionnaires were distributed to contacts from various SMEs and MNCs in the Klang Valley. The pilot test allowed the observations on the way the respondents understood, answered and duration required in completing the questionnaire. Amendments were made based on the feedback of the respondents in order to improve the presentation of the instrument.

3.3 Statistical Analysis

Descriptive statistics, cross tabulation, Pearson Chi-square and Student-t tests were conducted to present the perception of the importance of the CBC and its eight individual elements in business negotiations among the workers in the SMEs and MNCs. Conclusion and recommendations are made based on the findings and analysis subsequently.

4. Research Findings and Discussion

The findings of the study is based on hypotheses drawn to check any perception differences between the employees of SMEs and MNCs on the awareness of the CBC and its application in business negotiations, the importance of CBC in business negotiations and the importance of “guanxi”, “zhongjianren”, “shehui dengji”, “renji hexie”, zhengti guannian”, “jiejian”, “mianzi” and “chiku nailao” respectively in trade discussions.

From Table 1, it is shown that there is no significant difference in the awareness of the employees in both the SMEs and MNCs on the CEC and its application in business arbitrations. This shows that workers irregardless of whether they are from the SMEs or MNCs may either have similar awareness or ignorance of the CEC. From the study of the sample, it is indicated that the workers of the two categories of business are aware of the CEC.

The Student t-test, from Table 2, shows that there has been no significant perception difference in the importance of the CEC in business arbitrations between the employees of SMEs and MNCs, with equal variances, as supported by the Levene’s test.

The Pearson Chi-square tests were tested on all the eight individual elements of the CEC respectively to check on the perception differences of their importance, as an individual, in the trade negotiation process. The results from Table 1 show that all the eight elements have no significant perception differences between the two groups of employees on their influence in commerce discussions at the five percent level of significance.

The results of all the tests show that the Malaysian workers in general are indifferent in terms of their perceptions on the issues of this research. This may be contributed by the similarity of the background and profiles of the respondents, coupled with the majority of them being aware, in one way or another, of the significant influence of the Chinese community, armed with their unique business culture and strategies, on the industries and businesses of the country.

The respondents from the SMEs and MNCs rated “guanxi” as the most important elements in the CEC in determining the success rate of a business negotiation, followed by the “renji hexie” and the least important was “mianzi”. The rankings for the rest of the elements between the employees of the two business category were only of slight different. Table 3 shows the rankings of the eight elements between the two groups of employees.

Pye (1986), Tai (1988) and Osland (1990) agreed that the right “guanxi” can bring about assistance during problematic times and these aids are fundamentally critical for all sizes of businesses, to survive into the longer run. “Guanxi” has been ranked unanimously as the most important elements, as once one is networked with the connection, things can be done in arm length basis. The pool of respondents from both SMEs and MNCs appreciated “renji hexie” as the second most important elements as most human beings would prefer to work in a harmonious environment, providing less or no tension and workers who are truthful and earnest. These groups of workers have also agreed that “mianzi” is the least important among the eight elements as this is very much an issue of ego rather than business rationality.

“Chiku nailao” has been ranked a level higher in SMEs than MNCs as the workers in SMEs always believe that hard work is critically important for the growth of the company as compared to MNCs where the businesses are more a less stable or at their high momentum. “Jiejian” is also seen to take a higher ranking in SMEs than MNCs as cost saving has always been the number one concern of smaller businesses where their capital accumulation process may be more tedious than that of the MNCs, which are cash-rich. “Shehui dengji” and “zhongjianren” are ranked at the lower levels and reveal weak significant difference between the SMEs and MNCs as both these elements have been overshadowed by business rationalities and direct marketing and outsourcing respectively.

5. Conclusion and Policy Implication

With the emergence of the Chinese market, the international and domestic industries are posed with great opportunities and multi-faceted challenges now and in the future. Malaysia, a country with a significant composition of the Chinese ascendant, has some language and cultural advantages in luring investment interests from China. The domestic Chinese ethnic group who shares similar life principles have been seen successful in dealing with the economics of the country with heavy dependence on the belief of some of the elements like endurance, thrift and clout creation of the CEC, a shared concept among the Chinese worldwide.

Since Malaysians in general are seen to be exposed directly or indirectly to the importance of the CEC, coupled with the significant impact of the rising dragon, it is deemed essential to bridge further the utilisation and application of the knowledge of CEC to enhance a better business climate domestically and also to strengthen the bilateral trade with China. More exposure and explicit practice of the eight elements of the CEC may create a dynamic and productive working environment to ensure sustainability of the businesses and international ties with China.

The CEC will in the long run shape a business style and structure on the ways businesses are established, sustained and evolved both in Malaysia and overseas. Tapping on the advantages of this culture it is envisaged that one should give considerable attention to the eight elements of the CEC, utilize and craft them into competitive strategies to meet the ever more globalised world, predominated currently by the Chinese. Having to stress this, it is also important for the crafting of a real Malaysian Economics Culture that blends the business cultures of other ethnic groups into CBC, making it a more holistic and applicable in the local context and next to export it into the international market as a business model which is more universal but not just country or ethnic based.

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Table 1. Pearson Chi-square tests

Difference in awareness of CBC and its application in business negotiations between employees of SMEs and MNCs	0.559
Perception difference of the importance of “guanxi” in business negotiations between employees of SMEs and MNCs	0.935
Perception difference of the importance of “zhongjianren” in business negotiations between employees of SMEs and MNCs	0.427
Perception difference of the importance of “shehui dengji” in business negotiations between employees of SMEs and MNCs	0.102
Perception difference of the importance of “renji hexie” in business negotiations between employees of SMEs and MNCs	0.105
Perception difference of the importance of “zhengti guannian” in business negotiations between employees of SMEs and MNCs	0.827
Perception difference of the importance of “jiejian” in business negotiations between employees of SMEs and MNCs	0.317
Perception difference of the importance of “mianzi” in business negotiations between employees of SMEs and MNCs	0.616
Perception difference of the importance of “chiku nailao” in business negotiations between employees of SMEs and MNCs	0.371

Table 2. Levene’s Test for Homogeneity and Student t-test

	Levene	Student t
Perception difference of the importance of CEC in business negotiations between employees of SMEs and MNCs	0.076	0.394

Table 3. Ranking of the Eight Elements of CEC by employees of SMEs and MNCs

Ranking	SMEs	MNCs
1	Personal connection (guanxi)	Personal connection (guanxi)
2	Interpersonal harmony (renji hexie)	Interpersonal harmony (renji hexie)
3	Endurance (chiku nailao)	Holistic thinking (zhengti guannian)
4	Holistic thinking (zhengti guannian)	Endurance (chiku nailao)
5	Thrift (jiejian)	Intermediary (zhongjianren)
6	Intermediary (zhongjianren)	Social status (shehui dengji)
7	Social status (shehui dengji)	Thrift (jiejian)
8	“Face” (mianzi)	“Face” (mianzi)