Chapter 5

Corporate CEOs as cultural promoters

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The CEOs and other senior executives of large corporations, both state-controlled and privately-managed, are an influential group among the new rich in China. However, the majority of these corporate executives are not content to be seen merely as materially rich: they also wish to become culturally rich too, and to raise the cultural level of their employees and even of their customers. Culture in this context refers primarily to high culture activities such as literature, art, architecture and philosophy, but also to more popular cultural forms such as television dramas if they have a didactic purpose beyond mere entertainment.

This chapter examines the phenomenon of senior corporate executives as cultural promoters from three aspects. First, it considers the frequent attempts by corporate executives to represent themselves as cultural connoisseurs, through composing poetry, practicing Chinese calligraphy, sponsoring literary and artistic publications and exhibitions, and through quoting traditional Chinese philosophy. Second, it describes the cultural activities that many large corporations organize for their employees, which are aimed at promoting ‘spiritual civilization’ among those employees and creating a ‘harmonious’ environment within the workplace. Third, it shows how some corporate executives, particularly in the real estate development business, are attempting to educate their newly rich customers in how to adopt a cultured lifestyle, or working with local governments to promote cultural ideals through the popular media. The chapter concludes by examining the various reasons for this fixation of corporate executives on culture, which range from political pressures to business factors and traditional Chinese concepts of the ‘scholar merchant’ (rushang).

Corporate CEOs Practicing Culture

In the early 1990s, the PRC government withdrew much of its funding from state-sponsored literary journals. There were hundreds of these journals throughout the country, many connected with provincial Chinese Writers Associations, and many were extremely popular among educated readers. But with the growth of competing forms of popular entertainment in the 1980s such as television and commercial films, these literary journals lost most of their subscribers, and the government decided they were no longer effective as a way to reach the hearts and minds of the Chinese people. So the government set these literary journals loose and required virtually all of them to become self-supporting. Desperate for money to keep their journals going, many editors turned to business corporations. In return for receiving generous funding from these corporations, prestigious journals like Beijing Literature ran advertisements, and more surprisingly, they even agreed to publish poetry by the CEOs of their corporate sponsors. To give just one example, on the back cover of the January 1994 issue of Beijing Literature, one finds an advertisement for
the Beijing Badaling Tourism Corporation, and inside the back cover is a classical-style regulated verse poem by Qiao Yu, General Manager of the Corporation (Kong 2002: 111-22).

The enthusiasm among corporate executives for writing and publishing their poetry at first sight seems to have little connection with their business concerns. But it is quite a common practice even today. So much so that in 2005 the Beijing Six Classics Arts and Culture Institute and the World Chinese Poetic Association announced the publication of a Chinese Entrepreneurs Poetry Anthology (Chinese Entrepreneurs 2005). Corporate executives with poetic tendencies have also banded together to form their own societies. In June 2007, in the industrial heartland city of Changchun, in Jilin Province, an Entrepreneurs Poetry Society held its inaugural meeting with several dozen local businesspeople in attendance. The Society’s stated mission is to ‘promote creative exchanges and explorations among entrepreneurs and poets, and to raise the creative level of entrepreneurs who love to write poetry’ (Jilin Daily 2007). Clearly, these CEOs and businesspeople want to be viewed by the world not just as generous patrons of the arts or good corporate citizens, but as expert cultural practitioners themselves.

Not all Chinese CEOs are proficient at writing poetry (although a surprising number like to recite classical-style poems whenever one gives them half a chance). Instead, they may prefer to practice brush calligraphy. Many Chinese companies publish corporate magazines, and the titles of these are often written in flourishing calligraphic strokes by their CEO. For example, the masthead of the China Metallurgical Group Weekly News was written in fluent running script by the firm’s CEO and Party Secretary Yang Changheng. The practice of asking an authority figure to inscribe the name of a newspaper or magazine with a brush, and then using the calligraphy as the masthead, is a well-established cultural tradition in the PRC. The characters for the PRC’s leading official newspaper, The People’s Daily, were originally written by Mao Zedong, and other Communist leaders have written the mastheads for numerous newspapers and magazines over the past few decades (Kraus 1991: 11-13). An inscription by an authority figure is a sure sign that the contents of the publication have been endorsed by that person, and that the author may be protected by that person. At the same time, being able to write well with a brush is also evidence that one is cultivated and self-disciplined, and therefore worthy of being a leader (Kraus 1991: 72-4). Corporate CEOs are clearly emulating these aspects of Chinese leadership tradition by writing out the titles of their company magazines in traditional-style calligraphy.

