

# A Struggle for the Soul of Chinese Family and its Implications for Chinese Management

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## Abstract

*Family is a very important social institution in shaping our values and worldviews, which inevitably influence the ways managers go about their works. As this institution is going through tremendous level of transformation in all its dimensions, this study sought to look at some Chinese managers' changing conceptions of family nowadays and the implications for their managerial style. Based on a qualitative study conducted in Quanzhou, China, this study found that certain conceptions such as paternalism, utilitarianism, pragmatism, and intolerance towards one or another social circle has redefined the Chinese family and they are deeply embedded in their managers' thought system, which guide their managerial behaviours in diverse aspects of their work. While the traditional conception of Chinese family, which was a source of inspiration for organization building in Chinese family business, is being re-configured, the present form has helped to generate managerial and organizational behaviour which suffer from a number of limitations.*

**Keywords:** China, Family business, Manager's thought system, Paternalism

## 1. Introduction

Family Business was the preferred mode of ownership among the diaspora of the Overseas Chinese and it had dominated the discourse on Chinese business in the last century; other mode of business ownership or management style by the Chinese was relatively unknown then. This being so as China was engaged in wars in the early part of last century and later became a closed country experimenting with communism before the reform and opening up policy was launched in 1978; a couple of decades had to lapse before business on mainland acquired a momentum of its own. The fascination by observers and students of Chinese business management would later be translated into sustained discourse on this subject.

Of course, when we refer to family business, it is not the ownership alone that is intended. Often the principles used in running the family and the relevant metaphors—whether consciously or unconsciously—are applied in the organizational setting of the firm (Schein, 2004). Also, the habits and patterns of conduct nurtured at home are always transmitted to the managerial setting and the society at large. The impact of the conceptions of family on Chinese managers has been explored quite extensively for the case of the Overseas Chinese (Redding, 1993), but the same cannot be said about the situation on mainland China, which is a reason that prompted the present study.

To be sure, many cultures emphasize the importance of the family. But, like most social institutions, family nowadays is also going through a rigorous process of re-examination and re-definition. What is the state of the Chinese family on mainland in this period of transition and what are the implications of the family on Chinese managers are questions that are yet to be explored in full. This study aims to shed some light on this topic.

## 2. Managers' conceptions of family in the context of China

Embedded within every culture is a certain conception of family. Smith (1897) proposed that the meaning of economy is the proper administration of family affairs, the good management of income and expenditure. Fulfilment comes from the very structure and dynamics of relationships within and emphasis on belonging to the family (Ketcham, 1987). Family (*jia*) plays the most important role in Chinese daily life (Yan and Sorenson, 2006). Moreover, Chinese culture and values, and especially Confucianism, play a significant role in Chinese enterprise management (Hofstede and Bond 1988; Zhang and Simon 2009). The basic building block of the stable Confucian order is the family. According to Li (2013), the traditional Chinese ethics can be seen as “family standard” and “moral standard”: within a family, a person is first regarded as a family member rather than as an individual, with individual interests being subordinate to family interests. Each individual is born into the family as a whole, and the boundary of the right to privacy may be best understood as delineating the family rather than each individual within it.

Family (*jia*) has the ability to manage its affairs well and to insure against disaster (Cohen, 1976). People respect their parents and glorify their family. Studies show that in some cases Chinese individual achievement becomes an aspect of family achievement (Wilson & Pusey, 1982).

Chinese classics provided the philosophical basis for filial piety, which shaped the worldview of both the elite and peasantry, and supported the family structures (Redding, 1993). Fu (1952) suggested that the concept of goodness in China essentially originates from personality. However, he argued, this personality cannot survive the great impact of the power structure of the Chinese family system. Filial piety lies at the heart of the *wulun* system, requiring children to obey parents, and provide for their welfare in this world when they become old and in the next world through sacrifice.

The relationship between men and women also has a fundamental impact on the family structure. *Yin* and *yang* form the main topic in *Yijing*. The balance between *yin* and *yang*— the female and male—is the

underlying principle of the universe, in the mind of the Chinese people (Li et al., 2011). There is no clear border between *yin* and *yang*, with *yin* existing in *yang* and *yang* in *yin*. Sons are taught that they have to work hard and be successful so they can support the family. Living and getting along well (*guodehao*) was invoked to justify people's relationships. In fact, providing family with material support was cited as evidence of "responsible" men (*youzerengan*). Smith (1897) suggested that a salient characteristic of China is responsibility. As an individual living in a family or a village, one's whole life entails taking responsibility, either as a son or brother, or as head of the family. Chinese classics also advocated that the horizon should be broadened from caring for one's family interests to one's neighbourhood and to the wellbeing of all humankind.

