Employment in Chinese Firms: The Dragon’s Gift to sub-Saharan Africa

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Abstract

China’s international engagement is changing geopolitical dynamics to an extent that Western government feel under threat. Negative reports of this engagement in Africa abound, not least in the area of employment relations and HRM. Yet currently there is a lack of serious academic research in this area, leaving international HR managers to rely on anecdotal information. The way Chinese management engage with African workforces may be quite different to Western managers. The current work suggests that understanding this engagement should be informed by China’s recent anti-imperialist involvement in Africa, its commercial motivation coupled with its political-seeking motive, the values such as paternalism that modify Western influences on Chinese HRM that are brought to Africa, and possible synergies with African values. Yet the current work identifies a disparity between the strategic level of engagement, and what happens at organizational level, indicating that Chinese firms are contributing to employment, but not to up-skilling of workers, mutual learning or engagement with local communities.

Key Words: China in Africa, Chinese MNE, Employment relations, cross-cultural management, International HRM.

On November 1, 2011 a US Senate Foreign Relations African Affairs Subcommittee hearing was convened entitled ‘China's Role in Africa: Implications for U.S. Policy’. The opening statement by Senator Christopher Coons declared that ‘The U.S. isn't just ceding its economic leadership in Africa to China - it may be ceding its political leadership there as well’, adding that ‘Between 2000 and 2010, trade between China and African nations grew by more than a thousand percent’. It was apparent to the Senator that ‘China clearly sees Africa for what it is - a continent of immense opportunity’, adding that ‘Africa is home to six of the world's ten fastest growing economies.’. Yet, ‘..the long-term American objective of promoting open
societies in Africa - countries that embrace transparency and democracy, respect the environment, and protect human rights - is being challenged by China's approach to Africa’. This, according to the Senator, is an approach ‘…that often does not directly benefit the average African citizen’. (US Congress, 2011a)

Yet it is not just America that has been feeling under threat in Africa. German’s Chancellor Angela Merkel remarked in 2006 ‘We Europeans should not leave the continent of Africa to the PRC …. We must take a stand in Africa’ (Campbell, 2008). Clearly the West feels threatened by China’s engagement with Africa. This has spawned a plethora of literature in international relations, international trade and economics, politics and international development yet has still not fully engaged the attention of management and organization scholars. This absence of interest and scholarly research into China’s engagement at organizational and community levels appears a disservice to those international managers who increasingly have to compete in growing markets in Africa, not least within very dynamic labour markets, and who have to fall back on anecdotal information, often very negative, about the way Chinese managers engage with staff and communities. For example, the Centre for Chinese Studies reports that: ‘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.’ (CCS, 2008). Yet this appears based on sparse empirical evidence at organizational level.

This is a very real issue when Brautigam’s (US Congress, 2011b) evidence to the Senate subcommittee hearing is considered. She relates that:

‘China's total trade with Africa in 2010 was $120.9 billion, about 4 percent of China's total trade with the world ($2972.7 billion). Chinese official figures for FDI in Africa 2007-2010 show an average of about $1.5 billion per year if one discounts the exceptional year 2008 when Industrial and Commercial Bank of China purchased 20 percent of South Africa's Standard Bank for around $5 billion. FDI in 2010 was reported to be $2.1 billion, with a stock of FDI at $13 billion’.

She went on to talk about the enormity of engineering contracts, with Chinese companies holding nearly 3000 in Africa in 2008, valued at close to $40 billion. She added
that ‘..187,396 Chinese were officially working in Africa in 2009, most on the large engineering contracts in Algeria, Libya, and Angola’. (US Congress, 2011b). Yet this appears to add to the oft cited view (reported by Brautigam, 2011a, b) that Chinese companies bring with them all their labour, and add nothing to the employment and skills development of African workers and therefore the prosperity of the African communities they come into contact with. Brautigam (2011a), one of the foremost academic authorities on China’s presence in Africa, goes on to report:

‘Chinese companies do bring a larger proportion of their workforce from home than Western firms, but this is the case mainly for construction projects in oil-rich countries like Algeria, Libya, or Angola where local labour is expensive. In other places, with few exceptions, Chinese projects have a majority of Africans in their workforce…..It is the poor conditions of this employment, and not its absence, that is a constant complaint among African workers’. (Brautigam, 2011a: 4)

Yet Brautigam is a professor of International Development. It appears that no management, HRM or employment relations specialist gave evidence at the congressional hearing. Equally there is a lack of empirically-informed or conceptual scholarship dealing with China’s engagement in Africa in the HRM and management literature at the level of the organization, and in which employment in Chinese organizations is discussed. To encourage such work, which can inform both Western and Chinese HRM practitioners and policy makers, there is a need to first conceptually frame potential research, as well as examine the current evidence within a balanced theoretical framework that can lead to informed research in this increasingly important area. In particular, the current work proposes that such research should be framed by two interconnected considerations:

- *The reasons for Chinese corporations being in Africa and the nature of this presence.* These motives and the implications for Chinese corporations’ interactions with local staffs and communities have to be examined in order to understand the nature of employment policy and practices. The way of approaching this may be quite different to that of Western companies, and scholars as well as managers need to comprehend
these differences and how they help to frame Chinese motives for engaging with Africa.

- **South-South interactions at global level that constitute a different geopolitical power dynamic fundamental to the generation and transfer of knowledge.** North-South interactions have dominated the world stage for centuries, more recently typifying the transfer of predominantly American management knowledge to non-Western countries. Hofstede (1980) most famously challenged the direct transfer of management knowledge from the United States to other countries that varied substantially on one or more of his cultural dimensions. Boyacigiller and Adler (1991) attempted to explain the reasons for this transfer in terms of post-World War II economic dominance of the United States, while Jackson (2002) questioned the appropriateness of the Western cultural values underpinning the regarding of human beings as resources in non-Western cultures. It is necessary to unpack the implications of South-South interactions as they emerge as a more powerful force in geopolitics, if we are to successfully scrutinize Chinese employment practices in Africa. The dominance of the United States and Europe may increasingly be less relevant. Correspondingly, management theories and policies developed in the geographical North may have less significance, particularly in terms of our understanding of cross-cultural interaction between Chinese management and African staffs.