Corporations also ask visiting Chinese political leaders to write calligraphic inscriptions to show their support for the firm’s work, and these inscriptions are often posted up in the corporate headquarters and even on the corporate website. See, for example, the series of calligraphic inscriptions by various visiting dignitaries such as Wen Jiabao and Jiang Zemin on the website of China Unicom, a major telecommunications service provider (China Unicom). Some CEOs adopt a similar practice when visiting the different divisions of their own companies. Liu Suisheng, Chair and Party Secretary of the Datong Coal Mining Group, regularly writes calligraphic inscriptions to commemorate various company events, and some of these are posted under Liu’s profile on the China Enterprise Confederation website (China Enterprise). As with poetry, CEOs have also formed calligraphy societies to share their work with likeminded businesspeople. One example is the Shenzhen Entrepreneurs Society for the Study of Calligraphy and Painting, established in 2006. The Society’s website displays a generous selection of traditional-style artworks
and calligraphy by its forty two members, most of whom are high-level executives in Shenzhen’s major business corporations (Shenzhen Entrepreneurs).

Even CEOs who do not have the time or inclination to master traditional arts like poetry and calligraphy may display their cultural awareness by portraying themselves as philosophers, using ancient Chinese wisdom to guide their business and life choices. When Zhang Ruimin, CEO of the Hai’er Group, one of China’s most successful white goods manufacturers, was asked by a reporter what was the most important thing for CEOs to understand, his answer was: ‘I’d say philosophy.’ He then quoted two phrases from the Daodejing, an ancient Daoist text, and applied them to contemporary management situations (Haier). Clearly Zhang wants to be seen not just as a highly successful business manager but also as a deep thinker.

One would not expect to come across such CEO-philosophers in the ruthless and cutthroat world of Chinese real estate developers. But Pan Shiyi, Chair of the high-profile and enormously profitable SOHO China Corporation, also claims to be an enthusiastic reader of Daoist and Buddhist texts. According to an article in the online magazine China Today:

In recent years Pan Shiyi has been doing two things: continually building houses, and reading ancient texts such as The Book of Changes, Diamond Sutra, and Laozi's Daodejing. They contain thousands of years' accumulation of wisdom and profundity. When talking about reading these works, his face lights up, ‘When creating anything one needs inspiration, and the real estate industry is no exception. I get inspiration from reading ancient books, especially The Book of Changes. I get new ideas each time I read it.’ Pan says that as he is busy dealing with the temporal all day, he can get spiritual sustenance from reading these texts in the evening (Zhan 2003).

Pan almost goes as far as suggesting that his money-making real estate deals are a sideline to his real ambition in life, which is to be an enlightened sage:

Since 1990 I have made new friends, under whose influence I became interested in Buddhism and Zen. For a time I was obsessed with these philosophies, and there were books on Zen everywhere at home and in my office. One night I had a dream. In it a voice told me that enlightenment could be attained simply by being happy and maintaining a good humor. This had great impact on my character. I now believe that wisdom can come naturally in the course of being happy and humorous … (Zhan 2003).

Some CEOs prefer to create their own pithy sayings distilling the essence of management, whose style is reminiscent of the Analects of Confucius. Zheng Jianjiang is the CEO of the AUX Group, one of China’s largest privately-managed electrical goods manufacturers. He has a page on the Group’s website entitled ‘The Way of the CEO’ (Zongcai zhi dao), which includes wisdom such as the following:

The character qi 企 [in qiye 企业 (business enterprise) is made up of the elements ren 人 (people) and zhi 止 (stop)]. So if you take away the ‘people’ everything will ‘stop’. People are the crucial link that allows the enterprise to survive and grow.

On Fresh Flowers: There has never been a flower that did not wither. Growth and decay, change and substitution are historical laws. The only way to attain success is by using rational reflection to extend one’s life cycle (Zheng).

