China in Sub-Saharan Africa: HRM Implications

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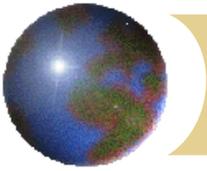
Geopolitics and International HRM

- Wider geopolitical dynamics have a major impact on the nature of knowledge, and the way knowledge is transferred internationally

- This includes scholarly and management knowledge, as well as concepts such as organizing and managing people, managing change and managing resources.

- We live in a post-colonial/neo-colonial world

- In Africa, you meet power relations head-on

- In Africa, you meet cross-cultural complexities head-on

- Postcolonial Theory and Dependency Theory informs us about North-South relationships

- China in Africa is changing all that! South-South relations?
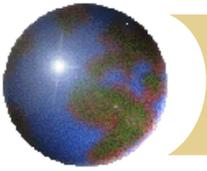
South-North-South Relations

- Cross-cultural management has largely followed a positivist trajectory, and bypassed theories that could be incorporated to focus on Western-nonWestern or North-South interactions

- Postcolonial Theory (Said, 1978/1995; Spivak, 1988; Bhabha, 1994) can provide a critical perspective on cultural interaction, and Dependency theory (Frank, 1969) on institutional power dynamics

- International HRM and cross-cultural theory has some way to catch up

- The new dynamic of China in the world is presenting a new theoretical challenge: how to conceptualize South-South relationships.
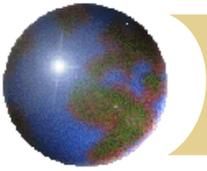
China in Africa: Current Literature

- Who controls Africa? China a complication
 - Angela Merkel: "We Europeans should not leave the continent of Africa to the PRC.. We must take a stand in Africa"
  - IMF/World Bank: China's unrestricted lending has "undermined years of painstaking efforts to arrange conditional debt relief".
- China's involvement not new
  - Han dynasty (206BC to 220AD)
  - Tang dynasty (960-1279) – trade grew intensely
  - Agreements with Ghana since 1960
  - China-Africa contact qualitatively different from European plunder in wake of slave trade
- Part of grand plan? Deals with ASEAN, Latin America/Caribbean, Africa – 2006.
- Securing Africa's resources?/lack of conditionality:
  - Botswana President: "'I find that the Chinese treat us as equals; the West treat us as former subjects"
  - Experience of transformation in China – lessons to be learned in Africa?
  - Evidence of 'Third World Solidarity' in relations with Latin America, drawing on socialist heritage and anti-imperialist discourse (reaction to IMF neoliberal policies and government alignment with US)

(Campbell, 2008; Shaw et al, 2007; Kapinsky, 2008)
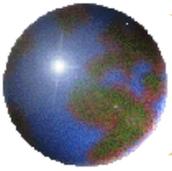
China in Africa: Where?

- China-Africa Development Fund
- Export-Import Bank of China

(Centre for Chinese Studies, U. Stellenbosch, 2008)

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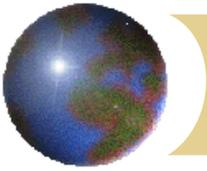
Chinese Organizations in Africa: What, Where and How?

- 'China's approach has been one of mutual respect, also awarding small African countries with relatively little economic or political significance with aid and investment support. However, it is likely that resource-rich countries such as Angola, Sudan, Nigeria and Zambia, as well as more politically strategic countries, such as South Africa, Ethiopia and Egypt, are priority countries in China's broader African engagement.'

- '....2006, the PRC Government announced its intention to develop between three and five special economic zones (SEZs) on the African continent, to serve as enclaves for Chinese investment in key African states. So far, the location of two Zones has been announced; the mining hub in Zambia and the Indian Ocean Rim trading hub in Mauritius. Three other zones are in the process of being established in Nigeria, Egypt, and possibly Tanzania.'

- Exact nature and amount of aid/investment is not know – secrecy and or Chinese government not knowing owing to number of actors involved.

- 'There is at times a stark contrast between the Chinese rhetoric of brotherhood with African people, and some of the criticism coming from African citizens.'

