

BEYOND CRONYISM: IN PURSUIT OF DEEP TRUST

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ABSTRACT

Since their ascension into the World Trade Organisation in 2001, China has grown to become a significant economic force. The rapid emergence of the Chinese consumer class is having profound effects on global trade. Notably, many businesses in the West, faced with a downturn post the global financial crisis (GFC), have shifted considerable attention to China's growing middle and high net worth income (HNWI) upper class. Understanding these consumers is critical but coping with the industrial markets that service them is just as important. The real challenge for a Westerner doing business across such borders is to grapple with something often quite unfamiliar: coping and working through the vagaries of a relationships-oriented society. This paper provides a detailed discussion regarding relationship development in China including cronyism and a typology of different styles of Chinese business relationships. We advocate a need to move beyond cronyism, which we argue is a shallower form of relationship that is based on instrumental ties, toward a deeper form of commitment that is based on mutual trust. Cronyism as represented by Leung et al. (2008) is a poor target. We suggest a deeper form of relationship, analogous to familial connections, as more preferred option. In accordance with the typology, we introduce a two-dimensional model for relationship marketing in China that provides insights into what drives the different styles of relationships, and importantly, when each relationship type would be most appropriate. We also provide some practical guidance to non-Chinese business persons on how they can go about building stronger relationships.

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INTRODUCTION

Since their ascension into the World Trade Organisation in 2001, China has grown to become a significant economic force. The rapid emergence of the Chinese consumer class is having profound effects on global trade. Notably, many businesses in the West, faced with a downturn post the global financial crisis (GFC), have shifted considerable attention to China's growing middle and high net worth income (HNWI) upper class. Understanding these consumers is critical but coping with the industrial markets that service them is just as important. The real challenge for a Westerner doing business across such borders is to grapple with something often quite unfamiliar: coping and working through the vagaries of a relationships-oriented society (Kriz& Keating, 2010).

An article in the European Journal of Marketing by Leung, Heung and Wong (2008), hereafter LHW, provides a timely contribution to the international business literature, and in particular, to the challenges confronting non-Chinese business persons hoping to capitalise on the opportunities presented by China's recent economic growth. Building on a brief review of the Chinese business relations literature, LHW identify a conceptual model to guide an outsider in the development of cronyism, which they assert is achieved via a guanxi adaptation mechanism. LHW assert that cronyism can provide foreign business persons with advantage over competitors, whereby they enjoy a level of favouritism that is akin to an 'old friend' relationship.

The model proposed by LHW suggests that relationship qualifiers such as integrity, harmony and positioning combine to drive instrumental bonding (renqing) which in turn enhances

social bonds (ganqing), leading to cronyism. In defining cronyism, the authors assert that it is the result of a long-term relationship and can be motivated by both emotional and instrumental elements. While we commend the authors on the work undertaken to define the constituent constructs in their model, we have some misgivings regarding their emphasis on cronyism. For example, LHW cite Khatri, Tsang and Begley (2006) for their definition of cronyism, yet fail to note these authors explicitly reject guanxi as a form of cronyism. Rather, Khatri, Tsang and Begley (2006, p.64) argue that guanxi in itself is not cronyism but 'exchange transactions based on guanxi can involve cronyism'. We also believe that some of the relationships depicted in their model could be open to alternative interpretations. The complex and contextual nature of guanxi continues to mystify many in the West (Yang, 1994; Luo, 2000; Fan, 2002; Ambler, Witzel & Xi, 2009). This is surprising given the extensive literature now available on the subject. Much of the confusion seems to align with a consistent mixing of constructs (Drew & Kriz, 2009). We suggest that this is linked to confusion around guanxi and another critical Chinese social-cum-business construct called xinren or deep trust (Kriz & Keating, 2010).

Our paper provides an extension to the work of LHW by discussing cronyism within the context of a typology of different styles of Chinese business relationships. To achieve this aim, the remainder of this paper is divided into four sections. First, we present a review of the extant literature on guanxi and identify the reasons why the construct is often misunderstood by Western scholars. We then provide a background to Chinese business relationships where we discuss the importance of relationships to the Chinese psyche. This section highlights the complexity of Chinese business relations before discussing some of the common misconceptions. Second, we introduce a typology of Chinese business relationships that describes five primary relationship types. Third, we present a conceptual model of Chinese

relationship marketing that positions these different relationship types in terms of the inherent level of intimacy and commitment. Last, the implications of these findings for theory and practice are discussed along with suggestions for future research.