The objectives of this article are therefore to:

1. Provide a theoretical framework within which the study of Chinese organizations’ employment policies and practices can be critically appraised in terms of the nature of China’s engagement in Africa and the changing geopolitical dynamic that may have implications for knowledge transfer and how organizational and management knowledge is understood within these dynamics.

2. Interrogate the available, yet sparse, evidence of Chinese organizations’ employment and HRM policies and practices in Africa in the context of this theoretical framework
3. Examine the implications for Africa in terms of employment and Africa’s wider development
4. Point the way to further research in this area.

Theorizing China’s Engagement in Africa

Basic assumptions: beyond imperialism

The dearth of knowledge about Chinese organizations in Africa at the level of the organization is problematic. Yet, as with the study of organizations in Africa generally, it is necessary to clearly identify the underlying assumptions that may have a bearing on the way such study is undertaken. Jackson (2004) identified an underlying pejorative view of ‘African’ management that heavily influenced the way it was perceived and presented in preceding literature (Kiggundu, 1989; Blunt and Jones, 1992). He pointed out that the subject of such derogatory analysis could be identified as ‘post-colonial’ management: the normally inefficient, authoritarian and sometimes corrupt remnants of (Western) colonial institutional arrangements that Dia (1996) had reported to be at variance to indigenous communities and institutions. Ayittey (1991), in his examination of indigenous African institutions, had largely disabused the idea that such management and organization could be identified as indigenous. Yet having analysed ‘African’ organizations and institutions in this pejorative way, it was an easy step for management scholars, supra-governmental organizations such as the IMF and World Bank, and Western MNEs to promote a modernizing trajectory for such organizations in adopting Western management principles, among them modern HRM (Kamoche, 2001). Hence a whole literature grew up around this premise in the late 1990s and first decade of the new millennium, suggesting how Western management (with some adaptations) could be applied to inefficient ‘African’ organizations (Waiguchu, Tiagha and Mwaura, 1999; Ugwuegbu, 2001). That many of the contributors to this thesis were from the African diaspora was an indication of how deeply this modernizing ethos had been entrenched.
Yet this modernizing ethos simply appears to reflect the dynamics of two or more centuries of Western colonialism, a disparaging of indigenous cultures and the trajectory of post-colonialism. Its acceptance and internalization by the colonized is explained by Said’s (1978) theory of Orientalism and Bhabha’s (1994) concept of Mimicry, as major contributions within Postcolonial Theory. Said (1978) proposed that the developing world is represented in the eyes of the developed world. Western imperialism, through Western culture has developed a systematic ‘body of theory and practice’ that constructs or represents the ‘Orient’ (Said’s, 1978/1995: 49). These representations are carried over to Western intellectual and cultural production including research, and management and organizational studies. Bhabha’s (1994) elucidation of ‘mimicry’ applies predominantly to a colonizing power’s ability to get the colonized to mimic the colonizer, in order better to control the unfamiliar and to gain acceptance of transferred-in knowledge. The acceptance and internalization of such representations by the developing world itself means that the colonized can never refer back to an ‘authentic’ identity of pre-colonial times.

Indigenous approaches to organizing and management appear to be lost within this modernizing trajectory apart from faint echoes and sometimes commoditized versions of African humanism in management such as *Ubuntu* (Mbigi, 1996; Mangaliso, 2001) or perhaps submerged in the under-researched but nonetheless substantial informal economy in Africa (Jackson, 2010).

Unlike the trajectory of the Western modernizing project that informs much of the management literature on Africa, underpinned by centuries of colonialism, and critiqued among others by Postcolonial Theory, the coming to Africa of China has been quite different. One could logically expect the outcomes also to be different. In addition, the way this relationship and dynamics are critically theorized would also, correspondingly, have to be different. If the Europeans’ coming to Africa was motivated by what David Livingstone, the 19th century British missionary-explorer, termed the three ‘C’s’ of Commerce, Christianity and Civilization (Pakenham, 1991), what is China’s motivation? Certainly China’s motive has been commerce but it appears not to have been a ‘civilizing’ nor a proselytizing one (Brautigam, 2011b).
The lack of a ‘civilizing’ or modernizing mission appears to have given rise to the West’s contention about China’s apparent disregard for governance, and their not promoting human rights and democracy in countries such as Sudan or Zimbabwe (Brautigam, 2011b). The concomitant of the absence of such a civilizing notion is that there does not appear to be a disparaging attitude attached to China’s engagement towards African cultures and institutions (Marafa, 2007). Despite also the large numbers of Chinese immigrants in Africa (Mohan & Tan-Mullins, 2009), their does not appear to be a colonizing project (Brautigam, 2011a, for example dismisses the notion of a ‘land-grab’ as simply untrue).

**China’s motivation for being in Africa**

China’s entry into Africa is not new. It goes back to the Han dynasty (206BC-220AD), and the 1950s and 1960s in modern times. This engagement with Africa also appears qualitatively different from European plunder in the wake of the slave trade. Rather than an imperialist engagement and a new scramble for Africa (Carmody, 2011), China’s modern-day engagement appears to have been anti-imperialist in nature. Following the China-Russia split in 1956 much of the anti-colonial struggles in the Third World had ideologically allied themselves with China, as a result of its ‘...apparently disinterested substantive support to liberation movements or hard-pressed front line ...... states, particularly in Mozambique, South Africa, Southwest Africa, Zambia and Zimbabwe, its populist orientation towards the peasantry and the need for an agrarian revolution, towards struggle from below, and its emphasis on guerrilla warfare and armed struggle against imperialism.’ (Young, 2001: 188).

Its role in the decolonization of Africa is significant (Thiam and Mulira, 1999).

