CULTURAL INFLUENCES IN WINNIPEG'S CHINESE BUSINESS COMMUNITY AND THEIR IMPLICATIONS FOR SMALL BUSINESS DEVELOPMENT

BY

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A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University

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Yim-King Penny Wan   1997 (c)

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Abstract

This practicum examines the influence of Chinese cultural characteristics on the over-all success and survival of a small sample of businesses under Chinese management in the City of Winnipeg. Results of this practicum have implications for cross-cultural business development planning and community economic development planning within the Manitoba context.

Results suggest that three Confucian ideologies, specifically 'conformity', 'face' and 'collectivity' are key factors in small businesses under Chinese management in Winnipeg. These cultural characteristics influence business planning and decision-making in three ways: i) they contribute to common and shared values among Chinese employers and employees; ii) they establish a basis for mutual understanding and compliance with routine and necessary tasks; and iii) they contribute to stable working relationships and organisational behaviour.

The results of this practicum suggest that community economic development should consider the influence of culture in development strategies targeted at specific business communities. Similarly, public policy planners in government agencies such as Manitoba Industry Tourism and Trade Department who are concerned with Chinese business immigrants could also develop cultural assistance policies for business development in Winnipeg, or other provincial centres.

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CHAPTER ONE: INTRODUCTION

1.1 Background

Over the past two decades there has been a steady stream of immigration of Chinese people to Western industrialised countries such as the United States, Canada, Australia, New Zealand, and the United Kingdom. Available statistics (Business Week, 1991:50) indicate that for immigrants in the category of "business immigrants", Canada remains the foremost destination. More than 110,000 immigrants from Hong Kong have settled in Canada since 1984. A record 29,000 Chinese immigrants arrived in 1990 and Business Week predicts 200,000 more by 1997 when China resumes sovereignty over Hong Kong. Immigrants under the business immigration category contribute their energies and finances to the economic development of Canada. This influx of Chinese business immigrants has lead the Canadian government to introduce business assistance programs. In 1985, the federal government announced the introduction of the first of such programs called the "Business Start Program" (Manitoba Industry and Tourism, 1991). This program was intended to foster entrepreneurial activity among business immigrants. Specifically, the purpose of the program was stated as follows:

> To promote the success of new business start-up by ensuring that entrepreneurs have fully researched their ideas by means of a comprehensive business plan, by offering business training and counselling, and by providing access to funding through a loan guarantee (Manitoba Industry, Trade and Tourism 1985:1).

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Similar programs exist at the Provincial level. For example, the Manitoba government introduced the "Business Plan and Marketing Plan" and "Management Training" programs in 1993 to provide business immigrants with a better understanding of business operations in Canada.

In spite of the variety of the business assistance programs offered by the Province of Manitoba to encourage entrepreneurial activity among business immigrants, many Chinese entrepreneurs in Winnipeg have encountered difficulties in successfully setting up their small businesses. For example, a study by the Winnipeg Chinese Community (1992) revealed that the City of Winnipeg is considered by many Chinese immigrants only as a "stepping stone". Subsequently, more than half of the Chinese business immigrants tend to move out to other cities such as Vancouver and Toronto.

Although the outflow of Chinese entrepreneurs has been attributed to the economic recession in Winnipeg and the city's geographical location, it may also be the result of inadequate support for would be or prospective entrepreneurs. Given the role of entrepreneur and the private sector in job creation and economic development, it is important to examine the factors that influence successful small business development in Winnipeg. Accordingly, the purpose of this study is to explore the influence of Chinese cultural characteristics on the development of Chinese small businesses in Winnipeg.

Traditionally, organisational effectiveness, or performance, has been explained in terms of sound managerial practices and development of appropriate organisational structures (Whitley, 1990). Perhaps influenced by this technical orientation to organisational performance, the Canadian business assistance programs for immigrants has emphasized on the development and integration of technical aspects and management principles. However, there is a growing recognition in the management and international business literature that cultural characteristics of a nation do influence management practices and performances (Hofstede,1980; Redding,1990; Ogbor,1990).

Therefore, given the importance of small business development in Winnipeg's economy, it is important to understand the role of culture in the development of small businesses in an immigration centre like Winnipeg. The City of Winnipeg's 1990 Task Force identified economic development as the City's highest policy priority. In particular, job creation was considered a 'must'. The Task Force Report showed that growth in the City's small business sector, between 1984 and 1988, had resulted in the creation of 24,000 jobs. These additional jobs represented an 8.5 percent increase (Task Force Report, 1990:5). Therefore, it is important for community and business development planners to identify ways to encourage small business success in Winnipeg and to increase job opportunities. Winnipeg is a multi-cultural society. The City of Winnipeg is no longer a society dominated by one cultural group. According to the 1991 Canadian Census (Statistics Canada, 1991), the Province of Manitoba

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comprised five major ethnic groups. The Chinese population represented 7.7 percent of Manitoba's population and was the fifth largest group. This suggest public policy planners and economic development planners need to consider a broader multi-cultural look at the City in terms of development needs and interests of these various cultural communities. Hopefully, the results of this practicum will identify some cultural characteristics important to planning for the Chinese business community.

1.2 Objectives

The first objective of this practicum is to consider if there is a relationship between Chinese cultural characteristics and the successful development of Chinese small business.

The second objective is to examine if selected cultural characteristics positively affect small business development and so in what manner.

Similarly, the third objective is to examine if three selected cultural characteristics negatively influence business operations and if so in what manner.

1.3 Overview of Practicum Organisation

Chapter Two is a review of literature dealing with the underlying belief systems and values that govern Chinese cultural behaviour. It provides links in the relationship between Chinese culture and Chinese business management.

Chapter Three describes the methodology used in this study and presents the results of interviews with key informants from the Winnipeg Chinese business community. In Chapter Four, findings of the study will be discussed. Focus will be a discussion on implications of Chinese cultural characteristics on Winnipeg Chinese business management. Finally, Chapter Five presents the recommendations for future community economic development.

CHAPTER TWO: CULTURAL DIMENSIONS OF CHINESE

BUSINESS ORGANISATIONS

2.1 The Role of Culture in Business Performance

In recent years, the superior economic performance of East Asian countries compared to the West has aroused the interest of scholars such as Hofstede (1980), Khan (1979) and Redding (1990), who examined the role of culture in small business success. For example, World Bank Data (Hofstede & Bond, 1988:5) shows Singapore had an average annual growth rate of 7.6 percent over the past 20-year period; Taiwan 7 percent; South Korea 6.6 percent; Hong Kong 6.1 percent; and Japan 4.7 percent. These rates are considerably higher than the growth rates in developed nations, including Australia (3.5 percent), Britain (1.6 percent), Canada (2.4 percent), and United States (1.75 percent) over the same period of time.

Redding and Wong (1986) attribute the business success of East Asian countries such as Japan and Singapore to a common cultural heritage. Khan (1979) proposes the "Post-Confucian hypothesis", to explain the positive economic performance of East Asian countries. There is a considerable literature on the factors contributing to small business failure and success in North America. These studies are, in part, the result of the high failure rate of small businesses in North America. Timmons (1985) reports that 40 percent of all new businesses fail within the first year and only 10 percent survive beyond ten years. Similarly,

Farvolden (1992) finds that in 1990, 11,024 small businesses declared bankruptcy in Canada and 13,000 in 1991. In over 90 percent of such cases, the cause of failure is attributed to inefficient management (Gordon, 1990).

Given that Western management theorists are of the view that business failures can be avoided through sound management practices, it is important to understand the cultural concepts of Western management that leads to "sound management practice".

2.2 Factors Contributing to Small Business Success and Failure

Factors contributing to small business success or failure can be considered using two approaches: prescriptive and descriptive (Ghosh, Teo & Low; 1993). Each approach is summarised as follows.

The prescriptive approach focuses on business factors that contribute to the success of an entrepreneur. The key ingredient identified in the literature is management skill. It suggests that any successful entrepreneur must acquire managerial skills and techniques that enable him/her to deal with problems in every phase of the business cycle. In particular, management skills in the areas of planning, financing, accounting, marketing and personnel are considered important (Charmard and English, 1989; Timmon, 1985; Farvolden, 1992).

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Haswell (1989) links the main cause of business failure to management incompetence and inexperience. Wood (1989) confirms that lack of capital, financial control and accounting information, management skill and experience; and the inability to respond to changes, are the major factors in small business failure. Chamard and English (1989) suggest that entrepreneurial success depends upon the following criteria: keeping good records, maintaining financial management, having experience and understanding of the market, seeking and using external advisers, and avoiding staff problems. Pollock (1989) and Barkham (1989) identify management skills and the gathering of marketing information as vital to entrepreneurial success. Gaskill (1989) identifies four key factors for a successful business: power, a business plan, a study of the competition and measurement of performance. Mraz (1989) also states that planning is vital to a successful business. Child (1986) finds that successful entrepreneurs are able to develop a common value system within their organisation, ensure adequate capital, develop a formal business plan, monitor the business on an ongoing basis, retain a marketing strategy, and delegate authority.

The prescriptive approach therefore suggests that successful entrepreneurs possess a distinct capacity to make decisions, solve problems and to use resources effectively and efficiently. They also use scientific management methods to achieve organisational efficiency. Scientific management uses 'objective' quantitative criteria in decision making rather than relying on

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managers experience or intuition. The basic premise of scientific management is a belief that organisational problems follow definable patterns, and systematic investigation will uncover those patterns. Therefore, mathematics, logic and quantitative modelling are widely used in the process of problem solving and decision making.

Scientific management also involves specialization of labour. Classical management theory originated with Adam Smith (1776). The specialization of labour meant the division of a complex job into simpler tasks that one person or group could carry out independently. Therefore, organisations tend to develop several functional departments (such as finance, human resources, and marketing) to organise management units around specific work activities. Classical economic management theory suggests a number of benefits associated with specialisation. First, specialisation helps increase productivity. Second, specialisation permits managers to efficiently supervise large number of employees. Third, specialization decreases training time. Fourth, specialization contributes to higher quality products and services. Finally, specialization can facilitate the achievement of higher complex goals.

In contrast to the prescriptive approach, the descriptive approach focuses on individual characteristics as the key to the success of an entrepreneur. This approach suggests that the quality of management depends on the personality attributes of a leader. Hal (1989), for instance, identifies five personality

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attributes critical to the success of a small business venture. These are: i) drive; ii) thinking ability; iii) human relations ability; iv) communication ability; and v) technical knowledge. Silver (1983) states that a successful entrepreneur needs: i) heart; ii) patience; iii) drive; iv) courage; v) the ability to co-operate; and vi) an understanding of leverage.