In management, Chinese managers form their greatest ties with their own family or kinship (Zeng, 2006). When managers are engaging in business life, they become members of a family or social circle (*quanzi*) whose lives are affected by those business activities. This is more than a matter of feelings, attitudes, and commitment. It is a sense of community or a sense of shared responsibility within the group setting. However, this feeling is to a large extent limited to the family group or close kin (Redding & Wong, 1986). The Confucian tradition stresses that man exists through his relationships to others; that these relationships are hierarchical in nature; and that social harmony rests upon honouring the obligations they entail (Tang & Ward, 2003). In management practice, the good employee is one who behaves in accordance with the authority of the superiors (*tinghua*) (Dardes, 1991). All of these literatures points to a strong influence of Chinese culture on organizational development and management.

However, a certain materialistic interpretation of reality has governed most programs of social and economic development since the open-door policy in 1978. People are now taught atomistic conceptions of society, resulting in the aloof nature of interactions that constitute the building blocks of family (Zohar, 1990). According to Osburg (2013), Chinese managers often spend a great amount of time in the outside world of business and are seen as having little time for family life. This is understandable in the context of the structure of the family that is based on materialism, and the essence of relations among family members reduced to monetary ties alone. Understandably, the families of the business managers are at the vanguard of transformation of Chinese family and hence they would constitute interesting subject of investigation.

### 3. Reasons for this study

This study is to investigate the influence of family conceptions and practice on enterprise management. It aims to demonstrate the potency of managers' beliefs and attitudes towards the family, which permeate all facets of organizational and individual life despite how little people actually are conscious of it. In other words, the aim is to show the expression of family conceptions in the context of Chinese organizations, which are undergoing transformation themselves.

### 4. Research questions

The present study is based the premises that the reality of an organization is its thought system and the management system of a human organization is animated and sustained by the collective thoughts that permeate that entity (Bohm 1994). As such, this article will focus on the cognitive aspect of management (Argyris 1976; McGregor 1985; Schein2004; Senge 2006; Weick 1995). Specifically, this investigation addresses the following questions:

- What are the different elements of managers' conceptions about family?
- How did the conceptions about family come into being, and how are they giving shape to the current structure of management and managers' behaviour?

## 5. Research methods and setting

The areas surrounding Quanzhou have traditionally been considered an economic powerhouse engaging in light manufacturing industry, not dissimilar to other regions in China. For this city, this is an era of rapid change, and the population is embracing the transition with some level of anxiety about the ‘new normal’, a reading of the current social and economic reality in China by President Xi.

For ease of narrative, the fieldwork is described here from the perspective of one of this article’s contributors. I made contact with the informants via classmates, ex-colleagues, friends, and family members. The informants (see Table 1) are from a wide variety of backgrounds, although the majority of them hold positions as middle or senior management in private firms. These firms are of different sizes, from less than one hundred to several hundred employees, and in such diverse industries as garments, shoes, or leather manufacturing; cultural and creative products; and real estate development and sales.

**Table 1: Informant Pseudonyms and Background**

	<b>Pseudonym</b>	<b>Age</b>	<b>Gender</b>	<b>Position and company</b>	<b>Location of Interview</b>
1	Shi Li	46	Female	Human Resource Director of a villa developer in Quanzhou	Company
2	Zheng Xin	42	Male	Financial Controller of a real estate company	Company
3	Wang Xiang	45	Male	Vice President of an auto sales company	Company and restaurant
4	Guo Yi	46	Male	Founder and CEO of a private company in the truck manufacturing industry	Company
5	Wang Qi	50	Male	One of owners of a tea business	Company
6	Liu Jun	40	Male	Vice President of a manufacturing company	Company, teahouse, and restaurant
7	Xie Jia	42	Male	Vice President and one of the Founders of a wedding photo company	Company, Starbucks, and restaurant
8	Shao Sheng	37	Male	Managing Director of a biomedical company	Starbucks
9	Ding Hua	35	Male	Vice President of a footwear firm	Company, Starbucks, and restaurant
10	Huang Zi	52	Male	General Manager of a listed transportation company	Company
11	Lai Chang	36	Male	Finance Manager of a listed company	Voice chat in WeChat
12	Xiao Pei	44	Male	Owner of a trading firm	Restaurant
13	Yan Shu	32	Female	Section Head in the front office of a five star business hotel	Restaurant

### 5.1 Information collection and analysis

There were in total around 250 hours of in-depth interviews and participant observation. As well as data collected from interviews and observation, some sources of documentary evidence were also considered, such as companies' annual reports, employee manuals, company policies, mission and values statements, company magazines, official websites, news outlets, and newspaper reports. Most of the interviews were recorded. Each of the thirteen interviews was transcribed into a separate Word file. Following Agar (1996), a summary of the key points regarding observations, conversations, interpretations, and suggestions for future information was drawn up. The final written language of transcription was Chinese, both Mandarin and the *Minnan* dialect. It took around 100 hours to complete the transcription of the thirteen interviews. The result of initial coding provided thematic analysis of the interview transcript using nodes. Software was used to help in the process of data indexing, managing, and interpreting. The nodes were examined by categorizing them.

In order to improve this study's validity, prolonging the engagement in interviews and observation was considered. Triangulation through using ethnographic interviews, informal interviews, stories, document analysis, and participant observations was used to reduce misunderstanding and distortion. Also, showing field notes to informants for checking the correctness of data collected was also a vital part of this fieldwork.