Its current-day motives for being in Africa, which Gill, Huang and Morrison (2007) describe as resources-seeking to fuel China’s development goals, market-seeking to sustain its growing economy, and political-seeking to support its aspirations to be a global influence, must be see within this recent historical context. It may also be possible that Gill et al’s (2007) three types of motives may be too restrictive in terms of hypothesizing the connection between the reasons for China being in Africa and the approach that Chinese firms have
towards people policies and practices. Also there may not be a direct relationship between strategic motives and actions at organizational level, which will be explored later.

**Moderating China’s resource-seeking motive**

Britain’s coming to Africa was motivated by commerce, firstly through the lucrative slave trade (human resources) and then through the exploitation of natural resources. Yet according to Ferguson (2004), following the extreme exploitation of the eighteenth century coupled curiously with an interest and often serious study of the different African cultures, a Victorian religious revival in Britain saw the emphasis changing towards saving and civilizing Africans from their perceived heathen ways. Their mission became not just to rule the world but to redeem it. Native peoples would no longer be exploited, but their cultures, based on superstition and backwardness, would have to be expunged (Ferguson, 2004). This is relevant to the current discussion of China’s engagement with Africa. Like our understanding of Britain’s commercial engagement with Africa that has to be moderated by and understood within a broader context of the civilizing project, and in the current century, the modernizing project, so China’s commercial engagement has to be understood in a context that appears not to share such motivations.

A major motivation may well be the securing of Africa’s natural resources to feed the growing economy of China. Yet there appears a genuine desire to provide other resources for Africa, and to do so on the basis of cooperation and friendship (Shaw, Cooper, & Antkiewicz, 2007). Rather than China’s modern engagement with African countries being premised on an exploitative/proselytizing history that appears in the case of the West’s engagement transmogrified into a modernizing mission, it is premised on an anti-colonial/decolonizing history.

There is also the perspective that from the experience of transformation in China, there are lessons to be learned in Africa. Evidence appears to exist of a sense of ‘Third World Solidarity’ in China’s relations, drawing on its socialist heritage and anti-imperialist discourse, and as a reaction to the IMF’s neoliberal policies and government alignment with
the United States (Kapinsky, 2008; CCS, 2008). These other influences on the nature of China’s resource-seeking should be taken into account in theorizing China’s engagement with Africa and the implications for employment and employment relations.

**HRM knowledge transfer from China: Chinese or Western?**

Discussion in the section above focused on the impacts of China’s motives, notwithstanding the motivations of individual organizations and firms, which might well vary in line with industrial sector, size and other factors. Yet China’s motives have also got to be considered in relationship to how wider geopolitical relationships are conceptualized and how these are changing. What Chinese organizations bring with them to African countries is a function of such motivations and rationales discussed above, but also a product of previous and current geopolitical relations. The way people are managed in China is a product of such relationships. Of these principles and practices, what is then brought to Africa is another such product. Whether or not Chinese managers come to Africa to impose, instruct, teach or learn is yet another product of geopolitical relations both historic and current.

Although China was never fully colonized by the West, Western civilization has had its impact, and more latterly Western management has had an impact on organization and management in China (Jackson and Bak, 1998; Warner, 2001; Cooke, 2004). The management literature over the last two decades has focused on China as an emerging and huge market for the West, yet more recently has turned its attention also to the internationalization of Chinese firms and their activities in other countries (Bjorkman, 2002; Child and Rodrigues, 2005; Zhang and Edwards, 2007), yet these have tended to focus on Chinese firms in developed economies such as the UK, and the possibilities of such firms learning from practices in these countries through a process of reverse diffusion (Zhang and Edwards, 2007). To build a theoretical understanding it is first necessary to focus on the nature of people management in China and its local and global influences, and then to study the available evidence from the literature on what Chinese firms abroad take with them.
Managing People in China

An understanding of the way people are managed in China necessitates an understanding of the balance in China between individual human rights and national development. This is the context in which the adoption of Western HRM should be understood.

An example of human resource management in the wider community in China is the restriction of parents to one child. Arguable this is an infringement of individual human rights. Arguable this is a necessity for national development. Although an original signatory to the UN Universal Declaration of Human Rights China has long contested its principles and application, particularly in contradistinction to the USA, and in its trade off with national and economic development (Schech and Haggis, 2000). Yet China has not been alone in challenging the universality of the UN declaration. In 1980 the African Charter of Human and People’s Rights was adopted by the Organization of African Unity, to ‘reflect the African conception of human rights, [and] should take as a pattern the African philosophy and law to meet the needs of Africa’ (Amnesty International, 1991, cited in Ahluwalia, 2001: 93). The main difference to the UN Declaration is the stress on community: ‘collective rights to national sovereignty free from external influence.’ (Paul, 1990: 216, cited in Ahluwalia, 2001: 93).

The main area of contention is the emphasis on the individual as the holder of certain rights, and the extent to which this may override the needs of the collective, and in the case of the Chinese nation, the responsibility of the state to put first the need for economic and social development to ensure the livelihood and wellbeing of people as a whole. This may not be seen as being at the expense of individual rights, the pursuit of which are not necessarily thus recognized as a legitimate objective. How is this then applied to human resource management in organizations, particularly as Cooke (2011: 198) describes ‘The interests of the state, the enterprise and the workforce are assumed to be unified’?

Cooke (2011) describes the patriotic and paternalistic foundations of people management, which also include principles of unity, congruence and harmonization as reflecting Confucian philosophy, and which despite economic liberalization and reforms in state-owned enterprises and commercial considerations in private enterprises, is still a main
guiding influence. This encourages social harmony and cohesion focusing on social relations, collectivism and self-sacrifice for the collective good. This is reflected in people management practices such as company-sponsored employee-oriented activities that seek to embed societal and company values (Jackson and Bak, 1998; Cooke, 2008). This is also reflected still in the role of the sole labour organization, ACFTU (All-China Federation of Trade Unions), led by the state/communist party focused on a welfare role rather than protecting worker’s rights (a role that perhaps is seen as irrelevant where the interests of state, company and workforce are perceived as one). Similarly workers’ participation is very much aligned to the ACFTU, supplemented by legislation by the Workers’ Representative Congress which is guided by the trade union. Cooke (2011) suggests that even with a more recent trend for private sector firms to set up a workers’ congress, this is normally in compliance with legislation, and serves as an extension to the company’s HRM function.

