Guanxi competence as intercultural competence in business contexts – A Chinese perspective

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Abstract (English)

As one of the central research questions within intercultural studies intercultural competence has been increasingly discussed in recent years. However, the study of intercultural competence is characterized by a dominance of Western perspectives that continually strives towards universal validity. Thus, the present study investigates why the research of intercultural competence is still largely derived from Western perspectives. Based on a literature review, this study attempts to argue from a non-Western perspective. Subsequently, the question as to how the intercultural competence could be conceived from a Chinese perspective in its business context is addressed. Based on the Guanxi concept, which is regarded as the core value in Chinese culture and the key component in its business context, a model of Intercultural competence will be proposed.

Keywords: Intercultural competence, Guanxi competence, Chinese business context, Non-Western perspective

Abstract (Deutsch)


Schlagworte: Interkulturelle Kompetenz, Guanxi-Kompetenz, Chinesischer Wirtschaftskontext, Non-Westliche Perspektive
1. Introduction

The last few years has witnessed the publication of a vast multiplicity of articles and models dealing with the concept of intercultural (IC) competence due to what has been seen as the concept’s increasing practical significance (Gröschke 2009, Spitzberg / Changnon 2009). Even though the concept has been developed largely from a Western perspective, it has been perceived as applicable to a variety of global contexts. Thus, this article firstly investigates why the research of IC competence is still chiefly derived from Western perspectives. Even if the Western perspective is compared with the non-Western, it should not be given negative connotations. The aim of this differentiation is, rather, to explore potential synergies and complementary avenues.

Since IC competence, as a construct, aims generally for the facilitating of agency in a foreign culture (Gertsen 1990, Dinges / Baldwin 1996), this article will further discuss how IC competence could be conceived from non-Western perspectives, for example, from a Chinese perspective in its business context. Based on the Guanxi concept, which is deemed not only a core value of Chinese culture (Hackley / Dong 2001:16) but also a key element within Chinese business communication (Yen et al. 2011, Wang 2007), a model of IC competence as a conceptual framework will be proposed.

2. Intercultural competence

2.1. Western and non-Western perspectives

Despite the coherent goal settings the approaches of IC competence have also been discussed controversially within the Western discourse. For example typological systems of IC competence models have been developed in a different way from the German and the American perspective, as the following table shows: (See Exh. 1)

<table>
<thead>
<tr>
<th>Germany</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personality-based</td>
<td>Compositional</td>
</tr>
<tr>
<td>Situation-Adaption-based</td>
<td>Co-orientational</td>
</tr>
<tr>
<td>Interaction-based</td>
<td>Developmental</td>
</tr>
<tr>
<td>Cultural-Determinants-based</td>
<td>Adaptional</td>
</tr>
<tr>
<td>Metacompetence-based</td>
<td>Causal Path</td>
</tr>
</tbody>
</table>

(Gröschke 2009) (Spitzberg / Changnon 2009)

Exh. 1: Typological Systems of IC Competence. Source: Authors own table.

However, despite the use of different terminologies and disciplinary views, these approaches have mainly been constituted upon four influencing factors of IC competence, which include: the subject’s personality, situational adaption, behavioral abilities within communication and cultural determinants. In addition, most approaches and models are characterized by the following two features: firstly, they are designed for culture-unspecific purposes, with the aim that they are universal, regardless of the target culture (Bolten 2011:56). Here, the cultural specificity and its claim for competency are not explicitly taken into account. Secondly, although a wide range of IC competence is examined, one has mainly developed it from the foreign perspective, the perspective of the other, the Fremdperspektive. This has especially been undertaken when making statements about a foreign culture such as China. In this case, the culturally immanent interconnections are often insufficiently approached. Thus, emphasis within this study is placed upon culture-specific investigations, especially from the own perspective.