## 6. Findings

The findings of the study are discussed next, grouped around three different themes, as below.

### 6.1 Let the Boss Make All the Decisions (*Toujiapaiban*)

The first enterprise I visited in Quanzhou was JL. The VP of the company, Liu Jun, guided me around the company. He called the boss the *toujia* (the head of the family), who makes every decision regarding family and enterprise matters. Liu Jun told me the story of his boss:

Our *toujia's* home and the company office woven together as one. This is very common for the first-generation owners. Even now there are still several buildings within the company premise for his brothers and relatives to live in. He always brings his family members to the company's office. Sometimes he brings more than ten family members onto the premises. This habit of our boss will not only give a bad impression to visitors but also interferes with the normal operation of the company.

The majority of my informants agree that decisions are in the hands of the boss, even if he doesn't have relevant knowledge to make such decisions. In spite of this, bosses regard themselves as the centre of power, authority, or wisdom. By contrast, in the boss's perception, the employees are backward and unknowledgeable. Many informants agree that the boss has the absolute status and power. However, they complain that they cannot express their feelings, opinions, or ideas freely. Even among managers, they keep a certain distance from each other. But superficial harmony (*he*) has to be maintained. Zheng Xin told me:

We work in private firms. We have to follow the boss. Sometimes I am confused because, even if I have professional knowledge I have to follow the boss. There isn't any opportunities to express my own ideas and contribute to the process of decision-making. He always gives absolute orders. Nothing can change our boss's mind.

Many informants take the same view that if there is no consensus, they will let the boss make the final decision. The doctrine of *wulun* and high power distance (Hofstede, 1980) is the basic structure of the relations between the boss and employees or managers (Li, 2013). In the boss's eyes, those who do what they are told (*tinghua*) are good employees. A boss Guo Yi told me:

I have to make the decision regarding all the matters related to my firm. In a word, they just follow what I say. Those who don't want to follow me (*butinghua*), I will let them leave the company.

The absolute power possessed by the boss has its relation to the traditional structure of the Chinese family whereby the parents have absolute authority over their children. Some informants held that to be a good parent one must never be afraid, at the appropriate time, of administering one's parental authority. Ding Hua said:

My wife and I have different opinions regarding children's education. I believe in *gunbangdixiachuxiaozi* (spare the rod, spoil the child). So I am very strict with my son. I would demonstrate my authority in front of him. Nowadays parents are bringing up their children too leniently. We need to increase the degree of parental authority.

Some old-generation managers believe deeply that children need good guidance and discipline from parents, and spanking has the potential to do more good than harm. Wang Qi explained to me:

Historically, various famous people throughout history had family rules when their children were growing up. These rules have proven to be effective in the process of children's growth. As for educating my own children, I will hit them when I need to discipline them. Beating my own children is fine as we are in father-child relations.

The pattern of family life is reflected in the organizational settings of their firms. Some owners rule their companies with a considerable degree of paternalism. There are some who argue that the Chinese society still has a strong idea about hierarchy and power distance, and much evidence of this idea can be found in my informants' responses. Some managers believe that to maintain authority, especially in front of their subordinates is necessary. The superior-subordinate relationship discussed here is in consistence with an authority on Chinese paternalism model (Farh and Cheng 2000). Farh and Cheng's model describes three components: authoritarianism, benevolence and moral leadership, which are deeply rooted in Chinese cultural values. They suggest that authoritarianism comes from Confucianism, especially in the Confucian cardinal relationship of father-and-son, a father has unique authority over his children and all other family members.

However, some informants suggested that there needs to be a significant breakthrough to their company atmosphere so that the managers would be able to offer advice to the owners or their supervisors. But most owners we met in our fieldwork still decline to reform their thought systems. Xie Jia told us his surprising encounter:

One day we had a meeting with the consultant. One of our managers was supposed to report on the work of his department but he pointed out faults and mistakes of other departments, superiors, and external parties, seemingly to protect himself from accountability. I was very angry and stopped him. I asked him then what's the problem of his department? I said if his department has no faults he doesn't need to report here. The meeting was suspended. The project manager of the consulting firm was unhappy. He ran into my office and told me, this is not the right way to talk to my employees. He said I am the coach, rather than a judge. For a coach, if athletes make mistakes, he needs to accept it rather than criticize them. Otherwise, how can they make progress? I could only apologize at that moment. I often reflect on this event. I think many entrepreneurs know what the problems of managing are, but they don't have the determination to change the way of thinking, seeing, and behaving. Hence their behaviours remain the same.

#### *6.1.1 To be a manager or to be a director*

Some managers have a feeling of superiority, due to their position, connections, or social circle. Some high-ranking managers demonstrate more aggressive behaviour and management style. They prefer tight control and sometimes they use the tool of punishment. Huang Zi, the General Manager of a listed transportation company, said:

Sometimes you have to scold front-line employees. This is my way to manage them. If you use a kindly tongue, they would not follow you. The more strictly you communicate with them, the more effective your management will be.

