

## Preface

English writer Alexander Pope once wrote, “A little learning is a dangerous thing.” This quote was exactly what came to mind when a senior VP from a large privately-owned Chinese chemical company told us the following story. He and two of his colleagues traveled to North Carolina recently to negotiate a deal with a chemical company to establish a possible joint venture in Shanghai. The discussion went well and they signed the agreement. On the eve before their return trip, they each received a nicely wrapped present from their American partners after dinner. Upon returning to their hotel rooms and opening their presents, to their astonishment and bewilderment (and probably outrage although he didn’t tell us explicitly), they each found a nicely made small coffin. Why on earth would anyone give a coffin as a gesture of good will? (One must remember that the Chinese generally see things as omens, and they do not even give each other clocks as presents since the phrase “song zhong” [give someone a clock] is pronounced the same as “be at one’s side until he/she dies.”) But coffins? After throwing the coffins in the hotel’s trashcan and returning to China, they told their associates about this experience and eventually discovered that in one part of Guangxi province, there is indeed a custom of giving someone a toy coffin as a gesture of good will based on pronunciations. “Coffin” is pronounced “guan cai” in Chinese; guan is pronounced the same as the character for “government official” and cai is pronounced the same as the character for “wealth.” So in that particular part of China, giving someone a coffin symbolizes wishing someone well, because acquiring a position in government and/or gaining more wealth are both desirable outcomes in China. The only problem, of course, is that the majority of the Chinese population has no idea this custom exists and would be greatly offended to receive a coffin as a gift.

However, we cannot blame the students alone. This led us to paraphrase Pope’s famous statement as: “Dumbing down a complex subject is a dangerous thing.” Teachers must bear responsibility when they simplify a complicated topic to the extent that superficial and distorted interpretations are all but guaranteed. On a topic as important and as complex as China, one cannot afford to be the wrong type of teacher nor student.

Today, one needs no justification for wanting to understand China. The best recipe for helping someone understand China has two ingredients: comprehensiveness and descriptiveness. Comprehensiveness is required in the presence of complexity. China is a country with a very long and uninterrupted culture. One cannot possibly understand the Chinese until she has at least some understanding of all things that are important to them, as everything they do and think are intricately related in that background. For example, it would be folly to try to understand how the Chinese do business only by observing how they do business. The second ingredient is descriptiveness. As human beings, we have the urge to simplify our tasks so that we can do things more efficiently or at least with less effort. People often ask us what they should or should not do when visiting China or how to do business with or against the Chinese. A Chinese person may not even know what he would do in a given situation. (We discuss being flexible as a key Chinese characteristic later in the book.) Thus, the answers to these seemingly simple questions are actually quite complex.

The best way to learn about China is not by studying heuristics, theories, or anything that has been abstracted away from real Chinese life (i.e., a prescriptive approach). Rather, one must get to know how the Chinese think and live in real life, in order to make appropriate judgments in specific situations as to how a Chinese person might think or act (i.e., a descriptive approach). The challenge to this descriptive approach is that real data are hard to come by in China. The Chinese will not tell you anything that you cannot read from public sources unless they trust you completely, and they are very good at telling you politically correct stories (or the stories you want to hear). Books based on Western style interviews and focus groups with Chinese participants, or those based on the personal experiences of expatriates in China, for example, are often ridiculed. Many have asked us, “Do Westerners really believe that?”

The book you are reading now was written to pass a face validity check by the Chinese, with large doses of both comprehensiveness and descriptiveness. One thing should be made clear, however. This is not intended to be a timeless book on China. One of the major characteristics of China is that it is evolving, and quickly. This book is an attempt to describe, in a comprehensive and candid manner, *the Chinese way of life circa 2014*.

This book contains 52 short chapters. Chapter 1 presents an overview of the Chinese way of life in 2014. Chapters 2–52 are organized into 11 sections based on content. The subjects of the sections and chapters follow anthropological standards, based on topics that would be studied in a newly identified culture. This ensures that our descriptions of Chinese society to outsiders are as comprehensive as possible. While we have ensured comprehensive coverage at the topic level, it is not possible to comprehensively describe each topic, given the inherent limitations of a book. Instead, for each topic, we drill down on a few key details to reveal its depth and richness, just as prospectors will drill a few wells in an oil field to prove oil reserves to potential investors.

This book is meant to be descriptive; as storytellers, we have striven to synthesize material into a coherent story without contaminating the plot with our personal perspective. There are two exceptions to this descriptive rule. First, we have included a segment at the end of each chapter (except Chapter 1) called “Road Ahead,” where we do often share our perspective on the topic covered in that chapter. The second exception is Chapter 1. In attempting to provide an overview of Chinese way of life in 2014, we must weave into the chapter our own judgment in the process of abstraction and conceptualization.