Jim Gagan, CEO founder of United Consumer Club (1987), believes that honesty and integrity are crucial in building a successful business. Similarly, Niehouse (1986) identifies the characteristics commonly found among successful small business entrepreneurs as: personal vision; an ability to organise resources; creativity and intuition; a belief in ideas as a source of motivation; action-oriented; risk taking; impatience; restlessness; independence and individualism. Sexton (1985) describes an entrepreneur as one who is tolerant of ambiguity, prefer autonomy, enjoy risk-taking, resist conformity and easily adapt to change. Chamard and English (1989) state that the characteristics of a successful entrepreneur include drive, energy, self-confidence, goal setting, sense of timing, risk-taking, ability to deal with failure, ability to deal with uncertainty, and a willingness to accept feedback.

The descriptive approach basically focuses on the leadership style of an entrepreneur. It postulates that there are three important leadership attributes influencing entrepreneurial behaviour. One attribute is an orientation toward effectiveness. This suggests that an entrepreneurial activity is a process

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involving a number of interrelated activities. It further implies that an entrepreneur has certain learned attitudes, or specific beliefs, about activities and situations. Successful entrepreneurs are flexible, adaptive to change, good at dealing with human relations and communicating with others in different situations.

The descriptive approach also emphasizes the importance of conceptualisation and abstract thinking to small business success. A successful entrepreneur does not merely follow the traditional method of business operations, but explores the environment and formulates strategies to ensure that the organisation adapts to changing opportunities. Attributes such as innovation, creativity and risk taking are important in enabling entrepreneurs to try new ways to improve productivity and performance.

The third emphasis of the descriptive approach is motivation to behave in an entrepreneurial manner. The basic assumption is that every individual is driven to use his or her entrepreneurial skills and orientation to satisfy needs. For example, a need for power may drive an individual to find a position that allows him/her to be influential in decision making. (McClelland,1961) This need for achievement underlines the success of most entrepreneurial activities.

The prescriptive and descriptive approaches both provide management researchers with an explanation of the impact of specific structural arrangements

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on employee work-related behaviours and, consequently, organisational performance. In recent years, a number of management researchers (Whitley, 1990; Kirkbride, 1991) have highlighted the limitations of the prescriptive and descriptive approaches for explaining small business success. Particularly, research's efforts to understand the growth of international business has revealed a multiplicity of factors (such as politics, external environment, unions, and culture) that significantly contribute to the growth and success of international small business.

2.3 Cultural Dimensions of Small Business Success

Not until the late 1970s and early 1980s did researchers become interested in the cross-cultural study of organisations (Ogbor, 1990). Having attempted to examine the implications of culture on management practices and organisational structure, researchers found that organisations did not function as a closed system. Rather, organisations were open systems constantly influenced by various external factors, including their cultural context.

Culture is used and defined by various fields of study. Anthropologists, psychologists, historians and social scientists all define culture differently. For example, anthropologists generally view culture as a complex system which embraces all of a society's 'folkway'. Social scientists define culture as the result of human design and applied technology through history (Kluckhohn and Kelly, 1945). Social anthropologists, however, view human beings as having a social

and biological heritage (Mead, 1937). Thus, culture is interpreted as a heritage passing from generation to generation. Psychologists view culture as social adjustment or a problem solving device that involves mutual learning.

Nevertheless, for a better understanding of the relationship between organisational behaviour and culture, management researchers (Ajiferuke and Boddewyn, 1970) suggest that one should adopt the "ideational approach". This approach views culture as a set of ideas shared by members of a group. Supporters of this approach, such as Keesing (1974), defines culture as an individual's theory of what his/her fellows know or believe about the game being played. Similarly, Hofstede (1980:25) sees culture as 'collective programming of mind'. He defines culture as:

> the collective programming of the mind which distinguishes the members of one
> human group from another.... the interactive aggregate of common
> characteristics that influence a human group's response to its environment.

Two important concepts are embedded in the ideational approach to culture. First, each nation or group has a subculture with unique characteristics which make it distinct from other nations or groups. Second, culture is learned. Cultural inheritances are not genetically transferred; they are acquired through human social conditioning from birth and the process continues throughout one's life.

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Therefore, in this study the term culture is defined as: **a process of collective mental programming, in which it is part of human conditioning that it shares with other members of the same nation, region, or group, but not with members of other nations, regions, or groups.**

2.4 The Effect of a National Culture on Business

Literature documenting the effect of national culture on organisational practice is numerous. By comparing Japanese and French cultures, Crozier (1973), for example, identifies four basic elements that are vital to the stability of French organisations. These elements are: i) impersonal rules; ii) high levels of centralisation; iii) the isolation of different strata; vi) the development of parallel power relationships. Clark (1979) compares the differences between French and British tobacco firms. He finds that British tobacco companies are relatively more decentralised than the French companies. In addition, British firms have a less rigid stratification system, and are less reliant on impersonal rules. As a result, British firms seem to be more able to adapt to environmental changes than French companies.

Jamieson (1980) compares structural characteristics of managers in British companies with those in American companies that operate in Britain. He finds a significant difference between the attitudes held by these managers. Americans have a relatively more open culture. American companies focus primarily on human factors and tend to give more importance to the selection and appraisal

of managers, and to the training of staff. Furthermore, they made greater use of managerial techniques. By contrast, British managers generally have a more closed culture. They emphasize human factors less and tend to give more emphasize to production.

The international management and business literature demonstrates that there are differences in organisational practices and performances among nations. Cultural factors play a very significant role in contributing to these differences. In recent years, management researcher Hofstede (1980) developed a model which systematically relates international differences to organisational practices (Lammers and Hickson, 1979). Based on employee interviews with multinational organisations he developed a framework for differentiating characteristic national cultural dimensions. The four dimensions identified and used by Hofstede are: power distance; uncertainty avoidance; individualism /collectivism; and masculinity /femininity.

"Power distance" is used to measure the degree to which people accept inequality in power among institutions and people. "Uncertainty avoidance" measures the degree to which individuals or societies attempt to avoid ambiguity and uncertainty. "Individualism" measures the degree to which people are expected to take care of themselves and/or individuals believe they are masters of their own destiny (the opposite of Collectivism). Finally, "Masculinity"

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measures aggressiveness and the degree to which people have a preference for achievement, assertiveness, and material success (the opposite of femininity).

For example, using Hofstede's system, the United States scored high in "individualism" and adopts the leadership theories based on the presumed needs of individuals, while Asian organisations with high "collective" scores tend to put more emphasis on group interests. Similarly, employees in the countries with low "power distance" (such as Denmark and Sweden) are more inclined to participate in organisations than countries with high "power distance" such as many third world countries. Hofstede's research is helpful in characterising how cultural values affects organisational behaviour.

2.5 Three Selected Characteristics of Chinese Culture

The root of Chinese culture is in Confucianism. According to Chao (1983), the power of Confucianism lies not in a religious sense but in a system of political and ethical philosophy which continually provides a moral, intellectual and social nexus for the Chinese. The aim of Confucianism according to Lang (1968:9) is to create an orderly society. As he notes:

> The Confucian's philosophy is an attempt to find a form of order for people which will be in accord with the order of the natural world. By the cultivation of interior goodness and by coupling it to the exterior grace through the encouragement of social decorum, society at large would come to exhibit the kind of balance of the best human being.

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The predominance of Confucianism in China can be traced to its origin in the Han Dynasty about 2000 years ago. It was the Emperor of the Han dynasty who set up a state university to educate selected officials in the study of Confucianism. From then on, Confucianism was sanctioned by the Emperor as the philosophy of the state. Confucianism basically suggests that the stability of a society is based on unequal relationships between people. The "Wu Lun" , also known as five basic relationships, are ruler/subject, father/son, elder brother/younger brother, husband/wife, and elder friend/younger friend. A good and orderly society will be formed when these relationships are maintained with mutual complementary obligations.

'Family' in Chinese traditions is the primary social unit of social organisation (Chao,1983; Lang,1968). Confucian thought focuses on family as the most important social institution, partly because it is the natural ground for moral training and also because it is the bridge between the individual and society. As Lang (1968:9) states:

> If the individual was properly brought up, if he was taught to respect a
> authority within his family, he would also respect it outside the family
> and be an obedient subject of the empire.

In the Chinese culture, a person is not an individual, rather he is a member of a family. The member must learn to restrain himself and to overcome his individuality for the harmony of the family. A family in the Chinese sense means blood-linked relationships, it is also called the "extended family". An

extended family in China usually consists of parents, their unmarried children, their married children, daughter-in-laws, son-in-laws, and grandchildren (Baker,1979). In other words, a family is described as an extended family when two or more related male kinfolks of the same lineage, their spouses and offsprings, live in a single homestead and are jointly subject to a single head. In this extended family, either the father or the eldest brother is the head. The Chinese government encourages extended families but oppresses family division. Family division is only allowed during the father's life time if he agrees to it. The reason for keeping a large family is mainly due to economic consideration. The Chinese believe that the more the family branches extend, the more powerful and resourceful the family becomes.

Family authority and gender relations in Chinese families are traditionally authoritarian, and patriarchal in nature (Chao,1983). The Confucian philosophy demands conformance to the basic social order of the family. The rules governing the social structure of family are based on hierarchical power relationships. Rank and order of an individual in a family is a function of generation, age and gender (Chao,1983; Yang,1974). For example, younger brothers are required to respect the elder one. The elders, however, have to love and protect their younger siblings. The same concept also applies to the relationships between sisters. In this hierarchy, all members of a senior generation enjoy a higher status than those of a junior generation. It is normal

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that older people take precedence over younger ones, while younger people are required to be faithful and loyal to their superiors.

Furthermore, male domination is a normal phenomenon in China. The male role is to be the breadwinner and head of the family. By contrast, the chief function of a woman in a family is to produce children and be faithful to her husband. Morally, women are expected to be obedient, timid, reticent and adaptive to any situation and circumstance. Chao (1983:23) cites three rules that direct the life of Chinese women: "An unmarried girl should obey her father and elder brother, a married woman-her husband, a widow-her son".

