# Chinese Organization and Management in Sub-Saharan Africa: Towards a Cross-cultural Research Agenda

Terence Jackson, Middlesex University, UK Lynette Louw, Rhodes University, South Africa Shuming Zhao, Nanjing University, PR China

Paper submitted to:

The Seventh International Symposium on Multinational Business Management - Enterprise Management in a Transitional Economy and Post Financial Crisis, June 5-6, 2011 Nanjing, China

Address for correspondence:

Terence Jackson PhD Professor of Cross Cultural Management Middlesex University Business School The Burroughs Hendon LONDON, NW4 4BT UK Tel: +44 20 8411 5250 Fax: +44 20 8411 6011 Email: t.jackson@mdx.ac.uk

## Chinese Organization and Management in Sub-Saharan Africa: Towards a Cross-cultural Research Agenda

## Abstract

Although there is a growing literature on the presence of China in Africa, much of this focuses at the macro level. Knowledge of management of Chinese organizations remains largely anecdotal in sub-Saharan Africa. The current paper attempts to point the way for informed empirical research by linking current knowledge at macro level with enquiry at organizational level informed by management literature on China and Africa. Propositions are presented, with suggested methodology and research methods. The current lack of knowledge at organizational level may be leading to cross-cultural management issues on the part of Chinese and African partners. By taking a cross-cultural approach this paper seeks to address some of these issues.

### Key word

China in Africa; South-South relationships; cross-cultural management

The presence of Chinese organizations in sub-Saharan Africa is significant for the economies of both national partners, as well as impacting the lives of staffs and communities in those countries of operations, which now include most countries south of the Sahara (CCS, 2008), as well as Chinese expatriate staff and managers. A lack of cross-cultural understanding on the part of Chinese managers operating in Africa, or indeed of African government official, business leaders, managers, staffs and communities working with Chinese organizations may create issues detrimental to the effective and appropriate management of such organizations. Yet little empirical research has been undertaken at this level. It is this dearth of research that this paper seeks to address by developing a research agenda that is not only informed by

cross-cultural management theory, but also suggests a collaborative (cross-cultural) approach to doing such research.

We propose that any research at organizational level of Chinese organizations in Africa must be informed by:

- The reason for Chinese corporations being in Africa and the nature of Chinese presence in Africa;
- How we understand South-South interactions at geopolitical level;
- How we understand these interactions at organizational level.

We now look at each of these in turn, and develop propositions stemming from these aspects.

## The Nature of Chinese Presence in Africa

Gill, Huang and Morrison (2007) believe that China needs Africa for (1) resources to fuel China's development goals; (2) markets to sustain its growing economy; and for (3) political alliances to support its aspirations to be a global influence.

**Resource seeking.** Although resource-oriented investment has provided negative assertion of further exploitation by some Western commentators, this may also have a positive effect on the development of African countries, for example through the importing of engineering expertise. Gelb (2005) believes that resource-seeking investments from Asia often increase the supply of entrepreneurs through immigration. He also argues that another important advantage of South-South resource-seeking investments may be that they embody business models which are less corporatized and more informal than Western models, and are often more appropriate to the host country context (Gelb, 2005). At organizational level, the nature of resource seeking, whether benign or otherwise, we propose, will have an influence on the way staffs are managed. Hence:

*Proposition 1(a)*: If china's resource seeking intent is just further exploitation of Africa's natural resources and its people, organizations will be characterized by the minimum employment of locals, with use of mainly Chinese staff and expertise.

*Proposition 1 (b)*: If resource exploration and exploitation involves the importing of scarce engineering skills to Africa, organizations will experience increased skills development and employment opportunities through newly created jobs.

*Proposition 1 (c)*: If resource seeking activities involve knowledge sharing between China and Africa, organizations will experience the creation of local level partnerships and organizational forms to share and develop local knowledge.

**Market seeking.** The literature also points to China's activities in Africa as market-oriented (Ajakaiye, 2006; Kurlantzick, 2006). Although oil, gas and other mineral resources appear to dominate trade, Chinese businesspeople are now increasingly looking at Africa as a new market destination for their other products (Marafa, 2007). However, China's presence in Africa still appears overwhelmingly to be through state owned enterprises: in 2006 there were over 800 Chinese enterprises operating in Africa, at least 674 or 84.25% of these were state-owned enterprises (Alden & Davies, 2006). However there appears to be less research presented in the literature on market-led activity. Yet we can start to develop propositions for further research at organizational level based on this motivation for Chinese presence in Africa. Hence:

Proposition 2(a): If China's market seeking intent is providing distribution channels and different types of organization to distribute cheaper and more varied goods, local organizations will be provided with new and different organizational models.

Proposition 2(b): If these market seeking activities are leading to employment opportunities for locals with local market knowledge, at organizational level this will lead to new skills development through employment of local staffs.

Proposition 2(c): If market seeking activities are associated with a lack of involvement with local communities, at organizational level this will lead to lean organizations that do not employ locals or contribute to local develop

**Political seeking**. The third motivation for China's presence in Africa was identified above as political-seeking. For many Western scholars China's interest in Africa goes beyond the continent's wealth of resources and includes important political and diplomatic aspects (Gill and Reilly, 2007). According to China's Africa policy issued in January 2006, China will: 'unswervingly carry forward the tradition of China-Africa friendship, and, proceeding from the fundamental interests of both the Chinese and African peoples, establish and develop a new type of strategic partnership with Africa, featuring political equality and mutual trust, economic win-win cooperation and cultural exchange'(MOFA, 2006).