We adopted a two-pronged approach to data collection for each topic. First, we collected secondary data. We surveyed all types of public sources for information related to each topic, including books, newspapers, magazines, blogs, and social media. (We discuss the importance of such unofficial writings in the communication section in the book.) All such data were collected from material written in Chinese, although English language websites also were consulted on some topics. Second, we collected primary data from Chinese citizens from all walks of life. These data informed the core of the majority of chapters where publicly available information tends to be superficial, biased, or uninformative. As we mentioned earlier, the Chinese will only tell you their true thoughts if they trust you. So, all of our primary data were collected from people we know, who felt comfortable telling us the truth (or felt uncomfortable giving us “official” responses, knowing that it would be disrespectful to us). The primary data were collected from approximately 1,000 individuals. The largest group was comprised of EMBA students Min taught from 2010–2013 at Fudan University. Data were collected in various forms while he was teaching them and afterwards. The second largest group was intellectuals in China. The third group included Chinese students and faculty with whom we interacted outside of

China. The fourth group included personal friends who have occupied various positions in China. To ensure data quality, we only asked them to describe their personal experiences and perspectives, or the experiences and perspectives of people they knew. In other words, there was a maximum of two degrees of separation for each account. Some data were collected in classrooms using a question and answer format. Most data, however, were collected during conversations at dinner parties (see our discussion in the relevant chapters on the importance of dinner parties), and some over lunch. Conservatively speaking, we probably attended 60 to 80 dinner gatherings of various sizes in China, substantial information from which found their way into this book. Data from individual meetings also were used, but often for supplemental purposes to balance the “official” atmosphere of the inquiries.

While the fact that we were writing a book about China was never explicitly concealed, we did not announce it every time we talked to people or attended a dinner party. Truth be told, data included in the book are only the tip of the iceberg of information we received, and we plan to embark on other intellectual endeavors based on some of it. When we talked to people, we simply engaged in casual, friendly and candid conversations, with the exception that sometimes we intentionally guided the conversations to topics of interest to us for the book. We typically sought relevant information from people who were likely to be more knowledgeable about a particular topic (e.g., a professor on an education topic, a business owner on a business topic). In collecting the primary data, we followed the doctrine of grounded theory research, and we stopped seeking information on a topic when additional conversations no longer yielded new concepts and ideas and/or qualitatively different findings. Frankly, we learned a lot during the data collection process. The data we collected constitutes a true treasure trove that would otherwise never be accessible to an outsider.

During the writing, we excluded any examples or perspectives that we believe our informants heard from others. Although they would have had no reason to lie or exaggerate, there was, of course, a slight chance that some stories may not have happened as they described. All stories included in this book, however, pass the face validity check. If a story sounded outlandish, we sought confirmation of probability from other Chinese people with similar backgrounds (e.g., business owners for a story from a business owner, professors for a story from a professor, etc.). When in doubt, we erred on the side of being too conservative.

The sources of all secondary data are cited in the book, while the sources of all primary data have been made anonymous. In some cases, we have even made an effort to disguise the data if substantive information could not be changed. For example, we may have changed “he” to “she.” The decision to preserve the anonymity of our information sources was mostly to make our Chinese colleagues, students, and friends feel comfortable in telling us their stories, and also to ensure that we do not accidentally cause any negative impact to a source by associating his or her name with a story in the book.

We are, of course, forever indebted to the people who have provided the personal stories, observations, and perspectives that have made this book possible. We cannot name names, but you know who you are. To you, we are grateful! We also want to thank the two great universities that we are associated with for their support: the Smeal College of Business at the Pennsylvania State University, home of the Nittany Lions and THON; and the School of Business at Fudan University, the alma mater of both authors. As always, any errors or oversights are ours alone.

In this book, the word “we” is used to refer to the authors in all cases, and could mean (1) Min, (2) Jie, or (3) Min and Jie. So a story that Min heard would be described in the book as a story we heard, and so on. We use the word “informant” to refer to primary data sources, and where further characterization is helpful to reader, we add a brief description. For example, we may say, “One of our informants, a business owner, ...” Since all original data were collected in Chinese, in the process of writing this book, we have tried to identify and use the prevailing English translation for a given term, but we sometimes also provide an alternate translation if we feel the prevailing English translation does not accurately capture the essence of the Chinese term, or if there is no prevailing translation. For example, we use the same translation for the names of the books that constitute the canon of Confucianism: *The Four Books and Five Classics*. However, we did provide a revised translation for certain quotations from these books. In addition, all currencies are stated in their original form, USD, RMB, etc. in the book unless specifically stated otherwise. (Note, the rate USD/CNY was 6.11/1, January 16, 2014).

This book is intended to be the first book someone should read if she is interested in understanding China, regardless of purpose (e.g., business, politics, travel). It can also help someone develop a full perspective if he previously had a limited view of China (either through

personal experience or from reading other books). This book is not meant to be a treatise on the 51 topics it covers, and readers who are interested in a particular topic are urged to seek out more in-depth information. We will be happy to point you to such material. We also hope readers keep in mind that this book is meant to capture the Chinese way of life in 2014. After reading this book, we are confident that you will agree with us when we predict that the Chinese way of life in 2020 will be much different from that in 2014. Until then...

Min Ding

Jie Xu

February 16, 2014