(Centre for Chinese Studies, U. Stellenbosch, 2008)
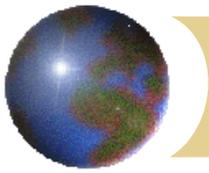
The nature of China's presence and organizational implications

Orientation of Chinese presence in Africa	General implications	Hypothesized organizational implications
Resource -seeking	•Possibility of further exploitation of Africa's natural resources and its people •Importing of engineering skills to Africa •Knowledge sharing between China and Africa	•Minimum employment of locals, with use of mainly Chinese staff and expertise •Skills development and increased employment and employability through newly created jobs •Creation of local level partnerships and organizational forms to share and develop local knowledge
Market-seeking	•Market led organizations providing cheaper and more varied goods •Employment opportunities for locals with local market knowledge •Lack of involvement with local communities	•New organizational models •New skills development through employment of local staffs •Lean organizations that do not employ locals, or contribute to local development
Political-seeking	•Model of modernization for Africa •Friendship seeking •Contrary perceptions of Africa's 'backwardness' compared with the West •Infrastructural development in partnership •Lack of conditionality means not imposing governmental and governance systems, but criticism from West of treatment of human rights issues	•Alternative organizational systems and models developing •Harmonization with local needs sought, based on mutual trust •Management models based more on humanistic perceptions of employees sought, together with cultural understanding •Sustainable organizational partnerships developed •May have implications for the way human rights are treated in organizations
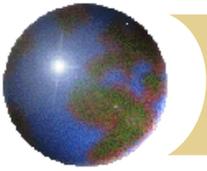
So... Chinese Organizations in Africa?

- Management systems/styles in Africa identified as (Jackson, 2004):
  - Post-colonial: authoritarian, coercive-oriented (tacked onto Africa)
  - Post-instrumental/Western: results-oriented (the solution?)
  - 'African renaissance'/humanistic (ubuntu): people focused (weak voice)
- Difference in Africa of 'locus of human value':
  - instrumental-humanistic
  - May explain employment relations difficulties, and alienation/instrumentality of staff.
- Japanese management may provide another model which is more in tune with African humanism, but different – not caught on!
- Other BRIC/NICS (Jackson, 2002) – (Korea, Hong Kong, Russia, Japan) more humanistic (but Russia also very instrumental).
- But... what about Chinese Management? Instrumental or humanistic?
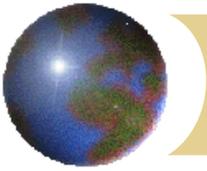
Chinese Management in Africa?

- The study of Chinese management by Western scholars has been ongoing since the early 1990s (e.g. Child, 1994).
- Focus: China as a huge market; now, China in the world
- Iron rice bowl (statist); reform (Western?); humanistic/Confucian?
- Study of Management in Africa is newer, more tentative, and often can be subjected to Postcolonial critique.
- What cultural Third Spaces (after Bhabha, 1994) are being socially constructed given a tripartite interaction among the West, Africa and China, and through what type of power dynamics? Cultural crossvergence, hybridization and ideal types.
- E.g. 'Confucian' firm: *ren-yi-li* (compassion- moral rightness-conventions); *junzi* (person possessing qualities); *zhong shu* (human capacity for compassion) – similar to *ubuntu*?
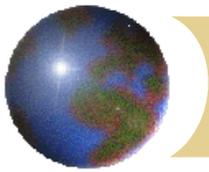
'*Ideal type' analytical categories*