Such behaviour has to do with the traditional value of *wulun*, filial piety, and paternalism. All of these concepts are based on the dominating nature of the ties within a traditional Chinese family.

Also, the desire to be in a higher position has to do with the acquisition of power and personal wealth. Many informants feel that the relation between the executives and employees has an economic component. They see being promoted to a VP position as a way to have real leadership, authority, and decision-making power. A group of employees hence will follow their leadership for a number of reasons, but mostly for the sake of their financial security.

However, in some cases this situation has become an obstacle in the way of building a centralized and unified organization. Many managers believe that the danger lurking in the VP positions is that they tend to breed corruption and sectarian strife. The relationship is so entangled that it results in too much internal power struggle. Shao Sheng said:

The root cause of this is the disunity among people. If there were several VPs in a firm, all of them would have a say in major decisions. A major reason for many enterprises' low decision efficiency is their divided leadership. Although this is a typical issue in SOEs, some private firms also have this phenomenon.

Some entrepreneurs take the view that China's private companies have advantages that state-owned companies lack, such as a highly efficient decision-making process. Many owners believe that firms work best when the founder takes the dominant position; he decides on the rules for the firm and the employees follow him. In order to avoid the central leadership being splintered, some companies therefore decide not to establish VP positions (Zong, 2016).

In Quanzhou, the bureaucratic organizational structure is widely used. Traditionally, the style of Quanzhou bosses has always been to listen to reports and then dismiss them. Rather than promoting a highly efficient decision-making process, the strengthening of the power of the central leadership in the firms causes serious drawbacks. The structure doesn't embrace relatively independent subsidiary systems and strict professional rank divisions.

Some managers, instead of being grateful for having a top-notch employee, conceive their subordinate's success as a potential threat to their own position when a subordinate is perceived to be more capable, more energetic, or smarter than they are. *Tinghua* is a characteristic more highly valued than capability. The relation between owners and employees is like that of teacher and student, expert and layman, knowledgeable and ignorant, or master and apprentice. Most firms impose a more traditional management structure, with schedules for intensive technical training and regular performance reviews.

This to some extent resonates with the paternalism and hierarchy of the Chinese traditional social structure. Just as the head of the family has to be responsible for its well-being, similarly, in a firm the boss is expected to take the full responsibility for the development of the business and all of its employees.

It is widely perceived by my informants that rational bureaucracy proposed by Weber is an efficient form of organization. The distribution of people in a firm is like a pyramid, characterized by senior managers at the top and production employees at the bottom. This top-down approach has made much sense for generations of entrepreneurs. As disseminated through consulting firms, management textbooks, and business schools, just like many owners in other cities of China, this classical theory of bureaucracy seems to work for Quanzhou entrepreneurs. To be sure, they are quite selective with respect to the implementation of bureaucratic principles. While the top managers are very happy with the legitimate authority bestowed upon those in the top part of the bureaucratic hierarchy and use it liberally, they are immune to the suggestions

such as standard operating procedures to be universally applied; they are quite careful to make sure that they retain the discretionary power so that they can more or less rule their turf in arbitrary manner. Having a strong centralized power is not a bad thing all the times, however. It enables decision making to proceed at a faster pace and it does have the required authority to execute decision once made. As some literature has repeatedly pointed out, this mode of leadership style is suitable for simple manufacturing operation (e.g. Wang, 2015; Zeng, 2006), which was exactly what most of the companies we interviewed were engaged in. However, this sort of leadership would not be able to rise to the challenge of service-oriented firm or those firms that are supposed to deliver more “value-add” where creativities and initiatives and ability to solve non-routine problems are needed. This is the direction where the firms in Quanzhou are heading to at the present moment, unfortunately.

## 6.2 Bringing Home the Bacon (*Yangjiahukou*)

*Yangjiahukou* which literally means to nurture one’s family is another common phrase recited by my informants. It is generally perceived that household spending in Quanzhou has increased dramatically in recent years. One informant estimated that the annual expenditure for an average family in Quanzhou is about 300,000 yuan for a middle-class family. Xie Jia is among those who are able to afford such expenses. Xie Jia said:

Economic condition in a family is very important. If the family is rich, it will solve all major conflicts among family members. Our family is in a state harmony for a long time as we have had a very good financial condition.

What he might have chosen to ignore are those wealthy families whereby the siblings fought with each other in the court as they are not able to split the wealth peacefully among themselves. Other managers who are not high wage earners have to work very hard in order to reach a reasonable quality of life. Lai Chang said:

We are just average income earner and our capacity is limited. We cannot have an impact on the society as a whole. What I can do is to earn more money, get along well with my family. Making money or attaining material achievement is the only means I can use to compare with my friends. I was born in a rural area. I hope my family will become more harmonious. I obtained my Masters degree. We have a house and a car. In the eyes of others, these are visible accomplishments. I am satisfied with our family’s situation. Nevertheless, I still work day and night because our family would be despised by others if we do not have money. As I am the eldest child in our family, I need to *yangjiahukou*.