Confucianism gives the highest power to the father, husband and head of the family. The head of a family is always the eldest male. If a married son's father is not alive, the son will be the head of the family. The head officiates in all ceremonies of ancestor worship, marriage, and funerals. He holds the title to all family properties, including earnings and savings of all family members. He also arranges the marriage of his children and signs the marriage contracts.

Economic co-operation and wealth distribution involve family units (Lang, 1968). Family members usually work together for the family business which is directed by the family head, either father or grandfather. An unmarried son usually inherits the family business from his father and seldom leaves home for work. If the son leaves home for another business, he is required to send his

earnings to his parents. In a wealthy family, the son does not participate in his father's business, but can become an official or a landlord. In this case, the son must contribute all of his earnings to the family treasury which is administered by the family head. This system has been called "Chinese Family Communism" (Lang 1968:17).

Another key concept of Confucianism is "filial piety". In Confucianism, filial piety is considered "the root of all virtue" (Lang,1968:10). Filial piety begins with love and care from the father. Confucians believe that parents have a responsibility to love and care for their children before enjoying the love of their children. Confucians require unreserved obedience and devotion from the son to his father, the younger to the elder, and the subject to the ruler. Therefore, children are obliged to serve, support, and obey their parents. These obligations are expected not only from sons and daughters, but also from grandchildren, sons-in-law and daughters-in-law.

Confucians also emphasis the inter-relationship between individuals, and an individual's family with kin, and clan. (Mandal, 1984; Redding, 1986). The notion of clan refers to a group of the same surname, whose members are related to one another by descent from a common ancestor. The clan functions as an organisation that enhances the bargaining power of a lineage family through unity and strength. Theoretically, everyone with the same surname may be considered to be descended from one ancestor, and thus belonging to the

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same clan. In reality, however, clan can also refer to people who have their roots to the same village. Kinsmen on the other hand, are divided into three groups: father's relatives, mother's relatives, and wife's relatives. According to Mandal (1984), kinsmen may well look for help in times of need from other groups with the same surname. They may refer to the combined strength as a clan, despite the lack of any formal ties between them.

In summary, there are three key principles of Confucian teachings. First, Confucianism stresses the importance of the individual conforming to the authority in a hierarchical system. It stresses that the stability of society is based on unequal relationships between people. Consequently, these relationships are structured hierarchically. Social order is secured through each party's honouring of the requirements in the role relationship. Secondly, Confucianism also stresses group collectivity. In particular, the family is considered the prototype of all social organisations in which individuals must learn to overcome their individuality and maintain the harmony of a family. Thirdly, individuals exist for the benefit of the group and are morally obliged not to engage in activities that will damage the good name of the group.

Literature documenting the impact of Chinese culture on Chinese business enterprises is numerous, and suggests a strong correlation between Confucianism and the growth of Chinese business. (Kirkbride,1991; Redding,

1986; Hofstede, 1980) For example, Bond (1991:70) summarises the reasons

for the hyper-growth of East Asia industry and business as follows:

> the determinants of the post-Confucian 'economic miracle' are immensely
> complex....It is possible to see any full explanations as including elements from
> three categories of 'fact', all three layers being interconnected within
> themselves:
> 1. Economic policies adopted in a country.
> 2. Structural and institutional elements within a country, such as the forms
>   of government, of industrial organisation, and the legal and other infra-
>   structures.
> 3. Cultural elements drawing from the country's history, carried partly by its
>   religions, and evident in social values and ideals.

Khan (1979:56) identifies three key values and ideals which have significant

influence on the growth of Chinese business. They are:

> 1. Family socialisation to promote sobriety, education, skills, and
>   diligence.
> 2. Devotion to group over individual interests.
> 3. A respect for hierarchy and an acceptance of the complementary of
>   relations.

Other research project has identified a cluster of Chinese values which are

related to high levels of economic growth, termed "Confucian dynamism"

(Bond,1991:70).   This 'dynamism' involves key themes of persistence and

perseverance, ordering relationships by status and having a sense of shame.

The three key themes of Confucianism: (collectivity, conformity and face) have

an effect on Chinese organisational behaviour. Redding and Wong (1986)

suggest that an understanding of the impact of Chinese culture on Chinese

organisations requires the examination of three main aspects of Chinese

organisations: organisational structure, management processes, and psychological profile of individuals within Chinese organisations. Redding and Wong (1986) define "organisational structure" as the pattern of relationship among units and individuals in an organisation which provides the skeletal framework for the organisation's structure and processes. The elements of organisational structure involve such factors appointment of authority, roles, status etc.

"Management process", however, refers to activities such as leadership, decision making, and the communication methods through which organisation goals are achieved. It focuses on the ideals brought into the organisation by the individuals working in the organisation.

The following section examines how the three selected Chinese cultural characteristics of "collectively", "conformity" and "face" influence the organisational structure, management process and individual behaviour in Chinese small business organisations.

2.5.1 Collectivity

Chinese societies have frequently been described as "collectivist" (Nevis, 1983; Lindsay and Dempsey 1985). The emphasis of Chinese collectivity is reinforced by the Chinese emphasis on the family. The basic concept of collectivity is that

an individual is not as an isolated entity, but bound up with the social networks which surround him/her. The stress is not so much upon the individual and his/her interests, but on the maintenance of the collectivity and the continuation of harmonious relationships of members within it. Therefore, individuals in a collective society are urged to perceive themselves as part of a network of social relations, to sacrifice their personal interests, to adapt to the collective will, to control their own emotions, to avoid confrontations, competitions and to maintain inner harmony (Hsu 1949). In such a collective society, collective needs are always favoured over individual needs. The American concept of "individualism" appears to the Chinese as "selfishness", an unnatural attempt to isolate the individual from the group and to place personal interests over those of the group.

One of the implications of collectivism for Chinese business behaviour is that group/family interests are always placed above individual interests. Therefore, individuals are conditioned to contribute their efforts to the benefit of the group. As a result, Chinese organisations are primarily family businesses where family members and 'kin' all work for the benefit of the collective enterprise. A result of the tendency for family and company to overlap is nepotism. Relatives are employed in key positions. There are relatively few non-kin employed in top management positions.

A number of advantages of the emphasis on group or collective orientation in Chinese business organisations have been suggested in the literature. First, as

individuals are willing to sacrifice their personal interests for the group interests, they tend to accept everything that their companies decide and implement. As a result, Bond(1989) finds that because the personal and corporate goals of key executives from the family tend to overlap, there is a very strong motivation to work within a company. Pusey (1988) also reports that Chinese collectivism, or familism, motivates achievement. Specifically, Pusey (1988:206) states:

> Success for Chinese tends to be a group enterprise rather than a striking out an individual path of self-discovery, while in a traditional Chinese business organisation the family is pre-eminently important as the group which motivates achievement.

On the other hand, the disadvantages of Chinese extensive use of personal networks have also been identified in the literature. Bond (1988) and Limlingan (1986)) have both found that the reliance on personal networks in employee selection restricts the pool of potential employees and may result in less qualified people being hired. The personal basis for employee selection also makes it difficult for employers to remove non-performing or unqualified 'kin' from their companies.

Another implication of Chinese collectivism on Chinese business is that relationships at all levels of Chinese organisations tend to be modelled on familial relationships. Fan (1985), for example, reports that in most Chinese organisations activities of individual and personal lives are closely connected to the organisation. Organisations function as the parents of extended families responsible both for business and solving employee's personal problems. Fan

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(1995) explains that in most Chinese organisations, group orientation is expressed by "danwei" or "work unit", where the focus is not only on work-related activities but also on providing for the personal well-being of employees.

This connections of personal life to work is also reported by Lockett (1988) and Hsu (1963). They report that Chinese business people always express great concern for their kin, or relatives, in time of need. Chinese business owners will help their 'kin' by giving them money or jobs. Although power within the Chinese family unit is unequal, those with wealth and power have obligations to less fortunate relatives.

This apparent good will might seem to create loyalty and motivated employees. However, on the contrary, often the failure of an employer to handle an employee's problems can cause the employee to question the trustworthiness of the company thus reducing the employee's loyalty toward the company.

2.5.2 Conformity

Confucianism stresses the value of conformity, urging individuals to conform to prescribed social structures and relationships and to appropriate forms of social behaviour. This is reinforced by the "rules of propriety" which structure interpersonal relationships into five hierarchical dualities including: 'prime-minister', 'father-son', 'husband-wife', 'older brother-younger brother', and 'senior-friend'-'younger-friend' (Lang, 1968). Each individual in this hierarchical structure is expected to adjust him/herself to these prescribed interpersonal

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relations. Within Chinese collectivism, the individual is expected to conform to predefined social structures and relationships and to their appropriate forms of social behaviour.

Evidence of the Confucian notion of conformity affecting Chinese management behaviour has been reported by numerous researchers. There appears to be general acceptance of a larger power-distance axis between Chinese employers and employees. Hofstede (1980) found that the desire for a relatively large 'power distance' with subordinates is much higher in Chinese cultural behaviours than in other cultures. Chinese managers expect distinctions between themselves and their subordinates. Laaksonen's (1980) research in the People's Republic of China supports this higher power distance axis in Chinese organisations relative to their European counterparts.

Nevis (1983:19) states that the underlying principle that governs Chinese management is "respect for age". The important of age and hierarchical position are clearly shown by Baker (1979:15-16) who notes the importance of hierarchical order within the organisation:

> theoretically......any one person should know precisely where he (or she) stands in the family by referring to this order: there is a watertight chain of relationships which makes clear to whom each owes respect and obedience .

A feature of organisations that exhibit a large power distance characteristic is the centralisation of decision making to a single dominant owner, manager,

founder or father figure. Decision making is made solely by the owner of the business enterprise. Decisions are always made on the basis of the owner's past experiences and personal intuitions. As a result, less standardisation of activities and fewer routine procedures are required. There is also an absence of ancillary departments (such as research development, labour relations, public relations, market research) to support organisational operations. Also due to the limitation of one-person decisional making structure and the general absence of business technology, there is a tendency for Chinese small business to focus on one main activity.

Fan (1995) and Kirkbride (1992) report some advantages of hierarchical structure and centralisation of power in Chinese organisations. They find that the existence of hierarchy system produced a strong sense of order and relationship. It helps to govern how people should behave in relation to others in the organisation. Specifically, individuals are expected to perform assigned duties, practice filial submission, loyalty, decency, and reciprocal behaviour. Questioning the predefined social order is forbidden.