Commenting on the function of China's diplomacy during the 11th meeting of China's National People's Congress in March 2009, China's highest legislative body, Foreign Minister Yang Jiechi declared: 'Economic development is the central task of China right now. The focus of our diplomatic work should be more than creating a favourable international environment for the country's economic growth, but also to directly serve the economy.'(*China View*, March 7, 2009), while the general principles and objectives for guiding Chinese foreign policy in Africa are set out in this formulation of government policy as: 1) Sincerity, friendship and equality (the political aspect); 2) Mutual benefit, reciprocity and common prosperity (the economic aspect); 3) Mutual support and close coordination (the international aspect); 4) Learning from each other and seeking common development (the social and cultural aspect) (MOFA, 2006).

Along with investment, cultural communication between Africa and other countries has also been a feature, with China appearing to celebrate Africa's culture and achievements, while these are implicitly denigrated in the West, where all that is celebrated about Africa appear to be leaders who hearken to Western advice (King, 2006). Where Africa is discussed in the West as has been seen in most summits, by governments, and international development agencies, it is normally poverty, conflicts, wars, corruption, poor governance and hopelessness that are mostly tabled for deliberations (Marafa, 2007). Reactions to this type of relationship may be summed up by the president of Botswana remarking: 'I find that the Chinese treat us as equals; the West treat us as former subjects' (Kaplinsky, 2008)

It is therefore possible that African governments and ordinary Africans regard China as a model of modernization that is more responsive to African needs than are the models presented to them by the West (Shinn, 2006). Again, it is possible to provide tentative propositions for research at organizational level, as follows:

*Proposition 3(a)*: If Chinese political seeking intent is providing a model of modernization for Africa, at organizational level this may be providing alternative organizational systems and models.

*Proposition 3(b)*: If Chinese political seeking intent also involves friendship seeking, then at organizational level there will be a closer harmonization with local needs sought, based on mutual trust.

*Proposition 3(c)*: If this is based on contrary perceptions of Africa's 'backwardness' compared with the West, at organizational level management models based more on humanistic perceptions of employees and cultural understanding will be sought.

## How We Understand South-South Interactions at Geopolitical Level

We have critical conceptual frameworks for North-South relations such as Postcolonial Theory (Said, 1978; Bhabha, 1994), but have little to conceptualize South-South relations and power dynamics. Similarly, we are beginning to construct conceptual categories to analysis colonial, modern Western and embryonic indigenous influences on people management in Africa and then concepts such as crossvergence and hybridization to understand what types of organization and management emerge (Jackson, 2004). Yet what of the growing influences of Chinese management on organization and people management in Africa? What about Gelb's (2005) assertion that South-South resource-seeking investments may embody business models which are less corporatized and more informal than Western models (although he is not specific about the nature of these business models)?

In management studies specifically, credibility is being given to international processes involving cultural crossvergence (Ralston, Gaicalone & Terpstra, 1994; Priem et al, 2000), although with little reference to the power dynamics that is a feature of more critical theories such as Postcolonial Theory, and no explanation of how crossvergence might work. Dependency theory (Frank, 1969) for example, which explains how the continued underdevelopment of the Third World has fuelled the First World, and indeed enabled it to become 'developed', has been gaining currency in critical Development Studies (Schech and Haggis, 2000), but has had little impact on the way international business and management has been studied (perhaps through a lack of interest by scholars in 'developing' countries). Dependency theory may apply directly to those countries previously colonized by the West, and to neocolonial involvement of, for example, the United States. There is ample evidence for example, of the United States contributing to Africa's underdevelopment since the 1960s, yet Dependency Theory may be only indirectly useful in understanding the relationship of the West with China. Certainly, like Africa, China's resources have been exploited by the West to the detriment of China (for example, following the Opium Wars), and this may have contributed indirectly to China's previous underdevelopment. Yet it is not likely that we can base an analysis of China's new relationship with Africa on Dependency Theory, nor on the more traditional Modernization Theory (which is challenged by Dependency Theory) that has driven much of Western governments' international development policy (Schlegg and Haggis, 2000): assuming that 'developing' countries should follow the same modernizing trajectory as Western countries. China itself has recently gone through an industrialization and modernization process, which in some ways may be seen as a model for Africa, but it is unlikely that China's intent is to impose a modernizing trajectory on Africa, or for China to develop on the back of further contributing to Africa's underdevelopment in an exploitative way (MOFA, 2006). Yet this may still be disputed.

