

Comparative Study of Chinese and European Management Culture

Rong Wang

South China Business College Guangdong University of Foreign Studies, Research Institute of Sino-Europe Culture Exchange, Guangzhou 510545, China

Abstract

This paper analyzes the management culture characteristics of China and Europe, discusses the similarities and differences between Chinese and European management culture, and finds that the region has led to major differences in the thinking way and entrepreneurship in the Chinese and European management culture. History and culture have shaped two management cultures with different styles. This paper analyzes the roots of Chinese and European management culture and hopes to provide some references for the cooperation and development of enterprises in China and Europe.

Keywords

culture; difference; management.

1. Chinese Culture and Management

Traditional Chinese culture includes many kinds of philosophy, Taoism, Buddhism, Legalists and a lot of local traditional culture. Among them, Confucianism is clearly defined as the cornerstone of China's cultural tradition. The values of Confucianism still provide the basic rules for Chinese interpersonal behavior. Based on the worship of patriarchal social customs, Confucian tradition puts forward that one must fulfill one's personal responsibility correctly and appropriately, it emphasizes order, status, interpersonal relationship and responsibility for community, especially the family. Respect for the elderly, especially the male parents in the family, and education is considered as a way to get a better social status.

Many scholars who study Chinese culture have put forward many different views on the relationship between Chinese culture and management. They believe that there are four elements that can explain the mutual social influence among organizations: they are collective tendency, internal power management, importance of external relations, and middle of the road. These four elements have experienced a long time and are common among Chinese in mainland China and other regions, and can be distinguished from other cultures, especially western cultures.

Due to the high growth rate of economic development in East Asia in the past decade, the cultural explanation of economic success has also attracted much attention. In addition, the assumption that culture is the main factor of economic success is also reasonable. Here, the potential role of horizontal linkages coincides with the relationship model contained in Chinese culture: collective goals can make reward and incentive systems more effective than other cultural communities. As Western companies realize, developing "relationship" is a foundation for effective market operation, while "face" may make people shy to make a criticism, it can also become a powerful force of non-economic incentives.

2. European Culture and Management

Although there are many countries in Europe, the backbone of European culture is originated from ancient Greek culture, and the Renaissance is only retro to some extent. Greek cultural

heritage is the first foundation for the development of European culture and political system. In the fifth century BC, the principle of dialectics came into being in Athens. According to this principle, any text should be understood from both positive and negative aspects. Different epistemology and opposite epistemology should coexist, and no ideology should be imposed on others. Roman rule in Europe contributed to the dissemination of legal norms and Christianity. Christianity is the second pillar of European culture. The third pillar can be regarded as humanism. The basic meaning of humanism includes that people should have the right to freedom, it is the condition of self-realization. The fundamental difference among humanism, Christianity and Greek philosophy lies in that it takes man as the center of the whole universe. When it comes to European management methods, the first impression is that management is diversified. There seems to be no definite European management way. In fact, the management methods in London, Frankfurt and Brussels are indeed different, so some researchers have drawn conclusion that the characteristic of European culture is the integration of various cultures. However, among these integrated cultures, we can find a basic feature of management method that runs through Europe and distinguish it from American culture, Asian culture or other cultures. Depending on this common feature, we can strengthen the cultural integration of Europe at the individual level, company level and broader social level.

European management methods have four main characteristics in management philosophy, management structure and management practice, which are personal tendency; internal consultation management; management diversification; management between the two extremes. Here, management diversification and internal consultation management are based on the same ancient philosophy principles: Aristotle's theory of logic, cosmological unity and cosmological diversity. The human-oriented principle in modern European enterprises is related to Christian values. The different manifestations of human-oriented goals in modern European enterprises originate from the humanistic tradition.

3. Comparison between European Management Culture and Chinese Management Culture

If we compare Chinese management culture with European management culture, we can find that there are about two main differences, each culture has its own characteristics and a similarity.

1. Individual tendency and collective tendency

European enterprises have a common tendency to realize the personal needs within the enterprise, care for individual people, high welfare, low working hours, and pay great attention to the quality of personal work and life.

According to Chinese tradition, the basic unit of society is the extended family, which stimulates the development of collective and collective tendency. In such a collective society, family members and relatives share the glory that a family member gets, because they have contributed directly or indirectly to his glory as a member of the family kinship unit. The moral standard of the whole family is set by the father, which is conduct code of whole family. In the relationship between individuals and other groups, these characteristics are not obvious. This tradition makes people loyal to their families and work groups. Strong collectivism will have deeper consequences, it is easy to produce equalitarianism, it is difficult to distinguish individual responsibility and reward individual performance.

2. Internal consultation and internal power management

Consultation and negotiation in European companies not only take place between the companies and the external public, but also occur in different management, employees, the headquarters and branches; it is full of democracy and equality. The top management is the

authority, but it must also go through the consultation, discussion, negotiation and persuasion stages. All departments act independently and their authority will be questioned. Decisions made by top management can be criticized. Only after a series of discussions, dialogues and access to information can people enter the implementation stage.

It is generally believed that the Chinese respect the elderly, authority and people with high social status. It originated from the concept of rite in Confucianism. Rite plays a very important role in people's thought for maintaining a high social status. This ancient concept is more suitable than any other concept to explain the traditional bureaucracy in Chinese society; it includes the tradition of maintaining the status level and centralized decision-making in the organization. In China, there is a great distance between the manager and the managed. The company's top management has led an internal force alliance including all the employees in the company. Worship of age and status can hinder the acceptance of younger, competent managers, many of whom spend a long time in low positions.

