

**The Role of Individual Values and Westernisation on the Guanxi Orientation of
Hong Kong Managers**

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ABSTRACT

Guanxi, or social connections, has received increasing attention in the literature as the Western world grapples with the complexity of doing business with China. But is guanxi a good or a bad thing? Networking and connections are seen as a business necessity, but on the other hand guanxi is often associated with corruption and calculative means of doing business. This study examines different dimensions of guanxi and their relationship to traditional vs modern value orientations. The study finds guanxi comprises two dimensions, one representing traditional Chinese values of reciprocity and face and the other a more modern networking style not dissimilar to that emphasised in the West. Relationships between dimensions of guanxi orientation and individual values and Westernisation are reported.

Keywords: International OB, Cross cultural management

INTRODUCTION

Guanxi is a Chinese word literally translated to mean ‘social connection’ which is regarded as a key determinant to business success in Chinese society, particularly mainland China (Leung, Wong & Wong, 1996; Luo, 2000). Since the open-door policy was introduced in 1978, China began to change from a planned economy to a market-oriented system. In the face of increasing business contact between mainland Chinese and foreigners in the late 1970’s, the word ‘guanxi’ has become popular business jargon in English (Gold, Guthrie, & Wank, 2002). Nowadays, guanxi is used by Chinese and non-Chinese speakers to mean a mainland Chinese way of networking. Guanxi is different from the western approach of networking although they share some similarities. While they both are concerned about ‘knowing the right person’, Chinese guanxi has a uniquely Chinese dimension of ‘reciprocity’. Given the word ‘guanxi’ was not found in the old Chinese dictionary, some scholars argue that the concept of guanxi was a ‘new thing’ emerging in the late Cultural Revolution (1966-1976) and prospering in the economic reform period (Langenberg, 2007; Wilson, 2002; Yang, 1994). During the period of Cultural Revolution, China went through a dark period of political power struggle for the control of scarce resources. Under such circumstances, ‘knowing the right person/s’ and ‘obtaining favour’ were a convenient way to gain advantages over the competitors. Hence, ‘who you know’ and ‘favour seeking’ have become the most important elements of ‘guanxi’.

However, Yang (1994) states that the essence of guanxi reflects the important rules of Confucian relational morality - the five key relationships to promote solidarity among relatives and friends. Confucian called the five relationships 'wu lun' – emperor and subject (superior-subordinate), father and son, husband and wife, brother and brother, and friend and friend. Chinese is a relations oriented culture. According to Pye (1972:40):

“Confucianism treated man as a social being whose identity is determined by where he stands in relation to others in the web of social relations. Each individual had his unique place in the total scheme, and each individual's behaviour differed according to his station and according to the particular person with whom he was dealing....and one's manner toward an individual changed according to whether the other person was older or younger, a stranger or a member of one's community”.

Traditional Chinese are loyal to their relatives and friends. They tend to use the division of in-group and out-group as a guideline for favour related decision making. It has been widely recognised that such in-group oriented practice have extended to the Chinese business context (see Fan, 2002; Hung, 2004; Tsang, 1999; Wank, 1999; Xin & Pearce, 1996; Zhang & Zhang, 2006)

The most powerful guanxi networks involve important people using their (position) power to grant favours for economic gain (Brick, 1996). Exchanging favour and in-group orientation are linked to the indigenous Chinese concept of 'renqing'. Since guanxi practice is underpinned by the rule of returning favour for favour, gift-giving, and looking after in-group members, it has been seen as a mix of reciprocity and 'renqing' with instrumentality (Langenberg, 2007; Wilson, 2002). As mainland China lacks clear rules for economic interaction (Guthrie, 2002), using guanxi practice to facilitate business operations has been regarded as an effective business strategy (see Langenberg, 2007; Park & Luo, 2001; Tsang, 1998; Wong & Chan, 1999). Guanxi can perform a lubricating function in business development (Luo, 2000; Wong & Leung, 2001). Given guanxi is a potential shortcut to business success, it earns its reputation as a contemporary urban art of effective networking in mainland China (Wilson, 2002).

