

Contents

1 Introduction.....	1
1.1 The Ubiquitous Phenomenon of <i>Guanxi</i>	1
1.2 Review of Previous Research	10
1.3 Methodological Considerations	18
 2 The <i>Guanxi</i> System	 27
2.1 The Cultural Embeddedness Argument	28
2.1.1 Overview of Confucianism	28
2.1.2 Structural Elements of Confucianism	31
2.1.3 Criticism.....	36
2.2 Conceptualizing <i>Guanxi</i>	38
2.2.1 The Underlying Theory: <i>New Economic Sociology</i>	39
2.2.2 Exchange Resources	45
2.2.2.1 <i>Renqing</i>	45
2.2.2.2 <i>Ganqing</i>	52
2.2.2.3 Dyadic Exchanges.....	54
2.2.3 Categorical Frame of Interaction	57
2.2.4 The Emergence and Structure of <i>Guanxi</i> Networks	70
2.2.5 The Norm of Reciprocity: <i>Bao</i> and <i>Renqing</i> , Again.....	81
2.2.6 Chinese Face (<i>Mianzi</i>)	90
2.2.7 Norm Enforcement: Sanctions.....	96
2.2.8 The Role of Trust	106
2.3 Transitory Considerations.....	115
 3 <i>Guanxi</i>-Based Business Strategies.....	 119
3.1 What Is Strategy?.....	120
3.2 The Role of Sustainable Competitive Advantage.....	122
3.3 Typology of <i>Guanxi</i> -Based Business Strategies.....	131
3.3.1 Strategic Vertical <i>Guanxi</i>	133
3.3.2 Strategic Horizontal <i>Guanxi</i>	139
3.3.3 Strategic Lateral <i>Guanxi</i>	141
3.4 Notes on Strategy Implementation	146

4 Discussion 153

 4.1 Assessment from a Legal Perspective 153

 4.1.1 Chinese Law 153

 4.1.2 Foreign Law 160

 4.2 Implications for Business Ethics 163

 4.3 Outlook: Durability of Results 174

Figures & Tables..... 179

References..... 181

Transliteration of Chinese Characters 205

Index 221

Guanxi and Business Strategy

Theory and Implications for Multinational Companies in
China

Langenberg, E.A.

2007, XIV, 226 p. 24 illus., Softcover

ISBN: 978-3-7908-1955-7

A product of Physica-Verlag Heidelberg