But why is the research of IC competence still largely derived from Western perspectives? Can one undertake this research from a non-Western perspective? To address these questions, three aspects could be considered: the Western perspective stems from the fact that the study of IC competence is originally associated with the expat-managers.
(Dinges / Baldwin 1996), which was a Western phenomenon at first. Then, with its increasing importance in the Western discourse, the study of IC competence has become methodologically a Western-oriented approach (Bolten 2011). The main characteristics were analytical thinking and categorizing (Fung 2006, Bolten 2011), the focusing on the personality and competence of the individual (Gröschke 2009:52) which are regarded as decisive factors in the management of diversity. Furthermore, Western academics have also been playing a dominant role in terms of IC Competence studies. Based on this consideration it is here suggested that IC competence should not only be examined for international assignments, but it should also be discussed more within the scope of intercultural cooperation / teamwork. In this way, the different perspectives complement each other and are a help in order to achieve the common objective. In order to enable this diversity of perspectives, new methodological approaches should be searched for, which, for example, put more emphasis on the context, the holistic perspective and the interdependence of individual factors, since there are cases where it can be difficult to assign an “either-or” logic, to clearly categorize one particular item in one dimension. Instead of this, the “both-and” logic (Bolten 2011:56f) could be adopted to allow for the possibilities emerging concurrently.

### 2.2. The key elements of IC competence

Although there are plenty of definitions regarding the IC competence, it is, as Straub noted, still not sufficiently clear what can be understood by this concept despite the practical, social and global relevance of it today (Straub 2007:35). In the interests of clarity, this study examined a number of definitions of IC competence that aim to find out what is essentially contained in this construct (Gröschke 2009, Bücker / Poutsma 2010).

As this table suggests (See Exh. 2), one can adhere to the following three central concepts as key components of the IC competence: cultural specificity, competence and success. In other words, an interculturally competent person should firstly be aware of the cultural specificity that comes with foreign cultures (Thomas 2006, Podsiadlowski / Spieß 1996). Since the concept of competence is focused, a person, as a subject of agency, should also demonstrate knowledge, skills, attitudes, personality and reflection, to fit the requirements of intercultural encounters (Gertsen 1990, Johnson et al. 2006, Deardorff 2006a). Above all, IC competence is not an end in itself, but it has to bring about some success (Fantini 2006, Deardorff 2006a). This may be effectiveness and appropriateness regarding the interaction, business success, satisfaction or simply good performance. The concept of IC competence can only be useful if those goals can be achieved. For that reason, these three concepts should also represent the criteria for the conception of IC competence, in which a clear definition of success is especially needed.

<table>
<thead>
<tr>
<th>Central Concepts</th>
<th>Components</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>cultural specificity</td>
<td>culturally-influenced perception, judgment, agency, attitude, dealing with different cultures</td>
<td>Thomas 2006, Podsiadlowski / Spieß 1996</td>
</tr>
<tr>
<td>competence</td>
<td>knowledge, skills, attitude, personality, reflection</td>
<td>Gertsen 1990, Johnson et al. 2006, Deardorff 2006a</td>
</tr>
<tr>
<td>success</td>
<td>effective and appropriate Interaction, satisfaction</td>
<td>Fantini 2006, Deardorff 2006a</td>
</tr>
</tbody>
</table>

Exh. 2: Central Concepts of IC Competence. Source: Authors own table.

### 2.3. IC competence model: A non-Western concept

Nevertheless, one may ask if there have been attempts to conceive IC competence from non-Western perspectives. Ting-Toomey and Kurogi (1998) developed a model to present a facework management theory for intercultural conflict management See Exh. 3). Based on this concept, the intercultural face-
work competence consists of three core dimensions: The knowledge, which is regarded as the most important dimension, reflects the importance of understanding differences due to individualism and collectivism, power distance, self-face models and facework communication styles. A mindfulness dimension represents abilities such as mindful reflexivity, openness to novelty, to take multiple perspectives and analytical empathy. The interaction skills, which include listening, observation, facework management, trust building and collaborative dialogue, refer to abilities to communicate appropriately, effectively and adaptively in a given situation (Ting-Toomey / Kurogi 1998).