However, from a business ethics perspective, it could be argued that the acts of gift-giving and exchanging favour are an instrumental means used to achieve a calculative guanxi end. Under the guise of guanxi building, collective corruption has become a phenomenon in mainland China (see Bian, 2002; Hung, 2008). To date, a myriad of business ethics scholars have critically questioned the instrumental aspects of guanxi practice (see Ang & Leong, 2000; Au and Wong, 2000; Chan, Cheng, & Szeto, 2002; Cheng, 2002; Dunfee & Warren, 2001; Fan, 2002; Lovett, Simmons & Kali, 1999; Millington, Eberhardt & Wilkinson, 2005; Provis, 2008; Su & Littlefield, 2001; Su, Sirgy & Littlefield, 2003; Tan & Snell, 2002; Wright, Szeto & Cheng, 2002).

Instead of asserting guanxi as purely instrumental, Luo (2000:50) contends that “Guanxi includes all of the Western (networking) qualities, along with uniquely Chinese ones.” However, existing empirical studies on ‘guanxi and business ethics’ rarely explore the different dimensions embedded in guanxi practice and treat them accordingly. More importantly, the question as to “who will be more likely to rely on the instrumental dimension of guanxi for business development/success?” has not been adequately addressed. This study aims to bridge the gap in existing business ethics literature by 1) empirically examining the different dimensions of guanxi practice, and 2) exploring the influence of traditional value systems and westernisation in guanxi orientation among Hong Kong managers.

Hong Kong is the largest Chinese society outside mainland China. Basically there are no major cultural differences between Hong Kong Chinese and mainland Chinese (Luo, 2006). However, under the British Government’s administration, Hong Kong underwent a significant urbanization and westernization process between 1841 and 1997. During that period, Hong Kong transformed from a rural community society to a modern and capitalist society. Such social evolution brought changes in the Hong Kong Chinese’s value system (Bond & King, 1986; Hwang, 1987; Leung, 1997). Hence, Hong Kong represents an ideal “mix” of the traditional and modern aspects of Chinese society. This study draws on data collected from managers working in a large international bank in Hong Kong. Building on a cultural paradigm, this study argues that, in the event of guanxi building, gift-giving, favour exchange, and in-group orientation are seen as natural practice among traditional Chinese.

Traditional Chinese and Gift Giving

According to Hwang (1987), ‘renqing’ (sentiment, gift-giving), ‘mianzi’ (face), and ‘guanxi’ (connection) are all indigenous concepts in Chinese culture. Although these three concepts are different in essence, they are all built on a traditional relational paradigm. Traditional Chinese social behaviours are bounded by the rules of ‘reciprocity’.

‘Renqing’ is an indigenous Chinese word with multiple meanings. ‘Renqing’ can be described as sentiment or cash gift (So & Walker, 2006; Wilson, 2002) or human feelings (Brick, 1996) and favour (Chen, 2001; Wong & Leung, 2001). In terms of favour, ‘renqing’ can be used as a gift for in-group members or a commodity for sale to out-group members. It is not uncommon to hear Chinese people say “Could you please sell me a favour?” The word ‘renqing’ is still widely used in contemporary Chinese society. Brick (1996) describes renqing as the natural feeling of affection and interdependence that characterise human relationships. ‘Renqing’ is seen as one of the important human elements for social bonding. It is dictated by the rule of reciprocal obligation between individuals. These obligations include looking after one’s family, relatives and friends, the exchange of gifts and visits, and returning favour for favour, etc (Brick, 1996; Hwang, 1986). Doing a favour for somebody is referred to as ‘giving a renqing to that person’.

When a traditional Chinese gives a favour to a friend, he/she expects a favour in return (Seligman, 2001). Hence, receiving a favour from other people will incur a ‘debt of renqing’ (renqingzhai). As a tradition of exchange, Chinese people always use the amount of favour received to guide their repayment for that favour in the future (Wilson, 2002). Whenever the situation permits, the traditional Chinese are keen to return a gift or favour immediately as a means of repaying the ‘debt of renqing’ (Wong & Leung, 2001). Traditional Chinese ethics promote the obligation of reciprocation (Hwang, 1986; Wong & Leung, 2001). In China, ‘who owes whom a favour’ always counts. Therefore, repaying a ‘renqing debt’ is more important than repaying a monetary debt (So & Walker, 2006). Renqing is reciprocal (Chen, 2001). It is an ongoing process in social networking. The more frequent the ‘renqing’ are exchanged, the stronger the interpersonal relationship in the interaction, and vice

versa (Wong & Leung, 2001). Wilson (2000:166) contents that guanxi is “a particular instrumentalised and politicized form of a more traditional body of renqing principles and rural gift economy.” While guanxi is built on the instrumentalisation of renqing, renqing and instrumental exchange are the two sides of the guanxi coin. It is difficult to separate renqing from instrumental exchange in the building of guanxi.