Laaksonen's (1980), on the other hand, highlights the negative side of centralisation in Chinese organisations. He found that a high degree of centralisation restricts individuals to specialised activities and limits organisational size. The leadership style within Chinese companies is essentially directive and authoritarian. Redding and Casey (1976) provide comparisons of beliefs about management behaviour which clearly indicate a distinctly greater

autocratic approach than that found in the West; especially in the contexts of sharing information with subordinates and allowing them to participate in decision making. As Myers (1987) suggests, the didactic style of leadership allows the highest authority in Chinese organisations to oversee every detail of business operation within their companies. It also reduces the occurrence of conflicts by prohibiting ideas and employee's participation in the companies.

This authoritative approach presumes that top decision makers are bright, have ethical integrity and will use their power appropriately; in reality, this may not be the case. Harris (1979) observes that one-person decision-making is very limited and could ruin the business. This is because the decision maker only uses his/her feelings and intuition instead of objective criteria for personnel selection, promotion, and performance evaluation. Another problem of authoritarian leadership noted by Lockett (1988) is that it makes higher level managers become quickly overloaded with routine decisions and relatively minor disputes within the organisation.

Finally, autocratic leadership in business prohibits employees participation and may result in the suppression of innovative ideas and creativity which is of considered valuable to the success of a business enterprise.

2.5.3 Face

Another key theme of Confucianism is the concept of "face". The concept of face is universally applicable, yet Hsu (1949) argues that "face" is particularly

salient for the Chinese. "Face" is seen as an image of self, delineated in terms of approved social attributes. Goffman (1955:213) defines it as:

> the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact. Face is an image of self delineated in terms of approved social attributes.

"Face" is an important part of Confucian emphasis on harmonious relationships within a group. It is considered shameful to disturb group or interpersonal harmony. Shamefulness occurs when an individual's behaviour deviates from the group norms. Therefore, in order to avoid shame, Chinese people frame their interpersonal behaviour in view of social norms rather than personal standards. They conform to social and moral standards by performing assigned duties in accordance with their roles within a hierarchical order.

The "loss of face" is a serious situation. To be seen as 'losing face' is an embarrassment to the individual. To avoid this many Chinese businesses are reluctance to seek external assistance or professional help. For example, Fan (1995) found that when there is conflict between the employer and employee, (such as theft by employees) Chinese employers usually handle the problem through intragroup mediation rather than an external legal system. By doing so, the employer will presume that any bad news about his company will not spread among the Chinese community, thereby 'saving face' for the company. Redding (1986), similarly observed that the Chinese are less likely to receive social welfare offered by governmental agencies, since receiving public welfare is considered a shameful behaviour. Therefore, Chinese businessmen are more

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willing to seek financial assistance from their kin or clan, rather than from financial institutions.

Sensitivity to 'face' enhances the stability of both vertical and horizontal relationships. The search for interpersonal harmony produces a person psychologically attuned to deference, compliance, and cooperativeness within an organisation. On the other hand, avoiding the loss of face makes Chinese businesses reluctant to seek professional assistance. Consequently, preoccupation with face saving can reduce the development, competitiveness and viability of a company.

CHAPTER THREE: AN INQUIRY INTO THE CULTURAL CHARACTERISTICS OF SMALL BUSINESSES IN WINNIPEG'S CHINESE COMMUNITY

3.1 Introduction

This chapter examines the role of Chinese cultural characteristics on the development of Chinese businesses in Winnipeg. There are three sections in this chapter. The first section provides the background of the target group of this study. The second section discusses the methodology. The third section presents the findings of the interviews.

3.2 Background of Key Informants

The key informants for this practicum are Chinese businessmen in Winnipeg. Chinese businessmen came to Winnipeg in four major waves (Mandel, 1984). The first wave of Chinese immigrant commenced at the end of last century and ended in the 1920s with the federal government's Chinese Exclusion Act of 1923. The early Chinese were quite homogeneous. Most of them were labours from the same rural district in the Province of Guangdong in Southern China. The second wave of Chinese immigration occurred in the 1960s, when the Canadian government began to adopt a more liberal immigration policy to allow different ethnic groups to enter the country. The second wave of immigrants was different from those who had come before them. Those independent Chinese immigrants who came in the 1960s, and later, were highly educated and sophisticated professionals from urban cities such as Hong Kong and Singapore.

The third wave of Chinese immigrants came during the period of 1979 to 1985. This group of immigrants was mainly refugees of Chinese origin from Vietnam, Cambodia and Laos. The majority were less educated and possessed little urban experience than the previous wave of immigrants. The fourth wave of Chinese immigrants began in 1985 and continued throughout the following decade. This wave included a large number of immigrants from Hong Kong and mainland China. They were attracted to Canada largely due to the 1989 Student Democracy Movement and the approach of the year 1997 when China will resume sovereignty over Hong Kong. This group of immigrants consisted of financially successful people who were also highly educated. Many of them were professionals who came through the "independent category" of immigration policy. Amongst this group was also a large number of Chinese who came through the Canadian Business Immigration Program. The 1991 census (Statistics Canada,1991) reported that by ethnic origin, there were 11,145 Chinese in Winnipeg (5625 male and 5525 female). Total Chinese population in Manitoba is 30,000 and of this figure, approximately 10,000 are Indo-Chinese. (Winnipeg Free Press, April 22,92,p.B19).

3.3 Methodology

Three key themes of Confucianism (conformity, collectivity and face) have been discussed earlier and will be used to examine the experience of Chinese businesses in Winnipeg. The use of these three characteristics is based on the assumption that each and every region, group or country has a set of dominant

value orientation. Secondly, cultural value is one of the most important factors affecting human behaviour. Thirdly, there are differences in values between groups which affect business management. Given these assumptions, the following hypotheses were identified for examination using a key informant approach:

Hypothesis 1:

1a) Collectivity will be reflected in the organisation of Chinese businesses in Winnipeg.

1b) Conformity will be part of organisational behaviour in Chinese businesses in Winnipeg.

1c) Face will be involved in the organisational behaviour of Chinese businesses in Winnipeg.

Hypothesis 2:

2a) Collectivity will be an asset to the successful operations of Chinese businesses.

2b) Conformity will be an asset to the successful operations of Chinese businesses.

2c) Face will be an asset to the successful operations of Chinese businesses.

Hypothesis 3:

3a) Collectivity will be a liability to the successful operations of

Chinese businesses.

3b) Conformity will be a liability to the successful operation of

Chinese businesses.

3c) Face will be a liability to the successful operations of Chinese

businesses.

An ethnographic research approach was selected for this part of the practicum. This method is commonly used by anthropologists to understand a culture from the point of view of the group being studied. This approach is designed to uncover and interpret the mental maps which groups of people follow in their daily lives. The two major techniques used in ethnographic research are observation and interviewing (Bates & Poly, 1990). A key informant interview approach was selected for the practicum study of Winnipeg's Chinese business community.

3.3.1 Interview Questions Design

There were two rounds of interviews undertaken with thirty-five and seven key informants respectively. Interview questions for the two rounds of interviews were not the same. Questions in the first round of interviews were primary informal and open-ended. The intention of the interviewer was to give key informants the freedom to express what they think was important in their culture. The second round of interviews were conducted using more structured questions. Eight out of twelve respondents refused audio-taping of formal interviews. The interview questions used are in Appendix A.

3.3.2 Key Informant Selection

Informants for this study were selected from a directory complied by the Winnipeg Indo-Chinese Association. Indeed, a comprehensive directory of Chinese businesses was not easily found. There are five directories of Chinese business immigrants in Winnipeg. Three of them are not intended for public use. However, Indo-Chinese Association directory used in this practicum is intended for public use, and is considered by the Chinese community as relatively comprehensive and reliable.

In selecting informants for the first round of interviews, the following four criteria were used: 1) Chinese origin, 2) recent immigration to Winnipeg (less than seven years), 3) experience in running businesses in Winnipeg, and 4) owners of the company. The criteria for the second round of interviews were slightly different from the previous one and included the following: 1) informants having fulfilled the requirements of the first round of interview, 2) key informants must have survived in business for more than five years, and 3) key informants had to be representatives of the Chinese business community.

Using the Directory, sixty-five out of one hundred and seventy Chinese immigrants listed were eligible informants for the first round of interviews. Of these sixty-five eligible informants, thirty-five were willing to share their experiences with the researcher during the informal interviews. For the second round of interviews, twenty out of thirty-five informants from the first round of

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interviews had businesses which had survived for more than five years in Winnipeg. Of these twenty, only seven were willing to permit an in-depth interview with the researcher. In addition to the seven key informants, five employees from the seven key informants businesses agreed to provide information during the second round of interviews.

The relatively small sample size for the second round interviews was assumed to be because Chinese people are generally reluctant to share information with people they do not know. Accordingly, of those sixty-five potential informants who qualified for the first round of interviews, only thirty-five(or 54%) were willing to provide information. Similarly, of the twenty informants eligible for the second round of interviews, only seven (or 35%) were willing to participate. Key informants generally expressed the feeling that they were more willing to share their feelings and opinions with people whom they consider trustworthy. They defined a trustworthy person as being someone who had the same ethnic origin, spoke the same language, and had maintained a close personal relationship.

3.3.3 Limitations of the Study

There are two limitations to this study. The first limitation relates to the sample size being used in the interview. The seven key Chinese business informants do provide a picture of how Chinese culture affecting the growth of Winnipeg Chinese businesses. Their generosity in sharing their personal feelings as well as factual information are considered valuable and significant to the

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Winnipeg Chinese businesses. Their generosity in sharing their personal feelings as well as factual information are considered valuable and significant to the findings of this study. However, for a more in-depth understanding of how culture affects Chinese business in Winnipeg, a larger survey should be used.

The second important limitation of this study is that it focused only on the influence of culture on Chinese business development. Many other equally important factors such as politics, technology, unions, external environment etc., which have been considered by some researchers as critical in contributing to the growth of Asian business, were not examined. Culture alone is not sufficient to explain fully the performance of Chinese businesses in the City but it is a factor that is seldom studied.

3.4 Interview Findings

From the first round of interviews, results indicate that new Chinese business immigrants share common problems when they begin their businesses in Winnipeg. These include homesickness, unfamiliarity with the local business environment, the loss of familiar Chinese business networks, and kin-based financial assistance. The following tables are the results from the second round of interviews. To begin, a background information of the respondents will be presented. Then, from Table 1 to Table 18, the results from employer's point of view are presented, while those from employees are presented in Tables 19 and 20.