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1 On Pan Shiyi’s blog, he also describes how he was invited to speak about the Daodejing at a Hong Kong conference on Daoism, and he posts his speech on the blog for viewers to offer their comments and suggestions for improvement (Pan 2007).
Some CEOs have reacted against this philosophical and cultural posing by their peers, arguing that it serves no useful purpose and it merely obscures the actual performance of the company’s business. Ning Gaoning, CEO of the COFCO Group, decries what he calls the harmful ‘literary tendency’ of Chinese corporate executives: ‘When describing their companies … they like to tell a lot of “stories” that have nothing to do with the company’s management, and turn business operations into “literature”’ (Ning 2006). Instead, Ning declares, companies should present plain facts and figures about their strategies, market segments, research, and development just like ‘international corporations’ so that investors and other stakeholders can gain a clearer idea of whether the company is performing well or badly.

Of course, in a different sociopolitical environment such as Australia or the United States, Ning’s criticisms would be perfectly reasonable. But as I will argue in the concluding section of this chapter, there are rational and utilitarian explanations to justify the very literary and cultural preoccupations of CEOs that Ning attacks so roundly. Before doing so, however, I will examine two other ways in which CEOs promote culture.

Promoting Culture among Corporate Employees

The CEOs of China’s largest corporations do not just practice culture themselves; they also enthusiastically promote cultural activities among their employees. This occurs in three major ways.

First, CEOs encourage employees to contribute to in-house corporate e-magazines or cultural forums on corporate websites. Some magazines even offer annual prizes for the best employee contributions. These are not limited to creative writing, but may also include employees’ paintings, calligraphy and photography too. The first issue of Tengen People, the e-magazine of the Tengen Group, a privately-managed electrical instrument manufacturer, explains the function of these magazines in flowery language:

Tengen People … brings variety to our work lives. It is a spiritual harbour, a fragrant meadow of ideas, and a stage to display our talents and wisdom (Tengen Group 2005).

Few Australian or Anglo-American companies would describe their in-house magazines in such lofty and culturally-imbued terms.

The second way that large Chinese corporations cultivate their employees is through formal educational programs – sometimes called ‘universities.’ Not content with merely providing practical skills training and business administration classes, these programs also generally include cultural classes to help employees grow into rounded human beings. One report on such a cultural class held by Huawei Technologies in 2005-6 lists the following eclectic selection of texts studied over the past year: The Analects of Confucius; a video entitled Europe and the Modern Age; Sun Tzu’s Art of War; selections from the Bible; and Zen: The Chinese Transformation of Buddhism, by Peking University Professor Tang Yijie. (Huawei Technologies 2006). Employees found studying these texts worthwhile because

2 Review of 125 websites of the largest Chinese corporations found that 52 of these sites included corporate e-magazines, and the vast majority of these magazines encouraged employees to contribute their creative writing or other creative artworks for publication.
they ‘opened up new perspectives, helped them control their impulsive tendencies, gave them ideas to apply in their work, and allowed them to have spiritual exchanges with their workmates’ (Huawei Technologies 2006).

Some employee interpretations of Tang Yijie’s text on Zen Buddhism are also given in the report. They display an interesting mix of practical and spiritual concerns. For instance, employees interpreted the Zen practice of sitting meditation as follows:

Normally we face a lot of work pressures, but if we take a bit of time to sit and meditate when we get up in the morning or before we sleep at night, … it will greatly help to relax our bodies and minds, and allow us to maintain a happy mood … Even though our understanding of Buddhist principles may be limited, couldn’t we treat our work as a form of spiritual cultivation? … No matter how busy and tiring our work becomes, we should do our very best to maintain a peaceful heart and try to seek out beauty in our lives and work (Huawei Technologies 2006)

The third way that Chinese companies attempt to raise employees’ cultural awareness and build their characters is through getting them to repeat corporate mission statements and songs, and to engage in various group activities and contests organized within the corporation. The words of the mission statements and songs generally praise the company’s values, its wonderful family atmosphere, and the joys and privileges of working there. Often they have very moralistic content: one must not only be an efficient and reliable employee but a good person too and a patriotic Chinese citizen. For example, the Company mission statement, or ‘declaration’ of the Tengen Group must be recited every day by all its employees. Some of the phrases in this declaration include:

Each new day is full of hope.
Our lives must have purpose,
And our work must be well planned.
Today’s work must be finished today:
We must not waste any precious time in our lives.
Let us use our determined will to conquer difficulties and correct bad habits,
And let us use our industrious sweat to create a glorious future.
As self-improving and self-confident Tengen employees,
The ideals in our hearts will certainly be realized! (Tengen Group).  