Despite the emphasis on cognitive and behavioral aspects, the model, however, frames the IC competence on the basis of the facework concept, which originally stems from the Confucian theory. Moreover, great importance is also ascribed to the interdependence between the factors in the concept. For example, being open to new perspectives and engaging in analytical empathy require mindful listening. At the same time, mindful listening helps to transform the knowledge and mindfulness dimensions, by identifying relational, content and socio-historical meanings of the messages being exchanged (Ting-Toomey / Kurogi 1998:204). Apart from that, the focus on the categories such as individualism, collectivism and power distance within the knowledge dimension appears to be insufficient to capture the context, in which intercultural conflicts could emerge, as well as to explore more indigenous perspectives as a frame of reference to be shifted (Bennett 1993:53).

Concerning the Chinese-speaking world, there are already numerous indigenous theories in intercultural and international management studies. This is probably due to the experience of expatriate managers that Western theories of management practice are not necessarily practicable (Beringer 2007). This urgent demand has expedited the
development of approaches from non-Western perspectives.

3. Guanxi competence

3.1. Literature review

Since the 1980s the topic of Chinese Guanxi has received significant attention from Chinese management scholars because of its influence in Chinese business (Yen et al. 2011:86). In the recently provided Chinese management studies, the Guanxi concept is particularly discussed in relation to human resource management (Law / Jones 2009, Lin 2010, Chen et al. 2009, Wong et al. 2010), risk management (Pearce 2011), conflict management (Wong / Tjosvold 2010), knowledge management (Buckley et al. 2010) and industrial marketing management (Gao et al. 2010). These efforts and the importance of this non-Western perspective have been gradually recognized and appreciated by Western researchers. As Herrmann Pillath confirms:

"As we have seen in the Chinese example, the study of social capital (Guanxi) requires different approaches, [...] the indigenous perspective particularly taking into account, an analysis of the underlying semantics of the communication within and across networks is specifically required." (Herrmann-Pillath 2010:268)

But how could Guanxi management contribute to the study of IC competence in Chinese business context? Here, Guanxi management competence is deemed a culture-specific realization of IC competence, as well as a starting point for its model development in Chinese business contexts. The reason why the Guanxi concept plays a central role can be explained as follows: Firstly, as one of the fundamental concepts of Chinese culture, the Guanxi concept is embedded in Confucian social theory and has its own logic in forming and constituting the social structure of Chinese society (Yen et al. 2011, Zhou et al. 2007). Secondly, instead of excluding other fundamental concepts in the Chinese culture, the Guanxi concept is connected with them (Fung 2006:2).

As seen in the earlier literature review, it can be concluded that the concept of Guanxi has had a great impact upon the formation of Chinese business culture.

In the previous studies, Guanxi has been given different definitions. According to Luo (1997), the Chinese word Guanxi refers to the concept of drawing on connections in order to secure favors in personal relations. It is an intricate and pervasive relational network which Chinese cultivate energetically, subtly and imaginatively (Luo 1997:44). On the basis of investigations concerning the functional mechanism of Guanxi, Mauss (2002) referred to its two other meanings. On the one hand, the Guanxi is formed via a group of individuals who have something in common, on the other hand, the process of Guanxi production concurrently creates human feelings and material obligations (Wong / Leung 2001), which follow the rule of reciprocity. Obviously, Guanxi includes much more behavioral codes compared to the definition of relationship. For example, what could be meant by material obligation? Why is the secure favor so important? These issues are difficult to explain in the context of the relationship concept. In order to deduce the wide range of the Guanxi concept from the Chinese perspective, as a basis to propose an IC competence model, a further empirical study by Wang and Chen (2009) will be considered.

3.2. Empirical findings

To develop the constructs of Guanxi, Wang and Chen (2009) used content analysis, focus groups and literature reviews in order to find out how Guanxi is understood in the Chinese business context by Chinese managers. Subsequently, based on a further examination of their suitability for the creation of a competency profile, this study reclassified and reconceptualized the constructs of Guanxi explored by Wang and Chen to fit the aforementioned criteria for the conception of IC competence.