There are of course differences among different organizations and sectors, and between private and state-own sector. Yet there is a tradition of absorbing foreign influences, but with Chinese characteristics. Even though companies have been adopting apparent Western HRM practices such as linking performance with pay, the reward system is still by and large based on equality, with employees exerting extensive control over the distribution of pay, with income inequality still being seen as potentially disruptive to group harmony and social adhesion (Cooke, 2004). Indeed, Warner (2010) asserts a much bigger emphasis in today’s China on harmony and Confucian values, and a turning away from simply economic efficiency, with Li (2005: 8) reporting that ‘[President] Hu’s strategy for China’s development has differed profoundly from his predecessors. Concerns about social cohesion have overcome the old model’s emphasis on economic efficiency.’ Warner (2010: 2056) adds that ‘The Chinese Communist …. now co-sponsors a form of Confucian’.

How such people management systems, reflecting aspects of Confucianism, an emphasis on the sameness of interests of state, organization and staff, on social cohesion and the absorption of Western HRM, may be compatible with values and expectations in African countries will now be explored.
**Synergies with African people management**

The concept of *Ubuntu* management was popularised in the late 1990s in South Africa by, among others, Mbigi (1997) and experimented with in some of the larger corporations and public enterprises, amidst a focus on empowerment and employment equity (Jackson, 1999). This represented an emphasis on the humanity of people working in organizations, and a move away from seeing people as resources in an instrumental (Western) perspective. This represents a view that African communities’ values may be different from Western ideas of the sanctity of the individual, and that people have an intrinsic value, a value in their own right, for who they are as part of a collective, and indeed a part of existence. Hence in the ‘Bantu’ languages (‘Bantu’ sharing the same root as *ubuntu* – *ntu*), *muntu* the singular, does not just mean ‘person’. It is the essence of the person, including the yet to be born, and the ancestors, and refers to a continuity. Hence in isiXhosa *Ubuntu ungamntu ngabanye abantu* means ‘people are people through other people’. Jackson (2004) reported the difficulty of identifying the operation of this concept in any pure form because of the dynamic of cultural crossvergence, driven by geopolitical power relationships and dominance of Western concepts of HRM.

This also applies to any ‘indigenous’ Chinese management concept such as Ip’s (2009) idea of the Confucian firm. He defines the core principles of the Confucian firm, in terms of *ren* (a virtue or capacity of benevolence and compassion: humanity – and perhaps akin to *ubuntu*), *yi* (a sense of moral rightness) and *li* (conventions, etiquettes or norms), while *Junzi* is the model moral person who possesses these three ‘mega-virtues’ together with wisdom and trustworthiness. Hence an organization’s goals, strategies and practices are defined by the principles of *ren-yi-li*; its structures, processes and procedures conform to *ren-yi-li*; stakeholders are treated with *ren-yi-li*; while its leaders conform to thoughts and deeds of *junzi*; and members of the organization are virtuous and act in accordance to *ren-yi-li*.

Hence in terms of strategy and goals, the profit motive would be acceptable for corporate leaders but would be morally constrained and consistent with *ren*, *yi* and *li*. However other legitimate goals of the organization would be looked at, such as doing good for the community and society. Business leaders should then emulate the characteristics of
Junzi and strive to conduct a virtuous corporate life and virtuous leadership, and continuously morally improve themselves while strengthening their Junzi-defining virtues including ren-yi-li, and setting a good example to others. At the same time they should use the principles of zhong shu: stemming from ren (humanity) this articulates the human capacity for compassion - that one should do unto others what they would want others to do to them.

If the strategic direction and leadership of the corporation has to be guided by ren-yi-li, so do the power structures, relationships, decision making and management processes have to be also consistent with these concepts and principles. Hence all stakeholders of the firm would be treated with rightness and humanity. This would involve providing fair wages and safe working environments, providing benefits to the community, being a good corporate citizen, and promoting social good generally. Furthermore it should be de (people’s moral virtues) driving people’s moral actions within the firm rather than rules and regulations. There may still be rules, but these are secondary to virtues in motivating and directing actions. Hence conflicts are resolved by appealing to virtues rather than rules and regulations. Ip (2009) in fact makes the point that zhong shu is not a rule but involves the virtue of reciprocity and is a reflection of the capacity of ren (humanity). As ren is close to ubuntu it is worth dwelling on this further.

The Confucian concept of the person is essentially a social one, through familial collectivism. The person is defined by his or her relationships. A person’s identity cannot be understood as something separate from his or her social attachments and place in the hierarchy of social relationships. A person is shaped by this social embeddedness in terms of their interests and goals, and also constrained by the same relationships. The social bonds thus created are a source of indebtedness and obligations. This explains well ‘the modern day version of Confucian relationalism’: guanxi (Ip, 2009: 465).

Ip (2009: 466) also reminds us that filial piety holds a very strong position within Chinese culture, often with family patriarchs, or indeed state patriarchs, demanding filial piety from their children, or subjects. This implies ‘a hierarchical structure of human relationships in society’. Social exchange and obligations may therefore be asymmetrical, which Ip sees is in contrast to zhong shu. The reciprocity principle is qualified on the basis of
familial relationships, as well as hierarchy and *li* (rules of propriety). Given this the Confucian firm should incorporate these elements as follows (Ip, 2009):

- **Collectivism/familialism**: collective interests and goals overshadow individual corporate members’ interest. There should be harmony between individual and collective interests. Similarly the wellbeing of individuals can only be realized within the overall wellbeing of the collective.

- **Particularism**: practice is based on personal relations rather than people’s qualifications or abilities. Opportunities and benefits are therefore allocated in this way. This includes in hiring, and is linked with *guanxi*, and is seen as critical to a company’s success.