‘Face’ (*mianzi*) is important in the context of Chinese social exchange (De Mente, 1995; Langenberg, 2007; Luo, 2000; Seligman, 2001; So & Walker, 2006). Like ‘renqing’, face also has multiple meanings. It can be described as public image (Brick, 1996; Luo, 2000), social position and prestige (Wong and Leung, 2001), and power (Langenberg, 2007). Face is usually determined by an individual’s social status and material wealth. It is an intangible form of social currency (Luo, 2000). Although uncountable, ‘face’ can be measured by the level of respect that an individual receives from other people, ranging from little face to plenty of face (So & Walker, 2006). To some extent, face is negotiable between the participants in an interaction because each part has a chance to give, receive, save, or lose face (Brick, 1996; Seligman, 2001). There are some incidents that will cause people to lose face in Chinese setting. These include: humiliating people publicly (Pye, 1972; Seligman, 2001), rejecting someone’s gift or favour (Langenberg, 2007), failure to reciprocate a gift or favour (Luo, 2000), rejecting someone’s request and, not showing respect for others, etc. (Langenberg, 2007; Seligman, 2001; Wilson, 2002).

Face is reciprocal (Chen, 2001). Driven by the fear of losing face, traditional Chinese are concerned about returning a bigger gift/favour when opportunity arises. Gift-giving can be used as a means to leverage face and prestige (Wilson, 2002). An individual’s level of face is linked to his/her level of prestige (Wilson, 2002) and level of network (Luo, 2000; Wong and Leung, 2001). Impairing an individual’s ‘face’ is tantamount to imposing a threat on his/her social identity (Langenberg, 2007). Having face can facilitate the cultivation of new guanxi (Luo, 2000). Losing face will result in the feeling of shame. Hence, Chinese give high priority to getting and keeping face. Very often, they put a lot of effort, money, and time on such ‘face-work’ (Seligman, 2001).

Obviously, the emphasis of 'renqing' and 'face' coupled with the Confucian relational moral have provided a platform for gift-giving and exchange of favour between in-group members to take place. In Chinese tradition, gift-giving signifies goodwill and respect (Brick, 1997; Luo, 2000). It is a kind of 'ritualistic behaviour' which attaches some symbolic meanings for the people involved (Gamble, 2007). In Chinese interaction, gifts very often precede the asking for favours (Seligman, 2001). Within the bound of relational morality, gift-giving is not only an expected behaviour among traditional Chinese, it is also an act to strengthen commitment and interpersonal relationship with members of the same network. People in a guanxi relationship are committed to abide by the unwritten code of reciprocity. Disregarding the rule of equity while exchanging renqing favors may result in loss of face and inevitably damage a guanxi relationship. Simply put, the guanxi network is maintained by a continuous exchange of renqing favour and giving of face. The ongoing process of gift/favour exchange is an investment in a relationship (Luo, 2000). It is very clear that the Chinese guanxi has a dimension of reciprocity which is mixed with instrumentality and expressiveness (see Luo, 2000; Hwang, 1987).

Western Networking and Gift-giving

According to the Western network paradigm, networking can enhance a firm's competitive advantage by providing access to other network members' resources such as technologies and competencies, etc. (Luo, 2000). While Chinese is classified as collectivist culture, the Westerners are mostly individualistic which places less emphasis on relationship with other people (Hofstede, 1997). In most business encounters, the Westerners are more concerned about completing the task than building personal relationships. Business cooperation in the Western culture is driven by the desire to exchange benefits rather than exchange favour. They give a lower priority to the notion of 'face' (Seligman, 2001). Western networking is often tied by a formal written contract specifying each party's commitment, contributions, and obligations. In the event of building a network, gift-giving can be interpreted as synonymous with corruption (Steidlmeier, 1999; Wong & Leung, 2001).

AIMS AND HYPOTHESES

Guanxi orientation is most often applied in empirical studies as a single dimension. However as the above literature review reveals, guanxi is a complex concept often comprising contradictory aims and intentions. Thus the first aim of this study is to examine and explain, using Ang and Leong's (2000) Guanxi Orientation Scale, the different dimensions of guanxi in a sample of Hong Kong Chinese business managers. In past studies of business ethics using this scale, guanxi has been measured as a single dimension (see Ang & Leong, 2000; Su et al, 2003).

