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Materializing Guanxi: Exploring the Communicative Practice of Liao Tian in Chinese Business Settings

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Abstract

In recent years, more and more scholars have started to investigate guanxi (personal connections) as a socio-cultural construct by examining its types (Zhang & Zhang, 2006), consequences (Chen & Chen, 2009), and development processes (Chen & Chen, 2004) in Chinese business organizations. The current study aims to advance research on guanxi by proposing a communicative perspective. Particularly, we see the concept of liao tian (informal discussion) as an important communicative practice that materializes guanxi in Chinese business settings. We argue that liao tian is a unique communicative activity during which conversation takes place together with extra-linguistic performances, such as chi fan (having dinner), and through which people construct and maintain guanxi. In turn, we analyze ethnographic data collected from managers of two small enterprises in China to offer initial support for our view of liao tian, and suggest directions for future research on guanxi as a form of business organizing.

Keywords:
theory of organizational communication, China, guanxi, communicative practice, informal communication, Chinese communication
Materializing Guanxi: Exploring the Communicative Practice of Liao Tian

In Chinese Business Settings

In recent years, more and more scholars have examined networking activities in social and business contexts. Although networking activities of individuals exist in every part of the world, culture may influence the way these activities are conducted. With the opening of China and its growing place in world affairs, scholars have paid increasingly more attention to networking in the Chinese context.

Guanxi is considered an indigenous form of networking in the Chinese society comprised by ego-centered personal relationships that involve exchange of feelings and favors (Chen & Chen, 2009; Zhang & Zhang, 2006; Chen & Chen, 2004; Luo, 2000; Tsui, Farh & Xin, 2000; Tsui & Farh, 1997; Yang, 1993; Hwang, 1987). The guanxi of an individual are said to form his/her guanxiwang, or network of personal connections. The traditional guanxi-based structure of Chinese society has been maintained despite communism (King 1991/1996; Bian, 1994). Personal network is said to compensate the lack of formal business system in the transition period of the former socialist economies (Michailova & Worm, 2003; Peng & Luo, 2000; Xin & Pearce, 1996; Yang, 1994). In this context, researchers studying guanxi in Chinese business settings have emphasized the utilitarian aspect of guanxi (Zeng & Liu, 2004; Luo, 2000; Yang, 1994). Organization scholars have drawn upon sociological research to examine guanxi characteristics and its dynamics (Chen & Chen, 2009; Chen & Peng, 2008; Chen & Chen, 2004; Chow & Ng, 2004).
While research has examined the content and dynamics of *guanxi* related to business settings only recently, it has not offered satisfying answer to the question of individual-organizational link yet (Zhang & Zhang, 2006). Moreover, research on the *guanxi* dynamics is still at its beginning and has not proposed so far any in-depth study on the *guanxi* development process. We argue that a communicative and practice-oriented perspective on *guanxi* could address these questions. Drawing upon recent development in research on Communicative Constitution of Organization (CCO), we consider *guanxi* not as occurring in organizations, but as being a form of organizing constitutive of organizations. By adopting this stance, our study aims to contribute not only to the understanding of the functioning of Chinese organizations from a communicational viewpoint, but also to the theories developed so far on organizational communication, in particular in the field of CCO.

Current research on CCO (Putnam & Nicotera, 2009; Cooren, Taylor & Van Every, 2006; Cooren, 2000; Taylor & Van Every, 2000; McPhee & Zaug, 2000) is based on the Western experience of organizing. We believe that Eastern indigenous concepts like the one of *guanxi* in China could shed a new light on the existing theory. This article relies on a qualitative study of two Chinese small firms to examine how *guanxi* is materialized in Chinese business settings through the particular communicative practice of *liaotian* (informal discussion). After having reviewed the related literature and explained the qualitative method used to conduct this research, the article proposes to analyze the communicative practice of *liaotian* as both a linguistic and an extra-linguistic performance of *guanxi building*. Then, it reflects upon the qualitative findings
in order to come back to the theory and discuss the practice of *liaotian* as an element of the Chinese view of communicating as organizing.

A Practice-Oriented Perspective of Organizational Communication

We begin by briefly presenting a theoretical lens we employ to conceptualize our research problem and to inform later analysis. We would like to call our approach a practice-oriented perspective of organizational communication (Jian, 2008). Although people tend to associate the term *practice* with the proverbial theory-practice dualism (Cronen, 2001), it is not what we mean here. A practice-oriented approach refers to an intellectual perspective that attends to practice as arrays of activities both human and nonhuman and as the nexus or theoretical linchpin that connects subjects and objects, transcends action-structure and change-stability, and overcomes theory-practice dualism (Schatzki, 2001).