Many managers are struggling just to balance the conflicting demands of work and family. Some female managers complained that more and more parents don’t take the responsibility of caring for their children. They want to avoid being disturbed by their children or have no time to keep their children company. Hence the Internet and video games have been regarded as the cheapest nanny.

Although Shi Li has recognized the seriousness of the situation, the reality is that she has to sacrifice her own family time in order to earn the bread (*yangjiahukou*). However, her indulgence in work has already become her addiction to work, as is evidenced from her remarks:

My previous jobs were all high-pressure so I am quite used to working in that kind of environment. If I have a long vocation, I don’t know what to do. It is a waste of time. When I am with the family for a long time, I feel that valuable time for work will be lost. Each time, after a long vocation, I get excited when I go back to work.

When queried about “Who do you most admire and why?” she mentioned Dong Mingzhu, who is the president of Gree Electric. Dong seems to be a workaholic with a real drive for business achievement. It is reported that Dong married soon after graduating from university, but was widowed when her son turned two years old. She has not married since, stating that she values her independence and that when married

“you have responsibilities toward another person” (Tatlow, 2011). Dong said the reason for not spending time with her son is in order to provide better conditions for his future development. She wants her son to be, before all else, financially secure. At times, she feels sorry that she does not have a real partner in life, with whom to share these worries (Yang, 2013).

How to balance the demands of home and family with those of the workplace seems to be a bigger challenge facing professional women. In China, when the wives go out from the family to serve the society, her share of housework is not lessened, which leads at times to issues of family and work conflicts. For those male managers who care to think about their families, the question of work–family balance arise frequently as well; but for most male managers, they have not qualm about not attending to the needs of their families as it appears to be their birth rights to be out of their home and work hard in order to secure the bread on the dining table.

The principle of *yangjiahukou* is sometimes applied to the company setting, especially for those entrepreneurs whose business is slow and problematic. They understand the reason for frugality and the pain entailed in creating hard-earned wealth. Traditionally, Chinese family-owned businesses take a paternalistic approach to their employees. Employees are often provided with housing and utilities, as well as cash payments, as part of their compensation package. Employees will get extras or bonuses in times of need, such as in time of family member fallen sick or children’s marriages. Enterprises would also tend to recruit new employees among the relatives of the existing employees. This makes such a firm a family affair among employees as well as among the owners. On-the-job training is conducted as opposed to formal training programs (Hipsher, 2010; Redding, 1993).

For Overseas Chinese family business, owners tend to resort to building relations with employees through the concept of family. It is the parent’s responsibility to look after family members. The head of family has to make major decisions and to protect the whole family. The head of a company would behave just like the head of a family. To have a meal with employees is more than a symbolic act, it has become a platform or space to show the owner’s kindness, to consolidate his status as a parent or the head of a family (Chen, 2011). In such cases where there is a strong relation between the owner and employees, the family/business functions as a shelter for the employees.

The traditions of overseas firms can still be found in some firms in Quanzhou. Shi Li’s boss is from Hong Kong. Actually he was born in Quanzhou and in his early years he moved to Hong Kong. In the 1990s he came back to his hometown to establish his business. The principles of his management are similar to those of many overseas Chinese businessmen. Shi Li said:

When the business was first established in Quanzhou, it was very small. We only had a few people. Our boss was kind to all the employees. He had meals with all staff, regarding them as members of a family. After work we had dinner together and then went home. Gradually, the business expanded and the boss still often had meals with the employees, offering them good dishes. He was generous and didn’t care about how much he spent on his employees. Now he still keeps this tradition and invites employees to have a meal during the major traditional festivals or company celebrations. He will also have meals with new employees and employees who are leaving the company.

Most of the employees regard this enterprise as a family. They work hard, as our boss looks after them and is concerned about them. They feel safe and happy. They prefer to stay with the firm even when they can get a higher salary from other enterprises. Hence, for most of the managers, their length of service is more than five years and that of senior managers, more than ten years. Job opportunities are always offered to internal employees first before they are given to outside candidates.

While some researchers chose to describe entrepreneurs such as the one above as “benevolent autocrat” (Redding, 1993), we can see that they are being appreciated by the ranks and files of the firm. The regrettable fact is that it is very hard to identify, in our fieldwork, this breed of owner managers among the mainland Chinese entrepreneurs. In most of the cases, our mainland entrepreneurs were concerned more about cost control and budget implementation, and relationships with the employees tend to be transactional in nature, and very calculating. *Qinjianchijia* is an old and venerable doctrine that Quanzhou merchants are upholding; it means to be industrious and thrifty in organizing one’s family. In order to reduce expenditure, the owners themselves are looking after the procurement function. Care and concern for the well-being of the employees are no more than rhetoric, people-first management remains at the slogan level, and no practical progress in this direction has been made in many enterprises. As Ding Hua pointed out, *renqing* (human compassion) that was part of the traditional Chinese family business cannot be found readily anymore nowadays and cost saving or cutting corners appears to be the main cause of this, though it is at the expense of good relations with the employees. Success arising from industry and thrift is a much admired philosophy of life. But the idea of *qinjianchijia* is often narrowed to mere profit making and leads to tight budget control and sacrificing product quality. They save money by reducing the cost of managing people and quality of products. Numerous are the stories related to food security, poor construction quality when businesses are more interested in cutting corners than producing something that are good for the end users. At times, *qinjianchijia* is translated into behaviours which are characterized by their employees as “greedy and mean”. Liu Jun certainly has a very low opinion of his boss as he relates the following to me with anger:

