

Cross-cultural challenges to the IMP paradigm: evidence from Chinese markets

*Tony Fang,
Stockholm School of Economics (SSE),
Box 6501,
SE-113 83 Stockholm,
Sweden.
Telephone: +46 (0) 87369528
E-mail: tony.fang@hhs.se*

*Anton Kriz,
Central Queensland University,
Australia*

Abstract

This paper proposes a review of the current Industrial Marketing and Purchasing (IMP) paradigm to include the effects of culture in international business. The authors aim to show through evidence and analysis of Chinese business practices that even Chinese culture nuances can be included in IMP models. Indeed the absorption of culture enhances the intersubjective certifiability of network theory.

Introduction

Relationships and combinations of relationships (networks) have emerged as the central concept and basic unit of analysis in the IMP (Industrial Marketing and Purchasing) paradigm (Ford 1980, 1997; Håkansson 1982; Möller & Wilson 1995; Parvatiyar & Sheth 1997; Turnbull & Valla 1986). Managing business relationships is described as what industrial marketing and purchasing is all about (Ford 1980, 1998; Ford, Gadde, Håkansson, Lundgren, Snehota, Turnbull & Wilson 1998; Håkansson & Snehota 1995). Our two decades of dedication to marketing as interaction, relationships and networks has awakened the mind of management to the significance of interfirm relationships in understanding business markets.

Despite all this, far too many Western managers are still failing to manage business relationships in the Chinese-culture dominated markets (Björkman & Kock 1995; Itthipassagul & Blois 1999; Kriz, Purchase & Ward 1999; Tung & Worm 1997; Yeung & Tung 1996). This appears to be an anomaly given that key constructs in the Western interaction and network approach to marketing such as relationship, trust and bonding are also hallmarks of the Chinese business culture. The Chinese, like IMP, view concepts such as connections i.e. *guanxi* (Buttery & Leung 1998) and connected networks i.e. *guanxiwang* (Davies, Leung, Luk, & Wong 1992; Yang 1994) as key success factors for business (Chen 1995; Fang 1999).

This paper is concerned with why this anomalous phenomenon often found in the East-West cross-cultural business interactions exists and what it means broadly for the IMP. *The purpose of the paper is to highlight the increasing challenges the global cross-cultural business environment is bringing to the IMP paradigm and to provide guidelines for creating*

a new research area – Managing business relationships across cultures – within the IMP. The paper attempts to answer these questions: What are the key factors that make Chinese business culture different to Western business culture? Can the Western-based IMP models be applied without any adjustment in non-Western business environments? How can IMP benefit from a new century of cross-cultural and multicultural business in terms of theory and methodology?

In resolving such issues and answering such questions, some generalisations will be developed to demonstrate how the Chinese to Chinese business systems operate. The reasons why so many businesses have failed in China may be able to be demonstrated through a modified Håkansson and Snehota (1995) model. The implications of these systems are significant for Western businesses wanting to approach the Chinese business environment.

The paper concludes by suggesting the IMP model is not limited to Chinese business but has universal implications. Although the IMP models are descriptive (Backhaus & Büschken 1997), they promote some holistic ground rules and common business systems and as an instrument for understanding and insight, such models are a useful tool. In other words the universal nature of the current IMP model is not destroyed by adding the stochastic values of culture but is enhanced. However, it is enhanced as a result of unlocking the various layers that ‘hide’ the core values.

Methodology of this research

The empirical base of this paper is the authors’ extensive field studies conducted in Mainland China (Beijing, Shanghai, Xiamen, Guangzhou, Nanjing, and Hong Kong) during 1995-1999 concerning Chinese, Australian and Scandinavian firms in business marketing negotiations and joint venture operations. Industries researched included telecommunications, electronics, mining, power generation, shipping, shipbuilding and insurance. More than eighty Chinese and Western business executives were interviewed using informal conversational style field techniques and loose protocols. How “business relationship” was perceived and managed from the Chinese versus Western perspective was among the issues discussed in the interviews. To achieve its purpose, the paper also draws on empirical materials from the existing literature when necessary.

Qualitative techniques were used to support an emic (culture specific) rather than an etic (across culture) approach (Triandis 1994; Fang 1999; Kriz 2000). The rich data gathered supports the use of such a technique. The emic approach is apt in societies that believe in the ‘rule of interpersonal relationships’ (Lasserre & Schütte 1999) rather than the ‘rule of law’ (Trompenaars and Hampden-Turner 1997). Cold canvassing and surveys from afar are difficult methods in a Chinese research. ‘Natural inquiry’ following the emic paradigm is more useful in conquering the ‘whys’ of Chinese business (Patton 1990). Indeed, in Chinese society, which has been described as non linear (Redding 1990; Hofstede 1997), emic studies seem to be a more poignant precursor to ‘good science’. Such studies require a multi-disciplinary perspective and as Redding (1990, p.7) nominated, ‘It is necessary then to abandon any notion of “mechanical” cause, that one thing results from another in a simple linear way...’.

Literature for undertaking research in societies that have a pervasive Chinese ethnic flavour is limited. Often the techniques and methods used in emic studies, for instance, using guanxi to gain access to interviewees are unorthodox. However, given the importance of gathering rich

reliable data, these methods seem to be justified in such situations (Ambler, Styles & Xiucun 1998). Suffice to say that much of the empirical data suggesting linear solutions to complex or chaotic (Purchase & Kriz 2000) Chinese problems should be viewed with caution.

Much of the empirical literature is also constantly stereotyping Chinese in a way that suggests that the Chinese population is of Han descent and predominantly people of such origins are homogeneous. Although Chinese have some general cultural norms and values, people from different regions have separate sub cultures. To place this in the context of Europe it is the equivalent of suggesting that people in the Czech Republic are the same as people in Slovakia or the people of Northern Italy are the same as those in Southern Italy. Etics do not give you emics as Trompenaars and Hampden-Turner (1997 p.7) highlighted:

In the course of our research it has become increasingly clear that there are at several levels as many differences between the cultures of West Coast and East Coast America as there are between different nations.

In this instance, the authors will begin with emic and then move to etic.

IMP and international research

A recent statistic reveals that the IMP is dealing with “less and less international themes”, which does not live up to its original aim to be truly “international” (Gemünden 1997, pp. 9, 12). This is an enigma given the business preoccupation with a rapidly expanding global market place. By doing less international research, IMP could be accused of losing touch with business reality. This ignorance is exacerbated where diverse cultures are concerned. Cultures where the negotiations are often based on individual guanxi connections rather than firm based guanxi connections are rapidly industrialising. We emphasise that if we put people and relationship in focus – the hallmark of the IMP mission – we have to face up to the reality that culture always exists in the background through its fundamental impact on the behaviour of people who are at the centre of business relationships. In a sense, no account of business relationship is complete if culture is not sufficiently studied. For the IMP to be truly internationally oriented, culture should be included as an active element in the IMP paradigm.

Moreover, the IMP paradigm is basically a Western invention with models, concepts and empirical evidence mostly coming from Europe (Gemünden 1997). Today, as the world economy and international business are shifting much of their attention to Asia and other non-Western regions and businesses are adopting more and more cross-cultural activities, we need to develop the IMP paradigm by testing its models in Asian and other non-European/non-Western business environments.