BACKGROUND

Much has been written about the need to better understand the unique relational orientation of Chinese business people (Trompenaars & Hampden-Turner, 1997; Tung & Worm, 2001; Fan, 2007; Redding & Witt, 2007). Many scholars have asserted that success in Chinese business depends on a deeper understanding of interpersonal relationships than many Western firms realise. It is helpful to appreciate that the complex nature of Chinese interpersonal relationships has evolved over many millennia (Drew & Kriz, 2012). Aspects like *guanxi* and *cronyism* have begun to receive increased attention in the West but they have a much longer history in China (Luo, 2008). Such discussions also become culturally contestable with Zhang and Zhang (2006) noting: what is positive or negative or ethical and unethical? Chinese authors are also questioning the positive and negative aspects of Chinese relational practices. Tian (2007, p. 53) noted, 'It is crucial to distinguish ethically acceptable *guanxi* practice from ethically unacceptable practice.'

It is widely thought that the modern Chinese concept of a relationship is the consequence of a rich and varied cultural, socio-political and philosophical/religious heritage. In particular, Confucian, Taoist and Buddhist philosophies are credited with shaping the values and practices of Chinese interpersonal relationships over the last 2500 years (Weber, 1964; Pye, 1978; de Bary, 1991; Redding, 1993; Yang, 1994). However, debate in the Sinological academic community suggests that the dynamics of Chinese interpersonal relationships are

not the product of these philosophies, but that they predate and possibly influenced the development of these belief systems.

For instance, Keightley (1978, pp. 214-215) suggests that the Confucian social structure was already in place by the late Shang dynasty (1750 – 1120 B.C.). He further contends that reciprocity within Chinese interpersonal relationship, and in particular the practice of gift giving to achieve favour, has its roots in the ritualistic and sacrificial relationship between families and their ancestors. Keightley asserts that Shang religious practice rested upon the *do ut des* (I give in order that thou shouldst give) belief that correct ritual procedure would result in favours being conferred.

Yang (1994) also discusses the cultural and historical antecedents of interpersonal relationships in China; suggesting that significant differences exist in practice between the genders, and rural and urban peoples. Yang suggests that the cultural context of a relationship is critical to understanding what is acceptable in Chinese business relations. However, we observe that many scholars (e.g. Guthrie, 2002) still choose to ignore the historical context in which relationships have evolved, preferring to believe that *guanxi* type relationships suddenly appeared post-1947 in Mao's socialist era as a means of gaining valuable resources or support in a time of shortages.

In the western literature, Gold et al. (2002) assert that the concept of *guanxi* has become synonymous with relationships in China. The Chinese word *guanxi* was introduced to the western business vernacular in the late 1970s and early 1980s (Jacobs, 1979; Pye, 1982; Butterfield, 1983; Gold, 1985) to describe how Chinese business relationships are influenced by political and social forces. However, Kriz (2009) claims that *guanxi* is not well understood

by Westerners. He contends that this is because the meaning of the word *guanxi* is unclear, claiming that the term is used to explain related English concepts such as connections, personal, social connections and social networks, special relationships, social relationships, personal relationships, value laden relationships, interpersonal connections, interpersonal relationships, social capital, networking and cooperative relationships.

Bian and Ang (1997) submit that for *guanxi* to exist, the parties to a relationship must have an intimate knowledge of one another. In this way, they suggest that *guanxi* is not merely a relationship, but the gateway through which the parties must pass in order to exchange valued materials or possessions. The literature suggests that there are three main types of relationships in China, each of which has different meanings and is managed through different interpersonal rules (Yang, 1994; Tsui&Farh, 1997). *Chia-ren* refers to immediate family and is 'characterised by relatively permanent, stable, expressive affective relationships in which the welfare of the other is part of one's duty' (Tsui&Farh, 1997). This relationship is strongly associated with *ganqing* and is rooted in the Confucian value system (Bond 1991). It does not generally require any form of anticipated reciprocation (Tsui&Farh, 1997). *Shou-ren*, refers to those who are familiar but outside of the immediate family such as relatives outside of the immediate family, people from the same village, friends, colleagues, classmates, teachers, people sharing the same family name. These relationships have different affective and instrumental components and are underpinned by the principle of *renqing* (Tsui&Farh, 1997). *Sheng-ren* relationships, on the other hand, involve people who are relatively unknown. These relationships are purely instrumental and are primarily focused towards personal costs and benefits (Yang, 1994; Tsui&Farh, 1997). While we agree with many of comments by LHW on these three types of relationships, we believe that some of the characteristics they attribute to *ganqing* are better conceptualised as attributes of *renqing*.