Actually, the boss doesn’t want to spend money on employees. One example is that when the company was going to have a company dinner, he purchased drink and seafood himself from the market. His intention was to save money, as ordering dishes directly from the restaurant would be much more expensive. Our boss has a designated restaurant for entertaining business guests. He always chooses *dapaidang* (cooked food stalls), as they are cheap. Although the dishes are tasty, the environment and hygiene is not so nice. I think it is not appropriate to treat guests in the noisy *dapaidang*, for these open places are too simple and shabby with only a row of tables and several chairs.

### **6.3 The first-class man has another home away from home (*Yidengnanrenjiawaiyoujia*)**

#### **6.3.1 *Ying Chou***

Business entertaining is taken for granted in a manager’s daily life. Many managers have to spend time on “business entertaining” (*yingchou*). Guo Yi has an agreement with his wife:

I tell my wife that I will stay one night at home once a week. The other nights I have to put my business in priority. Entertaining clients is part of my job. Sometimes I have to drink a lot [alcohol]. I am not sure if I can go home or not. Once I was sent to hospital in a banquet because I drank too much alcohol at that time.

Xiao Pei, the owner of a trading firm, often has fights or arguments with his wife. He often *peikehu*, takes care of clients, at night time and goes home very late. His wife cannot accept this situation and often argues with him. Some managers even see family as their burden. Too much time spent on entertaining managers in general also contributes to today’s high divorce rate in China and problems with children. The idea that the husband should be the main breadwinner and the wife should take care of the family is still the mainstream opinion in many Chinese societies, including Quanzhou.

Many managers take the view that entertaining officials or business partners is a necessary part of their work, which to some extent reverses the power hierarchy between bureaucrat and businessman (Zhang, 2001). Although some wives complain that their husbands are always going out to take care of a client (*peikehu*) or do business entertaining (*yingchou*), both husbands and wives accept this as a normal part of

business life. Some wives take the view that the man who comes straight home after work is good for nothing. Wives encourage their husbands to be involved in entertaining with clients or officials.

### 6.3.2 Business hotel waitresses who are seeking sponsorship

The prevalence of extramarital activity is increasing all the time as the managers' rising material wealth make it more feasible for them to have affairs (keeping a mistress). A few informants suggested different means of personal accomplishment for a better material life. A stable work situation, comfort, and material well-being are the key points in these young women's views about the purpose of life. Yan Shu works as the Section Head in the front office of a five-star business hotel. She told me this story:

Although our hotel is a high-end business hotel, the employee turnover rate is quite high, especially for those who work in the Food & Beverage Department. It is known that the motivation for these waitresses to join the hotel to be nurtured eventually by rich businessmen. They are attractive because they are young, beautiful, and with a certain level of university education. Most of the clients of the hotel are enterprise owners or senior managers from big companies, who are both rich and "cultured." After being "nurtured" by these rich people, waitresses normally will resign from their job. Sooner or later, they will have houses, cars, or go abroad.

That being said, the concept of "marrying up" is now prevalent in China. Many young women of low social status are willing to be kept as mistress by the wealthy older men. In this regard, it ought to be borne in mind that acquiring and maintaining concubines for the wealthy Chinese has a long history on mainland China, which was somewhat eliminated when the Communist Party took over the government. However, the new found wealth given to some men in the post reform era has enabled them to revive this old tradition. What this phenomenon is highlighting is the conception of power and the use of that power: with material wealth other human beings – ladies in this case - can be objectified for sexual satisfaction or for other human beings, money can be used to dominate other human beings. We can also say with certainty that the relationships of domination are present in most of the social relationships within the firm as well. On the matter of keeping mistresses, it should not come as a surprise that this lack of discipline or the weakening of moral fibre are manifesting in corruption in other spaces, the scale of which is alarming enough for the present political leadership to wage such a powerful crusade against it. Many might argue that the marriage lives of leaders are no reflection of their ability to lead; there are many great leaders in the world who are known for their exploits in marital affairs.

## 7. Discussion and Conclusion

Traditional Chinese moral education in families was the foundation of moral education in the whole of feudal society (Luo, 2016). Over the course of history, the Chinese have always incorporated the concept of family, especially kinship thinking, into their social life. Family was the core of everyone's life. It was regarded as a harbour of refuge, a shelter based on kinship relations (Chu & Yu, 2010). According to Confucian and Mencius' teachings, individual's horizons should be broadened in order to contribute to the advancement and glory of their nation and the progress of the entire humankind. This study indicates that change is happening to the traditional conception of family, in the following features.

