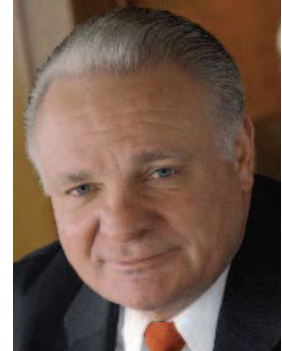


Leading a Chinese Workforce: Actions Speak Louder Than Words

I recently spoke about my experiences in China to an auditorium full of information hungry students at a small university near my farm in New Jersey. When it came time for questions, the first hand that went up belonged to one of the Chinese students. "How do you as a foreigner lead Chinese managers and workers?" he asked. That was a good one that made me think. I've been in leadership positions all my life but never really thought about how I actually lead.



By Jack Perkowski

After reflecting for a few seconds, which seemed at the time to be an eternity, I had my answer. I told him that you need to do three things. You need to establish your "China street cred". You need to establish mutual trust with those you are leading. And you need to articulate a vision.

The Chinese hold their judgment and look at what you do, not what you say. I initially thought that Chinese managers would automatically respect somebody who had operated in a developed country, that they'd give foreigners credit for credentials and past accomplishments. Not so. Managing in China is hard, and Chinese managers know it. There's a feeling on their part that success in another country is one thing, but it certainly doesn't guarantee success in China. While your accomplishments in Europe or the United States might be of interest, they are most interested in what you have done, or are doing, in their country.

If you want to lead your Chinese team, you first need to gain their respect, and the only way to do that is to lead by example, roll up your sleeves and work alongside them, and begin to establish your track record in China.

When I first came to China, everyone emphasised the importance of "mutual trust". In fact, it was said so many times that I began to think of it as a

the other hand, there is nothing they won't do for you if they believe that you do. Once a level of mutual trust is achieved, life becomes a great deal easier.

Unfortunately, mutual trust is not something that can be achieved overnight – it takes years. How do you do it? It's simple: it starts with a solid base of mutual respect and

"In China, trust is the most important thing that you can give. If employees believe that you trust them, their loyalty will skyrocket"

platitude, just like motherhood and apple pie. "Of course," I thought to myself, "who could possibly be against 'mutual trust'?" The longer I'm in China, though, the more I appreciate the wisdom of that advice. I've come to realise that Chinese will be offended and standoffish if they sense that, despite your words, you do not trust them. On

is then nourished over time by your actions. This means doing what you say you are going to do and treating your managers and employees with respect, openness, and candour. If you do this over and over again, mutual trust will follow. However, you can't even start the process if mutual respect is non-existent.



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Many companies will tell you that they employ local managers and that may be true. The key question, though, is “What are the local managers empowered to do?” In other words, “How much do you trust them?” With your managers and employees, the way you convince them that they have your trust is to empower them. You not only have to give them the title and the position, you have to give them the authority and the responsibility to carry out their duties. If they happen to falter, they must believe that you are there to help, not criticise.

“It is easy to underestimate Chinese managers but this is dangerous as it overlooks the difficulties that they face”

Despite thirty years of economic reform, many factories in China still suffer by comparison to their Western counterparts. They tend to be dirtier, less well organised, and carry too much in-process inventory. In many cases, the products they manufacture are several cuts below those produced in the West in terms of both quality and technology.

In this context, it’s easy to underestimate Chinese managers and to have a lack of respect for their management abilities. This is dangerous because it overlooks the difficulties Chinese managers face and may prevent you from ever developing mutual trust. It’s better to take the time to understand the whole picture. The reality is that doing business in China is extremely difficult, and over the years I’ve come to appreciate what managers in China have to deal with in running their businesses.

Chinese managers aren’t perfect, no one is, but because they have grown up in China, they instinctively know how to deal with the many issues that occur daily. They know how to work with Chinese customers to get their receivables paid before other suppliers and how to sell the goods they may get in a barter trade. They know how to deal with a large Chinese workforce and how to handle

local government officials – politely and respectfully, but never allowing them to take advantage of the business. They also know how to get a piece of equipment out of customs that may be hopelessly tied up in red tape.

He or she might not have all the management tools that Westerners do, but the good ones are smart, hard working, and anxious to improve. I’ve also found that they are generally very interested in learning from somebody whom they respect.

The top executive of a company in any country should be a leader, not a manager. Nowhere is this truer than in China. Chinese like to feel that they are part of something that is bigger than the sum of its parts. They like to feel that the company they work for has a broader purpose and that they are an important part of it. This fundamental desire to be part of something larger is what has enabled China’s leaders to unite – and keep united – such a vast and diverse country.

Developing a strong local management team is critical to long term success, but having a visionary leader, particularly one with a world view, can enable a company based in China to become a global leader. If the China operations are already part of a global company, communicate this vision to the company’s Chinese managers and workers. Letting them know that they play an important and integral role in the company’s global strategy will resonate.

As I’ve already made clear, cheap talk falls on deaf ears. Whether it be emphasising an employee’s part in the company’s global ambitions or earning their trust through delegation of responsibilities, it has to be genuine. So instead of just nodding in agreement with this article, go out there, show



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