More useful is Postcolonial Theory in understanding the more subtle implications of power in international relations mainly through cultural transmission and the way knowledge is transferred internationally. Postcolonial Theory (Said, 1978/1995; Bhabha, 1994; Spivak, 1996) proposes that the 'developing' world is represented in the eyes of the 'developed' world. Western imperialism, through Western culture has developed a systematic 'body of theory and practice' that constructs or represents the 'Orient' (in Said's, 1978/1995: 49, terms). In colonial times, this has portrayed images of the 'noble savage', the 'wily oriental', where Westerners are regarded as 'rational, peaceful, liberal, logical...without natural suspicion and Easterners as irrational, degenerate, primitive, mystical, suspicious, sexually depraved....'. These representations are carried over to Western intellectual and cultural production including research, and management studies (for example Jackson, 2004, points to the derogatory light in which 'African' management is seen in the literature). The acceptance and internalization of such representations by the developing world itself can mean two things. Firstly, there is both an acceptance and challenging of these representations that constitute hybrid forms of presentation of the nature of people of the Third World. Secondly, because this challenging itself grows out of the cultural and intellectual representations of Western discourse, this 'contamination' of the colonized means that they can never refer back to an 'authentic' identity of pre-colonial times. Any conceptualization of this identity would be by definition seen through the eyes of the colonizer's representations (Kapoor, 2002).

What we end up with may be a lack of articulation of a local view. Hybridity, through a process of cultural crossvergence is not the result of a cosy dialogue, or a reasoned and equal negotiation. It occurs through a process involving '..the epistemic violence of Eurocentric discourses of the non-West..' (Mohan, 2002: 157). The concept of cultural crossvergence is implicit within Postcolonial theory. Bhabha's (1994) elucidation of 'mimicry' applies predominantly to a colonizing power's ability to get the colonized to mimic the colonizer, in

order better to control the unfamiliar, and to gain acceptance of transferred-in knowledge. In Bhabha's (1994) view the process of mimicry leads to hybrid cultures as an ongoing process of colonial imposition and resistance from the colonized. It is never possible therefore to speak about an authentic or innate culture, and is an ongoing product of a conflictual process between the powerful, and less powerful. For Bhabha (1994) the result is the Third Space. Frenker (2008: 928) puts it well, as follows:

'With the change of the centuries, argues Bhabha, we are all located on intercultural boundaries and are exposed to a wide range of cultures that are perpetually created in the innumerable intercultural encounters that are themselves occasioned by an ongoing historical process. Within this metaphoric space we construct our identities in relation to these varied and often contradictory systems of meaning.'

We go on to look at the nature of those third spaces that China-Africa interactions may create, but first we start to postulate the implications at organizational level of assumptions we could make about the implicit South-South relations involved in these interactions, as follows:

#### *Propositions 4*:

(a) If China is interested in what resources it can get from Africa in the cheapest possibly way, and African partners look to China as another source of development and technical aid in exchange for natural resources, then at organizational level employment conditions and wages may be kept to a minimum.

(b) This may not be in an exploitative way, but in a spirit of cooperation and mutual learning where Africa and China partnerships learn from each other, with elements of reverse diffusion of knowledge, therefore at organizational level cross-cultural teams work in organizations for mutual benefits.

(c) China itself, as a 'Third World' country in a subordinate position may have adopted some of the assumptions of Western 'superior' knowledge hence China is simply re-exporting knowledge gained from working with Western partners and through Western education, therefore at organizational level Western methods are introduced into organizations by Chinese managers.

(d) China itself may assume a superior position of the 'Middle Kingdom' against the underdevelopment of African partners and Chinese managers look down on Africa partners as possessing inferior knowledge and skills, therefore at organizational level there will be a lack of participation and empowerment in organizations, with technical expertise and management from Chinese

(e) China shares many of the development issues of African countries, and its own modernization trajectory may serve as a model for Africa, with Chinese cultural values such as humanism may be held in common with Africa cultures therefore Africa partners look to China as different and more appropriate development trajectory than that provided by the West with Chinese cultural imports into Africa may be more appropriate than those of the West, therefore at organizational level alternate forms of organization seen by African partners as more appropriate

(f) China is not interested in imposing economic and political conditions on Africa in exchange for aid or economic partnerships therefore a lack of conditionality may be seen as not bothering with African human rights issues, hence at organizational level human rights issues may have implications for employment conditions.

Yet one can see that at this stage, such propositions are highly speculative: we simply do not have the theory to fully conceptualize and analyse South-South relationships such as that between China and African countries. It is only very recently that international and cross-cultural management studies has begun to take a critical approach using Postcolonial Theory, yet this appears to be outmoded when it comes to looking at new geopolitical dynamics and its implications for management and organization. From this we proceed to look at how it may now be possible to understand interactions at organizational level, drawing on some elements of Postcolonial Theory.

10

### How We Understand Interactions at Organizational Level

The study of Chinese management by Western scholars has been ongoing since the early 1990s (e.g. Child, 1994). We know much about Chinese organizational values and management from a Western scholarship perspective (as China was regarded as a huge market for Western companies), less about African values and organization (as Africa was regarded as less interesting by management scholars despite the huge presence of Western companies, and also appears to be little studied by Chinese scholars) but little if anything about the interaction between the two, or three if we include Western influences. What cultural Third Spaces (after Bhabha, 1994) are being socially constructed given a tripartite interaction among the West, Africa and China, and through what type of power dynamics?

At organizational level, crossvergence theory, together with an integrated concept of how global power relations operate, can be used to analyze the different influences on management and organization. Simplistically this can be undertaken by constructing 'ideal type' analytical categories to describe and help to identify those influences and those which are dominant within the 'Third Space' and the power relations involved, to help to analyses the products of these influences.