3. The importance of managing international diversification and external relations

European managers are able to identify diversity and have special skills in managing international diversity. To some extent, Europeans like diversity. At the very least, they advocate that "Europe without a passport is not Europe". A manager can fly across many European borders in an hour. Due to the narrow domestic market, European companies must pay attention to different European markets and develop a culture suitable for working abroad. In China, the importance of interpersonal relationships between individuals and people other than their closest family members cannot be underestimated. Through these networks, the Chinese can cross the bureaucratic barriers which are often insurmountable to the Westerners through trade or other contacts of Chinese. If someone asks the resource allocator to allocate certain social benefits, they will first consider the relationship between them, and then apply the appropriate principle of social exchange. Interpersonal relationship is often very important in business, because some contracts often do not provide legal terms and rely on mutual trust between the two parties.

4. Management between the Two Extremes and Middle of the Road

The management of American companies and Japanese companies is often regarded as two extremes. The management of European companies lies between the two. If there is European management, it lies in the middle of the line between American management mode and Japanese management mode. The Chinese are very close to each other. In the end, everyone benefits from the mutual relationship. Social stability can only be maintained when people follow the existing rules, namely avoid public conflicts and avoid breaking the balance. This need for stability and harmony also explains the Chinese preference for the middle of the road. It's also because of the need to save face for yourself and others. Because the Chinese always take the avoidance attitude, even if there is a conflict, it is usually solved through cooperation rather than directly facing it.

4. Practice and Suggestions of Cross-cultural Management in China and Europe

As a background factor, cultural differences bring difficulties to the management of both parties. But the researchers think that the combination of investment motivation and cooperation skills can influence the background culture.

1. Looking for cross-cultural commonality in different management cultures is a good way of cultural exchange

If the two cultures balance is between masculinity and feminization, and the value of power distance or risk avoidance in the dimension of "organization" is similar, the coordination among organizations can be produced. This may be why Sino EU joint ventures are often successful.

The value of power distance is the degree of power difference between social expectation and actual preference. The high value of this indicator reflects that most members of the society think the whole society should have clear hierarchy, in which everyone should occupy an appropriate position. The low value reflects the belief that everyone should have equal rights and equal opportunities to change their position in society. Risk avoidance value is the degree for society is willing to accept differences and risks. Countries with high scores oppose risk and prefer stability and security. On the contrary, countries with low scores are encouraged to take risks and are willing to accept differences. Individualism value, individualism value and its reverse side collectivism value they are the degree which society focuses on the role of individual and collective. In countries with high individualism, everyone only cares about themselves and their closest families. On the contrary, in countries with high collectivism values, people are emotionally connected with organizations and institutions, focus on the greater interests of "we" and the collective. Male orientation value is the degree the society holds traditional male values, such as competition, self-confidence, ambition, and money and other material wealth. The low value of male tendency (or the high value of female tendency) reflects the social orientation of education, nurturing and care, focus on the consideration of others. Long term target value, this indicator solves the time goal when society to meet people's needs. This time target can be as long as life and as short as short-term needs. The long-term goal implicitly emphasizes the integrity of living in the world; the main virtue is thrift and perseverance.

Chinese and European management culture has own cohesion, integrity and logicity. No management culture is intrinsically better or worse than another one. China and the European management culture system are equally effective in changing people's experience. The cooperative relationship should be based on mutual respect, mutual understanding, mutual trust and equal cooperation and it can only be achieved through friendly attitude, frequent exchange and technical coordination. It is a good way to improve cross-cultural communication to study the similarity between two countries or regions and find out the common points or identity of cross-cultural communication.

5. Conclusion

The characteristics of European management culture are: personal tendency; internal consultation management; management diversification; management between two extremes. The characteristics of Chinese management culture are: collective tendency; internal power management; the importance of external relations; middle of the road. Although there are differences among cultures and different countries have their own culture characteristics, the similarity between them is the reason why China can cooperate with European countries. Globalization has closely linked Chinese and European enterprises, the deep understanding of the root causes of the management culture differences between China and Europe will not only help to enhance business and trade exchanges between Chinese and European enterprises, reduce transaction costs, enhance mutual understanding and trust, but also help to strengthen economic ties and national cooperation between China and Europe.

References

- [1] Pan Jiantun. Discussion on Enterprise Culture from the Perspective of Chinese and Western Philosophy[J]. West Forum on Economy and Management, 2004, (4): 53.

- [2] Chen Qiyun. Interaction between Geography and the Human Development the Chinese Case[J]. Journal of Lanzhou University (Social Sciences), 2007,35(2): 1.
- [3] Ma Luping, Wu Hailong. The Roots of the Differences Between Chinese and Western Cultures——On the Influence of Two Time and Space Views on Culture[J]. Journal of Hotan Normal College, 2006, (6): 98.
- [4] Zhao Jun. Culture, Time and Space [M]. Beijing: China Renmin University Press, 1989: 192.
- [5] Li Qi. European Management Scholars Look at the Differences between Chinese and Western Enterprise Cultures [J]. Reform, 1999, (2): 87.
- [6] Wang Guobao. Private Enterprises: Current Situation and Countermeasures in Management Motivation[J]. Journal of Zhengzhou University of Aeronautics (Social Science Edition), 2001, 20 (1): 41-44.
- [7] Liu Qing. On Certainty of Democratic Management in POEs[J]. Theory & Practice of Trade Unions Journal of China Labor College, 2003, 17 (6): 35-41.
- [8] Hou Tong. Comparative management practices and training between China and the West[J]. Journal of Shenyang College of Education, 2003, 5(3), 76-78.
- [9] Song Dongmei, Li Guozhen. Empirical Study on East and West Cultural Differences and Its Implication on Cross-cultural Management[J], Shanghai Management Science, 2006, 28(1), 77-78.