Social-backgrounds of Respondents

1) Twelve people were interviewed. Seven were employers and five were employees.

2) The ethnic origin of the twelve respondents is as follows: seven were born and raised in Hong Kong, two were born in mainland China but raised in Hong Kong. One was born and raised in mainland China, and the remaining two were born and raised in Vietnam.

3) The average age of respondents was forty-seven, ranging from thirty-three to sixty-five years old.

4) The average length of education was five years or primary level.

5) Six out of seven of the employer respondents were male entrepreneurs.

6) All of the employer respondents were owners.

7) The average age of the business was 6.6 years.

8) The business include four Cantonese food restaurants, one Vietnamese food restaurant, one stationery shop, and one Asian grocery store.

Table 1

Job Specialization

Organisation	Official Job Title	Actual Job Duties
1	Manager	managing, planning, cooking
	Cook	cooking
	Clean up lady	washing dishes, assist in cooking
	Waitress	washing dishes, serving
2	Manager	managing, financing, personnel
	Asst. Manager	cashier, assist in cooking
	Cook	cooking
	Clean up lady	washing dishes, assist in cooking
	Waiter	serving, cashier
3	Store Manager	managing, financing, planning, sales
	Asst. Manager	keeping record of inventory, salesman, delivering goods, cashier
	Salesman	sales, cashier, assist in keeping record of inventory
4	Manager	managing, planning
	Asst. Manager	assist in cooking, serving, store keeper
	Cook	cooking
	Clean up lady	washing dishes, assist in cooking
	Waitress	cashier, serving, assist in cooking
5	Manager	managing, planning, financing, server
	Cook	cooking, buying food
6	Store Manager	managing, planning, financing
	Asst. Manager	keeping record of inventory, delivering goods, cashier
	Delivery Man	delivering goods, keeping record of inventory
	Clean up lady	delivering goods, salesman, assist in keeping records of inventory washing dishes and buying food
7	Manager	managing, planning, cashier, financing
	Asst. Manager	assist in cooking, server, buying food
	Cook	cooking
	Clean up lady	washing dishes, assist in cooking

Table 1 presents the division of tasks in the organisations of the seven respondents, indicating that Chinese organisations, in general, are not duty-specific. Although each employee is given a title in the company, in reality only three out of twenty-eight employees are performing tasks that are titled. Twenty-five out of twenty-eight of the informants are required to perform additional tasks. Among all the titled positions, "Cook" is the only one exclusively performing task indicated. In explanation, cooking, for the Chinese, is regarded as a profession. Another aspect of organisational structure is to investigate the job formality in the organisation as shown in Table 2.

Table 2

Job Formality

Respondents	Internal Divisions of Departments	Internal Paperwork Procedures	Internal Communication
1	None	Simple	Verbal
2	None	Simple	Verbal
3	None	Simple	Verbal
4	None	Simple	Verbal
5	None	Simple	Verbal
6	None	Simple	Verbal
7	None	Simple	Verbal

The sample organisations appears to have no internal divisions into departments such as marketing, personnel, accounting, customer services, probably because they are too small. Five out of seven informants replied that it is difficult to divide tasks into smaller parts in a simple organisational structure. Two out of the seven respondents stated that they do not divide business into various departments simply because they are not familiar with a

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departmental management structure. For these respondents, marketing, personnel management or customer services are "Western concepts", alien to Chinese small business organisations. This feeling is further strengthened by the fact that their forbears were successful in running businesses without the aid of Western organisational methods.

Internal paperwork procedures are kept very simple in Chinese companies. Promotional letters, detailed staffing records, records for marketing and sales were considered unnecessary and complicated. All informants felt their business structures were too small to require such formal documentation. Internal communication in all of the seven sampled organisations was totally verbal. Table 3 summarises the results of the leadership and decision making styles found among the seven Chinese key informant.

Table 3

Leadership and Decision Making

Characteristics	Numbers of Responses
Owners holding ultimate decision authority	7
Major source of decision making information	
Education	1
Past Experience	4
Personal Intuition	2
Owners who consider themselves authoritative in leading the organisation	6
Reasons for the preference on an authoritative leadership style of management	
Morally appropriate actions	3
Do not want his authority being threaten	2
Provide ahierarchical order of a company	1

As shown, power and authority in Chinese organisations is concentrated in the hand of business owners. Four out of seven informants report that the owner's past experience is the primary principle in making decisions. Two out of seven respondents rank personal intuition as important to the Chinese decision making process. Education is considered relatively less important (only one out of seven respondents).

The majority of the informants (six out of seven) consider themselves as authoritative managers and prefer this style of leadership. For these employers, the authoritative style of leadership means directly giving all orders, making all company decisions, and expecting total obedience from subordinates. Three out of six of these respondents prefer this authoritative style because they believe that obedience to superiors is morally appropriate in the Chinese culture. Two out of six of the informants feel that their authority will not be threatened if they are authoritative. One out of six informants replied that the authoritative style of leadership assists in establishing a hierarchical order which helps to govern individual behaviour within the company.

Informants were asked the advantages and disadvantages of autocratic leadership. Their responses are shown in Table 4, as follows.

Table 4

Strengths of Chinese Autocratic Leadership

Strengths of Autocratic Leadership	No. of Responses
Easier and faster to identify sources of organisational problems.	3
More flexible in adjusting business Strategies	2
Avoid conflicts or challenges from subordinates	1
Total	6

Employers identified three advantages of Chinese autocratic leadership style or conformity culture to business operations. Three out of the six respondents commented that autocratic leadership is expedient in sorting out organisational problems. Two out of six informants stated that an autocratic leadership style provides a higher degree of flexibility in changing business policies and strategies, while reliance on scientific methods in decision making requires substantial data and information which delays the decision making process. One of six informants reported that autocratic leadership style helps to standardize work procedures and avoids conflicts, challenges or arguments among subordinates.

Table 5

Weaknesses of Chinese Autocratic Leadership

Weaknesses of Autocratic Leadership	No. of Responses
Problem in forecasting the future if without scientific measurement	3
Limitation of the scope of one-man-decisions	1
Suppress initiation and creativity by subordinates	2
Total	6

Three major disadvantages of centralisation of decision making are also identified. For example, three of the six informants agreed that complete

reliance on personal judgements, without the aid of scientific measurement, might lead to faulty decision-making. One of the six respondents stated that relying on one individual's decision-making could result in limited and superficial decisions. Two of the respondents indicated that peer social pressure to conform might inhibit taking initiative and creativity in contributing ideas and suggestions to company owners.

All respondents also reported that they have relied on certain individuals in internal business operations. Table 6 shows with whom informants identified as key advisors in their business operations.

Table 6

Key Advisors in Business Operations

Persons	No. of Responses
Spouse	4
Father	2
Son	1
Relatives	0
Total	7

Family members appear to be essential in the internal management of the companies sampled. All respondents indicated that they rely on close family members for assistance. Among family members, four of seven informants rank the spouse of the owner as the most important person to assist in internal management. Since family members provide the major support for Chinese businesses, the number of family kin working in Chinese

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businesses was the next important question asked in the interview. Results are

shown in Table 7.

Table 7

Number of Family Members Employed

Persons	No. of Responses
Family members	19
Relatives	6
Clan	2
Friends	1
Total	28

Responses indicated in Table 7 show that family members dominate the hiring

practices of Chinese companies. Nineteen out of twenty-eight positions in the

sample were identified as belonging to family members. The hiring of people

who are not related to the company owner is rare in Winnipeg's Chinese small

business community. Informants were asked to identify family members hired

for top positions in their company. Results are presented in Table 8.

Table 8

Top Position Occupied by Family Members

Employee Fill in Top Positions	Respondents	Title
Owner's uncle	1	Asst. Manager
Owner's wife	2	Asst. Manager
Owner's husband	3	Asst. Manager
Owner's son	4	Asst. Manager
Owner's uncle	5	Manager
Owner's wife	6	Manager
Owner's schoolmate	7	Asst. manager

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This sample shows that family members or close relatives are hired to occupy top management positions. Six out of the seven top positions in the seven Chinese businesses sampled were occupied by the owner's family members or 'kin'. Informants who indicated that they hired relatives and kin for top positions were asked about the 'role' relatives and kin employees played in the company. Results are in Table 9.

Table 9

Significance of Family Members in Business Operation

Function	No. of Responses
Job sharing	6
Emotional support	5
Financial support	4
Internal stabiliser	3
Personnel	4

All informants identify that spouses, fathers and sons are particularly important. These key persons are crucial in five management roles. They are considered very crucial in helping with daily tasks. Emotional support is ranked as the second major contribution from family members. Managing staff and providing financial support to owners rank as the third major contribution. Elderly relatives, who are normally esteemed in Chinese society, play a stabilising role with respect to internal cohesion.

In Table 10 and 11, the strengths and weaknesses of collectively are shown. Three out of the seven respondents stated that the extension of their personal

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business network helps develop common goals within an organisation. Three of seven stated that kin and family members are more committed and loyal to the company than non-kin employees. One respondent indicate that kin or relatives would help to reduce transaction costs in the business operation.

Table 10

Strengths of Chinese Collectively

Strengths	No. of Responses
Common goal is developed	3
Family kin are more loyal to company	3
Helps to reduce transaction cost	1
Total	**7**

Table 11

Weaknesses of Chinese Collectively

Weaknesses	No. of Responses
Lack of objective criteria for assessing individual ability	4
Difficult of removing kin or relatives from a company	2
Restrict business activity in only small scale	1
Total	**7**

By contrast, four out of seven informants claimed that reliance on a personal network in employment leads to lack of objectivity when judging the ability and suitability of a potential employee. Two out of seven respondents reported that they would have difficulty removing kin and relatives from the company's employ should there be necessary. Only one respondent indicated that reliance

on personal networks in business would result in restricting the potential growth and development of business activities.

The final set of questions asked in the key informant interviews related to the methods used to obtain business information. Results are shown in Table 12.

Table 12

Primary Source of Obtaining Business Information

Persons	No. of Responses
Friends	3
Government immigration centre	2
Chinese community	1
Bank	1
Total	7

Three out of the seven informants report that they acquire business information from friends and relatives. Two of seven of the informants obtain information from government immigration centre, while one of the respondents uses the Chinese community. Only one informant depends on banks for business information. Table 13 presents the preferred sources of assistance that informants would seek for help regarding their cultural adaptation to Western society.