The literature review is also suggestive of an association between traditional Chinese values and guanxi concepts such as face, reciprocity, familial obligations and so forth. Thus the second aim of the study is to examine the relationship between values and dimensions of guanxi orientation.

A study conducted by Ho, Redfern and Crawford (2006), applied a factor analysis, in the same sample, at the individual level of analysis based on the Chinese Value Survey ('CVS') (Chinese Culture Connection, 1987). The CVS contains 40 items reflecting the fundamental and basic values for Chinese people. The analysis yielded four distinctive dimensions: 'Social Propriety', 'Traditionality', 'Advancement', and 'Moral Development'. Among the four values, 'Social Propriety' represents humbleness, harmony, and courtesy while 'Moral Development', comprising values emphasising chastity, purity, sincerity, and resistance to corruption. Obviously, both 'Social Propriety' and 'Moral Development' are seen as more universal to most cultures. However, 'Traditionality', represents the most conservative and face-oriented aspects of Chinese society while 'Advancement', represents the more Western ideals of acquisition of knowledge, wealth and power. For this study, 'Traditionality' and 'Advancement' were deemed the most appropriate value dimensions and were thus chosen for hypothesis development. Furthermore, a study by Redfern (2002) found Chinese managers' business ethics judgements were influenced by the degree to which they adopted and engaged in aspects of Western lifestyle and culture. While exposure and participation in aspects of Western lifestyle (e.g. travel, clothing, food etc.) may not necessarily be representative of individuals' intrinsic value orientation, it is nevertheless of interest given the results of previous studies, to examine the extent to

which such Westernisation is related to guanxi orientation. Thus this study will also apply this 'Westernisation' scale to examine the extent to which such dimensions of Western lifestyle influence different types of guanxi orientation.

As mentioned earlier, guanxi scholars generally believe that guanxi can be characterised on the one hand as representing business networking and having the right contacts (a conception not uncommon amongst Western business people) while on the other hand representing traditional and uniquely Chinese characteristics such as gift-giving, favour exchanging, and in-group orientation (Brick, 1997; Gamble, 2007; Gold et al, 2002; Luo, 2000). These assumptions lead to the following hypotheses:

Hypothesis 1: Guanxi, as measured through the Guanxi Orientation Scale, consists of dimensions associated with both Western business networking and contacts and traditional Chinese values of reciprocity i.e. gift giving, face and in-group orientation.

Hypothesis 2a: The CVS dimension 'Traditionality' will be positively related to guanxi orientation emphasising uniquely Chinese concepts of reciprocity.

Hypothesis 2b: The CVS dimension 'Advancement' will be positively related to guanxi orientation emphasising non-reciprocity i.e. knowing the right person, having the right contacts

Hypothesis 3: Level of Westernisation will be negatively related to guanxi orientation emphasising uniquely Chinese concepts of reciprocity.

METHODS

Sample and Data Collection

A total of 180 questionnaires, written in Chinese, were handed out to bank managers of a large international Hong Kong bank by the CEO's executive secretary. In order to avoid issues with mis-translation, the survey was translated and back-translated by two bi-lingual research assistants and checked for accuracy by a bi-lingual academic. A total of 165 questionnaires were completed and returned to the executive secretary in the first two weeks, representing a response rate of 91.6%. Five were incomplete and were discarded, resulting in a final sample of 160 usable questionnaires, and a final response rate of 88.8%. In the final sample, 59% of the respondents were male, and 41% female.

The sample was highly educated, with 73% of the subjects holding a Bachelors' or other higher degree. Subjects worked in a variety of departments, with 27% from the accounts department, 39% from the marketing department and 8% from the risk department. The remainder were spread across other departments. A majority of the subjects held senior positions in the organization, with 34% of the subjects being vice president or above, 10% were assistant vice presidents, 37% were managers and 9% were officers. About 91% of the subjects were born in Hong Kong, 5% were born in China.