Nevertheless, the purpose of this article is not to provide a detailed history of Chinese interpersonal relationships, but rather, to highlight that interpersonal relationships are integral to Chinese culture and have provided the basis for social order and commercial exchange for several millennia. To this end, Yang (1994) suggests that while this complexity means that relationships in China can be interpreted in different ways by different people, there are some commonalities that deserve attention. The next section of this paper will present a typology of Chinese business relationships that is informed by the links between the various relationship categories.

TYOLOGY OF CHINESE BUSINESS RELATIONSHIPS

The complexity of Chinese business relationships is widely acknowledged (Yang, 1994; Kipnis, 1997; Tsui&Fahr, 1997). LHW attempt to simplify this complexity by using a three-stage model in which a relationship is converted from a ‘new-friend’ status to an ‘old-friend’ status via a guanxi adaptation mechanism. While we endorse the components of this model, we believe that the focus on cronyism as the outcome of this process diminishes the importance of emotional intimacy within interpersonal relationships (Hu, 1944; Hwang, 1987; Bian&Ang, 1997).

To better capture the different types of relationships, we propose a typology that reflects the different levels of emotional and instrumental ties. Table 1 provides an overview of each type of relationship and the following section discusses the key issues related these relationship types and a consideration of some strategic considerations. The relationships outlined in Table 1 are an outcome of nature (filial inheritance) and nurture (environment and experiences) and grow through intermittent and largely social connectivity. Several key elements are central to this typology of relationships. However, there are four critical aspects in China—namely

guanxi, renqing, ganqing and, xinren—that need particular attention. These interpersonal relational constructs take on considerable importance for those wanting to do business in China. Acknowledged as core aspects of Chinese relational development, these constructs play a pivotal role in tit-for-tat exchange and taking connectivity from shallow to deeper emotional levels.

INSERT TABLE 1 ABOUT HERE

The Chinese word guanxi (kuan-hsiin the Bodman system) was introduced to the western business vernacular in the early 1980's by researchers including (Jacobs, 1979; Pye, 1982; Butterfield, 1983; Gold, 1985) to describe the Chinese business, political and social practice of engaging in mutually reciprocal relationships. The word guanxi has been defined in English as: connections, (Guthrie, 1998; Bell, 2000); personal connections (Fock & Woo, 1998; Dunning & Kim, 2007); social connections and social networks (Gold, et al., 2002); special relationships (Leung, et al., 1996); social relationships (Guthrie, 1998); personal relationships (Davies, et al., 1995); value laden relationships (Ambler, 1995a); interpersonal connections (Bian & Ang, 1997); interpersonal relationships (Buttery & Wong, 1999); social capital (Carlisle & Flynn, 2005); networking (Qiu, 2005); and cooperative relationships (Pye, 1986).

The importance of the study of guanxi is reflected in the number of academic disciplines in which it has been researched. Disciplines include: Marketing (Ambler, 1995b; Abramson & Ai, 1999); International Business (Luo, 1997, 2002); Strategy (Hwang & Staley, 2005; Chow, et al., 2006); Institutional Economics (Nee, 1992; Boisot & Child, 1996); Sociology (Tong & Yong, 1998); Public Administration (Aufrecht & Bun, 1995); Anthropology (Bell, 2000); Organisational Theory (Redding, 1993); Cross-cultural management (Stenning & Redding,

2003; Hutchings & Weir, 2006); Finance (Batjargal & Liu, 2004; Kambil, Long, & Kwan, 2006), Law (Lo & Everett, 2001), and Ethics (Ang & Leong, 2000; Dunfee & Warren, 2001). However, recent empirical research (Drew, 2011) indicates that the term *guanxi* without context continues to be interpreted by Chinese business people as simply meaning a mutually beneficial relationship or a connection.