Hence in the context of Africa Jackson (2004) has described *post-colonial*, *post-instrumental*, and *Africa-renaissance* ideal types that so far have adequately been used to show historical and modern-day influences. The former, *post-colonial* represents a legacy of the colonial era in post-independence Africa, the pejorative view of management and organization that Jackson (2004) has pointed to – fatalistic, resistant to change, reactive, short-termist, authoritarian, risk reducing, context dependent, and relationship-oriented decision making – appears to be based within this ideal type management system. Given that this type of system appears to pertain in public sector organizations as well as large and possibly medium sized enterprises, the influences of Western governments, MNCs and education have sought to reform these rather inefficient and sometimes corrupt systems, offering as the panacea the

Western solution of what Jackson has called *post-instrumental* management, with a focus on results and objectives, yet with an instrumentalism 'softened' by more mature approaches to HRM honed in the home country that seek to balance a people- and results-orientation. Yet people are still seen as 'resources', and Jackson (2002a, 2002c) has observed that when more mature systems of HRM are exported to (or imported into) emerging or developing countries, they can revert back to a 'harder' form of instrumental people management. Despite two decades of structural adjustment programmes, liberalization of economies, influences of Western MNCs and of management education, Western management systems appear not to have provided such a panacea.

This has produced, for example, in South Africa an emergence of locally-focused management models, particularly during the 1990s, as well as experimenting with marketfocused Western models, while this country was going through its transition away from apartheid oppression and a protected economy, towards democracy and global markets. Hence *ubuntu* management was much talked about (Jackson, 1999) and popularised by, among others, Mbigi (1997), and experimented with in some of the larger corporates and public enterprises, among a focus on empowerment and employment equity. This represented an emphasis on the humanity of people working in organizations, and a move away from seeing people as resources in an instrumental way. This represents a perception that African communities are different from Western ideas of the sanctity of the individual, and that people have an intrinsic value, a value in their own right, for who they are as part of a collective, and indeed a part of existence. Hence in the 'Bantu' languages (Bantu sharing the same root as *ubuntu* – ntu), *muntu* the singular, does not just mean 'person'. It is the essence of the person, including the yet to be born, and the ancestors, and refers to a continuity. Hence in isiXhosa Ubuntu ungamntu ngabanye abantu means 'people are people through other people'. This ideal type management system is often not found in any pure sense in organizations in Africa, although some documented cases such as Cashbuild in South Africa (Koopman, 1991) and Afriland First Bank in Cameroon (Jackson, 2004) have come close.

The difficulty, of course, in finding any ideal type in its pure form in any one organization is the dynamic of crossvergence, driven by geopolitical power relationships. This also applies to any 'indigenous' Chinese management system that might be conceptualized as an ideal type, such as Ip's (2009) Confucian firm, and which could be used as an analytical category for research into Chinese organization in Africa. He defines the core principles of the Confucian firm, in terms of *ren* (a virtue or capacity of benevolence and compassion: humanity – and perhaps akin to *ubuntu*), *yi* (a sense of moral rightness) and *li* (conventions, etiquettes or norms), while *Junzi* is the model moral person who possesses these three 'mega-virtues' together with wisdom and trustworthiness. Hence an organization's goals, strategies and practices are defined by the principles of *ren-yi-li*; its structures, processes and procedures conform to *ren-yi-li*; stakeholders are treated with *ren-yi-li*; while its leaders conform to thoughts and deeds of *junzi*; and members of the organization are virtuous and act in accordance to *ren-yi-li*.

Hence in terms of strategy and goals, the profit motive would be acceptable for corporate leaders but would be morally constrained and consistent with *ren*, *yi* and *li*. However other legitimate goals of the organization would be looked at, such as doing good for the community and society. Business leaders should then emulate the characteristics of *Junzi* and strive to conduct a virtuous corporate life and virtuous leadership, and continuously morally improve themselves while strengthening their *Junzi*-defining virtues including *ren-yi-li*, and setting a good example to others. At the same time they should use the principles of *zhong shu*: stemming from *ren* (humanity), this articulates the human capacity for compassion - that one should do unto others what they would want others to do to them.

If the strategic direction and leadership of the corporation has to be guided by *ren-yi-li*, so do the power structures, relationships, decision making and management processes have to be also consistent with these concepts and principles. Hence all stakeholders of the firm would be treated with rightness and humanity. This would involve providing fair wages and safe working environments, fair-dealing with customers, providing benefits to the community,

being a good corporate citizen, promoting social good generally and protecting the environment. Furthermore it should be *de* (people's moral virtues) driving people's moral actions within the firm rather than rules and regulations. There may still be rules, but these are secondary to virtues in motivating and directing actions. Hence conflicts are resolved by appealing to virtues rather than rules and regulations. Ip (2009) in fact makes the point that *zhong shu* is not a rule but involves the virtue of reciprocity and is a reflection of the capacity of *ren* (humanity). As *ren* is close to *ubuntu* it is worth dwelling on this further, and looking at its implication for building this ideal type, and its possible application in Africa.

The Confucian concept of the person is essentially a social one, through familial collectivism. The person is defined by his or her relationships. A person's identity cannot be understood as something separate from his or her social attachments and place in the hierarchy of social relationships. A person is shaped by this social embeddedness in terms of their interests and goals, and also constrained by the same relationships. The social bonds thus created are a source of indebtedness and obligations. This explains well 'the modern day version of Confucian relationalism': *guanxi* (Ip, 2009: 465).