The focus group was conducted with 10 MBA students of Wuhan University, who as part-time students work as
sales managers, regional managers or general manager assistants. They not only learn classic marketing theories from the Western world, but also have insights and practical experiences of local business activities (Wang / Chen 2009:87). The subject group was asked to think and describe independently the concept of Guanxi in the Chinese business context with their own language. Furthermore, they had to give many possible definitions of Guanxi according to their own understanding (Wang / Chen 2009:87). As the result suggests, Guanxi is often understood as relationship marketing in this context and is complemented by constructs such as connection, long-term association, dependence, cooperation, trust, and mutual benefit. According to the authors, the constructs of Guanxi were classified into six dimensions, which include utility, emotional, institutional, social, cultural and individual dimensions (See Exh. 4) (Wang / Chen 2009:88).

The behavior constraint in the individual dimension and the Renqing (favor) in the cultural dimension explains the aforementioned meaning of material obligation in a better way: Once someone does you a favor, you are automatically obliged to provide something in return at some point, according to the Guanxi principle. Otherwise, the rules of the social interaction would be broken. With the role of Guanxi as an “institution of law and contract”, it can be explained why the “secure favor” is so important.

Based on three leading internet search engines, Google, Baidu and Yisou, the content analysis was then conducted (Wang / Chen 2009:85). The authors entered Guanxi in the search engine and the total number of literature referring to this subject was listed. Then, based on the constructs analyzed from the literature review, they entered Guanxi as well as the relevant constructs and the number of literature was presented. At last, the number of literature on each construct relating to Guanxi was summarized, taking Google for example, in the following table (Wang / Chen 2009:86).

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Similar to relationship marketing</td>
<td>connection, long-term association, dependence, cooperation, trust, mutual benefit</td>
</tr>
<tr>
<td>Utility</td>
<td>profit, exchange, using each other, relating to power</td>
</tr>
<tr>
<td>Emotional</td>
<td>affection, business friendship, acknowledgement, social satisfaction, sense of belonging, hang out individually</td>
</tr>
<tr>
<td>Institutional</td>
<td>non-official system, institution of law and contract, efficient operations in an abnormal market, operations under table</td>
</tr>
<tr>
<td>Social</td>
<td>Quanzi (social circle), social rank, special tie, acquaintances</td>
</tr>
<tr>
<td>Cultural</td>
<td>Mianzi (facework), Renqing (favors)</td>
</tr>
<tr>
<td>Individual</td>
<td>to be a sophisticated person, behavior constraint, personal value, influential power</td>
</tr>
</tbody>
</table>

Exh. 4: Classified Constructs of Guanxi based on focus group. Source: Adapted visualization from Wang and Chen (2009).

In the left column, the different constructs of Guanxi can be found depending on the amount of the listed results. On the right-hand side, the total amount is presented. Obviously, one cannot only find culture-specific concepts such as Mianzi (facework) and harmony in the Chinese (business) context, but also the principles and methods for practicing Guanxi management, such as reciprocity and bonding. Last but not least, certain personality traits are also considered such as empathy and honesty, as many other IC competence models suggest.

After being examined quantitatively by the authors, all the constructs of Guanxi, formulated in English and Chinese, were grouped into 8 dimensions (Wang / Chen 2009:90). (See Exh: 6)

As the table above shows, the dimensions economical and utility refer primarily to economic aspects, which generally indicate the goal of the intercultural business communication. While the dimensions gregarious and social rather refer to social aspects. The institutional dimension illuminates not only the essential function of the Guanxi concept,
but also outlines the specificity of this context. Thus, the significance of the Guanxi concept has been proven empirically. Even if the two so-called emotional and individual dimensions primarily refer to the individual level, one puts an emphasis on the emotional and the other one on the behavioral aspects of Guanxi competence. Besides, culture-specific concepts such as Mianzi (facework), Renqing (favor) and harmony are also addressed in the cultural dimension. All this forms a theoretical basis for the conceptualizing of the Guanxi-based model of IC competence.