Wellman, Chen and Dong (2002, p. 222) suggest that ‘*guanxi* is a fundamental web of interpersonal relations permeating Chinese societies that should not be facilely dichotomized into “bad” bribery relations and “good” friendship ties’. Rather, they suggest that ‘*guanxi* forms multidimensional continua of interpersonal behaviour rather than a bad/good dichotomy’. This position is supported by a comprehensive empirical study into *guanxi* perceptions across a range of Mainland and overseas Chinese communities (Drew, 2011). The study found that Chinese business people perceive *guanxi* as a social, political and business practice of engaging in mutually particularistic and purposeful connections and relationships in order to lower search and transaction costs, provide usable resources, reduce environmental uncertainty and minimise opportunism.

Whether or not *guanxi* will exist between two or more people and the depth of *guanxi* they share depends on three principle factors:

1. Whether or not parties to the relationship perceive a need for the relationship
2. What constitutes the base for the relationship
3. The perceived value of the particularistic relationship to each party to the relationship (Jacobs, 1979; Brunner, Chen, Sun, & Zhou).

Empirical research (Drew, 2011) indicates that Chinese business people are keen to develop guanxi and move from sheng-ren to shujiao status with new business contacts as a matter of course, regardless of nationality, as it makes the business process easier. Establishing guanxi or a mutually reciprocal relationship is the first step in becoming an insider, however cronyism is unlikely at this level due to the limited level of interpersonal trust of xinren.

Renqing

Hwang (1987) suggests that renqing has three separate meanings in Chinese culture, that the practice is rooted in the Han dynasty Li-Chi or Book of Ritual, and that each aspect is important to an overall understanding of relationships. The first meaning relates to human feelings or the emotional responses of an individual confronting the various situations of daily life. The second refers to a gift or support that an individual can provide another person in the course of social exchange. The third meaning relates to the Chinese social norms of maintaining contact and interaction with people within their social network and assisting them as required. Given the components of renqing, it is more likely to exist in shou-ren relationships.

Renqing is perhaps most closely related to the Western concept of CRM with added components of emotional and social commitment. However, this is a difficult concept for many Westerners to fully comprehend as Westerners tend to isolate their emotional, social and working lives. The Chinese on the other hand do not and as a consequence, their emotional, social and working lives are intermingled. It is not uncommon for a Chinese business person to receive a phone call for help from a member of their renqingwang (renqing network) at midnight requiring immediate assistance. Cronyism is more likely to occur at this level of relationship.

Ganqing

Ganqing refers to emotional feelings and operates independently of the more instrumental aspects of guanxi and renqing, such as the requirement for reciprocation. Ganqing ‘tends to emphasise affective and emotional identification, rather than duty, loyalty or obligation’ (Yang 1994, p.121) and ‘should involve an element of sacrifice in giving. Overt payment and material compensation detract from or deny the emotional commitment in the relationship’ (Yang, 1994, p.122).

Ganqing is either embedded through familial relationships as with parents and children (chiarren), or may evolve over time as with romantically involved couples or very close friendships. Whilst LHW suggest that Western business people should try to develop ganqing in order to build ‘old friend’ status, we argue that ganqing is unnecessary and may even negatively impact on a business, particularly due to the element of sacrificing oneself for another involved in the construct. Rather what should be advocated is the building of renqing and the building of xinren (deep interpersonal trust) which is discretionary rather than obligatory. Cronyism is possible at this level but it is more likely to come through the sacrifice of the self (e.g. using a personal contact to assist one’s child to get a job at the risk to one’s own reputation), rather than as a calculated act.

Xinren

Xinren is the heart-and-mind confidence and belief that the other person will perform, in a positive manner, what is expected of him of her, regardless of whether that expectation is stated or implied (Kriz, 2009, p.202). The building of xinren can be time-consuming, and emotion laden, with a liking of the other party fundamental to its development. Xinren can be built quickly from a more immediate liking but this appears to be the exception. In some

relationships the Chinese can sense a lack of sincerity (xinnian), in which case the relationship will not prosper. The building process is in accordance with the notion that xinren is emotional (rather than calculated), and that it is built on 'xin' (or the heart and mind).

Person-to-person emotion is an important aspect of understanding trust in China. Xinren is interpersonal (Wank, 1996; Tung & Worm, 1997) and contains emotional feelings or ganqing (Wank, 1996; Kipnis, 1997; Luo, 2000). This point is supported by Empirical research conducted by Kriz (2009) in which Chinese respondents were questioned as to whether the trust that Westerners associate with firms is xinren. Respondents noted that xinren, with its underpinnings of affective and emotional exchange, has limited applicability to a relationship between a person and an inanimate firm. As one respondent specifically stated; xinren has no applicability to a firm because a firm is a legal entity not a person. The Chinese see xinren as a function of social bonding. If the social relationship and bonding brings links to business, this is considered to be a bonus.