- **Paternalism**: this works on the principle that the father knows what is best for the children and is an extension of familial collectivism, with the patriarch at the top of the relationship hierarchy deciding on what is best. He is seen to possess wisdom, knowledge and benevolence. This implies that there is no need for consultation and no place for dissent: people are not equal in the hierarchy.

In the more general cross-cultural management literature ‘collectivism’ is seen as target specific: that is, in-group and out-group members are treated differently (Triandis, 1990; Hui, 1990). We could suppose that Chinese firms operating in Africa might not treat African employees and other stakeholders according to the principles of *ren* if this is qualified by Confucian relationalism. It has been argued that *ubuntu* principles and the communalism of Africa does not just apply to in-group members. Mutabazi (2002: 209) points out that, as a result of his empirical studies in thirteen sub-Saharan countries: ‘Western notions of individualism and collectivism did not exist in any of the communities we observed .... These communities’ fundamental method for managing human relations … is co-subsistence – among individuals and among the concentric circles that make up a clan or community. As for newcomers to this system, they are not rejected or dominated but are welcomed and perhaps even integrated into the community.’ Ip (2009) proposes that
Confucian principles extend to the fair treatment of all stakeholders, which may indicate that ren could well apply to African employees.

A Theoretical Schema

The approach taken so far in this article is to lay the theoretical foundations for interrogating the available evidence of China’s engagement with African countries at the level of the organization, and from which to outline an agenda for informed research on employment relations and HRM. It is possible now to summarize this into a theoretical schema. After then focusing on Chinese organization’s HRM abroad, and specifically in African countries, it will be possible to develop propositions for future research (see Figure 1)

From the above discussion, it is proposed that any consideration of China’s people management activities in Africa must take into consideration the following.

Research assumption 1: The historical context of China’s presence in Africa is one of anti-imperialism, which lacks the motivation to civilize/modernize and proselytize, and to denigrate African values and institutions, and to impose ‘modernizing’ conditions such as governance, human rights and democracy. This is at variance to the historic context of the presence of Western countries.

There is much evidence in the literature reviewed above, and in the popular press, of negative assumptions of China’s engagement that can be explained by the threat posed to the predominance of the West through changing geopolitical dynamics. In some respects it is similar to the negative assertions about ‘African’ management discussed earlier (Jackson, 2004). China’s presence in particular is heralded as a new imperialism, and is challenged by commentators and academic as being negligent of Africans’ human rights. To effectively
research Chinese engagement at organizational level it is necessary to historically contextualize this engagement in the light of China’s relationship with African countries through the decolonization period, and to be mindful of China’s general policies of mutual benefit, rather than any motive to directly exploit and/or to modernize, which are general concomitants of a colonizing/imperialist ethos. This may be reflected at organization levels in terms of mutual respect of African and Chinese practices, together with involvement of African managers and workers that may be reinforced by the implications of the second research assumption.

*Research assumption 2:* There is a strong commercial motive, the need for natural resources to fuel China’s industrial growth, and to expand markets also to fuel the domestic economy. The motive to purely exploit is likely to be modified by the historical context of China’s coming to Africa, the sense of ‘Third World solidarity’ and contributing to Africa’s development, and the political motivation of China’s seeking friends and gaining influence in the world in line with its expanding financial influence.

Although there may be a need for Chinese enterprises to get the best possible deal (for example for natural resources, and to operate competitively and as cost-effectively as possible, including with regard to wage bills) if this assumption is reflected at organizational level one might expect to see Chinese-African team-working, mutual learning, and possible reverse diffusion of knowledge (Zhang and Edwards, 2007). Yet this may be moderated by the third research assumption.

*Research assumption 3:* The ethos of superseding individual human rights by the exigencies of national development, and conflating the interests of state, organization and employees has correspondence in the regard for trade unions as a function of organizational HRM, paternalistic management practices, low worker participation, egalitarian wage distribution among employees, which is likely to moderate Western HRM influences on Chinese
corporations and impact on management practices of Chinese corporations in African countries.

Mutual cooperation and respect at the strategic level of policy from the Chinese government and intentions of senior managers and business leaders may reflect weakly at organizational level in view of paternalistic management brought from China, and reflected in HRM practices (which themselves may be moderated Western practices). Yet again, in its turn, paternalistic management may be seen in a more positive light through non-Western eyes (Aycan, 2006) in view of the fourth research assumption.

Research assumption 4: A growing emphasis on harmonious social relations and social cohesion informed by Confucianism that emphasizes humanity or a capacity for benevolence and compassion (ren), yet within the structure of hierarchical relations, duty and obligation, and emphasizing a person’s social embeddedness, particularistic and paternalistic relationships and, appears to have a correspondence with the Africa Ubuntu, suggests synergies with indigenous African values.

If Chinese managers are displaying paternalistic management styles this may incorporate humanistic values together with a sense of hierarchy, and be reflected at organizational level in a regard for and looking after one’s staff as one would one’s children. Yet, again, this may be moderated by the fifth research assumption.

Research assumption 5: Confucian relationalism may qualify ren in that collectivism is held to be specific to in-group members, and therefore may not apply to African employees.

This is an assumption that should be borne in mind, although as discussed above, ren may well be directed towards African staff. The extent to which it is or is not can only be determined by interrogating the available data on Chinese organization in Africa, and through setting an appropriate research agenda.
However, Mohan and Power (2008: 23) warn of the importance of ‘...disaggregating ‘China’ and ‘Africa’ since neither represents a coherent and uniform set of motivations and opportunities’. Although the current author is aware of this issue, at this stage in this analysis, it should be seen as a further set of variables, as well as the different sectors and sizes of Chinese organizations operating in different African countries that may have different motives. However, China’s presence in Africa still appears overwhelmingly to be through state owned enterprises where one might expect some degree of commonality: in 2006 there were over 800 Chinese enterprises operating in Africa, at least 674 or 84.25% of these were state-owned enterprises (Alden & Davies, 2006).