Seeking globally developed but locally adapted knowledge is what a good management science is looking for today. There has been no shortage of well-documented information which shows that purely Western-derived models or research instruments fail to produce a valid and reliable description of Chinese behaviours when they are used in China (see, for example, Adler, Campbell, & Laurent 1989; Hofstede & Bond 1988; The Chinese Culture Connection 1987). In the same parlance, we are convinced that new perspectives will be crafted when the IMP models are tested and applied in the cross-cultural business settings. Before analysing Chinese culture in detail by breaking down the layers of that culture, it is necessary to describe how culture is defined in this study.

Culture: a way of programming the genes

The father of cultural anthropology is Edward B. Tylor who defined culture as the 'complex whole' which according to Fang (1999, p.22) included 'knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society'. Hofstede (1997) described culture as the programming of the mind. According to Hofstede, the genes form the hardware and culture forms the software. If one takes this metaphor further, one can see that a 'computer' uses a range of software or 'programs'. There are numerous levels of 'programming' or layers in Chinese societies (Kriz 2000). Each individual, whether Chinese or Western, rationalises and minimises conflict among these programs. Such programs are transmitted by actions and verbal communication and will be passed on from generation to generation.

Others such as Parker (1995) see culture as masking the underlying ecological and biological physioeconomic forces of life. They posit that physioeconomic forces shape culture. According to Parker, genes and ecology shape culture. The impact of biology and ecology is transparent in societies that are underdeveloped, overpopulated and lack formal rules. This paper accepts that ecology and biology are influential forces in social and as a consequence business behaviour.

Many of the Chinese interviewed in a recent field study suggested business life in China is 'dog eat dog'. The Chinese are confronted daily with Darwin's paradigm of 'survival of the fittest'. Why? Because of the nature of the environment (low systems trust) and because the philosophy of Confucius reinforces man's right to decide (moral virtue). The Chinese attach historically more importance on familial trust rather than Han Fei's 'rule by law' (Lee 1995). This is not a moot concept particularly in regards to the Chinese penchant for developing guanxi networks and finding back doors (Kriz 2000) in an environment that revolves around socio-biological cum business relationships.

Familial ingroups and pseudo family ingroups are important in a business domain that is seen as a 'battlefield' (Chu 1995; Fang 1999). Add to this philosophies, such as, relationship versus rules (Trompenaars & Hampden-Turner 1997) and/or virtue versus truth (Hofstede 1997) and it is understandable why China looks to foreigners, a mass of confusion. This paper will attempt to capture the richness of these layers of culture within this complex array of individual socio-biological dynamics.

Some misunderstandings in Chinese cultural studies

The complexity of Chinese values cannot easily be captured in simple linear or bipolar models. The difficulty of developing a personality test applicable to Chinese seems to support such a contention (Smith & Bond 1994). Chinese business life is all about coping with contingencies, therefore, an adaptive systems model needs to be developed that covers the contingencies involved (Fang 1999). This is a logical extension of the absence of linearity as discussed in the earlier section on methodology.

Guanxi like many other concepts in Chinese business is contextual. Like Yin and Yang everything has two interwoven aspects e.g. sun and moon, fire and water and hard and soft. However, it should be said that these aspects are not necessarily opposites. This is a problem in Hofstede and Bond's (1988) polarisation of the Confucian work dynamism which suggested that Chinese have a fifth dimension outside of the power distance, uncertainty

avoidance, individualism and masculinity. By polarising Confucian work dynamism into opposites the authors create a philosophical flaw (Fang 1999). As Redding (1990) might assert, they have found a cause-effect relationship from what is a non-linear concept.

The long term and short term orientations cannot be seen as polar but as intertwined values that will be utilised given the contingency of the situation. The game of Mah Jong and Sun Tzu's Art of War are pertinent examples of the skills learned by Chinese to develop strategies specific to a context. Depending on the context, the Confucian dynamism values can be positive and/or negative. In the specific case of reciprocity and gift giving under short term orientation (present), one could seriously argue against Hofstede's model that this aspect of Chinese society is as much aimed at the future as it is for the present. Clearly, gift giving builds both short and long term indebtedness.

A weakness of much of the research in China has been the absence of business people as interviewees (Fang 1999). Although one can justify the use of students for convenience, they are not privy to the ins and outs of real business practices. In the case of Hofstede's Confucian dynamism, by using students, one could expect a naïve view of the intricacies of doing business. Knowledge of stratagems and concepts such as gift giving, the back door and the nature of reciprocity would be limited to social involvement and consequently student perceptions would not be truly reflective of the actual business dynamics.

To avoid using a simplistic and linear framework to overview Chinese culture, the authors of this paper propose using the earlier introduced programs metaphor. In essence, a very complex culture will be reduced to several contributory programs. The programs enable a simple yet thorough insight into what shapes the Chinese psyche. This level of detail will be reconciled later when the importance of understanding individuals in Chinese to Chinese business is exposed.

The layers of Chinese culture

The field studies undertaken in the PRC and Taiwan have highlighted the complexity involved in understanding the Chinese. Hofstede is often challenged for oversimplifying culture. This is somewhat of an injustice, as Hofstede as well as Trompenaars and Hampden-Turner were adamant that simple stereotypes have serious limitations where individual business relationships are involved. Layers are what culture is all about. So what is Chinese culture and what layers mask the views of outsiders trying to understand the nature of the Chinese non-linear value set?

Background

Life in China is all about harmony, propriety behaviour, moral virtue and balance (Dutton 1998). For the Western outsider visiting China, it most probably resembles chaos, confusion and self interest. Such is the divide between Eastern and Western views. This difference is shaped by the extrinsic, often explicit cultural views (Trompenaars & Hampden-Turner 1997) or practices that confront visitors when they enter cities such as Shanghai. Drivers do not seem to obey rules. Chaos on the roads to a foreigner is obvious. The Westerner who walks the streets takes life literally into their own hands. Yet among such chaos the Shanghainese operate without too much fuss and in total ambivalence to the supposed chaos that the Westerner believes is evident. As discussed, to understand the Chinese one has to go below

this veneer. One has to delve into what shapes the core of the symbols, heroes and rituals (Hofstede 1997).

Confucianism has been identified as a pervasive philosophical undertone or belief that has dominated Chinese human values and norms for over 2500 years. This, however, is a limited view of Chinese reality. Chinese follow several philosophies including Taoism, Buddhism and concepts such as Sun Tzu's *Art of War*. The latter being a proactive strategy designed for War or business. Taoism and Confucianism are likened to philosophies for human conduct in the 'mortal world' whereas Buddhism is seen as a conduit to take us past such mortality (Fang 1999).

The values espoused through Confucianism have been well documented in recent years. They include the following six values as cited in Fang (1999 p.29): (a) moral cultivation, (b) importance of interpersonal relationships, (c) family orientation, (d) respect for age and hierarchy, (e) avoidance of conflict and need for harmony, and (f) concept of face. The following discussion will account for some of these aspects but for a more detailed review one should consider Fang's book *Chinese Business Negotiating Style* (1999) that refers to these aspects in detail. Family and kin have genetic and cultural importance in China. Such a critical program is a useful beginning to probing the Chinese business psyche.