RELATIONSHIP DEVELOPMENT IN CHINA: TWO-DIMENSIONAL MODEL

Keeping the above discussion in mind, a two-dimensional model of relationship marketing in China is proposed (see Figure 1). The horizontal axis represents the degree of intimacy between the two parties. The left hand side represents a functional view of exchange, where the emphasis is on achieving the desired outcome, that is, the functional objective of the exchange episode. In the context of Chinese business relationships, this emphasis is on less intimate, instrumental ties that are oriented towards achieving short-term goals such as profit maximisation. Conversely, the right hand side of the horizontal axis emphasizes a relational view of exchange. The nature of exchange tends to be more intimate, with a longer-term focus that is characterised by factors such as trust.

Each quadrant of the proposed model describes one of four different relationship types. Collectively, these relationship types represent an effective typology for Chinese business relations. Note that in the diagram all people are classified originally as outsiders or sheng-ren (Kriz & Keating, 2009; Kriz & Keating, 2010). This is not exclusive to Westerners as it includes all Chinese without an entry point or shu-jiao. Following is a brief description of each of these relationships.

INSERT FIGURE 1 ABOUT HERE

The vertical axis of the model represents the degree of commitment between the two parties. The lower extreme is characterised by a discretionary obligation that builds in strength but lacks the commitment associated with much deeper ties. The four quadrants allow for the duality around such relationships. The lower left quadrant reflects a weak relationship more akin to an instrumental tie. It is an entry level position that is typically associated with a weak guanxi tie. This type of relationship is characterised by a sense of obligation, but there is little social bonding and as such, the commitment tends to be more discretionary. The object of the exchange is still ultimately about meeting the functional needs of the parties, where mutuality is often the key to continuance. This tie is much more transactional in nature as there is little emotion or ganqing involved.

As identified, there can also be high commitment without necessarily having strong emotions intertwined. This type of relationship allows for the negative aspects of guanxi and what LHW likened to cronyism. Zouhoumen or using bribes and the back door (Chen, 1995; Milner & Quilty, 1996) is a negative side to guanxi and includes 'kickbacks' and special favours (Fan, 2002; Luo, 2008; Drew & Kriz, 2009). This darker side adds a strong

commitment and a type of imposed reciprocal commitment. The Chinese have likened it to a “mafia” style relationship and brotherhood (Kriz, 2009). Ultimately, the risks are high for both if one is caught.

Fortunately for Westerners (and Chinese) there is a more positive side in the right hand section of the model. This is linked to a more positive emotional or ganging relationship. These relationships commence in the left hand lower quadrant but move to the lower right hand side as the emotional links develop. This is likened to shou-ren and a growing social and emotional bond. This is the route that Westerners would ultimately want to take. It avoids the negative and more corrupt aspects around cronyism. This is the ultimate in strong bonding in China. Xinren or deep trust is a special level of relationship that a few in one’s network of connections will reach (Kriz& Keating, 2010). It is achieved when there is both strong commitment and strong intimacy. As mentioned previously, these types of relationships are relatively rare, and must be nurtured over time. Once achieved, the relationship moves beyond discretionary commitment, where the partners are no longer concerned with mutuality.

There are whole and dashed arrows also identified in the model. These show two different pathways from shou-jiao to xinren. The cronyism based linkages in the left hand quadrant are common and hence it is represented by an arrow from shou-jiao (basic connection) to pian-si or cronyism. Chinese have become even more careful and discretionary about who is in this cronyism circle as the risks seem to be getting higher. However, occasionally such relationships can strengthen and move to a much more emotional xinren level (represented by the dashed arrow). The normal route for such emotional bonding is via shou-ren to xinren. This is identified firstly by the arrow leading from shou-jiao to shou-ren and then by the

arrow from shou-ren to xinren. Fewer relationships make it all the way from shou-jiao to xinren but this is the normal way emotion and such commitment tends to grow.