Instruments

A self-administered questionnaire, written in Chinese, was used to collect the required information. The questionnaire comprised three sections relevant to this study. The first of these contained the 40-item Chinese Value Survey (CVS) developed by CCC (1987). The second section contained a Guanxi Orientation Scale developed by Ang and Leong (2000). The Guanxi Orientation Scale includes 9 items which reflect the different aspects of business activities. They are: 'knowing the right people', 'maintain a good network', 'developing the right contacts', 'build and maintain social relationship', 'maintaining a good relationship', 'gift giving', 'frequent cooperation reduces problems in business relationships', 'being in the inside circle', 'returning favour'. Each item is measured by a 7-point Likert scale with 1 representing 'not important at all' and 7 representing 'extremely important'. This scale was also used in Su et al's (2003) study. The third section contained an eleven-item Westernisation Scale developed by Redfern (2002). They are: level of spoken/written English respectively, number of western friends, and Western countries visited, interest in western cuisine, fashion, western movie and TV, Christian/Catholic vs non Christian/Catholic, extent of non traditional Chinese, having western colleagues/friends, and travel outside of Hong Kong. Each item is measured by a 7-point Likert scale with 1 representing 'not at all' and 7 representing 'to a large extent'.

Data Analysis

The SPSS statistical software, Version 12 was used for data analysis. Before the research aims could be addressed, factor analysis of the Westernization items, and guanxi orientation items were performed to obtain appropriate variables and factor scores for further analyses. Given factor analysis of the CVS items were already done by Ho et al (2006), the present study used the CVS factor scores

derived from that study. While factor analysis of guanxi orientation items was used to test Hypothesis 1, a series of multiple regression analyses were performed to test Hypothesis 2 and 3.

RESULTS

Factor Analysis of the Westernisation Items

Before factor analysis was carried out, two Westernisation items were removed. The item 'Having Western colleagues and friends' was not included in the factor analysis because all respondents indicated that they had foreign Western colleagues. Again, the item 'Travel outside of Hong Kong' was also excluded from the factor analysis because all respondents indicated that they had travelled outside Hong Kong. The identical answer given by the respondents made the inclusion of these two items meaningless. Root-one criteria suggested a 4-factor solution. While the first factor was defined by 'socialisation and travel' (4 items: level of spoken English, Level of written English, number of Western friends, number of Western countries visited), the second factor was characterised by 'life style' (3 items: interest in eating/cooking Western cuisine, interest in Western movie & TV, interest in Western fashion and clothes), the third factor and the forth factor were each defined by only one item. They are being 'Christian vs non Christian' for the third factor, and 'non standard traditional Chinese' for the fourth factor. An inspection of a plot of the eigenvalues, and using the scree test, suggested that 2 factors could be extracted. The two-factor solution produced two factors that were the same as the first two factors obtained from the above four-factor solution. In order to thoroughly examine the relationship between westernisation and guanxi orientation , it was decided to use the 4-factor solution for further statistical analysis.

Factor Analysis of the Guanxi Orientation Items

The results of the factor analysis of the guanxi items are shown in Table 1. Cases with missing values were excluded listwise. Root-one criteria suggested a 2-factor solution. As expected, the first factor contained items reflecting the essences of western networking which are largely non-reciprocal based. They are: knowing the right people, maintain a good network of relationships, developing the right contacts, build and maintain social relationships. However, the second factor contained items reflecting the reciprocal dimension. They are: gift-giving, frequent cooperation reduces problems, being in the inside circle, and returning favour for favour. Hence Hypothesis 1 is supported.

Table 1 : Factor Analysis of Guanxi Orientation items (Pattern Matrix)

	Factor		
	Non-Reciprocity	Reciprocity	h ²
Doing business involves knowing the right people	.921	-.056	.805
in business, it is important to maintain a good network of relationships	.844	-.141	.623
Developing the right contacts helps in the smooth running of a business	.826	.132	.799
One must always build and maintain social relationships with others in case their service are needed in the future	.589	.280	.577
Maintaining a good relationship is the best way to enhance business	.440	.417	.538
Gift giving is an important feature when we want business to succeed	-.184	.772	.498
Frequent cooperation reduces problems in business relationships	.247	.554	.494
Bing in the 'inside' circle helps in obtaining preferential treatments	.394	.531	.631
Returning favour for favour is part of doing business	.287	.476	.435
Factor Eigenvalue	4.922	1.266	

Percentage of variance explained = 68.765

Table 1 (Continued) : Factor Intercorrelations

Factor	1	2
1. Non Reciprocity	1.000	.462
2. Reciprocity	.462	1.000

Prediction of Guanxi Orientation

A series of multiple regression analyses were carried out to examine how Hong Kong managers' ratings for Guanxi Orientation Scale were related to their level of traditionality as measured by the CVS (CCC, 1987) and their level of Westernisation as measured by the Westernization Scale (Redfern, 2002). Four demographic variables (Age, Gender, Educational Level, Position in the Organisation) were controlled so that the amount of variance uniquely accounted for by the CVS factors and the Westernization factors could be assessed. Table 2 presents the results of regression analysis with the four CVS factors and the four Westernization factors as independent variables and the ratings for each Guanxi Orientation subscales (Non-Reciprocity and Reciprocity) as dependent variables.