The family program

To the Chinese, familial ties are a primary focus. The hierarchical and paternalistic nature of these ties were embedded in Confucius' teachings. The Five Cardinal Relationships of the Confucian *wulun* reinforce the importance of family relationships with its particular emphasis on the role of father to son, husband to wife and elder brother to younger brother. Chinese families were built on the agrarian societal norm of 'the more children, the more happiness' and 'bearing a son to protect the old'. Such principles are not unique to Chinese society but they have become rare in Western industrialised economies, since the development of economies of scale, mass production and division of labour (Sheth & Parvatiyar 1995; Ingold 1998).

The family is basically the best form of security. Through the historical turmoil the Chinese family survived. The Chinese society is classified by Fukuyama (1995) as a low trust society. However, to the Chinese they may see themselves as a high trust society. They have absolute trust in their kin. So strong is the trust that it has been referred to as a 'walled castle', basically impenetrable. History is a 'great teacher' and the Chinese have and continue to learn that kinship bonds survive the test of time. This familial program is fundamental to the Chinese psyche. The latest research conducted in China has identified the growing importance of school ties to Chinese business people.

The School ties and close friends program

Schooling in Mainland China has involved millions of children attending boarding institutions. The life of a school child away from home is not the same as for a child living at home. Surrogate families evolve to compensate for the absence of kin. According to the qualitative interviewees, the trials and tribulations experienced by those boarding build a trust that is only challenged by familial trust. The social networks established by school ties have useful business implications for later life. These personal ties that form from social ties are often utilised in later life as *guanxi* ties for developing business networks. *Guanxi* is a complex subject and accordingly such programs have critical implications for understanding Chinese business culture.

The guanxi program

The notion of guanxi has received constant attention in contemporary research on Chinese business practices. The anthropologists believe it has been inaccurately adapted somewhat in its use in business. According to the anthropologists connections are not what guanxi is about. Bell (2000) suggested guanxi is about the 'nesting of groups' and about intimate responsibilities based on linked relationships. Guanxi was born out of the Chinese concept of familial ties based on mutual obligation and the Confucian tradition of helping family members who are not as fortunate. As one respondent from our interviews suggested, 'a friend in need is a friend indeed'.

For all the research undertaken on guanxi, much appears to remain misunderstood. The qualitative interviews from this study highlighted a plethora of views on the concept of guanxi. As one interviewee in Taipei pointed out it can mean two people having sex for the first time. Some researchers have described it as a form of relationship marketing. Others have suggested this is definitely not the case.

Some like Wong (1997) believe there are discrete stages in the process of developing guanxi which include 'fencer, fiance, favourable partner and old friend'. Guanxi, however, is not this simple. It appears to be a contextual construct relating to interpersonal relationships. According to interviewees, it is dependant on the context and in a business sense it can provide access; but at the same time it can still be composed of distrust or conversely it can be based on full trust.

Tong and Yong (1998) identified numerous bases (a commonality of shared identification) of guanxi. They include commonality in region and or dialect, fictive kinship (e.g. common surnames), kinship (lineal and betrothed), commonality of work place and commonality of membership. They suggested that friendship was a result of a guanxi base rather than a base for guanxi. As mentioned, the research in the Shanghai and Beijing area would suggest that school ties are more or less both a guanxi base and a base for guanxi.

According to interviewees, guanxi is used for entering through the front door and the back door. Without guanxi in places lacking system trust, the Chinese believe one is 'literally dead' in terms of business prospects. The concept of guanxi is programmed into the Chinese psyche throughout the world. The concept of guanxi is also intertwined with other concepts such as reciprocity. Accordingly, reciprocity is a 'double edged sword'. If someone acts positively or gives favours that positive action should be rewarded (over time), and this reward is often worth more than the original favour. Conversely, if someone is negative that also deserves certain actions. Legal proceedings are a last resort. However, if you are forced into a legal resolution by the other party, then according to some respondents it incites retribution in this case a pursuit of maximum damage. Like favours the reciprocity in these instances often outweighs the initial action.

The firm program

Family has dominated Chinese business in Hong Kong, Taiwan and parts of Southern China (Redding 1990; Hamilton 1996). However, the same cannot be said for the PRC. After the communists succeeded over the forces of Chiang Kai Shek, Mao pushed for alternative economic structures. State Owned Enterprises have dominated the Chinese landscape for decades. Yet much of the Chinese literature relies on the concept of family firms (Hamilton 1996). This is probably related to the fact that research in Mainland China was nonexistent

and proxies like Taiwan and Hong Kong were often used. The State Owned Enterprise is a remnant of a closed economy. As a 'one stop shop' SOEs serviced many of the needs of its workers and their families.

The respondents suggested the style of firm influences the nature of business exchange. The corporate culture influences the way people see things and influence their programs. Hong Kong has many multinational corporations (MNCs) who operate within a Western business framework. At the same time in Hong Kong many small businesses operate at the Chinese familial level. The MNCs use strategic plans, operations manuals and other systems that minimise the need for informal relational programs. The familial firms are kin and relationship based and more opportunist than strategic (in a Western sense).

Employing family in firms is cited as a common occurrence in much of the literature on Chinese business practices. As a concentric model the family may be at the centre. However, many interviewees would not hire relatives because it compromised their position in the firm. Just when you think you understand the Chinese, something changes. Such is the nature of culture within what effectively is constantly changing programs. The role of the individual will remain a focal point for Chinese firms for some time. However, just like in the West, there are numerous exceptions to the rule.

Philosophical and political programs

The philosophical and political programs can be divided into Confucianism, stratagem and PRC condition (Fang 1999). Confucianism (rujia or rujiao), as discussed, is regarded as a comprehensive philosophy on moral cultivation. It espouses the importance of interpersonal relationships, respect for hierarchy, need for harmony and the need to respect filial piety and face. One must look at Confucianism as a way of life that is not always specifically taught but passed on by imitating the values or programs of one's peers.

Chinese stratagem (ji or Jimou), has yet to be discussed and is based on several major forces. The principles are not that dissimilar to some stratagems suggested in Machiavelli's *The Prince*. A key concept of Chinese stratagem includes Master Sun's modus operandi of 'subduing the enemy without fighting'. Master Sun's philosophies have historical roots in the Taoist concept of Yin and Yang in relation to the duality of strengths and weaknesses and the other Taoist concept of Wu Wei, meaning doing things as if they were not being done. The interviews conducted in this emic study have revealed that everyone interviewed has knowledge of the concept. The tactics seem to be applied by some in an unconscious fashion that is probably due to the concepts being passed on in an informal context.

Other interviewees suggested stratagems are often overtly applied particularly as one reaches the upper echelons of power. PRC condition is a dominant force in the Chinese way of life. PRC condition (guoqing) includes distinctive socio-political forces of the PRC. Some such as State Owned Enterprises have been briefly discussed in the firm program. Although such conditions are specific to the PRC, their impact is felt by many of those (diaspora) interested in trade and with familial connections to the Mainland. A major impact of the PRC condition, the Cultural Revolution, was often blamed by interviewees for the lack of trust that exists in Mainland China today.

The regional program

Some of the key weaknesses in studies on culture relate to the limited regional distribution. Many studies utilising the name China have been undertaken in Taiwan and Hong Kong.