CONCLUDING COMMENTS

Models are ultimately a representation of a phenomenon and accordingly they have limitations. As it cannot fully account for the complexity of Chinese relational development, the two dimensional model represented above has similar weaknesses. However, it does build a better representation of the logic behind relational development than more simplistic accounts. Importantly, it advances our thinking and goes beyond simply seeing guanxi as cronyism. Deep trust or xinren goes much deeper and has strong emotional underpinnings (Kriz & Keating, 2010; Chua, 2012). Such relationships are imbued with guanxi irrespective of the motives. Deep relationships may not be driven by instrumental utility but by default it enables such connectivity. Pulling connections or la-guanxi is a key to social-cum-business relationships in China. What we have shown is that only one side of this process is cronyism based.

Increasingly, China is facing a revolution around which road it takes in terms of going forward. Thus far this transient developing economy has chosen to keep its interpersonal relationships as the focus. Much of this has been driven by cronyism and personal favours. Significant bribes have been central to such cronyism. Rio Tinto and back door payments to senior managers in China offer a recent documented case. The Chinese government has attempted to stamp out such behaviour but many in China see such corrupt practices as a more endemic problem. The largest beneficiaries in China have been those that have inherited post 1978 “property rights”. Exploiting the “rents” from special access to such rights has enabled many to get rich very quickly. Eventually such rights will be eroded and market mechanisms

will kick in. However, Redding and Witt (2007) are not confident as they acknowledge that a society founded on interpersonal rather than contractual exchange takes a long time to change.

Positive aspects of knowing a person and utilising such a contact in business relationships is not unique to China. Such referrals and access can save time, effort and considerable costs. This is the positive side of using relationships to get things done. Western business-to-business theory and practice has identified that relationship marketing through such means is highly effective. Styles and Ambler (2003) have identified that China is not simply a relationship oriented society. The yin-yang roots allow for ambidexterity and Chinese are simultaneously capable of focusing both on a transactional-orientation and relationships. This is a society that has a long tradition but equally China has shown the capacity to learn quickly and adapt. China's uptake of social media (biggest blogosphere in the globe) and the surprising success of B2C companies like Taobao and B2B companies like Alibaba are exemplars of such change and capability.

The model outlined has identified a broadened understanding of Chinese business relationships. It suggests that a view of cronyism *per se* around guanxi is a little too simplistic. Positive guanxi can be built around ganqing or emotional bonds that extend well beyond the roots of a tit-for-tat exchange. Renqing is ritualistic in Chinese society and the essence of aspects like gift giving date back well before Confucianism. However, aspects like xinren and reciprocal forms of altruistic behaviour have equally long heritage in China. Taking one side of relationship development without the other is an anathema for Chinese. It reflects the equivalent of suggesting one should focus simply on the yin or the yang. Increasingly Westerners are realising that both are complementary and it is not either/or but a

case of both/and (Drew, 2011). The model outlined above is in keeping with putting the emotion back into some aspects of guanxi.

LIMITATIONS AND FUTURE RESEARCH

The model here has been built from over a decade of research on Chinese relationships. Nevertheless any person that claims expertise in China is likely not to be an expert. Change and paradox in China is the only constant and hence it is difficult for anyone to proclaim expertise. Adapting and being flexible is a key requirement of those hoping to be leaders in this research field. Fortunately relationships in China have a long history and some of the essential ingredients are quite stable. The model and ingredients outlined in Chinese relationship development is less likely to be as mobile. National culture around these habits and beliefs is notoriously slow to change (North, 2005, Drew & Kriz, 2012). Nevertheless the way aspects like guanxi are being practiced are subject to increasing variations. Increasingly this is being studied on a regional level (Drew 2011).

The model outlined notes that xinren is an important outcome of deeper relational development. However, not all relationships in all circumstances require deep trust. Business relationships are focused around some form of financial benefit and utility. In the West this means the exchange is mainly performance and transaction based. In Northern China it is relationships that come first and the business second whereas in Southern China it is known among Chinese to be the reverse. These aspects are folklore among Chinese but to date have not been empirically tested. Understanding Chinese relational behaviour at the broad regional or provincial level would add significantly to Westerners and even Chinese understanding. This makes for interesting future research and the model provides an excellent foundation for such an investigation.

