

Colin S.C. Hawes. *The Chinese Transformation of Corporate Culture*. New York: Routledge, 2012.

In 1867, Karl Marx argued that once end products enter the capitalist market as commodities, the human relations of productions—supposedly between the worker and the capitalist—come to be disguised under fetishism and market exchange. Fast-forward to the 20th century, and Adorno and Horkheimer attribute commodity value to the calculated production of culture and meaning. With the continued transnational expansion of economy and market production, scholarly study has so far seen a return to the norms of labor and human relations of production in recent years.

In *The Chinese Transformation of Corporate Culture*, Colin Hawes tackles the admission and practice of corporate culture in a world colored by Communism and old traditions. Following the footsteps of Western companies, China has, since the early 1990s, embarked on the highway to corporate culture, merging the work place with old Confucian beliefs and Communist-inspired perseverance. With this clear-cut picture in mind, Hawes singles out the features of Chinese corporate culture through two main chapters and six sub-sections. The first sub-section covers the official and academic interpretations of corporate culture within China, identifying the former as stressing political and ideological cultivation and the latter as a more practical, hands-on guide book for Chinese companies and foreign investors. Interpreting lessons from such texts, the second sub-section uses four case studies—examining one state-controlled and three private-owned businesses—to look at the varying values, missions, and philosophies of the organizations, along with the “corporate spirit” imposed by each of those organizations, in light of their respective corporate cultures. From producing customized handbooks to using stories of Mao Zedong’s struggles, and monitoring employee conduct through self-criticism, the Chinese take on corporate culture appears more creative than imagined.

Indeed, culture does not happen overnight. In the next four sections, Hawes analyzes the ways in which corporate culture is bred in Chinese companies. Section three demonstrates the use of cultural propaganda (e.g.: training programs, company manuals, corporate songs, employee feedback) in creating corporate identity and collective security. Another important form of propaganda examined in section four is that of corporate magazines. Hawes believes that in-house magazines act as an outlet for employers and employees to come together: leaders demonstrate the honor of initiating new projects and meeting politicians; employees, meanwhile, are free to write about management ideas and inspirational experiences and are, at times, acknowledged as corporate stars. Section five further highlights the role of leaders and CEOs as philosophers, deep thinkers, and followers of the *daodejing*,¹ whose calligraphy and linkage to the central government are crucial to the goodwill of corporations. In the last part, Hawes uses corporate giants Haier and Huawei to demonstrate the different transitions corporate cultures have undergone in the face of business expansion and internationalization, briefly closing with the challenges that both corporations are currently facing: a growing workforce, the influx of overseas labor, a high turnover rate, the complexity of fund and shares distribution, and the political influence of the PRC government.

Culture has, for ages, been commonly understood to refer to social collectivity made up of language, customs, memory, and objects; in other words, it is a bundle of elements that ties

¹ Believed to be based on the teachings of philosopher Laozi (founder of Chinese Daoism), *Daodejing* (道德經) is a classic in Chinese literature which instructs on a way of life aimed at restoring harmony and peace through non-interference, spontaneity and basically, refusal to take action.

together a community of people. To understand culture is to deconstruct the concept layer by layer, examining its components of rites, symbols, and evolution. Drawing heavily on textual sources and existing analyses from Chinese scholars, Colin Hawes achieves this deconstruction by looking at the elements that make up culture in a Chinese corporation: in the end, collective values are created, imposed, and collectively acknowledged through company songs, chants, and ritual activities like morning creativity exercises and even mass corporate weddings. As a result, symbolic confirmation is everywhere: identity is made through shared values and everyday practices. Further, not simply bringing employees together during work, Chinese corporate culture, as sketched by Hawes, is one that overshadows individual life. Employees in a Chinese corporation tend to be taken as part of a bigger entity, their private lifestyles overshadowed by their workplace identities; through the adoption of customs, many of which commonly carry the meanings we assign to culture, corporations discern employees and their families as a part of a more colossal corporate “household.” Stringing together the six themes from the six sub-sections of the text, Hawes’ writing suggests that the central objective of Chinese corporate culture is to transform work into the biggest and most crucial aspect of an employee’s life; employees and the company are one, both in image and in essence. This is made possible, Hawes asserts, by the unique equation of adding family, political devotion, and traditional beliefs into the same basket, the resulting end of which is a staunch laborer overtly willing to work over-time and commit fully to serving the company.