Despite the specified name (China) that suggests the studies have been conducted to some extent on the Mainland, this is often not the case.

A common myth among foreigners (not living in the PRC and Taiwan) is that Chinese collaborate freely with other Chinese. The Chinese treat other Chinese (out group) with a similar contempt to foreign outsiders. The regional rivalry among the interviewees was extremely consistent. Mainland China, which exhibited only moderate systems trust and has been affected by the atrocities of the cultural revolution, reflected deep rooted distrust. To develop trust and move from such a position one would need to 'pull' *guanxi* (Tong & Wong 1998). Each region has its own idiosyncracies.

Beijing is close to the power of Government. If you want to gain extensive coverage throughout China, according to respondents you should enter China through Beijing. Beijing people are cautious when it comes to Southern Chinese. They see the people from Hong Kong as having traits from Colonialism as well as China. Money not moral virtue is seen as the driving force of Hong Kong citizens and Southern Chinese. Those Chinese living outside of Mainland China see the Mainland as a 'dog eat dog' society that survives on distrust.

The regional rivalries extend to some more interesting observations. Chinese living outside of Shanghai, see Shanghainese as the ultimate negotiators. Well versed historically in trade, the Shanghainese seemed to have maintained their trading prowess. They are considered tactically superior by many other Chinese and conversely Shanghainese feared no one when it came to negotiation. Such are the programs of the regions. Remember whether such sentiments are real or perceived is not really relevant, this is indicative of individual realities and regional perceptions. For example, a business person entering Beijing through a business person of Hong Kong origin, must be conscious that such a person may be only marginally advantaged (Chinese) unless that person can demonstrate already established relationships.

The nouveau program

The increasing exposure to the internet and subsequent freedom in communication will see Western values and globalisation challenging many of the sustained philosophies that compose Chinese thinking. However, extant indicators such as Hong Kong, Taiwan and Singapore suggest that such influences will not totally secede from Chinese values.

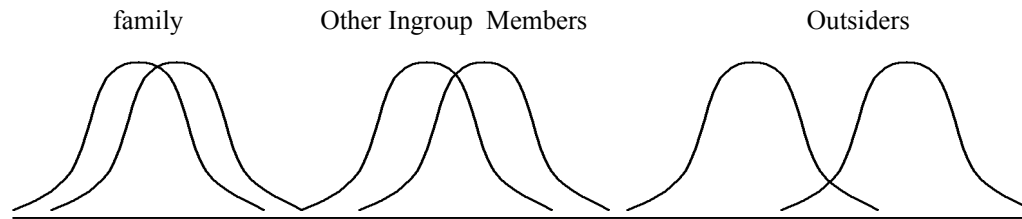
The emic approach used in this study has identified several layers mentioned above that are involved in Chinese business networks. As discussed, these cultural layers are not unique to Chinese culture. Many etic studies have noted the presence of these layers but seldom are they deeply examined. What do such programs mean for networks and international business? The next section will try to pull the complexity of Chinese culture together.

Reconciling the complexity of individuals and their respective programs

China is the epitome of a society that survives on lineage. Family and the particularistic nature of this society has been a focal point for numerous authors (Redding 1990; Pye 1992; Hamilton 1996; Fang 1999). Dawkins' notion of the selfish gene is not new to the Chinese who have understood that trust outside of the family is difficult to engender. Familial relationships supposedly have limitations in business. However, the Chinese have mastered the art of extending their lineal ties to extend their business networks. The adoption by Chinese of the Confucian *wulun* seems to reinforce the natural urge to propagate and support kin.

Figure 1

The complementary temperament and character of insiders as opposed to outsiders



Source: Developed for this research

The probability distributions above provide a reasonable representation of the process. Individuals will have unique distributions. However, overall family members will demonstrate the most complementary temperament cum character overlay. The genes are closest and the characters are exposed to a similar upbringing. Weber's view that this over reliance on familial or particularistic bonds and trust will limit industrial success has its critics given the success in the 80s of the tiger economies. Certainly Dawkins would see such bonds as a natural outcome of the selfish gene.

Trust in the familial distribution figure above is close to what can be considered a given. As Fukuyama (1995) pointed out, Chinese families will have quarrels within, but to the outsider, they will demonstrate a united front. Members of the ingroup are likely to be close friends of the family and/or in the case of Northern Chinese based on such things as bonded school ties. Those interviewed suggested that this bonding is strong and based on developed trust. In its embryonic stages the participants have the chance to test each other without the possibility of compromising such trust with strategic business implications.

An outsider has some affinity from the perspective that they have biological equivalence. However, this is ignored given that the actual genes are different and the programs passed on encourage distrust of outsiders. Without some tie, the starting position in this example is one of distrust. According to those interviewed, this position is not unique to foreigners but is equally valid between Chinese and non ingroup Chinese. In other words this applies to Chinese that are not within the social cum business network of another Chinese. This supports the literature that states, without sufficient guanxi and an ingroup status, one is open to exploitation and the concept of win-lose (Pye 1992; Backman 1999; Fang 1999). Recent research conducted across Chinese regions in 1999 demonstrated confusion among the Chinese as to the concept of win-win. It appears that the Western concept of building relationships and networks has less mutualistic overtones in the Chinese domain.

Adding culture to the IMP paradigm

Today, no business market is an island. As a consequence of the rapid globalisation of industries and firms, today's business markets are becoming increasingly cross-cultural with business relationships more often than not involving people from different cultures. Managing business relationship across cultures is emerging as one of most important challenges we are facing in the new century. Ohmae's view of globalisation, i.e. 'glocalisation' (Trompenaars & Hampden-Turner 1997) in that you go global but act local does not usurp the concept of culture and the need for local adaptation. Despite tremendous

achievements, the IMP scholars seem to have been remiss by not emphasising culture and looking at business relationships from a cross-cultural perspective.

The lack of discussion of the influence of culture on managing business relationships seems to be at odds with global trend prevailing in both academic and business worlds. An extensive survey of 28,707 articles appearing in 73 academic and professional management journals during the period of October 1985 – September 1990 shows that 70.6% of all international organizational behavior and human resource management articles included the concept of culture; of the articles including culture, almost all (93.8%) concluded that culture made a difference to the issue studied (Adler and Bartholomew 1991, p.558): “The overwhelming consensus, both inside and outside North America as well as in both the academic and professional communities, is that culture is important and does make a difference.”

Sound theories about business relationship should therefore involve culture as a basic variable. Models purely based on experience from one culture may not be very useful from another culture’s point of view. The exclusion of culture from the IMP debate makes many IMP works at best incomplete and at worst irrelevant in today’s business world. The Chinese psyche and programs have been discussed in detail but can they be incorporated in the IMP paradigm?

Changes to the IMP model to incorporate Chinese social cum business culture

The failure to understand the complexity of cultural differences in relationships and networks has resulted in many Western business people being unable to manage long-term business relationships in Asia successfully. The complexity of Chinese culture can only be superficially analysed in this type of paper. However, the authors have demonstrated that many values differ between the East and West. A key value that the authors believe is pertinent to the IMP is the concept of individual bonds.