### 7.1 Utilitarianism

According to my fieldwork, however, it would appear that the idea of family being a refuge, harbour, or shelter is today being replaced by family being a platform to demonstrate power, money, and status. The traditional Chinese family kinship thinking is faced with a daunting challenge. Obviously, the concept of harbour will never be the mainstream one in today's China. The fieldwork suggests that the focus has shifted towards a new paradigm of utilitarianism or pragmatism. Although family is still an important concept in

their mindset, unconsciously it is evolving to a new pattern. In the meantime, the organization has also gradually become a space for the owners and senior leadership to display power, money and status.

### 7.2 Suspicion

Sometimes this causes severe inner conflict for managers. There is more suspicion than there used to be between husband and wife, parents and children, and among family members. In like manner, the atmosphere of suspicion prevails in the organizational setting. A sense of shared responsibility applies only among family members or a small group of people. Although many listed companies adopt a bureaucratic organizational structure, information only flows freely within a small circle that might include founders and family members, relatives, and one or two professional managers within the company. This deficit of trust clearly has its share of drawbacks: centralized decision making, the “great wall” that is separating the inner circle of the trusted lieutenants of the owner and outer circle of everyone else, less than half-hearted commitment to the long term good of the firm, fragile loyalty to the organization, always read the reality of the firm through the framework of conspiracy theory, just to name a few.

### 7.3 Paternalism

Firms in Quanzhou tended to use family and its networks as resource to organize and run their business so as to build relations, and to consolidate the status of the owners and the family. Most of the owners, similar to the head of family, are inclined to make major decisions in order to protect their own family first. The strategy of managing is characterized by a kind of paternalistic work culture, where the power hierarchy reflects traditional family relations. It is indeed suggested that family values were stronger in Asian firms than in America and Europe, and that this partly accounted for Asia’s economic success (Han, 2003). In such a culture, employees act as they would in a filial family role. Family obedience teaches employees to close their mouth in case saying something inappropriate will hurt somebody eventually. Face saving also becomes an obstacle for employees to express their ideas freely. In front of their superior, they try to behave in a modest way, so as not to embarrass others. In some cases, employees will show their ignorance or act as if they are confused even though they already have their own answers. Not to stick one’s neck out is a doctrine that is ingrained in the intellectual framework of some managers.

In most private or pre-listed firms I interviewed, the scale remains small for convenience of control (Berger, 1994; Lee, 1995; Wank, 1999). Family members are often seen occupying the key management positions (Tang & Ward, 2003). It is evident that control and coordination are mediated through family ties. Thus, some professional managers find it difficult to carry out managerial work within a family business. For those recruited from outside the family, behaving in accordance with the authority of the owners (*tinghua*) is an implicit requirement (Dardes, 1991). In order to accumulate more wealth, bosses tend to cut the cost and don’t want to share the profit with workers and even managers. It is difficult to find evidence which shows that attention is given to philanthropy, education, and the common good of people. If paternalism is characterized by autocracy, benevolence and competence (Farh and Cheng, 2000), our fieldwork could unmistakably identify the autocracy components but the rest is not that easy to come by.

### 7.4 Men and women

This study revealed that the traditional values of filial piety, the relationship between men and women, and relations between parents and children were shaping, to a great extent, the Chinese family structure (Chen, 1922; Fu, 1952; Ho, 1986; Li et al., 2011; Littrell, 2002; Wu, 1922; Xiong, 1980) are gradually but surely moving into a new territory. Financial situation, business affairs, career, and social circle are the foremost

issues for men. Husbands are always busy with *yingchou* (entertaining), often with the excuse of taking care of responsibilities (Smith, 1897; Osburg, 2013).

Ingrained in managers' mental model is the belief that to be a person with responsibility (*youzerengan*), especially for the family, is an unquestionable and unshakable one (Osburg, 2013; Smith, 1897). While the interviews with managers tend to demonstrate a strong attachment to material achievement, it is important to note that such attachment originates from the traditional mode of thinking: to glorify the family (Wilson & Pusey, 1982). *The Wealth of Nation* by Adam Smith, while exploring the fundamental ways for the state to accumulate wealth, discusses people's motive to seek wealth, that is, self-interest. This self-interest in China is often centred on ensuring the happiness of one's family through bringing to one's home economic benefits (Fei, 1992). Therefore, family bonds seem increasingly being strengthened by economic connections.

Many managers are trying to keep their family harmonious by laying a strong financial foundation for the family, and hope the same family spirit will be carried into the future. They like to think they never stop caring, worrying, and being concerned about their own families. However, in an era when the husband and wife have less chance of remaining connected and become close with each other and with their children, the very concept of family may turn out to be a burden or a concern in some managers' mind. Indeed, theoretically speaking, family affairs cannot be separated from business and work, as both are aiming at the proper administration of income and expenditure of a family (Wilson & Pusey, 1982). Rising family expenditure, the fast pace of modern life, and the education of their children create much pressure for the managers in my study. And to cope with this ever increasing pressure, both male and female managers ended up in spending less and less time with their family members. This is especially the case for owners. Business entertaining (*yingchou*) is the common excuse for late nights out for male owners and managers. In the reform era, much burden is put on men's shoulders concerning *yangjiahukou* - responsibilities include sufficient money for children's education and marriages, buying houses for the children, or going abroad for further studies - and they work hard in order to ensure that the increasing family expenditure is met.