Table 2 : Prediction of Guanxi Orientation Evaluation

Independent Variables	Dependent Variable : Rating for Guanxi Orientation	
	Non-reciprocity	Reciprocity
Demographic Variables (control)		
Age	.071	.100
Gender	.071	.028
The Highest Educational Level	.096	.061
Position in the Organisation	.173	.217*
CVS variables:		
CVS 1 – Social Propriety	-.035	-.189
CVS 2 – Traditionality (Traditional Value)	-.127	.199*
CVS 3 – Advancement (modern Value)	.291**	.183
CVS 4 – Moral Development	.163	.102
Westernization Variables:		
W1 – Socialisation	.093	-.019
W2 – Lifestyle	-.105	-.065
W3 – Christian/Catholic	-.114	-.137
W4 – Non Traditional Chinese	-.040	-.178
R ²	.209**	.178*

* $p < .05$, ** $p < .01$

As can be seen from Table 2, CVS value “Traditionality” ($\beta = .199$, $p \leq .05$) can be used to predict rating for ‘Reciprocity’ ($R^2 = .178$, $P \leq .05$). Hong Kong managers who scored more highly on the CVS dimension “Traditionality” are more likely to place emphasis on gift-giving, return favour for favour, and in-group orientation. These behaviours are consistent with the Chinese tradition of reciprocity. Hence, Hypothesis 2a is supported. Also, CVS value “Advancement” ($\beta = .291$, $p \leq .01$) can be used as predictor for evaluation of the non-reciprocity dimension of guanxi ($R^2 = .209$, $P \leq .01$). This result suggests that Hong Kong managers scoring higher for CVS dimensions “Advancement” are more likely to place stronger emphasis on the ‘Western approach of Networking’ which is underpinned by the notion of ‘knowing and developing a strong relationship with the right person’. Hence, Hypothesis 2b is fully supported. However, none of the four Westernisation factors can be used as predictor for evaluation of the two dimensions of guanxi orientation. As a result, Hypothesis 3 is not supported.

DISCUSSION AND CONCLUSION

The present study has provided an answer to some frequently asked questions in the guanxi and business ethics literature. The question of whether the Chinese ‘guanxi’ is different from the Western approach of networking has received much attention from guanxi scholars (Luo, 2000; Wong and Leung, 2001). This study supports the argument presented by Luo (2000:50) that “*Guanxi includes all of the Western (networking) qualities, along with uniquely Chinese ones (reciprocity).*” While Ang and Leong’s (2000) Guanxi Orientation Scale has been used as a single dimension, the present study found two different dimensions in that Guanxi Orientation Scale. One dimension is common to the more Western conception of networking (emphasis is placed on ‘knowing the right person’). The other dimension appears to be unique to the Chinese culture reflecting the essence of reciprocity (placed strong emphasis on exchange favour, gift-giving, and in-group oriented). Given these two dimensions are so different, they should be analysed separately in future study on guanxi and business ethics.

Moreover, this study supports the argument presented by those guanxi scholars who state that guanxi is an essential element of Chinese culture rooted in the Chinese psyche (Chan, 2008; Hung, 2004). The results of the present study found that the more traditional Hong Kong managers were more likely to place a stronger emphasis on the reciprocity dimension of guanxi orientation. However, Hong Kong managers embracing the modern value (knowledge, wealth, and power) were also more likely to place a stronger emphasis on the Western approach of networking. The contrasting results yielded from ‘traditional value’ and ‘modern value’ serve to reinforce the notion that guanxi is a cultural phenomenon rooted in the Chinese psyche. According to the findings presented in this study, it is logical to suggest that mainland Chinese people living in traditional rural provinces still embrace the notion of reciprocity and seeing exchange of gift and favour between in-group members as expected and acceptable behaviours in conducting their social life and business.

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