Ip (2009: 466) also reminds us that filial piety holds a very strong position within Chinese culture, often with family patriarchs, or indeed state patriarchs, demanding filial piety from their children, or subjects. This implies 'a *hierarchical* structure of human relationships in society'. Social exchange and obligations may therefore be asymmetrical, which Ip sees is in contrast to *zhong shu*. The reciprocity principle is qualified on the basis of familial relationships, as well as hierarchy and *li* (rules of propriety). Given this, any ideal type should incorporate these elements as follows (Ip, 2009):

• Collectivism/familialism: collective interests and goals overshadow individual corporate members' interest. There should be harmony between individual and collective interests. Similarly the wellbeing of individuals can only be realized within the overall wellbeing of the collective.

- Particularism: practice is based on personal relations rather than people's qualifications or abilities. Opportunities and benefits are therefore allocated in this way. This includes in hiring, and is linked with *guanxi*, and is seen as critical to a company's success.
- Paternalism: this works on the principle that the father knows what is best for the children and is an extension of familial collectivism, with the patriarch at the top of the relationship hierarchy deciding on what is best. He is seen to possess wisdom, knowledge and benevolence. This implies that there is no need for consultation and no place for dissent: people are not equal in the hierarchy.

In the more general cross-cultural management literature 'collectivism' is seen as target specific: that is, in-group and out-group members are treated differently (Triandis, 1990; Hui, 1990). We might well suppose that Chinese firms operating in Africa might not treat African employees and other stakeholders according to the principles of *ren* if this is qualified by Confucian relationalism. Yet it has been argued that *ubuntu* principles and the communalism of Africa does not just apply to in-group members. Mutabazi (2002: 209) points out that, as a result of his empirical studies in thirteen sub-Saharan countries:

'Western notions of individualism and collectivism did not exist in any of the communities we observed .... These communities' fundamental method for managing human relations ... is cosubsistence – among individuals and among the concentric circles that make up a clan or community. As for newcomers to this system, they are not rejected or dominated but are welcomed and perhaps even integrated into the community.'

Whether or not Chinese principles of *ren* are applied to stakeholders in Africa, is currently a matter of conjecture. This is exactly why we need ideal type constructions to empirically investigate how employees and communities are dealt with by Chinese organizations in Africa: so we know what we are looking for.

The literature on management and organization in China suggests that there is an inward infusion of Western HRM practices such as performance, reward and career management (e.g. Jackson and Bak, 1998, Bjorkman, 2002; Farley, Hoenig & Yang, 2004) to China. It may well that this is then exported with Chinese firms operating abroad. Yet Zhang and Edwards (2007) argue that 'reverse diffusion' may be in operation where Chinese MNCs are operating in Western countries: Chinese organizations take 'advanced' practices back to China, thus impacting on the 'development' of Chinese organizations in a globally competitive situation (in fact they use the term 'best practice' which may not be a relevant term in cross-cultural analysis, particularly when scrutinized through Postcolonial Theory). They argue that this would predominate in China's relation with advanced countries. The implication is that this would not apply to Chinese organizations in Africa, yet research could well investigate the possibility of reverse diffusion from Africa: i.e., what does China learn from Africa in a spirit of 'Learning from each other and seeking common development' (MOFA, 2006).

Research propositions from the above discussion would involve both content (ideal types) and process (crossvergence and hybridizations). Hence:

*Proposition 5*: Chinese organizations in Africa predominantly can be characterized as (a) post-colonial/statist; (b) instrumental/post-instrumental; (c) humanistic; and/or (d) Confucian.

*Proposition 6*: Chinese organizations in Africa: (a) mutually interact with and learn from African management, organization and community; (b) interact with Western management and organization and implement Western management approaches in Africa; and/or (c) merely impose Chinese management and organization on African managers and/or staffs.

## Towards a Research Agenda

We have tried to show that from a position of a dearth of literature at organizational level it is possible to start with the growing literature at macro-level to develop research propositions that may help us to better understand and research issues at organizational levels. Any research concerning Africa involves an element of development within it. The extent to which China is helping Africa's development is a fundamental question. At organizational and community levels it is pertinent to ask if China's involvement is seen as not merely effective, but also appropriate. Cross-cultural research questions regarding the performance of organizations across borders have focused implicitly on these two aspects since Hofstede (1980) seminal paper on the difficulty of transferring management principles across borders Effectiveness may be a simple measure of financial performance, whereas appropriateness is more complex, involving the identification of different stakeholders to whom management actions may be more or less appropriate, and involving the conceptualization and sometimes measurement of values involved in deciding whether or not an action and its results are appropriate. Yet it may also involve more 'objective' measures such as the impact on employees' working conditions, livelihood; and the effects on the wider community such as support of traditional livelihoods, wider skills development and employability as well as factors such as environmental impact. Jackson (2004) also points to the need to focus on decision making within the sometimes complex context of Africa, and the wider involvement of stakeholders in dealing with environmental uncertainly. The nature of corporate governance, the inclusion of a wider stakeholder base, and the implications for concepts and measures of appropriateness, are all aspects that are little known about Chinese organizations in Africa, and which should be included in any research agenda.