The fieldwork also indicates that most female managers are workaholics. The traditional idea of women (temporarily or permanently) setting their careers aside for family reasons seems also to be changing. Large numbers of females have emerged from their home to start their career and do not show any tendency to return. More women have reached the pinnacle of power in firms in recent years than in any other time in recent business history. Their examples has shown that in general, women leaders can be hard to differentiate from men: masculinization of females are most perfectly demonstrated by our cohort of women manager respondents. The mass migration of women out of the home and neighbourhood into jobs is ubiquitous, including in this traditional city Quanzhou. This is not to say that women owners, managers, and employees have entirely set aside their traditional roles, concerns, and responsibilities, and like in other parts of the world, their lives may be characterized by a sometimes problematic multiple foci. A female manager may feel especially tied to family: she is the mother of young child and a housewife who runs the household and family, while still trying hard to succeed in a career and myriad other duties. All these issues can be summed up in one big dilemma: balancing the expectations of family or work.

### 7.5 Consumerism

A further effect of the reform and door opening policy has been that the Western view of individualism and consumerism has impacted the Chinese managers' way of thinking. To have good cars, bigger houses, and other forms of personal wealth seems to be a major way to represent their social status, power, or competence. After the door opening policy, especially in the 1990s, "manager" became a term related to a comfortable working environment, a good car, a high salary, and being a leader (*danglingdao*). What is

interesting to note is that acquisition of real competence at work by the managers is now being replaced by the obsession to build an image of the so-called accomplished individuals, as promoted by ever more sensational marketing techniques.

### *7.6 Some considerations*

It is no longer the case that managers are structuring their organization based on the core principles of the traditional family. What, ultimately, can be said about family in the modern Chinese business setting? Most clearly, the picture presented by this study is one of fragmented thinking about the family—a fragmentation which is then manifested in management principles.

There is a trend, especially in this transition age, whereby the family has become a psychological burden and a concern, especially for the male managers. Our findings indicate that managers today maintain a lukewarm relationship with their family. The main connection retained seems to involve responsibility, economy, and being a bread-winner. This relation is no way a good demonstration of the traditional concept of regarding family as a harbour. In like manner, the sub-ordinates would not be able say that they could find the “harbour” and are sheltered by their own managers. Even the non-family professional managers themselves could not claim that they are being sheltered or ‘harboured’ by the owner. The reality is that the spiritual ties among family members are gradually disappearing. The traditional family notions, functions, and concepts are changing rapidly in this modern era. Family spiritual ties tend to have a mere nominal existence.

Unconsciously, the concept of family is transferred into how one approaches managing and running a business. The various family notions and concepts become organizing concepts in the management setting. Once these principles are applied, the managers become the head of family, showing their power and status in front of employees. On the other hand, traditional concepts about family such as unity, friendship, kindness, caring, family bonds, love, and affection have become very weak in this setting, and fail to form solid organizational principles. The trend is from traditional family spiritual bonds towards behaviour driven more by economic responsibility.

In some managers’ mind-sets, this shift has been useful and effective. The owner tends to regard the company as his own family in the traditional sense, as manifested in his tendency to dominate and assuming the role of key decision-maker. The shelter concept is meanwhile becoming weaker. Further, in managers’ worry and concern about their responsibilities towards the family, especially the economy of the family, the theme of family actually is closely tied with their own of insecurity or anxiety about the future and their environment, themes which may be explored in future research project. To some, family remains a burden and a concern and this has great impact on managerial behaviour.

Many managers like to proclaim that they are using, or they should use, scientific methods and approaches in order to address the difficulties and challenges that they face at work place. However, not a few managers or bosses tend to adopt improper means, ignoring the call of their conscience. They succumb to social pressure and justifying any means in order to achieve their goals. The accumulation of wealth is the central purpose of managers’ life and every other goals being subordinate to this goal. Other than the individual needs and family wealth, the higher ends such as welfare of society and the common good of all people are often not in their radar at all.

A culture of consumerism, a habit of consumption, and the destructive forces of materialism that seek to satisfy the based and most selfish desires are most visibly on display. Managers’ consciousness is rarely directed towards the concept of nobility of human beings, a deeper understanding of the true purpose of existence, the beauty and power of unity in diversity, the acquisition of wealth is praiseworthy only insofar as it is attained through just means and expended for benevolent purposes, and for the promotion of knowledge, propelling human progress, and toward the common good. If the family, which traditionally has

played such a strong educational roles in shaping the relevant moral attributes for the proper functioning of not only the family but also the society, is not able to discharge its educational functional today, where should the individuals turn to for this purpose then? If the metaphor and the principles of the family are no longer appropriate in organizing the Chinese firms, from where would the Chinese managers find the suitable candidates for this purpose? We shall leave these questions for future study.

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