4. Guanxi-based model of IC competence: A theoretical framework

Based on the previous consideration, the proposed model of IC competence, as presented in the following diagram, consists of four dimensions: the economical, individual, social and cultural dimensions. The economical dimension shows the goal of the intercultural encounter as an action-orientation as well as a success-criterion of IC competence. It may be business cooperation, M&A or marketing in the Chinese market. The individual dimension primarily refers to the personality traits as well as communication skills of the acting subject. The social dimension reveals the principles and rules of interaction or the practice of Guanxi which involves both emotional and material aspects of the subjects, as bonding and favor exchange suggest. The cultural dimension refers not only to the characteristics of the context in which the subjects (inter)act, but also to the cognitive aspect of IC competence. In other words, one must possess cultural knowledge, as a basis upon which to develop IC competence. (See Exh. 7)
Instead of juxtaposing the four dimensions in the same circle, the cultural dimension is, however, put in the background, since the culture can not only be understood as a homogeneous national culture, but also as heterogeneous collectives (Hansen 2011), which differ from each other but are not necessarily exclusive.

While being embedded in the national culture, the inner circle, containing the three dimensions of Guanxi competence, also outlines the Chinese business culture as a kind of collective. Based on the empirically explored constructs of Guanxi, the model provided a detailed description of each dimension. The listed items of each dimension are to be understood as its core components. Regarding the economical dimension, specific business goals could also be formulated in order to control the process in a better way. It may be customer satisfaction, the development of innovation in branches, or trust. In connection with the individual dimension, the fundamental properties and attitudes towards foreignness are addressed, such as empathy and willingness to adapt. This also implies personality traits such as ambiguity tolerance, openness and patience, etc. (Deardorff 2006b). Regarding the social dimension, the basic principle of reciprocity has priority, which takes place on the emotional level, as well as on the material level. This process increases the interdependence of both parties, in an emotional as well as material way. Thus, it also strengthens the mutual trust (Chua et al. 2009). The concepts which are closely related to the Guanxi, such as Mianzi (facework) and harmony were specifically allocated to cultural dimension, since they also have an effect on the three other dimensions.

Exh. 7: Guanxi-based Model of IC Competence. Source: Authors own illustration.
5. Conclusion

As this study has suggested, the previous approaches and models of IC competence have been primarily designed for culture-unspecific purposes and from a foreign perspective. To address the question regarding the dominance of Western perspectives, the investigation indicates that the international assignment, as the original subject area in the research of IC competence, is firstly a Western phenomenon. As a result, the research field is heavily influenced by Western methodologies due to the dominance of academics from the West. Nevertheless, there have been attempts to examine IC competence from non-Western perspectives. In this regard, an IC competence model by Ting-Toomey and Kurogi (1998) has been considered, which was conceived based on the facework concept for intercultural conflict management. Otherwise the focus on categories such as individualism, collectivism and power distance within this model appear to be insufficient to capture the context as well as to explore more indigenous perspectives as a frame of reference to be shifted.

For this reason, the study attempted to propose an IC competence model from a Chinese perspective in its business context. By examining definitions of IC competence, three central concepts were firstly elicited which include the cultural specificity, competence and success and are simultaneously considered as criteria for its conception. Subsequently, the suitability of the Guanxi concept as the basis for the development of an IC competence model was demonstrated, due to its fundamental importance within Chinese society, its significance for the Chinese business context and its interdependent nature with other culture-specific concepts. Finally, by examining an empirical study that aims at exploring the constructs of Guanxi from the own perspective, the Chinese perspective, a Guanxi-based IC competence model in accordance with the previously formulated criteria was proposed, consisting of the economic, personal, social and cultural dimensions. In this regard, the context and interdependence of individual components are given great importance.

Despite its non-Western perspective, this conception intended to complement existing approaches and to extend perspectives for developing IC competence according to specific contexts. However, it should be further discussed how different perspectives help to smooth intercultural encounters, in particular in the business context. In order to allow for a shift of perspectives, IC competence should be discussed within intercultural cooperation / teamwork rather than in connection with international assignment. To what extent this approach is applicable in practice, must be proven through further empirical studies.

6. References