**What Do Chinese Companies Take To Africa?**

The next stage of this analysis is to interrogate the available evidence on China’s engagement at organizational level, to understand better how the above research assumptions may or may not be reflected at this level of analysis. This first looks at the nature of employment in Chinese firms, as this has appeared as one of the most contentious issues in the literature examined above; then at the extent to which this creates local jobs in contrast to contentions that Chinese companies bring to Africa their own workforces; next, in view of the type of employment this appears to create the extent to which Chinese firms contribute to up-skilling their African workforce; and then to look at the nature of community engagement of such firms. Following this, the next area examined is perhaps the most difficult in light of the lack of empirical evidence: the issue of mutual learning (see Table 1).

**The nature of employment in Chinese organizations**

Shen (2007) reminds us that although international HRM and industrial relations practices are informed by home-country practices, MNE managers cannot assume a simple transfer of systems to overseas subsidiaries because of different political, legal, economic and social-cultural differences. Studying eleven Chinese MNEs with subsidiaries in a range of
developed and developing nations, the research indicated that the companies generally paid higher rates than the market average in developed countries to compensate for the lack of training and development opportunities which the MNEs were weak in as well as employment participation and involvement, and these higher wages attracted host country national while those ‘soft’ aspects rarely caused labour disputes. Yet subsidiaries in developing countries (including in those in Africa) paid low wages with poor working conditions, in contrast to the generally good working conditions they operated in developed countries.

There was a tendency therefore to localize employment standards but also in the developing countries these standards tended to be lower than their Western counterparts, explaining why most labour disputes took place in the MNEs’ developing country subsidies rather than in their developed country ones, even though disputes were less than in the home country. However, Shen (2007) also maintains that labour standards were to a certain extent influenced by the low labour standards in China, and that the (generally negative) attitudes of senior managers toward unions in the host country subsidiaries, including recognition and involvement in negotiating employment terms, were mainly influenced by the home country industrial relations system.

These finding are reflected in a study of Chinese investment in Africa by the African Labour Research Network (Baah & Jauch, 2009). The authors summarize their findings across ten countries in this area as follows.

‘Although working conditions at Chinese companies in Africa differ across countries and sectors, there are some common trends such as tense labour relations, hostile attitudes by Chinese employers towards trade unions, violations of workers’ rights, poor working conditions and unfair labour practices. There is a virtual absence of employment contracts and the Chinese employers unilaterally determine wages and benefits. African workers are often employed as “casual workers” , depriving them of benefits that they are legally entitled to’.

Their findings also indicate that Chinese employers are among the lowest paying in Africa compared with others in the same sector. They give the example of African workers in
the copper mines of Zambia being paid 30 per cent less than those in other copper mines in the country. Within the Chinese companies they surveyed it appeared that only workers with strong union representation achieved pay rates above the national average. Yet they go on to explain that following the structural adjustment programmes of the 1980s and 1990s with wide-scale privatizations and mass retrenchments, Africa’s trade unions are weak as they struggle to recruit non-permanent workers and those in the informal economy, saying that ‘Employers, including the Chinese, take advantage of flexible labour markets and undermine collective bargaining’ (Baah & Jauch, 2009: 14). They also note differences among countries, sectors and individual companies, observing that ‘In Nigeria, for example, there were Chinese companies with exemplary working conditions and labour relations alongside others where workers rights are frequently abused’ (Baah & Jauch, 2009: 66).

It is difficult to make a direct comparison between employment conditions in Chinese-owned organizations and locally-owned organizations in African countries, as there is a dearth of wide scale studies of employment relations outside South Africa. While Chinese firms are accused by such studies as the one discussed above of ignoring workers’ rights in African countries, Wood (2011: 316) tells us for example that in Mozambique generally although labour laws have been changed in areas such as strengthening minimum wages ‘..these have been widely ignored by employers’. In Nigeria generally Ovadje and Ankomah (2001: 180) report that ‘Given salaries are very poor, a pay rise occurs only after hard bargaining and sometimes violent strikes’. In Ghana, Debra (2001: 202) reports that ‘in spite of the influential role of the trade union movement in Ghana, many employers still treat trade unions with suspicion’. Suspicious attitudes reported of Chinese managers towards unions ((Baah & Jauch, 2009) appear in line with local attitudes generally and this perhaps reinforces Shen’s (2007) assertion that Chinese companies tend to localize employment standards. Brautigam (2011a: 12) also reports that in terms of low pay and hiring contract labour to avoid paying benefits ‘A study by Namibian labor unions pointed out that the Chinese were following the same practices as local African firms’.

The other direct comparison that is difficult is with employment in the informal economy. Liimatainen/ILO (2002) has estimated that in Zambia 43 per cent of urban
employment is in the informal economy, in Mozambique 30-40 per cent of urban households were dependent on the informal economy; and, in Ghana an estimated 89 per cent of the labour force was employed in the informal sector. Certainly, for example in Zambia it may be possible to make a like-for-like comparison of employment conditions in copper mining firms, yet in terms of job creation, low wages and poor conditions prevailing generally, high employment, and a high dependency on informal earning activities, a different type of analysis has to be made, and beyond the scope of the current work, while it is possible to conclude:

Proposition 1: Employment conditions may be expected to be generally low in Chinese-owned organization, yet commensurate with those of local firms, while generally lower than Western-owned companies.

Expatriates versus local employment: creating local jobs

Kingdon, Sandefur and Teal (2005) argue ‘..that the failure of African labor markets to create good paying jobs has resulted in excess labor supply in the form of either open unemployment or a growing self-employment sector’. What is China’s role in taking up that excess supply? This appears to be another area where a Western antithesis towards China’s engagement with Africa gives rise to negative assumptions. Brautigam (2011a: 4-5) points to the common assumption that Chinese ‘…..companies bring in all their own workers and refuse to hire Africans’. She recounts that, as was seen above, that this mainly applies to oil-rich countries where local labour is relatively expensive, but otherwise fieldworkers have largely reported Chinese projects having a majority of Africans in their workforce, and ‘For example, a researcher who recently visited Cameroon expecting to find large groups of Chinese workers found instead that every construction site she visited had Cameroonian workers under Chinese managers.’