The detailed review of the programs shows that the meaning of business relationship in the Chinese culture differs basically from that in the Western culture in one fundamental dimension: *interpersonal* versus *interorganisational* orientation. Trust in the Chinese culture is “ingroup trust” cultivated at the personal level, whereas trust in the Western culture is “system trust” built up at the organisational (impersonal) level (Fukuyama 1995; Wong 1996). Personal trust or *xinyong* has been likened to a credit rating or an indication of capital (Tong & Yong 1998). The social dimension and interpersonal contacts are vitally important for creating and developing business relationships in the Chinese culture. Although social activities are considered important in the Western business culture, they are routinely treated as a by-product of the formal ongoing business process, thereby playing only a supportive role in the business relationships (Björkman & Kock 1995; Itthipassagul & Blois 1999).

Accordingly, a number of recent papers have discussed the implications of Chinese interpersonal bonds for the IMP (Itthipassagul & Blois 1999; Kriz, Purchase & Ward 1999; Purchase & Kriz 2000). This paper extends the application of such changes a step further. The individual bonds as well as being separated to denote the importance of the individual social cum business relationships have been weighted to take account of the dyadic players. Western firms doing business with the Chinese will need to be aware of activity links, resource ties and firm bonds. This became increasingly obvious with the recent Asian

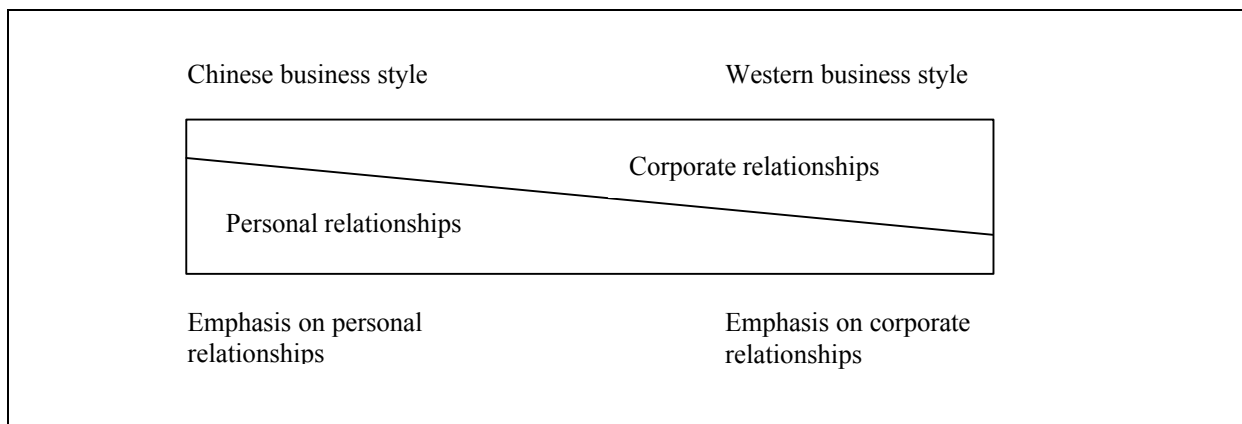
financial crisis. Many firms put relationships before due diligence and suffered the consequences (Backman 1999).

However, as this paper’s study of culture has shown, without *guanxi* and a building block of relational ties, there is no business. Outside of marrying into the family (one recent notable example within the Fortune 500 CEOs) the ‘game rules’ suggest one’s task is specifically aimed at becoming a Chinese in-group member. That suggests hiring Chinese or building a long term relationship based on reciprocity which will eventually lead to some form of *xinyong* or trust. The recent research suggested the choice of *guanxi* access has significant implications in the immediate level of interpersonal trust. A family member or school tie could be a suitable contact for developing rapid *xinyong*.

In Hong Kong the focus has been on personal but is increasingly moving toward the corporate end of

Figure . Where as in the United States the focus is on corporate relationships and appears toward the Western business style end. Beijing and Shanghai, although dominated currently by *guanxi* and individual networks is beginning to show signs of a Western style strategic direction. Beijing and Shanghai are likely to be dominated by larger firms without the familial ties of Southern China and Taiwan. The ‘back door’ currently dominates the landscape particularly in Beijing. This is logical given that ‘the rules of the game ‘are dictated by the Central Government.

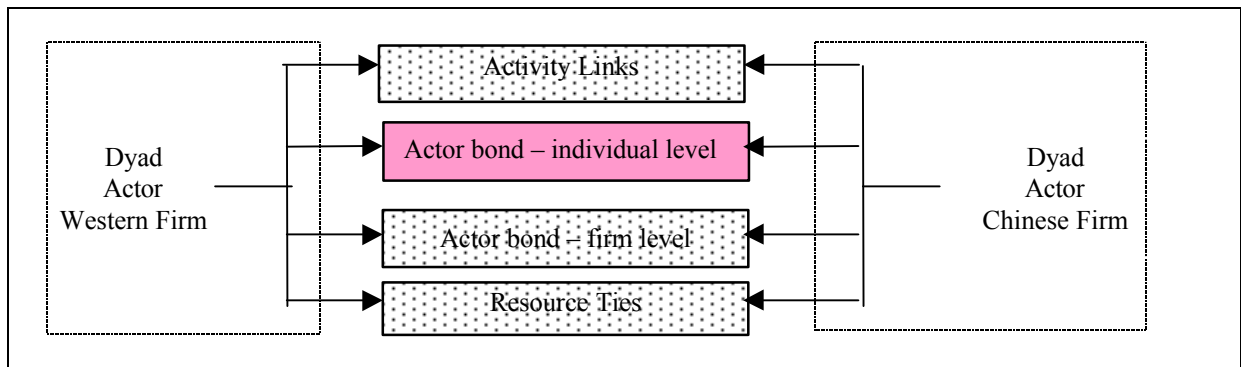
Figure 1
Interpersonal versus interorganisational orientation



Source: Kriz, Purchase & Ward 2000

The model originally used by Håkansson and Snehota (1995) has been modified in figure 2 to incorporate the Chinese view of business relationships and networks as highlighted in the figure above that differentiates interpersonal and interorganisational orientation. In the original model, firm bonds incorporated individual bonds. To the Chinese activity links, resource ties and firm bonds are secondaries. They result as a consequence of close individual bonds as depicted in figure 2. The individual bonds are shaded to show the higher level of importance Chinese attribute to such bonds.

Figure 2
Adaptations to the actors-activities-resources model to accommodate Western firms entering a Chinese market



Source: modified by Kriz, Ward & Purchase (2000) from Håkansson & Snehota (1995)

Håkansson and Snehota have acknowledged that individual actor bonds are important. However, by incorporating the individual bonds within the overall firm bonds, the original model could be seen by some as somewhat Eurocentric. In fact, Håkansson in 1982 developed a model that included individual to individual ties but over time this level of relationship has been usurped by the more holistic firm relationships.

This more holistic notion has some justification even in Chinese markets. Indeed in cases where the Chinese level of negotiations are carried out by groups or where firms are indeed familial it could be argued firm bonds are representative enough of the 'spirit' of the network. However, this denies the implicit importance of social cum business interpersonal ties in the Chinese *guanxi* framework. The Western firm that enters China or goes into business with the Chinese without acknowledging the deep rooted cultural implications of individual bonds that are incorporated in *xinyong* and *guanxi* is doomed to failure. Accordingly, individual bonds have been accorded a separate status (in the Chinese model a priority status) to make a clear distinction.