The constant repetition of such slogans is clearly designed to drum these positive sentiments into employees’ heads. The company songs have a similar effect. They are often set to revolutionary tunes and sung by massed corporate choirs, to get the employees whipped up into a frenzy of enthusiasm. The company song of Guanghui Group, a privately-managed conglomerate based in the Western province of Xinjiang, is based on a tune entitled ‘March of the Chinese People’s Liberation Army’. It contains uplifting phrases such as:

Guanghui is our stage:
On which we can display our youthful talents.
With our singing we tell the world about our miracles.

3 Besides giving the words of the company’s declaration, Tengen’s website also includes a video of the employees reciting the declaration in suitably solemn fashion.

4 This is actually one of two songs used by the Guanghui Group, both of which can be viewed and listened to at the company website (Guanghui Group 2005a). The Group’s broad range of businesses includes liquefied natural gas sanititation, car servicing, and real estate, amongst others.
And with our wisdom we create the future …
Fearlessly we mold the spirit of Guanghui’s employees;
We are the generation that will build a new century (Guanghui Group 2005a).

While corporate mission statements do not strictly belong to cultural activities in the elite sense, they share with corporate songs the aim of encouraging employees to feel an emotional connection with the firm and a sense that their work has a broader social meaning. Other cultural activities organized by corporations clearly have a similar purpose. For example, among the activities put on by Guanghui Group during 2006 were the ‘I belong to Guanghui’ speech contest; the Healthy Seniors Variety Show (in which retired employees were the performers); and the Annual Guanghui Talent Show (Guanghui Group 2005b).

One important point to note is that while corporate CEOs doubtless have a strong influence on the kinds of employee cultural activities that take place, the Communist Party branches that are established within the vast majority of corporations frequently take a central role in organizing and promoting such activities. I will discuss the significance of this Communist Party involvement further in the concluding section below. Before doing so, however, I will describe one more area where Chinese CEOs have acted as cultural promoters.

**CEOs Promoting Culture among Customers and the Wider Community**

Some high-profile CEOs are not content with merely developing and displaying their own cultural prowess, or even with promoting the cultural betterment of their employees. They wish to have a broader impact on their customers and the Chinese public. Therefore, they transform the launches of their new products into cultural events, and claim that customers who buy these products will miraculously create a whole new cultured lifestyle for themselves.

Obviously, certain kinds of products and corporations are more suited than others to this form of cultural packaging. Chemical fertilizer producers or industrial power-tool manufacturers may be hard-pressed to persuade their customers that they are buying into a whole new cultured lifestyle. But this technique seems especially suited to real estate developers, and it is one way that they can distinguish themselves from their competitors. Here is a description of the cultural approach adopted by Pan Shiyi to market his company’s SOHO New Town development in Beijing:

Pan Shiyi's success lies more in his concepts than his actual housing. His avant-garde housing theories always draw attention, favorable or otherwise. He says, ‘I am looking at lifestyles of the future. In an industrial era, everything is distinctly pigeonholed. Activity space is divided into work, leisure, shopping, and recreational. The partitions in the apartments of my SOHO New Town are movable; they can be dismantled and installed at will. Various intelligent networks are incorporated into the apartments, so their occupants can work at home, thus combining the home and the workplace. This represents the lifestyle of the future’... [*i.e. close quotation from Pan*]

Every new project taken on by Pan Shiyi in recent years has been preceded by a completely new architectural concept … He says, ‘The charm of the projects … is that they represent not only a new design theory, but also a new lifestyle.’ Many people buy houses developed by Pan Shiyi's company specifically because they like their avant-garde ambience (Zhan 2003).
The SOHO New Town development even includes an Art Gallery with installations by contemporary Chinese artists, which is profiled on the company’s website (SOHO China[a]).