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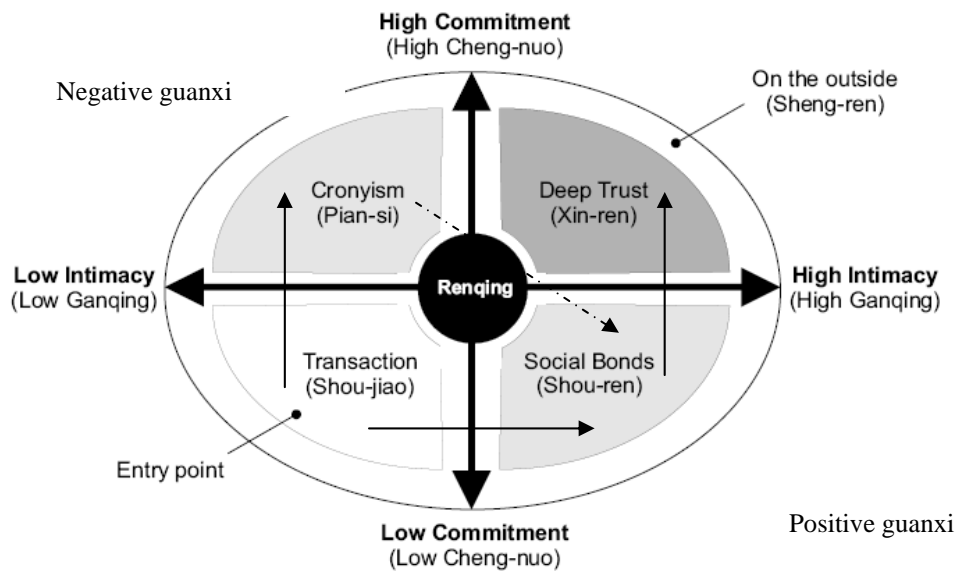
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Table 1: A typology of Chinese relationships

Type	Definition
Sheng-ren	Sheng-ren relationships are relationships with people who are unknown strangers or simple acquaintances, are purely instrumental and are primarily focused towards personal costs and benefits (Yang 1994; Tsui and Farh 1997).
Shu-jiao	Shu-jiao is equivalent to a shallow tie with only initial relationship development. These shallow ties may be numerous as Chinese realise that such connections can provide considerable low-level support (Kriz, 2009).
Shou-ren	Shou-ren, refers to individuals who are familiar but outside of the immediate family such as relatives outside of the immediate family, people from the same village, friends, colleagues, classmates, teachers, people sharing the same family name and close friendships that have developed over time. Shou-ren relationships have variable affective and instrumental components and are underpinned by ‘the principle of renqing’ (Tsui and Farh 1997).
Chia-ren	Chia-ren, refers to immediate family and is ‘characterized by relatively permanent, stable, expressive affective relationships in which the welfare of the other is part of one's duty’ (Tsui and Farh 1997), is strongly rooted in the Confucian value of filial piety (Bond 1991) and does not generally require any form of anticipated reciprocation (Tsui and Farh 1997).

Source: Adapted for this research

Figure 1: Two dimensional model of business relationship development in China



Source: Developed for this research

Crony capitalism has built up slowly in India, emerging as a Frankenstein's monster a decade and a half after politicians began to unchain the private sector in the early 1990s. That's when, in the name of public-private partnership and rapid economic growth, a serious misallocation of credit got under way. In 2018, financier IL&FS Group, which wrote the playbook on how to cynically exploit a poor country's desire for better infrastructure, went bankrupt. Savers trust the explicit deposit guarantee and have implicit faith in the regulator. In Lakshmi Vilas Bank Ltd., where the central bank got DBS to mount a rescue, deposits fell just 2% in the six months to September. This is when everyone knew that the lender, with a negative capital adequacy ratio, was toast. She has now turned over information on the servers, what they were for and what they did and who was involved. There have been many flown into GITMO because that is where they are interrogating these deep state actors. GITMO is full so they can't be imprisoned there. Some may be executed at GITMO. Hasple will not be one of them because she has agreed to help Trump in testifying as to what the CIA did and when. It is unknown how badly she was injured in the raid. She made depositions at Gitmo and a video confession. We advocate a need to move beyond cronyism, which we argue is a shallower form of relationship that is based on instrumental ties, toward a deeper form of commitment that is based on mutual trust. Cronyism as represented by Leung et al. (2008) is a poor target. We suggest a deeper form of relationship, analogous to familial connections, as more preferred option. In accordance with the typology, we introduce a twodimensional model for relationship marketing in China that provides insights into what drives the different styles of relationships, and importantly, when each relationship type would