Table 13

Preferences of Help Seeking in Adapting to Western Society

Persons	No. of Responses
Family members	7
Close relatives	6
Friends	5
Government	3

The most preferred sources of help were ranked as follows: 1) family members 2) close relatives 3) friends 4) government. The reasons that key informants preferred to seek help from family member and close relatives are: firstly, in Chinese culture, it is the responsibility of family members to help each other. Secondly, Chinese people consider that asking someone for help is "losing face". That is to say, a person who is approached for help is at the same time being honoured and respected by the person in need. Key informants were asked about the person or organisation that they preferred, and did not prefer, in seeking help when they needed financial assistance. Results are shown in Table 14 and 15.

Table 14

Preferred Sources of Financial Assistance

Persons	No. of Responses
Family members	7
Closest relatives	6
Banks/ Financial Institutions	5
Friends	4

Table 15

Not-Preferred Sources of Financial Assistance

Persons	No. of Responses
Chinese community	5
Distant relatives	4
Government	2

The most preferred source of financial assistance is again, from family members. This is followed by close relatives, banks and friends. Besides family and kin,

informants generally preferred seeking financial help from banks rather than from government. As indicated by the responses, although financing from banks and other financial institutions are not the most preferred source, it is still an acceptable choice because they can receive considerable professional financial service without losing 'face' in their community.

Responses also indicate that the Chinese community itself is ranked as an undesirable place to acquire financial help. This is also due to the matter of "saving face". In Chinese society, letting people know about personal financial crisis is "losing face". The government's position as third least desirable source of financial help is largely due to the language barrier that many Chinese business people feel in seeking help from western government agencies.

The role of mentor is important in learning how to run a business. This is shown in the responses of six out of seven of key informants. Among all mentor figures, the father is dominant.

Table 16

Ways of Learning Business

Person	No. of Responses
Mentor	6
Father	4
Uncle	1
Friend	1
No mentor	1
Total	**7**

Two key factors in small business success are indicated in key informant

responses. Five out of seven employer informants define success in small

business as the achievement of net profit. Two out of seven of the employee

informants define it as covering fixed costs.

Table 17

Definition of Business Success

Definitions	No. of Responses
Achievement of net profit growth	5
Able to cover fixed cost	2
Total	7

Results in Table 18 show that four out of seven of the informants believe that a

good customer-client relationship and commitment to one's working company

are the primary factors in small business success. The remaining three

respondents believe that a supportive and strong management team are also

essential.

Table 18

Key Factors in Business Success

Keys for Business Success	No. of Responses
A Good Customer Relationship	4
A Committed and Supportive Management Team	3
Total	7

Key informants were asked the strength and weakness of Chinese "face saving" in business operations. Seven out of seven respondents agreed that preserving 'face' in Chinese culture brings harmony to inter-group relationships. Five out of seven respondents indicate the disadvantage of saving face is that it restricts Chinese business people to borrowing money from outside their family networks which can limit venture capital sources for new business and business development.

Table 19 and 20 are responses from interviews with employee informants. Informants were asked about their roles in contributing to business success.

Table 19

The Role of Employees in Contributing to Small Business Success

Roles of Individual	No. of Responses
Co-operation through compliance to superior	4
Hard work	1
Total	5

Four out of the five respondents stated that obedience to superior is crucial to the success of the company. They believe that co-operation is enhanced when employees willingly accept and obey instructions from their superiors. They also indicate that employee compliance and obedience will therefore help the company to make better profits which in turn benefits the employees. Informants were also asked about their preferred styles of leadership. Table

20 shows that five out of five indicated that they have a preference for an authoritarian style of leadership.

Table 20

Preferred Leadership Styles

Preferred Leadership Style	No. of Responses
Considerate and benevolent	5
Capable and knowledgeable in tasks	4
Respected by others	4
Decisive	3

As shown in Table 20, a good leader should be benevolent and considerate and, knowledgeable of business tasks. A decisive character was also identified as an attribute of a successful leader.

CHAPTER FOUR: IMPLICATIONS OF KEY INFORMANT RESULTS FOR ECONOMIC DEVELOPMENT POLICY AND PLANNING

4.1 Interview Findings

Key informant interview results support the hypotheses (identified in the methodology section of Chapter Three) that Chinese cultural characteristics are part of the way that the Chinese business community operates in Winnipeg. The three main concepts of Confucianism: collectivity, conformity and face are all present in the organisational structure, management process, and individual behaviour of the key informants surveys.

4.2 Common Small Business Characteristics Supported By Key Informants

From the results of this study, collectivism is reflected in Chinese organisations in various aspects. Collectivism has been demonstrated as the basis for a familial basis for small business. Running a business is not an individual matter but involves the family as a whole. Parental influences in business are strong. Most of the businesses in the key informants surveyed were involved in extensions of a business started by their fathers. Respondents had been exposed to the ideas, concepts and skills of small business since childhood because Chinese business owners have discussions on business matters with their families and involve them from an early age.

Therefore, when Chinese people emigrate to Canada, they are ready to apply the concepts and skills that they have gained from their parents. Redding (1986:278) describes this socialisation process as follows:

> The lengthy exposures to debates on such topics is likely to socialise an individual into exposing values which conform with societal norms of thrift, trust among business partners, risk taking, diligence, hard work, and the acquisition of skill, all of which are conducive to effective entrepreneurial performance.

Collectivity is further reflected in the key informants emphasis on family co-operation as essential to daily business operations. Reliance on one's own family as the source of business help is preferred and family members are crucial in sharing daily jobs. All informants agreed that family members are considered essential because their intimate relations with the owners enable them to share jobs of the owners, such as the preparation of daily accounts and the evaluation of workers performance which could not be shared with non- related employees.

Family members are also crucial in providing emotional support to the Chinese managers/owners of small business. As one informant said:

> There had been few times that I was disappointed from my business. It was the time that my business partner left me and the whole community looked down upon me. Only my family still encouraged me and actually helped me to get through the most difficult time. I think without the support (emotionally and practically) from my family, I would never be able to own my business and to maintain it for more than 10 years in Winnipeg.

Family members also provide major financial support to owners. For the Chinese, running a business is a private (that is, family) concern. Information such as the company performance, financial matters and profitability, is

considered as secret, and would only be discussed within the family. Family members are considered as the only trusted people to get involved in the business or participate in discussions. The importance of family is further illustrated in the following key informant responses:

1)   In my business, I think affection and good relations between boss and staff are important for good work. The human factor is important even though the sole purpose of management should be growth. We as bosses very much depend on the co-operation of the staff; if they do not feel happy (with) me and do not feel like working at home, my business will be in trouble. Therefore, I pay a great deal of attention (to) such relationships with my staff, and every year I hold a party for all my staff and their families first, to feel close with them, like one family.

2)   My success is more or less based on the people. I provide a happy environment. All the staff that are under me, serve me and I look after them. There is an instance that one of my subordinates came in and asked for one month of extra holidays. I refused the first time because I thought he was asking it just for fun. However, when I realised that he was involved in serious family problems in his homeland, China; I let him go because I think I have the responsibility to take good care of his needs and, I think in that situation he will not be able to perform well with his task anyway.

The management literature supports this emphasis on family. Bond (1991) claims there is significant differences between Eastern and Western business organisations. He argues that unlike the Western leaders, Chinese leaders tend to be more authoritarian. They do not spend their time chairing meetings, delivering job specifications, and instituting formal systems of control. Conversely, Chinese managers spend much time in making decisions alone, giving orders, participating in social and family gathering with workers and, dealing with personal welfare concerns of the staff. Bond (1991:78) states:

In collectivist system a leader has broad and unquestioned authority. He must therefore be more skilled in the performance aspects of the job, since no subordinate will compromise the leader by correcting him. He must, however, be perceived as kind and considerate to lessen the fear and avoidance his subordinates will show in the face of his unbridled power. The effective model for leadership in systems like Chinese is the wife and loving father.

The Confucian notion of collectivism is also evidently manifested in the informants responses concerning the recruitment procedure of Chinese companies in Winnipeg. Personal relationships and networking are frequently used in the internal operation of the business. Chinese business informants in Winnipeg prefer hiring people from their own social networks. Chinese business informants also prefer to hire close relatives to fill top positions. Reliance on personal relations also extends to external business relations. Overseas contracts are usually done with relatives such as uncles and cousins living overseas.

The extensive use of personal networks in Chinese business is based in the belief that close relatives are more trustful and loyal to the company than others. In business relations, trustworthiness is expressed in terms of "Sun Yung." Barton (1983:45) describes the power of "Sun Yung" as the follows:

> In a community almost totally oriented toward business transactions, Sun Yung was the most important aspect of a person's character and not merely a quality to be considered in economic affairs. Sun Yung referred not only to credit, in the sense of goods or services lent with immediate return against the promise of a future repayment, or to 'credit rating,' which is an assessment made by a lender of the risks involved in extending credit to a specific individual; it further carried the connotation of a person's total reputation for trustworthiness and in this sense was a statement of a person's social and psychological characteristics as well as strictly economic reliability.

Conformity is the second characteristic supported by the key informants responses. The conformity concept as discussed in Chapter 2, appears to be a characteristic of the Chinese businesses sampled. According to the key informant responses a business owner's authority should never be challenged, even by the assistant manager. As one of the informants explained:

> Our workers usually look towards the highest source of authority. The boss can even come around and overrule the manager. The lower level would listen to the boss instead of the manager because everyone knows that the pay cheque is coming from the boss not the manager. Even though the boss may not be right. There is an instance in which I (owner) once asked my staff to work from the first day of the new year instead of the fifth. The manager asked the employees but only 60 percent agreed. I was not satisfied. I then asked my workers personally, and almost 100 percent agreed.

A second aspect of conformity is that participation of employees in decision making is usually not allowed. Employers seldom take suggestions or advice from subordinates. For example, one key informant described a restaurant situation where a customer complains that a dish's seasoning is too hot. As a result, the cook decides to change the type of seasoning without consulting the owner of the restaurant. The cook later discussed the issue with the restaurant owner and proposed changing the recipe. However, the owner refused to agree to the suggestion, even though the owner basically agreed with the cook's decision. It was rejected because employees do participate in the process of decision making. As the result, the owner set a rule in the restaurant that any menu alterations must be cleared with the owner in advance. This example demonstrates that Hofstede's 'power-distance' axis

(discussed in Chapter 2) exists within the Chinese business organisations sampled.