A Chinese model or a universal model

To fully understand the dynamics of business to business marketing within a culture one has to revert to the layers discussed earlier. Social bonding and trust are parameters that have strongly influenced exchange in society. Unless an individual can totally isolate these social bonds from their work practices, such social networks will impinge on business networks.

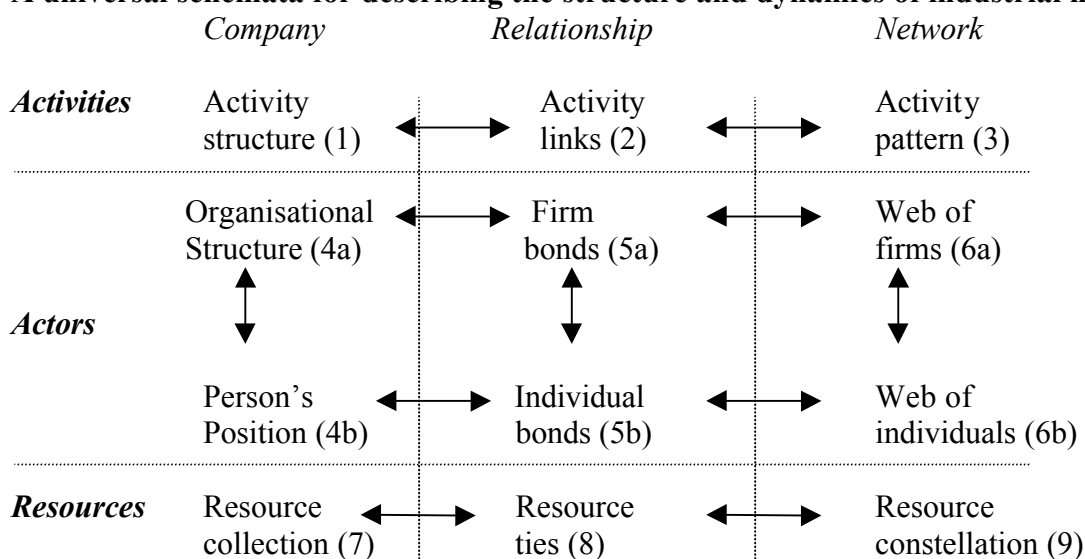
In essence, every society has interwoven layers of individual social cum business networks (even though in some societies, these layers may be more subtle and difficult to recognize). A Western firm often relies on the competencies of key personnel to build solid networks. The services sector is often reliant on the dynamics of the interpersonal networks developed. If a key person leaves the firm many of the key clients can be coaxed away with that person: such is the concept of goodwill and the need for contracts that restrain employees from operating within a certain radius of the previous operation.

Individuals, firms and cultures will have pervasive business practices that may be contrary to the development of individual bonds. However, individual bonds remain a large part of networks in international business. For example, Hofstede (1997 pp. 50-51) cited an example of a business exchange between the Swedish and Saudi Arabians, whereby the individuals involved had different concepts of the role of personal relationships. In the end the Swedes modified their structure to allow an individual to handle exclusively the Saudi account. Despite the Swedish individual moving on to an entirely different role in his organisation, the Saudis' 'trust' was specific to a particular individual.

Trompenaars and Hampden-Turner (1997) highlighted the strength and importance of interpersonal relationship as opposed to rules and systems in a number of vignette style questions. Countries such as Russia and Bulgaria ranked with China in terms of the willingness to support a relationship over above the rules of the country or the organisation. The authors point out that often the individual in societies where relationships dominate will decide the success or failure of the business interaction. The results of Trompenaars and Hampden-Turner's (1997) study shows that no country is completely universalistic (rule based) and no country is completely particularistic (relationship based).

IMP studies and models need to be fit for the purpose. If the purpose is the dynamic nature of networks in a global market place, then discovering individual and social imperatives to such behaviour needs to be identified. What Hofstede was looking at was the 'social system' not the individuals within business or social systems. This point is pertinent to IMP in that the study is on the discovery and justification of business to business networks (Hunt 1991). If the discovery phase shows that social cum business interaction between individuals plays an important role, then it is difficult to justify models that leave the interaction illusory. The model developed by Håkansson and Snehota (1995) to be truly universal should be modified to incorporate all cultures. Consequently, a revised model incorporating these features has been included below.

Figure 4
A universal schemata for describing the structure and dynamics of industrial networks



Source: adapted for this research from Håkansson and Snehota 1995

Recent studies in the US have also identified that the person's position, web of individuals and individual bonds are a feature of successful business exchanges (Uzzi 1999; Hutt, Stafford, Walker & Reingen 2000). Hutt et al focussed on the social relationships in an alliance between two Fortune 500 companies. The study shows that social alliances are critical to success. The authors highlighted this through statements of various managers that included poignant comments such as 'I think what makes people feel more comfortable with each other is going to dinner and talking about your family and friends'. The 'social network audit' is recommended as a useful tool to ensure that alliances are being supported by social as well as business interactions.

This demonstrates that at the highest level of US business, the interpersonal aspects correlate to key success factors in dyads. Western businesses have utilised such interpersonal social ties, although for some reason the veil of the corporate entity masks such facts. The financing of Western ventures seems to be embedded as much in social ties as it is in 'arms length transactions' (Uzzi 1999). One banker suggested of his clientele and the importance of social embeddedness (Uzzi p.7),

I have clients that I'm very close with, and in most circumstances it helps. I know their kids' names and when their kids have the flu. I go out socially with my wife and with them and their spouses.

This correlates well with the authors' studies of Chinese firms which suggest *xinyong* is often measured by the faces (spouse, children and family) behind the individual with whom you are doing business. Whereas in Chinese business, interpersonal social ties that dictate business norms have been cited regularly since Redding (1990), the importance of similar Western ties still remains stereotyped and masked within the vestiges of the firm.

The detailed review of the cultural Chinese programs may now seem almost an oxymoron. Why go to the extent of defining culture in such intricate detail when in fact a review of Westerners may have detailed a similar outcome? This dilemma may be best understood by turning to Adam Smith the famous economist of the 1700s. Only recently is Smith cited for his work on the *Theory of Moral Sentiments*. Industrialised nations have much preferred to recite his wisdom from *The Wealth of Nations* (Heilbroner 1991). The mask of two centuries of capitalism and the success of the firm in Western society have made the core values (sentiments) behind the mask similarly hard to find. Harnessing self interest has been far more valuable than understanding why. The IMP group's pursuit of the real structure, conduct and predictive tools associated with networks must include the discovery of why.

Discussion

This paper calls for an opening of a new research line within the IMP to systematically study business to business marketing and purchasing from a cross-cultural perspective. Culture should be studied at many different levels, for example, national, regional and organisational levels. Many interesting research issues can be discovered and explored if we integrate culture into our models. The central and most important research question is how to manage business relationships across national, regional and organisational cultures. We believe that through creating this new research line and involving cultural and cross-cultural issues in the debate, the IMP will broaden its vision and the IMP literature will cross fruitfully with the international business literature to generate powerful knowledge characterising today's

business markets. We will also see that the IMP movement will gain its reputation as being truly internationally committed.