The report on the SOHO New Town focuses only on Pan Shiyi, the Chair of SOHO China, but Pan’s wife, Zhang Xin, who is actually the CEO of the company, also plays a central role in promoting this cultural approach. The company’s website introduces her in the following glowing way:

Zhang Xin loves art: she loves to lose herself in any activity in which she can display her creativity, and she is full of enthusiasm for the art of architecture. As an investor in some of China’s most avant-garde buildings and as an entrepreneur with a highly innovative spirit, she has won numerous internationally-recognized awards. The creative impulse for all of SOHO China’s development projects comes from Zhang Xin2 (SOHO China [b]).

Rather than merely building and selling houses, corporate executives like Pan and Zhang want to be seen as cultural arbiters or gurus, helping a new generation of affluent, upwardly-mobile consumers to refine their tastes and spend their money in a discerning way – or in their own words, to become part of the cultural ‘avant-garde.’

It is not just through building projects that Pan and Zhang spread their avant-garde ideas. They have also published books on contemporary Chinese architecture, in which their own company’s projects have a prominent but not exclusive place, and on other cultural themes (SOHO China [b]). And their company sponsors a free monthly magazine called SOHO Journal, which contains essays on various cultural topics, lyrical prose and contemporary fiction (SOHO Journal Editorial Board). The Journal can be distinguished from the corporate e-magazines already mentioned, in that it invites well-known writers and intellectuals to contribute articles, and these articles can be on any subject, not necessarily connected to the company’s business. As the introduction to one edited collection of articles from the Journal puts it: ‘SOHO Journal adopts its own unique perspective and opinions to describe and analyze the city in which we live and the lifestyles that we lead’ (SOHO Journal Editorial Board 2005, inside front cover). Finally, like several other newly-rich Chinese CEOs of privately-managed corporations, Pan has set up his own 23 blog, where he regularly posts his pronouncements on business, culture, philosophy, and the meaning of life to what appears to be a wide audience of admiring and envious ‘netizens’ (Pan).

The behaviour of Pan Shiyi and Zhang Xin is not unique among Chinese CEOs. Wang Shi, CEO of the Vanke Group, another real estate conglomerate, has also published a book on his life and business philosophy (Wang 2005). He is especially keen on mountain climbing, which seems at first sight far removed from elite culture, but in its more traditional guise of ‘climbing high and looking into the distance’ (deng gao wang yuan) has been a pursuit of Chinese poets and cultural officials for over two thousand years. Of course, Wang gives a contemporary slant to this activity by attempting such grueling peaks as Mount Everest and Mount Kilimanjaro, and by foregoing the use of a sedan chair.5 The Vanke Group publishes an online business, culture and contemporary art magazine called Vanke Weekly with the

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5 Mountain climbing appears in several chapters of Wang’s autobiography, such as chapter four, on his ascent of Mount Everest (Wang 2006); and his blog contains plenty of pictures of his most recent mountain climbing tours (Wang).
slogan ‘Corporate perspectives, humanistic feelings’ (Vanke Group). And the Vanke Weekly site hosts dozens of blogs on various lifestyle and cultural topics such as book-reading, poetry, hiking, and eating and drinking.

Through his company, Wang Shi has also invested heavily in the Chinese culture industry. In 1999, with profits from his real estate business, Wang established a subsidiary called Vanke Cultural Broadcasting Corporation (since renamed Vanke Film and Television Corporation). Yet rather than focus only on love stories, crime dramas and other popular genres, this subsidiary has collaborated with China Central TV and the Propaganda Department of the Shenzhen Party Committee to produce remakes of classic Communist novels such as ‘The Tempering of Steel’ (Yu 2000: 193-4). When observers commented that it was strange for a ruthless privately-managed enterprise like the Vanke Group from the wheeling and dealing metropolis of Shenzhen to be producing an archetypal mainstream Communist television drama, an official from the Shenzhen Propaganda Department sprang to Vanke’s defence:

Once the socialist economy with Chinese characteristics has developed to a certain degree, it inevitably leads to demands for a superior culture. Shenzhen does not merely want to make first-rate economic products; it also wants to make first-rate cultural products (Yu 2000: 194, n.1).

This response leads naturally into a discussion of why Chinese CEOs are so transfixed by culture: why do they so conspicuously display their own cultural knowledge and talents? And why do they promote cultural activities so enthusiastically among their employees and (in some cases) among the wider Chinese public?