We have started with asking the question, Why are foreign (Western or Eastern or Southern: in this case Chinese) organizations there in the first place? Is this an exploitative motive, and/or a benevolent motivation? Hence this has to be considered in the context of geopolitical power dynamics. The nature of organizations and their management currently in Africa is a

direct result of their reasons for being there, and cannot be divorced from these historical and contemporary influences. From this we have extrapolated to the organizational level leading to research propositions. We have also pointed to the shortcoming of critical theories that have started to take root in international and cross-cultural management studies, such as Postcolonial Theory. The extent to which this might be applied to South-South relations is questionable. Yet this has led us to postulate alternative theoretical formulations of these types of relationships, pointing to a possible effect of Western influences on Chinese organizational and management even before their arrival in Africa. These too have led us to formulate tentative propositions that may help to shape empirical research. We have then noted the nature of interaction of organization and staffs as a form of cultural crossvergence where different influences converge and result, iteratively, in hybrid forms of management and organization. We have suggested possible analytical content fir these influences in the form of 'ideal types' which may not exist in any pure form, but can be investigated and seen in combination with each other. Table 1 summarizes the resulting propositions from these theoretical discussion outlined above, and suggests how they might be operationalized in the form of interview items.

These items are concerned with eliciting perceptions from the different perspectives of identified stakeholders. This is important as a local community leader may have a different perception to that of the Chinese CEO, particularly if that CEO is sitting in China. It is also useful not only to publish such results in academic journals but to share these different perceptions in a systematic way in workshops, and for example training sessions for Chinese expatriates.

It is also necessary to undertake this type of research in partnership, that is, between African and Chinese researchers, in order to establish trust and access, and to conduct research in the appropriate language.

## Table 1. Operationalizing propositions

Area	Proposition	Interview items
The Nature of Chinese		
Presence in Africa		1. Strategic intent of organization
Resource seeking	Proposition 1(a): If china's resource seeking intent is just further exploitation of Africa's natural resources and its people, organizations will be characterized by the minimum	<ol> <li>Levels of local/Chinese staff</li> <li>Levels of staff expertise</li> </ol>
	employment of locals, with use of mainly Chinese staff and expertise.	
	Proposition 1 (b): If resource exploration and exploitation involves the importing of scarce engineering skills to Africa, organizations will experience increased skills	<ol> <li>Levels of imported expertise</li> <li>Training and skills development opportunities</li> </ol>
	development and employment opportunities through newly created jobs.	6. New employment opportunities
	Proposition 1 (c): If resource seeking activities involve knowledge sharing between China and Africa,	7. Mechanisms/processes for knowledge sharing
	organizations will experience the creation of local level partnerships and organizational forms to share and develop local knowledge	<ol> <li>8. Levels and nature of interaction with local communities</li> <li>9. Partnering with local firms</li> </ol>
Market seeking	Proposition 2(a): If China's market seeking intent is providing distribution channels and different types of organization to distribute cheaper and more varied goods, local organizations will be provided with new and different organizational models.	10. Nature of organization models used
	Proposition 2(b): If these market seeking activities are leading to employment opportunities for locals with local market knowledge, at organizational level this will lead to new skills development through employment of local staffs.	11. Nature of job opportunities and skills development
	Proposition 2(c): If market seeking activities are associated with a lack of involvement with local communities, at organizational level this will lead to lean organizations that do not employ locals or contribute to local develop	<ol> <li>Community relationship with organization</li> <li>Levels of local employment</li> </ol>
Political seeking	Proposition 3(a): If Chinese political seeking intent is providing a model of modernization for Africa, at organizational level this may be providing alternative organizational systems and models.	14. Nature of organizational models and of knowledge sharing with local organizations
	Proposition 3(b): If Chinese political seeking intent also involves friendship seeking, then at organizational level there will be a closer harmonization with local needs sought, based on mutual trust. Proposition 3(c): If this is based on contrary perceptions of	<ul> <li>15. Levels of trust between organization and communities/ local organizations/employee organizations(TUs)</li> <li>16. Levels of and mechanism for</li> </ul>
	Africa's 'backwardness' compared with the West, at organizational level management models based more on humanistic perceptions of employees and cultural understanding will be sought.	inter-cultural understanding
South-South Interaction (China-Africa)	Propositions 4: (a) If China is interested in what resources it can get from Africa in the cheapest possibly way, and African partners look to China as another source of development and technical aid in exchange for natural resources, then at organizational level employment conditions and wages may be kept to a minimum.	<ul><li>17. Employment conditions and organizational climate</li><li>18. Management attitudes and strategic intent</li></ul>
	(b) This may not be in an exploitative way, but in a spirit of cooperation and mutual learning where Africa and China partnerships learn from each other, with elements of reverse diffusion of knowledge, therefore at organizational level cross-cultural teams work in organizations for mutual benefits.	<ul> <li>19. What Chinese management has learnt from Africa, and expertise it is taking back to China</li> <li>20. What African management/ staff have learnt from Chinese</li> <li>21. Nature of and mechanisms for cross-cultural team working</li> </ul>
	(c) China itself, as a 'Third World' country in a subordinate position may have adopted some of the assumptions of Western 'superior' knowledge hence China is simply re- exporting knowledge gained from working with Western	22. Reverence for and use of Western methods and differences of Chinese methods to Western methods