Research undertaken by the Centre for Chinese Studies at Stellenbosch University also provides some support for this, as well as qualifying it by reporting that:
‘...... it was noted on several occasions that the use of Chinese labour was dependent on the level of and availability of skills in the local market. In instances where the requisite skills were available locally, the preference was to use Chinese labour in the capacity of supervision, engineering, design or at a more senior level with tasks involving technical expertise, such as the grading of roads and the operation of sophisticated machinery. Chinese companies have no automatic preference for Chinese labour, but given the lack of specialised skills in many African markets where aid projects are being implemented, the import of Chinese skilled labour is sometimes required. .....In these cases it is easy to note where misperceptions around the employment practices of Chinese companies may have arisen, as it may appear that Chinese companies are importing manual labour, when, in reality, Chinese labourers are brought in for their skills.’ (Davies et al/CCS, 2008: 17).

This suggests that:

*Proposition 2: Chinese organizations are contributing to local labour markets by taking up excess labour mainly by employing unskilled African labour.*

**Up-skilling of local labour**

The extent to which Chinese firms may be contributing directly to the up-skilling of predominantly unskilled labour, if there is a tendency to import skilled Chinese labour, needs also to be investigated in view of a lack of evidence in this area. In a more general sense, Brautigam (2011b) reports a commitment by the Chinese to providing short-term training to 15,000 African over three years in poverty reduction, new leather technologies and other areas not specifically linked to projects, and to train 1,500 principals and teachers, 1,000 doctors, nurses and health sector managers in the thirty countries receiving new hospitals. Vocational training also figures highly in China’s aid-financed construction, with centres being opened in Ethiopia, Uganda and Angola. She gives other such examples, yet the extent to which Chinese firms are involved directly in such capacity building (a clear strategic goal
of China’s overall engagement with Africa) remains to be investigated. At this stage it may only be possible to conclude as follows:

**Proposition 3.** *The direct up-skilling of unskilled labour in Chinese organization may be limited, and confined to specific capacity building programmes.***

**The level of engagement with communities**

According to China’s Africa policy issued in January 2006, China will: ‘unswervingly carry forward the tradition of China-Africa friendship, and, proceeding from the fundamental interests of both the Chinese and African peoples, establish and develop a new type of strategic partnership with Africa, featuring political equality and mutual trust, economic win-win cooperation and cultural exchange’ (MOFA, 2006). Yet it is becoming apparent from the discussion above that this type of relationship is being forged at a strategic level, rather than at an interpersonal level of employment relations in organizations. Engagement with communities also appears to be at this level. Hence a major contribution appears to have taken place in China’s engagement towards social and economic development where Brautogam (2011a: 4) reminds us that ‘In contrast to most donors, China ….. spreads its aid relatively evenly across the African continent, in every country where China has official ties. Only two African countries have not been recipients of Chinese aid: oil-rich Libya, and Swaziland, which has always had official diplomatic ties with Taiwan’. It is not the place here to discuss in detail the nature of such aid, other than to note that it is substantially different to the West, built on its own experience of combating poverty through developing infrastructure and production, and influenced by the requests of recipient countries it emphasizes business and downplays official development assistance, providing loans for infrastructure intended to reduce the high cost of production, subsidies for joint ventures to create employment and local capacity, yet also creating demand for Chinese machinery and equipment; and encouraging trade with preferential loans for buyers of Chinese goods and tariff-free access for commodities by low-income African countries (Brautigam, 2011b).
It appears that strategically China is engaging with the needs of African communities in providing important infrastructure, contributing to agricultural projects in response to needs filtered through government. Yet, again, there is lack of research on Chinese organizations direct engagement with local communities, but unlikely from the available evidence that there is any deliberate attempt of Chinese managers to engage directly other than for recruitment where Chinese expatriates tend to live in compounds in a frugal way and appear not to have much connection with the local community (Brautigam, 2011a). Although Mohan and Tan-Mullens (2009) contend that this applies specifically to technical and less skilled Chinese on fixed term contracts, it is still possible to conclude as follows:

Proposition 4: There will be little direct contact, other than through recruitment activities, of Chinese management with the local communities within which their organizations are located except where they are involved in government supported and aided community development projects as part of a strategic initiative.

The degree of organizational learning, cross-fertilization and reverse diffusion

Again, this is an area where strategically Chinese policy suggests cooperation and mutual learning, yet there is a lack of research investigating this at organizational level, with available contextual evidence suggesting a minimum of mutual learning. This organizational context includes language problems. Hence the African Labour Research Network study reports that ‘Unions identified language barrier as one of the factors hampering smooth labour relations in Chinese companies. Chinese managers find it difficult to communicate in English, which is the official language in all the countries where the study was conducted.’ (Baah and Jauch, 2009: 74). This study goes as far as proposing that ‘union organisers dealing with the Chinese must learn the Chinese language.’(p. 74). This may be one of the most fundamental issues to overcome at organizational level in terms of mutual learning. It could be supposed that this may be the case in joint venture situations, where local and Chinese managers may have communication problems. A number of Chinese development
projects are delivered through on-going joint venture projects, with an express mission of mutual cooperation (Davies et al/CSS, 2008). With a lack of organizational level data it is difficult to assess aspects such as language and other communication issues, yet joint ventures may well provide a key to more substantial mutual learning and cross-fertilization.

The reported Western paternalism and modernizing ethos (Brautigam, 2011a) may militate against reverse diffusion or ‘..the transfer of practice from foreign subsidiaries to operations in the country of origin’ discussed by Zhang and Edwards (2007: 2147) where Western companies are operating in Africa. In contrast, one might expect the professed mission of mutual learning (MOFA, 2006) may facilitate some reverse diffusion in connection with Chinese firms operating in developed countries, when applied to Chinese MNE operating in Africa. Given the issues discussed above at organizational level, this may not be expected. Hence:

Proposition 5: Mutual learning may be hampered by poor language skills, which may militate against reverse diffusion.