| Analytical category	Ideal Type Post-colonial (*Post-colonial*: Jackson, 2002b)	Western/ instrumental (*Post-instrumental*: Jackson, 2002b)	African/ humanist (*African renaissance*: Jackson, 2002b)	Confucian Firm (*Confucian firm*: Ip, 2009; Jackson 2011).
General principles	▪ Theory x ▪ Western/post-independent Africa ▪ Instrumental	▪ Theory Y and X ▪ Western/modern ▪ Instrumental	▪ Humanistic ▪ Ubuntu ▪ Communalistic	▪ Paternalistic hierarchy ▪ Familial collectivism, ▪ Humanistic ▪ *Ren-yi-li* and *zhong shu*
Strategy (including stakeholder and 'character'	▪ Inputs and process orientation ▪ Lack of results and objectives ▪ Risk averse	▪ Results and market oriented ▪ Clear objectives ▪ Calculated risk taking	▪ Stakeholder orientation ▪ Community involvement	▪ Profit motive morally constrained and consistent with ren-yi-li ▪ Doing good for the community and society
Structure	▪ Hierarchical ▪ Centralized	▪ Flatter hierarchy ▪ Often decentralized	▪ Flatter hierarchy ▪ Decentralized and closer to stakeholders	▪ Hierarchical ▪ Collectivist
Governance/ decision making	▪ Authoritarian ▪ Non-consultative	▪ Often consultative ▪ Increasing emphasis on 'empowerment'	▪ Participative, consensus seeking	▪ Paternalistic
Management control (including people orientation)	▪ Rule bound ▪ Lack of flexibility ▪ Outside influence or control (family, government) often seen as negative ▪ Theory X/control orientation	▪ Clear rules of action ▪ Flexible ▪ Outside government influence decreasing	▪ Benign rules of action ▪ Outside influence (government, family) may be seen as more benign	▪ Treating people with fairness and humanity ▪ *De* (people's moral virtues) driving people's actions rather than rules and regulations

Ideal Type / *Analytical category*	Post-colonial (*Post-colonial*: Jackson , 2002b)	Western/ instrumental (*Post-instrumental*: Jackson, 2002b)	African/ humanist (*African renaissance*: Jackson, 2002b)	Confucian Firm (*Confucian firm*: Ip, 2009; Jackson 2011).
Internal policies (people)	• Discriminatory • Employee policies aimed at duties rather than rights	• Non-discriminatory • Access to equal opportunities and clear employee policies on responsibilities and rights	• Stakeholder interests • Access to equal opportunities	• Providing fair wages and safe working environment
Internal climate (people)	• Employee alienation common • Weak trade unions • Inter-ethnic friction • Discourages diversity of opinions • Promotion by ascription	• Emphasis on employee motivation • Weak or co-operative unions • Move towards inter-ethnic harmony • Diverse opinions often encouraged • Promotion based on achievement	• Motivation through participation important • Unions protect rights • Inter-ethnic harmony taken into consideration • Everyone should be able to state their opinions • Promotion based on legitimization of status	• Motivating through fairness, and providing fair working conditions and wages
External policies (stakeholders)	• Lack of customer/client policies • Lack or results orientation	• Clear policies on customers/clients • Results orientation	• A clear awareness of and articulation of stakeholder interests	• Fair dealing with customers • Providing benefits to the community, • Being a good corporate citizen • Promoting social good generally • Protecting the environment
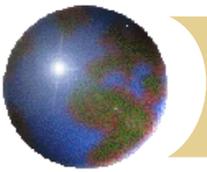
Tentative dynamic model

Endogenous influences:
-Statist
-Reform
-Confucianist
-Humanistic

→ People Management in China

China Abroad

?

Exogenous influences:
-Western
-Post-colonial (statist)
-Instrumental

'Reverse diffusion'
Zhang & Edwards (2007)

Power Relationships?

African Influences:
-Ubuntu/humanistic

?