<ul> <li>partners and through Western education, therefore at organizational level Western methods are introduced into organizations by Chinese managers.</li> <li>(d) China itself may assume a superior position of the 'Middle Kingdom' against the underdevelopment of African partners and Chinese managers look down on Africa partners as possessing inferior knowledge and skills, therefore at organizational level there will be a lack of participation and empowerment in organizations, with technical expertise and management from Chinese</li> <li>(e) China shares many of the development issues of African countries, and its own modernization trajectory may serve as a model for Africa, with Chinese cultural values such as humanism may be held in common with Africa cultures therefore Africa partners look to China as different and more appropriate development trajectory than that provided by the West with Chinese cultural imports into Africa may be more appropriate than those of the West, therefore at organizational level alternate forms of organization seen by African partners as more appropriate</li> <li>(f) China is not interested in imposing economic and political conditions on Africa in exchange for aid or economic partnerships therefore a lack of conditionality may be seen as not bothering with African human rights issues</li> </ul>	<ul> <li>23. Perceived level of skills of African workers and expertise of African managers.</li> <li>24. Levels and nature of organizational participation and consultations</li> <li>25. Cultural values and ethics held by Chinese managers and compatibility with African values</li> <li>26. Perceived contribution of Chinese organizations to 'modernization' of Africa</li> <li>27. Perceived appropriateness of Chinese organization and management to managers, staffs, communities and local organizations</li> <li>29. Perceived conditionalities (e.g. rules of engagement with staff, communities, etc) for Chinese firm operating in Africa country</li> <li>30. Benefits or otherwise for</li> </ul>
may have implications for employment conditions.	working in a Chinese firm in African country.
	Annean country.
Proposition 5: Chinese organizations in Africa predominantly can be characterized as (a) post- colonial/statist; (b) instrumental/post-instrumental; (c) humanistic; and/or (d) Confucian.	31. Management principles being applied: influences from Chinese statist/Western/African/Confucian etc (e.g. Buddhism, Taoism)
Proposition 6: Chinese organizations in Africa: (a)	32. Mechanisms and process for
	learning from Africa/sharing knowledge
management and organization and implement Western management approaches in Africa; and/or (c) merely impose Chinese management and organization on African managers and/or staffs.	<ul> <li>33. Opportunities of interaction and learning from Western companies/management/education</li> <li>34. Regard for superior nature of</li> </ul>
	organizational level Western methods are introduced into organizations by Chinese managers. (d) China itself may assume a superior position of the 'Middle Kingdom' against the underdevelopment of African partners and Chinese managers look down on Africa partners as possessing inferior knowledge and skills, therefore at organizational level there will be a lack of participation and empowerment in organizations, with technical expertise and management from Chinese (e) China shares many of the development issues of African countries, and its own modernization trajectory may serve as a model for Africa, with Chinese cultural values such as humanism may be held in common with Africa cultures therefore Africa partners look to China as different and more appropriate development trajectory than that provided by the West with Chinese cultural imports into Africa may be more appropriate than those of the West, therefore at organizational level alternate forms of organization seen by African partners as more appropriate (f) China is not interested in imposing economic and political conditions on Africa in exchange for aid or economic partnerships therefore a lack of conditionality may be seen as not bothering with African human rights issues, hence at organizational level human rights issues may have implications for employment conditions. Proposition 5: Chinese organizations in Africa predominantly can be characterized as (a) post- colonial/statist; (b) instrumental/post-instrumental; (c) humanistic; and/or (d) Confucian. Proposition 6: Chinese organizations in Africa: (a) mutually interact with and learn from African management, organization and community; (b) interact with Western management and organization and implement Western management and organization on Africa; and/or (c) merely impose Chinese management and organization on Africa

## References

- Ajakaiye, O.(2006), China and Africa opportunities and challenges, presented at the African Union Task Force on Strategic Partnership Between Africa and the Emerging Countries of the South, Addis Ababa, Ethiopia 11th-13<sup>th</sup> September 2006
- Alden, C. and Davies, M. (2006) A profile of the operations of Chinese multinationals in Africa, *South African Journal of International Affairs*, 13 (1): 83 96;

Bhabha, H K (1994) The Location of Culture, New York: Routledge

- Bjorkman, I. (2002). The Diffusion of Human Resource Management Practices among Chinese Firms: The Role of Western Multinational Corporations. Asia Pacific Business Review, 9(2), 43-60
- CCS (2008), The China Monitor Issue 28: China's Development Assistance to Africa, April 2008, Centre for Chinese Studies, University of Stellenbosch, South Africa, accessed at <u>http://www.ccs.org.za/downloads/monitors/China%20Monitor%20April\_2008.pdf</u>, on 15/06/09
- Child, J. (1994) *Management in China During the Age of Reform*, Cambridge: Cambridge University Press
- China View (2009) China's diplomacy serves economy: FM, In China View online, March 7, 2009, http://news.xinhuanet.com/english/2009-03/07/content\_10961803.htm, accessed 26 April 2010
- Farley, J. U., Hoenig, S., & Yang, J. Z. (2004). Key factors influencing HRM practices of overseas subsidiaries in China's transition economy. *International Journal of Human Resource Management*, 15(4/5), 688-704.
- Frank, A. G. (1969) Capitalism and Underdevelopment in Latin America, New York: Monthly Review Press
- Frenkel, M (2008) The multinational corporation as a third space: rethinking international management discourse on knowledge transfer through Homi Bhabha, Academy of Management Review, 33(4), 924–42.
- Gelb, S. (2005) South-South Investment: The Case of Africa, Chapter 16 in Africa in the World Economy - The National, Regional and International Challenges, The Hague: Fondad, December 2005, accessed at http://www.fondad.org/uploaded/Africa%20in%20the%20World%20Economy/Fonda d-AfricaWorld-Chapter16.pdf, 15 April 2010
- Gill, B., Huang, C-h, & Morrison, J. S, (2007) Assessing China's Growing Influence in Africa, *China Security*, 3(3): 3–21, World Security Institute
- Gill, B. and Reilly, J. (2007) The Tenuous Hold of China Inc. in Africa, *The Washington Quarterly*, 30:3 pp.37-52;