Further research should be conducted to confirm the value of social interpersonal ties to Western business. Overall the study shows that emic perspectives can unfold and go beyond the explicit, simplistic cultural symbols and structures to identify similarities and differences beneath the cultural surface. Only then can we truly understand the Chineseness (uniqueness) (Bond 1991) as opposed to similarities of Chinese society to Western society. As Bond (p. 191) suggested when he quoted T.S. Eliot, 'the end of all exploring will be to arrive where we started and know the place for the first time'. Indeed Westerners may learn much about themselves by looking at others.

Contribution to theory

The IMP models are descriptive rather than reflective of cause and effect. The nature and variety of players makes this a natural outcome. However, there are more fruitful levels of description. This paper has demonstrated that a major contribution to international marketing can be achieved by a relatively simple adjustment. However, the simplicity of such an adjustment should not circumvent just how important this alteration is to marketing and network theory. In essence it enables a conduit to be found between relationship marketing advocates and those seeing the importance of networks. The Chinese are an example of a society that has a philosophical and biological penchant for social cum business bonding that is built on individual relationships for the purpose of social and financial gain. By putting many of their relationships together, one can see the development of a powerful *guanxiwang* (network). As discussed, this is not unique to China and therefore, the theory will gain by reinstating such interpersonal ties.

Contribution to practice

The failure of foreign firms in Chinese markets has been well documented. Why such failures? Obviously there are many reasons, as we have suggested the Chinese market is extremely complex with outsider relationships starting firmly from a level of distrust. Overemphasis on technical exchange rather than on *guanxi* and *xinyong* is only going to exacerbate the problem. An outsider (firm) looking in at IMP could be excused for taking the AAR model and applying it and failing. According to the Chinese this would be more than inevitable. Chinese business people would suggest that the outsider probably could not even begin discussions or negotiations with Chinese firms without some individual connection. In Chinese markets, actor bonds (firm), activity links and resource ties are a result of individual bonds; individual bonds in the Chinese market are not built on such structure but are a priori to such future linkages. The solution as discussed is to give the model a universal edge to cover all contingencies whether East or West.

Future research

Culture has broader implications for IMP. In this paper we have discussed modifications to one specific area. The IMP is developing many areas of research and therefore the options for the inclusion of culture seem limitless. This paper discussed China in detail. What about other areas such as Eastern Europe, India, and Islamic affected regions? How do they fit the model? Indeed what about the West? At the end of this paper some examples were given to show the complementary nature of social and business relationships in the West. This needs to be examined in detail. However, some acceptance within the IMP paradigm of the variations to include culture must be forthcoming to ensure such research will be treated with an open mind.

References

- Adler, N. J. & Bartholomew, S. 1991, 'Academic and Professional Communities of Discourse: Generating Knowledge on Transnational Human Resource Management', *Journal of International Business Studies*, 23(3), pp. 551-569.
- Adler, N. J., Campbell, N. & Laurent, A. 1989, 'In Search Of Appropriate Methodology: From Outside The People's Republic of China Looking in', *Journal of International Business Studies*, 20(1), 61-74.
- Ambler, T., Styles, C & Xiucun, W. 1999, 'The Effect of Channel Relationships and Guanxi on the Performance of Inter-Province Export Ventures in the People's Republic of China' *International Journal of Research in Marketing*, 16(1), pp. 75-87.
- Axelsson, B., & Easton, G., eds. 1992, *Industrial Networks: A New View of Reality*, Routledge, London.
- Backman, M. 1999, *Asian Eclipse: Exposing the Dark Side of Business in Asia*, John Wiley & Sons, Australia.
- Backhaus, K. & Buschken, J. 1997, 'What do we know about business to business interactions? A synopsis of empirical research on buyer-seller interactions', in *Relationships and networks in International Markets*, Gemunden, H., Ritter, T. & Walter, A. eds. Pergamon, pp 11-13.
- Bell, D. 2000, 'Guanxi: a Nesting of Groups', *Current Anthropology*, 41 (1), pp 132-138.
- Björkman, I. & Kock, S. 1995, ' Social relationships and business networks: the case of western companies in China', *International Business review*, 4(4), pp. 519-535.
- Bond, M.H. 1991, *Beyond the Chinese Face*, Oxford University Press, New York.
- Buttery, E.A. & Leung, T.K.P. 1998, 'The difference between Chinese and Western negotiations', *European Journal of Marketing*, 32, (3-4) pp. ?.
- Campbell, N.C.G. 1985, 'Buyer/Seller Relationships in Japan and Germany: An Interaction Approach' *European Journal of Marketing* 19 (3), pp. 57-66.
- Chen, M., *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*. Routledge, London, 1995.
- Chinese Culture Connection, The 1987, 'Chinese values and the search for culture-free dimensions of culture', *Journal of Cross-Cultural Psychology*, 18(2), 143-164.
- Christopher, M., Payne, A. & Ballantyne, D. 1993, *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Butterworth-Heinemann, Oxford.
- Chu, Chin-ning 1995, *The Asian Mind Game*, Stealth Productions, Australia.

Davies, H., Leung, T.K.P., Luk, S.K. & Wong, Y. 1992, 'The benefits of guanxi: the value of relationships in developing the Chinese market', *Industrial Marketing Management*, vol. 24, pp. 207-214.

Dutton, M. 1998, *Streetlife China*, Cambridge University Press, UK.

Dwyer, F. R., Schurr, P. H., and Oh, S. 1987, 'Developing Buyer-Seller Relationships', *Journal of Marketing* 51 (April), pp. 11-27.

Fang, T. 1999, *Chinese Business Negotiating Style*, Sage, Thousand Oaks, CA.

Fang, T. 2000, 'Culture as a Driving Force for Interfirm Adaptation: A Chinese Case', *Industrial Marketing Management*, (Inprint).

Ford, D. 1980, 'The Development of Buyer-Seller Relationships in Industrial Markets', *European Journal of Marketing* 14 (5/6), pp. 339-354.

Ford, D. ed. 1990, *Understanding Business Markets: Interaction, Relationships and Networks* Academic Press, London.

Ford, D. ed. 1997, *Understanding Business Markets: Interaction, Relationships and Networks* (2nd ed.), The Dryden Press, London.

Ford, D. 1998, 'Two Decades of Interaction, Relationships and Networks' in *Network Dynamics in International Marketing*, P. Naudé and P. W. Turnbull, eds., Pergamon, Oxford, 1998, pp. 3-15.

Ford, D., Gadde, L.-E., Håkansson, H., Lundgren, A., Snehota, I., Turnbull, P., & Wilson, D. eds., 1998, *Managing Business Relationships*, John Wiley & Sons, Chichester, U.K.

Fukuyama, F. 1995, *Trust: The Social Virtues and the Creation of Prosperity*, Hamish Hamilton, London.

Gummesson, E. 1987, 'The New Marketing – Developing Long-Term Interactive Relationships', *Long Range Planning* 20(4), pp. 10-20.

Gummesson, E. 1999, *Total Relationship Marketing*, Butterworth-Heinemann, Oxford.