Conformity was also demonstrated by key informants responses to questions about organisational communication. Responses suggest that employers seldom communicate with employees on matters of business. Employers assume their employees know what is required of them and how to handle problems in accordance with the employer's wishes. Informal rather than formal structures for communication seems to dominate Chinese small business. Key informants expressed the belief that formal communication is a Western concept and not a Chinese management concept. Internal memos or notices from owners to deliver information or instruction are not used in Chinese small business. Instead, they are delivered through informal one to one communications. As one of the respondents stated:

> We as bosses seldom deliver the company's information to our subordinates through structure or (in a) formal way. Simply that it is not the Chinese practice. Chinese like to share in a more personal way. The more important the message that the boss would like to deliver, the more eager that the owner seeks a private talk with his subordinates. Therefore, Chinese used to share organisational information during tea times or family gatherings instead of internal memos and notices.

Although autocratic leadership seems to be unwelcome in Western organisations, it is commonly found within Chinese organisations. As Bond (1991) states, in any cultural system that give absolute authority to those in power, like the Chinese system expects compliance and loyalty from those

subjected to this authority. According to informants, there are two reasons why the Chinese to conform. First, conforming to authority is taught in Chinese culture as morally appropriate from an early age. Children are culturally trained to be submissive to authority figures, including parents, teachers, senior school-mates and bosses. They are also taught to remain silent and blindly comply with authority figures even if they believe the authorities are wrong. One key informant reported that when he was seven years old, he was punished by his teacher by not being allowed to eat lunch for a week. Even though he reported this to his parents, he was told by them to accept the punishment. In North American society, such a punishment could result in the teacher being sued for child abuse. In Chinese culture, however, obedience is considered morally appropriate, regardless of the kind of decisions or types of instructions from a superior. Therefore, business subordinates expect to conform to authority and employees in Chinese businesses are less likely to give opinions, take individual initiatives, or deviate from rules without the approval of their superiors.

The second reason why subordinates conform to their superiors is because subordinates do not want to take the risk of confronting their bosses. They realise that confrontations could never benefit themselves. As one of the informants stated:

> I know that I could never change my boss's mind. If I do so, the only consequence would be either my dismissal or salary deduction. I know where my pay cheque comes from; therefore, I will never challenge my boss.

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As confrontation will never be perceived to bring any benefits to the company, most Chinese business superiors attempt to induce compliance by following the paternalistic style of Chinese management in order to foster a supportive relationship with their subordinates. Superiors secure this relationship by attending subordinates' weddings, visiting their sick family members in hospital, and so forth.

Key informant responses indicate that although Chinese subordinates are ready to conform, they appear to have preferences for whom they will take instructions from. The preferred superiors are those who have authoritarian leadership style, abilities to manage, who are experts in the field are considerate and respected by others.

"Face" was part of the hypotheses in Chapter 2 concerning cultural characteristics that affect Winnipeg's Chinese business community. As indicated by key informant responses, to avoid losing face, Chinese business people will hide the financial crises of their companies to avoid any negative evaluations by people in the Chinese community. As one key informant reported:

> I enjoy having Dim-Sum with my friends everyday, where we are a group of new immigrants who can share everything. Things such as our families, our lives in the new city, our grandchildren, our government, our businesses etc. The only thing we will never talk about are issues related to the finances of our businesses. We all believe that it is a very sensitive phenomena. Since your financial status directly affects how people evaluate you, as well as your company.

Another informant stated:

The Chinese are a very special ethnic group. We all like to hear rumours, and also spread rumours. Especially in a city like Winnipeg, rumours could be easily spread. Once the Chinese realise that your company is in serious financial crisis, and need to borrow from anywhere else, they will exaggerate the case and spreading among the Chinese community. In turn, we will lose our face within our community. Therefore, we tend not to talk about our businesses and any things related to our business finance, in order to avoid our faces being damaged.

Face saving is particularly important in Chinese society because in a stable society with a hierarchical order (like the Chinese community), the loss of face may have serious consequences for an individual. According to Bond (1991), in a stable society where interpersonal morality was highly valued, complying with moral standards is essential to maintain one's status and prestige. If an individual is judged by others as someone who do not comply with social norms, he or she will be severely condemned as "not wanting face" or "to have no face". Both terms in Chinese imply that the individual has laid aside all claims to being a person. In this case, if a Chinese owner borrows money outside his family network, he is likely to be condemned as "not wanting face". In addition, an individual who has no 'face' will also affect the image of the people with whom he or she is associated. According to Bond (1989), an individual in Chinese society absorbs or reflects the glory, or shame, of the groups the individual belongs to. Therefore, a Chinese owner who has been condemned as "not wanting face" will directly ruin the image of his company.

The loss of individual 'face' and damage to the company's name has serious consequences for the growth of Chinese small business. Chinese people will

visit those companies with good names in the Chinese community on the basis of recommendations from friends and relatives. A company with a bad name will have a declining clientele.

4.3 Assets and Liabilities of Chinese Culture on Chinese Business Operation.

Key informants were asked about the strengths and weaknesses of cultural characteristics on their business organisations. The responses suggest that autocratic leadership provides owners with better control over their businesses, because it allows owners to be the first one in their companies to realise what is happening in their companies. As a result, Chinese small business owners like to oversee every detail of their businesses. Two Chinese phrases frequently mentioned by informants were: "One eye watches over seven things "; and "Hearts with calculations". These phases describe how Chinese business owners use their senses and intuitions to control every detail of the business.

Autocratic leadership not only facilitates the control of a business, it also allows the owner to adjust current business strategies in response to changing situations. Over half of the respondents reply that policies may not be as appropriate as strategies. Perhaps the scale of small business that respondents were involved in biases them towards strategies that can be adjusted constantly and quickly to accommodate new situations.

Key informants view Chinese employees propensity to conform to the owner's personal judgement as a strength. Employees realise that their role is to follow the instructions from the given decision maker of the company. On the other hand, owners realise that they have to give precise orders and instructions to their subordinates to direct the overall business operation.

Cultural characteristics, which in one context can be seen as strengths, can also be seen as weaknesses in another context. Key informants suggest that reliance on personal judgement can be beneficial in making quick decisions, but does not help in developing long term business strategies. Another weakness of autocratic leadership reported by informants is the limitations of a single decision maker. For example, one informant told a story of the son of a Chinese business owner with an MBA who wanted to bring an awareness of a more systematic management style to the firm. He installed the newest model of computer to help the company in the process of inventory control. Initially, his father, the owner of the company, agreed to try the new computer for one month. After a month, the father decided to abandon the use of the computer because he felt that the new tool was too unfamiliar to him and too complicated for him to use. However, later when the company expanded in size, he lost his ability to personally control his inventory.

The third weakness of autocratic leadership is that it discourages subordinates from exercising their creativity. For example, one informant told of a sales

person who decorated a display window for the Christmas season. The sales person simply followed his boss's instructions in decorating the window without ever thinking of contributing decorating ideas because he did not see himself having the moral right to challenge his boss.

The cultural emphasis on personal relationships in business organisations has provided Chinese small businesses in Winnipeg with three strengths that are not usually available to Western businesses. First, Chinese employees always see themselves as part of their companies and they place corporate goals over their personal goals. The situation of personal goals overlapping with corporate goals helps to develop common understandings of the motives of an enterprise. Moreover, consensus about business priorities and objectives can also lead to the elimination of tension and jealousy among business participants.

Key informant responses indicate the kin group is believed to be more loyal and committed to the company than non-kin employees. In particular, the kin group is found to be more supportive during times of business recession. Informants report that office managers, chief accountants and even the door keeper are brought into the company by the paterfamilias. Kin groups finance the company with loans and in bad times they work for the company without being paid. As one key informant stated:

The assistant manager of my company is actually one of my uncle's from Mainland China. I still remember that he came to Canada after the China Democracy Movement in 1989. At that time, it was almost impossible for any one from China to be allowed by the Chinese government to immigrate to a foreign country. However, he asked me for help. Of course, being his niece I am obligated to help him. He was lucky. He found a job in his first year in Winnipeg. He got good pay. The next year he turned to me and begged me to offer him a job in my restaurant. He told me he felt that he owed me for something and he must pay me back. It has been the fourth year that he has worked for me now and he is still the best employee among all in my restaurant. He is loyal, honest and extra hard working.

Personal networking can streamline transaction costs in economic exchange. While owners of Western businesses require contracts, lawyers or investigative reports, Chinese businesses deal through more informal means, including the telephone, handshake and verbal agreement over a cup of tea. Western companies recruit people through advertisements in newspapers or employment agencies. Chinese businesses recruit staff almost exclusively through personal networking. Staff are hired based on blood ties to the employer. The closer the tie, the higher the possibility of being hired for top positions.

Reliance on personal relationships in employee recruitment can result in a lack of objective criteria for assessing the abilities of a candidate. Key informants acknowledged that the top management positions of a company can only be drawn from members of the owner's family or clan and this automatically reduces the pool of available talent. Even if a talented person is available in the family, there is no guarantee that the most qualified member of the family will be chosen for the top management position. If untalented members of a

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family are placed in managerial positions, the result is a reduction of operational efficiency. This problem is made worse because dismissal of an incompetent relative is difficult.

An example provided by one key informant describes the situation of a Chinese restaurant owner who employed his niece who had recently migrated to Canada to fill a managerial position. The only reason for recruitment was the owner's moral obligation to assist his relative. After two months of employment, the owner was not satisfied with his niece's performance because of her lack of English language skills. However, since the owner felt that he still had a responsibility to take care of a relative, he kept her in the position, but at the same time did certain tasks requiring English for her.

The managerial strengths associated with 'face' enhances the stability of both vertical and horizontal organisational relationships. One key informant stated:

> Having good face is the secret of our company's success. People come to visit our restaurant because it is recommended by their friends. Once our company has experienced a time of financial crisis, and a newspaper reporter came to my employees asking questions about my company. However, all the employees interviewed responded (positively). You would say they intended to hide the secret of our company, but I would see this is my employee's expression of loyalty and commitment to the company.