- Hofstede, G. (1980) Motivation, leadership and organization: do American theories apply abroad?, *Organizational Dynamics*, Summer, pp. 42-63.
- Hui, C. H. (1990) Work attitudes, leadership styles and managerial behaviors in different cultures, in R. W. Brislin, (ed.) (1990) *Applied Cross-cultural Psychology*, Newbury Park, CA: Sage, pp.186-208
- Ip, P. K. (2009) Is Confucianism good for business ethics in China?, Journal of Business Ethics, 88: 463-76.
- Jackson, T. (1999) Managing Change in South Africa: Developing People and Organizations, International Journal of Human Resource Management, 10(2), 306-326.
- Jackson, T. (2002a) The management of people across cultures: valuing people differently, *Human Resource Management*, 41(4), 455-475
- Jackson, T. (2002b) Reframing human resource management in Africa: a cross-cultural perspective, *International Journal of Human Resource Management*, 13(7), 998-1018.
- Jackson, T. (2004) Management and Change in Africa: A Cross-cultural Perspective, London: Routledge.
- Jackson, T. and Bak, M. (1998) Foreign companies and Chinese workers: employee motivation in the People's Republic of China, *Journal of Organizational Change Management*, 11(4), 282-300.
- Kaplinsky, R. (2008) What does the rise of China do for industrialization in sub-Saharan Africa?, *Review of African Political Economy*, 115: 7-22
- Kapoor, I. (2002) Capitalism, culture, agency: dependency versus postcolonial theory, *Third World Quarterly*, 23(4), 647-64.
- King, K. (2006) Aid within the wider China-Africa partnership: a view from the Beijing Summit, paper to Workshop on China-Africa Links, 11-12 November 2006, Hong Kong University of Science and Technology.
- Koopman, A (1991) Transcultural Management, Oxford: Basil Blackwell.

- Kurlantzick, J. (2006), Beijing's Safari: China's Move into Africa and Its Implications for Aid, Development, and Governance, China Program, Carnegie Endowment for International Peace, Washington DC, November 2006.
- Marafa, L. M. (2007) Africa's Business and Development Relationship with China: Seeking Moral and Capital Values of the Last Economic Frontier, Paper presented at the African Economic Conference, November 15<sup>th</sup>-17<sup>th</sup> 2007 UN Conference Centre, Addis Ababa, Ethiopia
- Mbigi, L (1997) Ubuntu: The African Dream in Management, Randburg, S. Africa: Knowledge Resources.
- Ministry of Foreign Affairs of The People's Republic of China (MOFA), (2006) China's African Policy, January 2006 http://www.fmprc.gov.cn/eng/zxxx/t230615.htm, accessed 26 April 2010.
- Mohan, G (2002) Beyond participation: strategies for deeper empowerment, in B. Cooke and U Kothari, *Participation: The New Tyranny?*, London: Zed Books, 2002: 153-167.
- Mutabazi, E. (2002) Preparing African leaders, chapter 15 in C. B. Derr, S. Roussillon and F.
   Bournois (eds.) *Cross-cultural Approaches to Leadership Development*, Westport, CT: Quorum Books, 2002, pp. 202-223.
- Priem, R. L., Love, L. G. and Shaffer, M. (2000) Industrialization and values evolution: the case of Hong Kong and Guangzhou, China, Asia Pacific Journal of Management, 17(3), 473-92.
- Ralston, D. A., Gaicalone, R. A. & Terpstra, R. H. (1994) Ethical perceptions of organizational politics: a comparative evaluation of American and Hong Kong managers, *Journal of Business Ethics*, 13, pp. 989-99.
- Said, E. (1978/1995) Orientalism, London: Penguin
- Schech, S. and Haggis, J. (2000) *Culture and Development: A Critical Introduction*, Oxford: Blackwell.
- Shinn, D. H (2006) Africa and China's Global Activism, Paper Presented at the National Defense University Pacific Symposium China's Global Activism: Implications for

U.S. Security Interests National Defense University Fort Lesley J. McNair June 20, 2006

- Spivak, Gayatri C. (1996) The Spivak Reader, D Landry & G MacLean (eds), New York: Routledge.
- Triandis, H. C. (1990) Theoretical concepts that are applicable to the analysis of ethnocentrism, in R. W. Brislin (ed.) *Applied Cross-cultural Psychology*, Newbury Park, CA: Sage, 34-55.
- Zhang, M., & Edwards, C. (2007). Diffusing 'best practice' in Chinese multinationals: the motivation, facilitation and limitations. *International Journal of Human Resource Management*, 18(12), 2147-2165