Reasons for CEOs and Corporations to Promote Culture

Several reasons combine to make it almost inevitable that CEOs will take a keen interest in cultural promotion. First, there is the ambivalent attitude that the Chinese government displays towards business enterprises in general, and rich CEOs in particular. On the one hand, the Communist Party wants to encourage corporations to be profitable and create more employment, so China can become rich and Chinese people can raise their standard of living. But on the other hand, the Party still becomes concerned when it sees large groups of people organizing themselves, especially when they have enough power and money to challenge the Party’s authority. So it also expects corporations to actively promote the government’s policies, and this includes establishing an ‘excellent corporate culture,’ being ‘socially responsible,’ and helping to spread ‘spiritual civilization.’ Even privately-managed corporations cannot avoid these obligations, as they too have to set up Communist Party branches within their enterprises just like state-controlled corporations. In fact they have to promote the Party’s policies even more enthusiastically to show that they are above suspicion.

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6 The duty to be socially responsible is contained in article 5 of the amended PRC Company Law (which came into force on 1 January 2006). The requirements to promote spiritual civilization and excellent corporate culture appear in a Chinese Communist Party document issued at the Third Plenum of the Fourteenth CCP Central Committee in 1993 (Chinese Communist Party 1993: section 1.7).

7 Article 19 of the PRC Company Law states that a branch of the Communist Party shall be established in all companies, with no distinction made between state-controlled and privately-managed companies.
When they educate their employees and encourage them to engage in cultural activities to ‘improve themselves;’ or produce cultural magazines and television dramas on Party-approved topics, CEOs clearly have one eye firmly fixed on the Party. They realize that they must balance the economic value of their business with its social value, in order to stay on the good side of the government. As Zong Qinghou, CEO of the Chinese drinks company Wahaha Group, put it: ‘If the government doesn’t support you, you can hardly move one step. Your company has to help solve the country’s problems’ (McGregor 2005: 288).

Viewed from a slightly different perspective, one could also argue that the more canny CEOs are using culture as a way to maximize their profits in the unique Chinese marketplace. This is most obvious in the case of companies like Vanke Group that have diversified into the culture business and produced television dramas on revolutionary themes. There is a huge market for revolutionary nostalgia in China, especially among the older generation of consumers, and any product that can capitalize on this nostalgia is likely to be hugely profitable. Vanke made so much money out of selling advertising and distribution rights for ‘The Tempering of Steel’ that it recently invested in another remake of a foreign Communist classic, ‘The Gadfly,’ in collaboration with the Shenzhen Propaganda Office and two other television production companies (Vanke Film and TV Corporation).

Likewise, in the case of Pan Shiyi’s and Zhang Xin’s promotion of an avant-garde lifestyle, their various SOHO developments have appealed so strongly to ‘trend-conscious Beijingers’ that they have generally sold out within days, netting the company hundreds of millions of yuan in profits (Zhan 2003).

A similar economic argument could be made for CEOs promoting the cultural development of their employees. A lot of successful Chinese companies have grown from virtually nothing in a couple of decades. They have recruited thousands of new employees, and most of them are young and come from other parts of the country, and they live in company dormitories or apartments. So the company becomes their new home, and they expect the company to arrange various social and cultural activities so they can get to know their colleagues and feel they are more than just production-line robots. Many employees are not well educated either, and may have left school early for various reasons. A corporation that spends some of its resources encouraging its employees to develop their potential as rounded human beings, and that rewards employee creativity with public praise and financial incentives, is likely to retain those employees for longer. This will then save the much greater expense of constantly recruiting and training new employees.

As for CEOs who practice cultural activities themselves – and publicly draw attention to it – this appears to serve a number of related purposes beyond mere aesthetic enjoyment. It was noted earlier that traditional arts like calligraphy and poetry have long been practiced by Chinese elites, and that a good leader is expected to display excellent writing talents. For those without the time to master these difficult traditional arts, an interest in ancient Chinese philosophy and values – such as Pan Shiyi drawing inspiration from the Book of Changes – suggests that these CEOs are more than just money-grubbing capitalists. When combined with their generous patronage of the contemporary cultural scene through magazines and sponsorship of artists, such activities allow them to join the ranks of the cultural elite and gain broader support and positive publicity for their commercial activities.
In other words, practicing and promoting culture becomes a way of deflecting negative attention away from their capital accumulation within what is still nominally a socialist society.