Chinese people management in Africa:
-Instrumental
-Humanistic
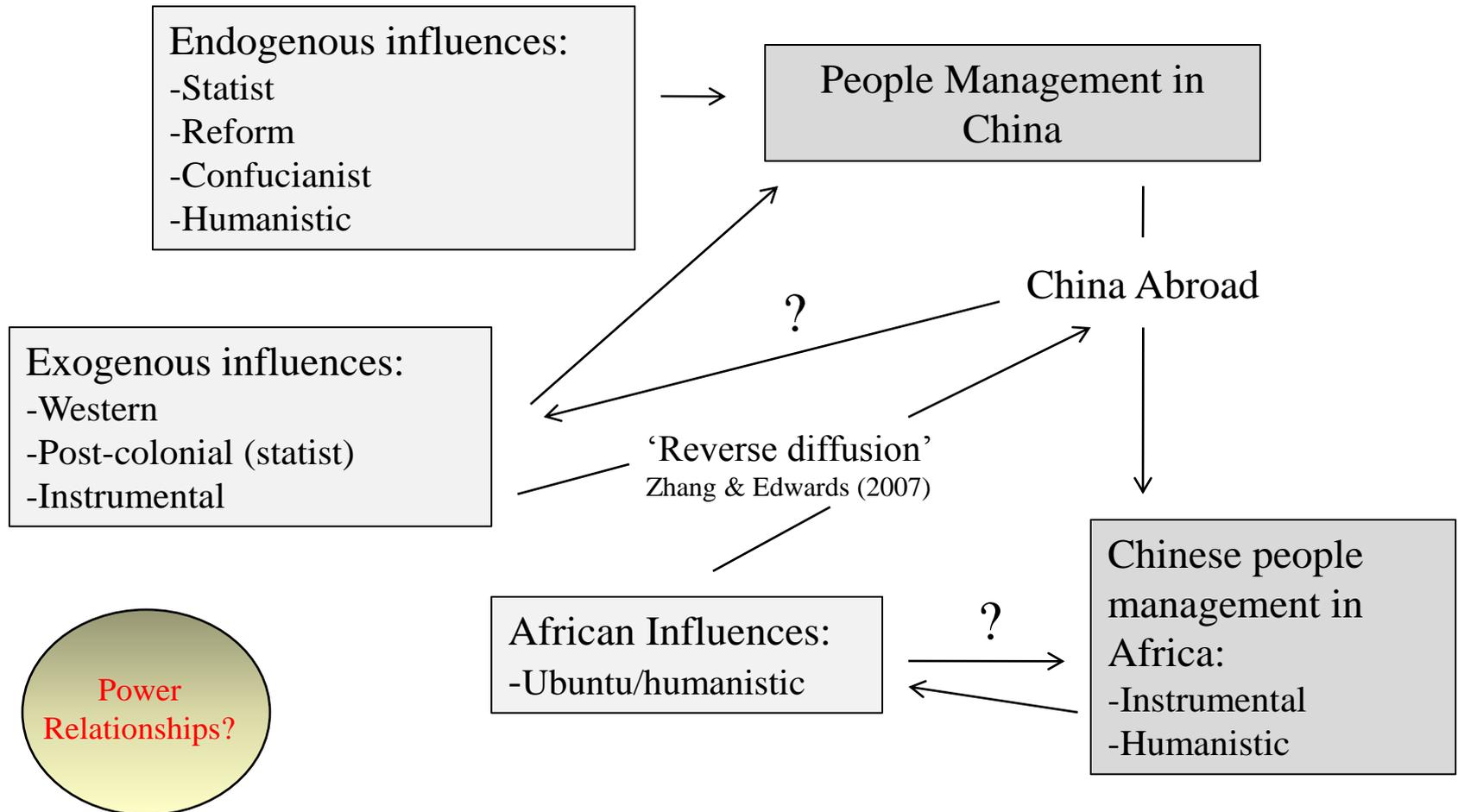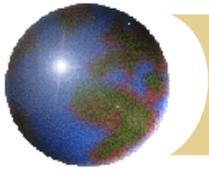
Towards a research agenda

- The nature of organizations and their management currently in Africa is a direct result of their reasons for being there
- Ideal types can be constructed to understand these influences, within a power dynamic of cultural crossvergence and hybridization (creating a cultural Third Space)
- Effectiveness may be a simple measure of financial performance, whereas appropriateness is more complex, involving the identification of different stakeholders to whom management actions may be more or less appropriate (assuming South-North-South power dynamics)
- Given the failure of colonial and neocolonial influences to 'develop' sub-Saharan Africa in any appropriate or indeed measureable sense, what impact are Chinese organizations having on development in Africa?
- How are management actions contributing to employment opportunities, employability, skills and knowledge development, community development
- What is the impact on both African and Chinese partners, and what are both learning from each other, what are the implications and why is this important?
- What are the implications for cross-cultural study of international HRM? (beyond Postcolonial Theory?).