Face can also become a liability to the development of Chinese businesses when it limits their sources of financing. One key informant described the situation of a restaurant owner who had an opportunity to expand his business

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from small-to-medium scale, if he could invest $100,000 into the business. Feeling shameful to borrow from the Chinese community, and feeling it was too complicated to borrow from the bank, the owner decided to borrow from his family members and close relatives network. However, he could only borrow $50,000 and his restaurant remained at a small scale business. Another informant stated that he had never thought of expanding his restaurant, simply because he know he has no source of financing. He feels that a government loan is too complicated to apply for, due to his limited English skills. For him, the only source of financing is his immediate family and relatives.

4.4 Results

Key informant responses support the hypothesis that the three selected Chinese cultural characteristics (conformity, collectively and face) are part of Chinese small businesses in Winnipeg. The responses support the second hypothesis that Chinese cultural characteristics of collectivity, conformity and face are assets to Chinese business operations. This advantage includes developing common goals among the staff within the organisation, employee commitment and loyalty. It also reduces some business transaction costs. The advantage of autocratic leadership is it's capacity to enable owners to oversee every detail of their company. The advantage of 'face' is in it's ability to stimulate co-operation from subordinates in order to build a good company image.

Informant responses also support the third hypothesis that Chinese cultural characteristics can be liabilities to Chinese business operations. Extensive use of personal networks can lead to lack of objective criteria to measure job performance. In addition, personal networks in small business can limit the growth of a company. Conformity can lead to a lack of long range business planning capabilities. Autocratic leadership also discourages creative ideas from subordinates and an emphasis on saving face appears to affect and limit financing sources.

CHAPTER FIVE: RECOMMENDATIONS FOR CULTURALLY SENSITIVE COMMUNITY ECONOMIC DEVELOPMENT POLICY AND PLANNING

If culture is a key factors affecting the growth of Chinese small business in Winnipeg, then community planners and economic development planners should consider the cultural factor in the design of business assistance programs.

The existing business assistance programs offered by the Provincial government do not incorporate cultural factors. For example, Manitoba Industry, Trade and Tourism has carried out Business Start Up Programs since 1985 (Canadian Immigration Department, 1985). These programs provide information to business immigrants concerning sources of business counselling, financial planning, and procedures for establishing a business. Manitoba Industry, Trade and Tourism is also responsible for following up each new business immigrant who is under the Canadian Business Program, and making sure that they put their ideas and motives into establishing their own businesses within the required period of time. Yet, services end after the immigrants have set up their businesses in the City. There are no follow up programs to assist with business acculturation and development after businesses are established.

Business assistance programs offered by the City of Winnipeg focus on technical and legal aspects of business management which are often at odds with cultural

characteristics of Chinese businesses. There are no services or programs to assist Chinese business immigrants to integrate their cultural management strengths into business operations. For example, the Federal Business Development Bank offers a series of seminars and workshops call "Strategic Planning" and "Management training" aimed at assisting small business in the areas of planning, marketing, financing, and staffing. Similarly, the workshops "Management Development and Training" and "Business Start Program" offered by Manitoba Industry Trade and Tourism are also designed to improve business management skills. Neither of these programs address cultural factors.

This practicum identifies that there are differences in business success and survival between Western and Eastern cultures. There is no single formula that fosters growth of small business of the both cultures, equally effectively. In other words, assistance programs that are helpful to the Western business organisations may not have the same benefits for Eastern organisations. Both the Western and Eastern organisations have unique management styles and cultural philosophies. Greater consideration of these differences from governments, banks, independent business organisations, and development planners are necessary to foster the growth of Chinese small business in Winnipeg.

To facilitate the growth of Winnipeg Chinese business community, it is recommended that Manitoba Industry Trade and Tourism should stimulate

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awareness of the business strengths and weaknesses of the collective culture to Chinese business people. In particular, it is crucial that the Chinese business community realise how their collective orientation might benefit their business development and how dependency on personal networks to recruit employees might hinder the growth of their businesses. Unfortunately, during the interview process, none of the key informants said they had ever thought about the strengths and weaknesses of their business culture but simply followed and copied the pattern of doing business according to the ways of their ancestors.

There are several activities and programs that could stimulate cultural awareness of the Chinese business community. For instance, regular conferences similar to the 1991 Chinese Conference discussing Head Tax and New Business Immigrants or simply tea parties could be held. This regular conference and "tea party" would allow Chinese business people to share their own opinions, feelings and experiences about doing business in Winnipeg in a culturally friendly format. These formats would give business people a chance to think about things that are seldom thought about. This type of program should be designed as a kind of sharing or as a polemic among equals rather than as a talk or workshop. This is important for two reasons. First, it will avoid the Chinese loss of face. Secondly, the preferred Chinese learning style is through sharing within one's social environment.

Social context seems to be the most desirable method of arousing Chinese awareness of the strengths and weaknesses of their conformity culture. Cultural change is a very slow process as beliefs, attitudes, knowledge, morals have been well established over time. This becomes a problem when younger generations who have received training in Western management strategies try to offer suggestions and new ideas to older generations. The result is that the younger generation continues to absorb Western ideas while the older generation persists in their traditional business methodology. As a result, communication becomes more difficult between the generations and conflicts frequently occur. A major problem in a conformity culture is that it causes blind compliance with the ancestor's management principles, even though some of these principles might not be useful or applicable in today's society, or in a new country.

Appropriate social opportunities for Chinese business owners who have successfully adopted Western business management practices into their business should also be encouraged, so that this knowledge can be shared within the Chinese business community. Another means could be to role play or use a video program. The story line would typically illustrate changes within a Chinese family business context, such as a son who brings new ideas to the business. All of these techniques aim to enhance the communications between two different business cultures.

There is a definite need to expand financing sources for the growth and development of Winnipeg's Chinese business community. Fear of losing face is a major barrier to business financing. Borrowing from the government is considered as begging. This is an unhealthy situation because a shortage of financial sources will eventually discourage Chinese business starts and expansion. Economic development planners need to work with banks, financial institutions and government funding agencies to incorporate cross-cultural concerns into business loan programs.

Hon and Gail (1994) in their research on "How Chinese Immigrants Select Their Banks" provide insight into the kinds of banks Chinese immigrants prefer. They identified that recent immigrants are attracted to big banks with overseas branches, which provided bilingual personnel, who understood their culture and who were recommended by friends or family. These findings also apply to the Chinese immigrants in Winnipeg. In order to attract more Chinese business immigrants to Winnipeg, financial institutions of this type could be recruited by Manitoba Industry Trade and Tourism who could take the initiative in promoting more Asian banks and community financial institutions in the City.

Finally, any growth of the Winnipeg Chinese business community will directly contribute to City's economy. It is therefore crucial that Chinese business immigrants are able to participate fully into the local business community

through the development of culturally sensitive approaches to community

economic development policy and planning.

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Appendix A: Interview Questions

Questions for the first round of interviews

A) General Information

Organization's name:

Organization's main activities:

Date organization founded:

Number of employees:

Informant's name:

Sex:

Age:

Ethnic origin:

Length of education

Length of emigration to Canada:

Position in organization:

Shareholdings or ownership in organization:

Members of any Chinese community group in the City of Winnipeg?

Any involvement into the Chinese community in the City of Winnipeg?

B) Questions
1. What is/are your difficulty(ies) in adapting into the City of Winnipeg since your arrival?

    e.g. homesickness, lack of kin-based financial network, weather etc.
2. Of the above mentioned difficulty(ies), what is the major one that affects you the most in successfully adapt to the society? Why?
3. Have you received any assistance from the private or public agents?
4. Do you think the available assistance programs are adequate to assist you to be more capable to adapt into the society? Explain why?
4. Who do you think should be responsible for the coordination and provision of more adequate assistance program? Why?
5. Do you have other concerns regarding the adaptation of Chinese immigrant in Winnipeg?

Questions for the second round of interviews

Organizational Structure
1. What are the roles and duties of the employees in your organization?
2. Have you divided your organization with several functional departments? If yes, what are they?
3. What is the channel of communication in your organization? e.g. ways of delivering messages to employees.
4. Are the company policy and working procedure being recorded properly?

Decision Making
5. Who hold the ultimate decision authority in the organization?
6. Are you normally in full control of events or do you have to make allowances for fate to play a part? Why?
7. Is there a guiding principle which affects your choice of what to do in your organization?
8. Are you normally in full control of events or do you have to make allowances for fate to play a part?
9. Do you consider yourself as authoritative in leading the organization?
10. What is/are the reason(s) for your preference on an authoritative leadership style of management?
11. What do you think is/are the strength(s) and weakness(es) of authoritative leadership in your organization?

Importance of Family and Kin
12. What are the key person in the organization's survival? Why?
13. Who is the most essential person in the internal management of the organization? In what way?
14. What is the proportion/number of family and kin working in your company?
15. Who occupy the top positions of your organization?
16. How significant is your family to your business operation?

Job Sharing	_____	Emotional support	_____
Financial support	_____	Internal stabilizer	_____
Personnel	_____	Others	_____

17. What is/are the reason(s) for your preference in recruiting family and kin?
18. What is/are the strength(s) and weakness(es) of family and kin into business operation?

Help Seeking Pattern

19. What is your primary source of business information in the City?

20. What is/are your preferred sources(s) of assistance for your cultural adaptation to Western society? Explain why?

Family	_____	Close relatives	_____
Friends	_____	Government	_____
Chinese community	_____	Other	_____

21. What is/are your preferred source(s) of financial assistance for business? Explain why?

Family	_____	Close relatives	_____
Friends	_____	Distance relatives	_____
Chinese community	_____	Bank/financial institution	_____
Government	_____	Other	_____

22. What is/are your not-preferred source(s) of financial assistance for business ? Explain why?

Family	_____	Close relatives	_____
Friends	_____	Distance relatives	_____
Chinese community	_____	Bank/financial institution	_____
Government	_____	Other	_____

23. How important is "face" in Chinese society?

24. How important is "face" to your organization?

25. How do you avoid "losing face" of your organization?

26. What do you think is/are the strength(s) and weakness(es) of Chinese face culture into your business operation? Why?

Socialization

27. Did you have a mentor?

28. How does your mentor influence your values and ideas in running business?

29. How did you pick up ideas about business behavior? What formal and informal training did you have?

30. Is there any special support system which helped you get started?

Perception on Successful Business

31. How would you define a successful organization?

32. What are the keys for business success?

Employees' Comments

33. What do you think your roles in contributing organization success?

34. What is your preferred leadership style? Why?

35. What attributes that a leader should have for successful business? e.g. considerate, knowledgeable etc.