



## Guanxi

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### What is it?

The Chinese term *guanxi*, often glossed as 'relationship,' roughly translates as a type of social capital developed between people via a process of reciprocal exchange. It depends on connections and shared identification with family, relatives, friends, hometown, region, school, or place of work. The most frequently discussed tactics used to enhance *guanxi* in Chinese society include presenting a gift or holding a banquet for the other party. Many different forms of *guanxi* have been studied; whilst some may have a positive bearing on corporate communication and reputation, business performance and competitive advantages, others might potentially damage institutional processes and break the rules of business. It is the participants' responsibility to evaluate the ethical implications and potential impact in a specific cultural context.

### Who uses the concept?

As one of the most studied and widely used indigenous concepts in the last a few decades, researchers in intercultural communication, international business, management, and sociology have been trying to conceptualize and analyze *guanxi*. Outside academia, the concept is most often used and discussed by practitioners and cultural trainers in a business and management context.

### Fit with intercultural dialogue?

*Guanxi* has been widely recognized as the foundation upon which people connect and build relationships in the Chinese cultural context. It has a perfect fit with intercultural dialogue, which is

essential to enhancing intercultural understandings and promoting intercultural communication. Although *guanxi*'s linguistic expression originated from Chinese and other Eastern Asian contexts, the concept provides an alternative account in facilitating intercultural dialogue across linguistic and cultural boundaries.

### What work remains?

As *guanxi* is a multilayered construct, studies of how it is related to *mientzi* (literally "face") and *renqing* (literally "favor") would deepen the conversation. Recent researchers have called for more quantitative studies, e.g., how it can be measured. Although *guanxi* is deeply embedded in the Chinese cultural context, more insights could be drawn from studies of Chinese-inspired economies, such as Hong Kong or Singapore. Moreover, perceptions of *guanxi* from a western point of view, e.g., views from Western business partners, could expand this issue in greater depth.

### Resources

- Alston, J.P. (1989). *Wa, guanxi, and inhwa: Managerial principles in Japan, China and Korea*. *Business Horizons*, 32(2), 26-31.
- Fan, Y. (2002.) Questioning *guanxi*: Definitions, classifications and implications. *International Business Review*, 11(5), 543-561.
- Ma, R. (2011). Social relations (*guanxi*): A Chinese approach to interpersonal communication. *China Media Research*, 7(4), 25-33.