There may even be a traditional Chinese influence at work here, which is that merely doing business, or making money, is not a worthy thing to do. If one must be a CEO, one should at least also be a cultivated person and a moral example to others. This distaste for business has deep roots in Confucianism, and in the past led to the compromise ideal of the ‘scholar-merchant’ (Rushang): in other words, one can engage in business but must not lose sight of the higher virtues attainable through self-cultivation (Zurndorfer 2004).

Of course, since the Communist government gained control in 1949, this Confucian distaste for business has been reinforced by the Communist suspicion of capitalist exploitation. This provides an even stronger reason for CEOs to make themselves out to be cultural leaders rather than greedy salesmen of the meanest ilk (Zurndorfer 2004: 2-3). Indeed, CEOs can gain the active support of the PRC Government for any efforts that they make to develop their own cultural attainments and those of their peers. The home page of the Shenzhen Entrepreneurs Society for the Study of Calligraphy and Painting clearly demonstrates the local government’s close interest in improving the cultural level of business leaders:

As part of the strategic plan of the municipal government and municipal Party Committee to build the city [of Shenzhen] into a centre of culture, and with the support and encouragement of … the municipal government … the Shenzhen Entrepreneurs Society for the Study of Calligraphy and Painting held its first meeting in the ceremonial hall of the Municipal Investment Tower. … [The Society] will display the artistic talents of entrepreneurs, … it will raise the spiritual and cultural level of entrepreneurs, and create a positive image of entrepreneurs within society. It will also promote exchanges, co-operation, and friendship among entrepreneurs and among corporations, and will provide an excellent platform for spreading progressive corporate culture (Shenzhen Entrepreneur).

A final reason for CEOs promoting culture within their corporations relates to a point raised earlier: CEOs must share the governance of their corporations with in-house branches of the Communist Party. Indeed, many of the employee cultural activities that take place within corporations are organized by the firm’s Communist Party Committee or by affiliated subgroups such as Corporate Culture or Spiritual Civilization Committees. So another explanation for the burst of cultural activities taking place within corporations is that these Party organizations are searching for ways to make themselves useful and relevant to the firm’s operations, as opposed to being superfluous appendages left over from a past political era. One influential text on corporate culture expresses this point quite clearly:

Corporate culture and corporate ideological and political work are both targeted at the whole body of corporate employees … and both advocate understanding, care, love, and respect for other people. … It goes without saying that … company chairs and CEOs, with their central status within the company’s operations, should naturally become leaders in establishing its corporate culture. But the company’s Party organizations, who are responsible for ideological and political work within the company … should be the driving force in nurturing the corporation’s spirit and building its corporate culture. And the broad mass of Party members should also become core leaders and model workers in building this corporate culture (Zhang 2003: 282).

Thus, Party Committees are trying to carve out a place for themselves within the contemporary corporate structure, and to justify their role by referring to Western concepts of corporate culture and employee morale building, mixed up with traditional Chinese ideas.
of culture as a way to improve moral character. By encouraging the cultural development of employees and CEOs, the Party can therefore claim that it is helping to balance the economic benefits of business enterprises with a healthy dose of social benefits.

Some corporate executives, like COFCO’s Ning Gaoning, might complain that all this focus on culture by CEOs and corporations detracts from their performance and leads to poorer returns for shareholders. Yet it is unlikely that Chinese CEOs – especially in the highly competitive world of privately-managed real estate developers – would engage in any such activities unless they believed there was a benefit for the bottom line. Rather, just as large Western corporations must put resources into numerous external activities such as lobbying, cultural sponsorship, and community relations, in order to ensure that their businesses run as smoothly as possible, so successful Chinese CEOs realize that they must display their own cultural talents and promote cultural awareness among their employees and the wider community. In the current Chinese social environment, this is one crucial way to gain the support of the government, to deflect criticism from their massive accumulation of capital, and to prove that they are worthy members of China’s new social and political elite. In other words, it is profit-maximization, Chinese-style.