Breaking down corporate culture by analyzing its fragmented composition, Hawes is able to suggest the process of cultural formation through textual documentation regarding practices and rituals in various Chinese corporations. However, his choice of references and focus on the traditional and Communistic features within corporate ideals merely delineates a theoretical framework around which Chinese companies attempt to create corporate culture, leaving the question of its practical execution unaddressed. To what extent are the customized rituals and group activities practiced and welcomed by employees? What is the reception of in-house magazines? How do employees position and perceive themselves in a work place that emphasizes self-criticism and collective identity and potentially hammers creativity and innovation? On another level, the applicability of a singular corporate culture within an organization of considerable size is questionable. For example, Hawes reports (disregarding the complex ethnic sub-constitution of Huawei employees) that as of 2013, the company has over 150,000 employees, of which 30,000 are non-Chinese. Considering the range of cultural backgrounds, the nature of different jobs within the corporation, and the literacy rates of different groups of employees, the plausibility of the universal application of a corporate culture within the different strata of corporate hierarchy is left out of the picture in Hawes’ work. In an economic sense, the creation and sustenance of effective corporate culture is a low-cost investment directed at generating untold profit and wealth. When a shared culture becomes the soul of a corporation, previously unimaginable vivacity, enthusiasm, synergy and, importantly, trust emerge. Put simply, a good culture should pave the way for happy employees and, in turn, satisfied customers and high quality products; when employees feel respected, trust grows between employees and management. Over time, the company becomes employees’ first priority. During the introduction, Hawes briefly discusses non-Chinese interpretations of Western culture, highlighting the achievement of increased work motivation and improved productivity in Japanese and Western examples. However, Hawes’ examination of Chinese corporations, in turn, lacks such substantiation. He uses a piecemeal approach in demonstrating the different types of practices within Chinese companies, resulting in an illustration that pays little attention to the

structure of management. In his examination of privately-controlled corporations alone, he fails to ask, for example, whether the China Guangsha Group publishes in-house magazines like the one published by the Cosun Group. Without a proper narration of the construction of corporate culture in one particular corporation, it is doubtful whether the “institution” that Hawes attempts to formulate would attain profit maximization or customer loyalty.

Through the cases of Haier and Huawei, Hawes tackles the existence of unique institutions in Chinese management, if only in brief. In the last section, he addresses the negative impacts of corporate culture transformation on the managements of the two corporations as having led to uncontrollable expansion, a politically-influenced image, and damaging short-term gains, all of which, if not properly handled, will lead to unwanted loss in the long run. Crediting such changes to corporate culture, however, is a hasty conclusion that negates (or at least underestimates) the roles of the more solid elements of, say, business networks, strong leadership, and innovative marketing. Furthermore, China’s hunger for foreign investment and global expansion in the last few decades does not contradict what Hawes believes to be negative consequences; indeed, adopting the Western idea of “corporate culture” has served as an intangible ticket, a cultural diplomacy for the Chinese government and local corporations to enter foreign markets, especially in light of the re-branding of the Chinese economy as becoming less Communist and more Western in nature.

The Chinese Transformation of Corporate Culture is an extensive compilation of textual sources from numerous Chinese companies. However, without a more concentrated study of the transformed structure of management approaches within the corporations, a better look at the effectiveness of and reception to the applied practices, a clearer analysis of the ultimate objectives of China’s corporate culture, and a closer encounter with corporate employees (via interviews that reveal their own accounts, for example), the applicability of this work may be limited. In the meantime, this book serves as a good albeit piecemeal introduction to China’s corporate culture, particularly for English readers.

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