Conclusions and Implications

The Strategic/Operational Divide

The perceptions of China’s motives and role in African countries appear to vary from one institutional level to another. Hence the literature reviewed above indicates a suspicion of Western governments towards China. This is also reflected in statements from supra-governmental organizations with Campbell (2008: 92-3) reporting a spokesperson of the World Bank and IMF saying that China has ‘…undermined years of painstaking efforts to arrange conditional debt relief’, and that ‘Paul Wolfowitz argued that China would weaken the hold of the IMF and World Bank over Africa and accused it of fostering corruption’ going on to say that ‘This was before the head of the World Bank was himself removed because of corruption’. Yet the responses from African governments have been positive (Brautigam,
2011b). This has in part been reflected by African citizens themselves. For example Brautigam (2011a: 13) reports on a poll taken in Cameroon where ‘70% of the respondents…were disturbed by the Chinese influx while at the same time 92%…..admitted that China is good for Cameroon’s economy. Also 81% welcomed Chinese products which benefited poorer parts of the population’. It seems that the main in-country antagonism towards China’s engagement is coming from the trade unions. This may be, as evidenced in the above discussions, that there is a divide between strategic level engagement, and operational level within work organizations. The explanation proffered here is that each Research Assumption modifies the other at organizational level (Figure 1), leading to the propositions offered above for future investigation.

Hence there is evidence of engagement with local communities at programme and project level, but not at the level of work organizations themselves. Jobs are created, but conditions are often poor. Capacity is built through specific up-skilling projects, yet there is still little evidence of this taking place at the level of the work organization where Chinese employers take on predominantly unskilled African labour. Although the Research Assumptions offered suggest far more synergies between Chinese and African values, and indeed in previous engagements signifying mutual solidarity through struggles in the decolonization period, this should be qualified by commercial interests suggesting a need to work as efficiently and cost-effectively as possible including not paying above the local rate for labour and reflecting local employment conditions including holding a proportion of the workforce as casual labour (Jackson et al, 2008, reports this as a practice among Asian-Kenyan owned firms in Kenya, which protects permanent staff in times of economic downturn). Chinese managers also bring with them to Africa their values, assumptions, management styles and attitudes reflected in Research Assumptions 3, 4 and 5 (Figure 1). These suggest a high degree of paternalism, regard for hierarchy, low regard for trade unions, and perhaps even a relationalism that may disadvantage outsiders.
**Implications for managers**

That mutual learning in Chinese organizations may be hampered by poor language skills (Proposition 5, Figure 1) may indicate that Chinese managers are ill-prepared to come to Africa. Synergies that may be gained from similar humanistic value systems may not be capitalized through a lack of awareness on the part of both Chinese and Africans. There may be more to be gained by this in Chinese-African joint ventures where joint management could more beneficially explore how to exploit these similarities. Yet there may also be much to be gained by Chinese managers better understanding the compatibilities of Chinese and Africa value systems, where they manage an African workforce. Western firms from developed countries may be able to offer better working conditions and wages, whereas Chinese firms, from a less developed economy, and having often to compete with Western firms in Africa on the basis of cost, could still draw upon closer synergistic relationships than sometimes Western firms are able to do. Both Dia (1996) and Jackson (2004) describe the disconnection between the culture of Western firms and African employees’ family and community life. Where there may also be a tendency among Western firms to denigrate African community culture, Chinese firms could do more, perhaps through the family-oriented programmes that are a feature in China and discussed above (Jackson and Bak, 1998, Cooke, 2008). Western firms could also learn from this.

Although Chinese firms appear to have done much to provide jobs in a context of over-supply of labour, they could do more in terms of contributing directly to skills development, engaging with communities, mutual learning and looking at how employment conditions might be improved in some areas.

**Setting a research agenda**

Any research agenda should take into account the Research Assumptions offered in the current work. Despite academic ‘objectivity’ there is always a danger that entrenched negative attitudes can affect research, as has been shown with Western research on management and HRM in Africa (Jackson, 2004). In this regard Postcolonial Theory as mentioned above may go some way in informing a critical regard to the way knowledge is
generated and transferred, being mindful of geopolitical dynamics, which the current work suggests are changing.

Figure 1 provides a beginning for taking into consideration certain assumptions, while also providing research propositions informed by available current empirical evidence at organizational level. However, the link between strategic and operational levels appears tenuous. Yet further investigation of this link should be preceded by more systematic empirical research at organizational level. Currently, China’s engagement in Africa has not sufficiently captured the attention of management, HRM and employment relations scholars. It is hoped that the current article will go some way in doing that and providing at least one pathway to informed empirical research.

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Figure 1. China’s engagement with Africa, employment relations and HRM

Conceptual considerations

The reasons for Chinese corporations being in Africa and the nature of this presence

South-South global dynamic influences on creation and transfer of knowledge

Research Assumptions

1. Anti-imperialist, non-modernizing, non-denigrating

2. Commercial motive, but non-exploitative through political seeking and ‘Third World solidarity’

3. Conflation of interests of state, organization and employee, leading to paternalism with low emphasis on trade union recognition and worker participation

4. Emphasis on harmonious social relations, and humanity, within hierarchical and particularistic relations may have synergies with indigenous African values

5. Confucian relationalism may regard African workers as outsiders.

1. Nature of employment
Conditions generally poor, yet commensurate with those of local firms, while generally lower than Western-owned companies.

2. Creating local jobs
Taking up excess labour mainly by employing unskilled Africans.

3. Up-skilling of local labour
The direct up-skilling of unskilled labour in Chinese organization may be limited, and confined to specific capacity building programmes.

4. Engagement with communities
Little direct engagement, other than through recruitment activities and through involvement in government supported and aided community development

5. Mutual learning
May be hampered by poor language skills

Strategic/Operational Divide

Evidence of Chinese organizations’ activities in Africa

Propositions