

## China Has Changed; The Chinese Haven't

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By Greg Bissky

**Has China changed? Companies bet millions on the answer, but it's the wrong question. You should ask if Chinese have changed. China has changed; the Chinese haven't.**



Amazing changes! New politico/economic system. New laws, social structures, buildings and consumption patterns, different clothes. Sound familiar? It should—it's happened twice in 100 years! (Three times actually.)

Go back 50 years. China's 1959 changes (described above) were as amazing as changes today. But Mao and communism didn't change the Chinese, and it's naive to think MacDonald's and capitalism will. China changes but the Chinese don't.

Or don't change in areas important for business. China's changes are outside-in, important for what types of business can be done but not for actually doing business. That requires inside-out change, a harder thing.

China's market is growing in two ways. First, more people with purchasing power, the new middle class. A few hundred million so far, with hundreds to come. Second, different consumption habits, coffee shops, convenience stores and beauty salons. Huge changes, yet neither affect how business is done.

Cultures develop unique ways of using language, their Rules of Communication. Chinese and Western rules are very different. Consider disagreement. Westerners believe state your honest opinion, even if you disagree. Chinese believe disagree in an indirect, discreet manner. Add the different ways each use to say No—Westerners say No directly whereas Chinese say No indirectly, if possible not even using the word No—and trouble is guaranteed.

Differences in building business relationships adds more trouble. Westerners feel the Contract determines the relationship, that differences are decided by referring to the Contract. Chinese think a Contract is a good place to start but if the situation changes then the terms and conditions should change. Meeting contract terms, doing the business, is where "Chinese haven't changed" is clearest.

All business relationships must communicate and solve problems: success in both creates trust, failure destroys it. Misunderstandings are the biggest hidden cost in international business, eroding trust as well as causing mistakes and inefficiencies. Business without trust signals a "going broke" relationship. Westerners put faith in law, Chinese in relationships. "How can you ask me to lose money?" could only be asked by Chinese, "It's not personal, just business" only said by a Westerner.

Westerners only see where China had changed and stay blind to where the Chinese haven't, confusing what kinds of business can be done with the way Chinese actually do business.

How Chinese communicate, solve problems and build business relationships is changing, but slowly. Chinese control these changes, not Westerners, and fundamentals of culture don't change easily. If communism couldn't force Chinese to change it is folly to think capitalism will either. Use China's outside-in changes to judge business opportunities, but let the slow change of Chinese inside-out "ways" determine how you actually do business.

One sure requirement to success is being able to see communication and business relationships as Chinese do. Westerners need to look at business through Chinese glasses.

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