Gemünden, H. G. 1997, 'The Development of IMP – An Analysis of the Conference Proceedings 1984-96'. In *Relationships and Networks in International Markets*, H. G. Gemünden, T. Ritter, and A. Walter, eds., Pergamon, Oxford, pp. 3-12.

Grönroos, C. 1994, 'From Marketing Mix to Relationship Marketing: Toward a Paradigm Shift in Marketing', *Management Decision* 20(4), pp. 10-20.

Håkansson, H. ed. 1982, *International Marketing and Purchasing of Industrial Goods: An Interaction Approach*, John Wiley & Sons, Chichester.

- Håkansson, H., and Johanson, J., 'A Model of Industrial Networks', in *Industrial Networks: A New View of Reality*, B. Axelsson and G. Easton, eds., Routledge, London, 1992, pp. 28-34.
- Håkansson, H. & Snehota, I. 1990, 'No Business Is an Island: The Network Concept of Business Strategy', *Scandinavian Journal of Management* 4 (3), pp. 187-200.
- Håkansson, H. & Snehota, I. eds. 1995, *Developing Relationships in Business Networks*, International Thomson Business Press, London.
- Hamilton, G.G. 1996, 'The organizational foundations of Western and Chinese Culture', in Hamilton, G.G. (ed.) *Asian Business Networks*, de Gruyter, Berlin, pp. 44-57.
- Hallén, L., Johanson & Seyed-Mohamed, N. 1991, 'Interfirm Adaptation in Business Relationships', *Journal of Marketing* 55, pp. 29-37.
- Heilbroner, R. 1991, *The Worldly Philosophers*, Penguin Books, Australia.
- Hofstede, G., 1997, *Culture and Organisations: Software of the Mind*, USA, McGraw-Hill.
- Hofstede, G. & Bond, M. 1988, 'The Confucius Connection: From Cultural Roots To Economic Growth', *Organizational Dynamics*, 16(4), 5-21.
- Hsieh, T.-Y. 1996, 'Prospering through Relationships in Asia', *The McKinsey Quarterly*, 4, pp. 4-13.
- Hunt, S.D. 1991, *Modern Marketing Theory –Critical Issues in the Philosophy of Marketing Science*, South-Western Publishing Co., Ohio.
- Hutt, M., Stafford, E., Walker, B. & Reingen, P. 2000, 'Case Study: Defining the Social Network of a Strategic Alliance', *Sloan Management Review*, 41 (2) pp. 51-62.
- Ingold, T. 1998, 'The evolution of society', in *Evolution – Society, Science and the Universe*, ed. A.C. Fabian.
- Itthiopassagul, P. & Blois, K. 1999, 'Managing Business Relationships in Thailand', Paper presented at *The 15th IMP Conference*, University College Dublin, September 2-4, 1999.
- Kriz, A. 2000, *Coping with distrust in Chinese inter personal business settings*, Dissertation in progress, Central Queensland University.
- Kriz, A., Purchase, S., & Ward, T. Relationships and Networks: The Double Helix of Asian Business Practice. Paper presented at *The 15th IMP Conference*, University College Dublin, September 2-4, 1999.
- Lasserre, P. and Schütte, H., 1995 *Strategies for Asia Pacific: Beyond the Crisis*, South Yarra, Macmillan Education Australia Pty. Ltd.
- Lee, W-C. 1995, 'Han Fei', in *Great Thinkers of the Eastern World*, ed I.P. McGreal.

Mattsson, L.-G., 'Relationship Marketing in a Network Perspective', in *Relationships and Networks in International Markets*. H. G. Gemünden, T. Ritter & A. Walter, eds., Pergamon, Oxford, 1997, pp. 37-47.

Möller, K. & Halinen, A. 1999, 'Business Relationships and Networks: Managerial Challenge of Network Era', *Industrial Marketing Management* 28, pp. 413-427.

Möller, K. E. & Wilson, D. eds. 1995, *Business Marketing: An Interaction and Network Perspective*, Kluwer Academic Publishers, Boston.

Parvatiyar, A. & Sheth, J. N., 'Paradigm Shift in Interfirm Marketing Relationships: Emerging Research Issues'. In *Research in Marketing*, J. N. Sheth, ed., JAI Press, Greenwich, CT, 1997, pp. 233-255.

Parker, P. 1995, *Climatic Effects on Individual, Social, and Economic Behavior: A Physioeconomic Review of Research Across Disciplines*, Greenwood Press, Westport.

Patton, M. 1990, *Qualitative Evaluation and Research Methods*, 2nd edn, Sage Publications, Newbury Park.

Purchase, S. & Kriz A. 2000, 'Towards a Universal Model of Business Networks', Academy of Marketing Science, *Multinational Marketing Conference 2000* to be held in Hong Kong on the 17th-20th September.

Pye, L.W., 1992, *Chinese Negotiating Style: Commercial Approaches and Cultural Principles*, New York: Quorum Books.

Redding, S., 1990 *The Spirit of Chinese Capitalism*, Berlin: de Gruyter.

Sheth, J N. & Parvatiyar, A. 1995, 'The evolution of relationship marketing', *International Business Review*, vol. 4, no. 4, pp. 397 – 418.

Smith, P.B. & Bond, M.H. 1994, *Social Psychology Across Cultures: Analysis and Perspectives*, Allyn & Bacon, Boston.

Tong, C.K. & Yong, P.K. 1998, 'Guanxi Bases, Xinyong and Chinese Business Networks', *British Journal of Sociology*, 49 (1) pp. 75-96.

Triandis, H. C. 1994, *Culture and Social Behaviour*, McGraw-Hill, New York.

Trompenaars, F & Hampden-Turner, C. 1997, *Riding the Waves of Culture: Understanding Cultural Diversity in Business*, 2nd edn, Nicholas Brealey Publishing, London.

Tung, R L. & Worm, V. 1997, 'East Meets West: Northern European Expatriates in China', *Business and the Contemporary World*, 9 (1), 137-148.

Tung, R. L. & Worm, V. 2000, 'Network Capitalism: How Western Firms are Cracking the China Market', *Organization Science*, (Submitted)

Turnbull, P. W. 1979 'The Role of Personal Contacts in Industrial Export Marketing', *Scandinavian Journal of Management*, pp. 325-337.

Turnbull, P. W. & Valla, J.-P. eds. 1986, *Strategies for International Industrial Marketing: The Management of Customer Relationships in European Industrial Markets*, Croom Helm, London.

Uzzi, B. 1999, 'Embeddedness in the Making of Financial Capital: How Social Relations and Networks Benefit Firms Seeking Financing', *American Sociological Review*, 64 (4), pp. 481-505.

Wong, S. 1996, 'Chinese Entrepreneurs and Business Trust', in Hamilton, G. (ed), *Asian Business Networks*, Walter de Gruyter & Co., Berlin, pp. 13-26.

Wong, Y.H. 1997, *A study of buyer-seller relationship (guanxi) for Chinese enterprises*, Dissertation, James Cook University.

Yang, Mayfair Mei-hui 1994, *Gifts, Favors, and Banquets: The Art of Social Relationships in China*. Ithaca: Cornell University Press.

Yeung, I.Y.M. & Tung, R. L. 1996, 'Achieving Business Success in Confucian Societies: The Importance of Guanxi (Connections)', *Organizational Dynamics*, 25(2), 54-65.