At the philosophical and meta-theoretical level, intellectual forces across the globe both recent and ancient have given emphasis on *practice*, such as Wittgenstein's later philosophy (1968), Giddens' (1984) structuration theory, Bourdieu's (1990) logic of practice, the American pragmatism (James, 2000), and the Confucian and Taoist philosophies. For example, although Wittgenstein's later philosophy is widely taken as a language philosophy, his famous discussion on language-games or forms of life, rules and rule-following has to be understood as communication practices or activities in which language, embodied performance, objects, and context interact. As Wittgenstein (1978) wrote, "in order to describe the phenomena of language, we must describe a practice" (p. 335). For Giddens, social practice is at the root of structuration. In an incisive comment on the "linguistic turn," Giddens (1984) stated,
I admit the central significance of the "linguistic turn"... At the same time, however, I hold this term to be in some part a misleading one. The most important developments as regards social theory concern not so much a turn towards language as an altered view of the intersection between saying (or signifying) and doing, offering a novel conception of praxis. (p. xxii, emphasis in original)

In China, the conception of language emphasized practice from the beginning. For instance, ancient Chinese thinkers did not try to give definition of the concepts they used, since they were aware that any definition is a limitation of the possible meanings of the characters, and that concepts are not made to be discussed in an abstract manner, but to be used and lived. The Confucian teaching long ago recognized the performative nature of language in the practice of maintaining social harmony or order (Cheng, 1997).

For our research in organizational communication, specifically, a practice-oriented perspective means paying attention to communicative practices or activities in which conversation, text, context, and extra-linguistic material are conjoined to form meaning and objects, and produce organizing effects. We consider recent works in the CCO research as a form of practice-oriented approach, which we draw upon in our conceptual work. According to Ashcraft, Kuhn, and Cooren (2009),

Communication acts on the world; it is a social practice alive with potential. Not ‘mere’ talk or transmission, it (re)produces and alters current realities ….

Organizing is an ongoing, interactive achievement that exceeds any single agency, however powerful she/he/it may be. (p. 5, 8)

We may distinguish two main theories in the CCO research, the theory developed by Taylor and his colleagues from the Montreal School, which relies on a text-conversation
basis, and the one defended by McPhee, which rather stresses its inheritance from the structuration theory (Bisel, 2010; Ashcraft, Kuhn & Cooren, 2009; Nicotera, 2009). In the Montreal School theory, conversation is considered as a form of activity (re)producing text, which is viewed as the outcome and the materialization of the chains of actions, as well as, in return, the context of the conversation activity (Ashcraft, Kuhn & Cooren, 2009; Nicotera, 2009). Although the conversation-text theory of the Montreal School includes material and immaterial agency and structure, the other main understanding of CCO, McPhee’s four flows model, is proposed in reaction to what McPhee and Zaug (2000) call a “grammatical conception” (1st section, para.5) of the constitution problem by the Montreal School. Despite these differences, both variants, as Ashcraft, Kuhn and Cooren (2009) call them, share a similar grounding. The overall CCO research argues that organization emanates from communicative practices (Putnam & Nicotera, 2010; Putnam, Nicotera & McPhee, 2009; Cooren, Taylor & Van Every, 2006; Cooren, 2000; Taylor & Van Every, 2000; McPhee & Zaug, 2000). In Taylor’s coorientational model of organizational communication (Taylor, 2006; Taylor & Van Every, 2000), human communication is conceived as "embedded in two different environments, one of which is a hybrid material-social reality to which people respond daily, as actors, and the other of which is language, the medium of sensemaking, and hence of understanding" (p. 146). According to Taylor (2006), what communication accomplishes is an ongoing translation between the two environments, involving "(a) an ongoing object-oriented conversation specific to a community of practice, and (b) the text that names, represents, or pictures it" (Taylor, 2006, p. 156). As a result, organizing is
produced through daily communicative interactions between actors oriented toward certain common objects. Coorientation refers to the fact that,

People must simultaneously compute their interest as it intersects with that of the object they orient to, in the context of the relationship they are involving themselves in with others who share their object orientation but not necessarily their view of the appropriate orientation to it. (Taylor, 2006, p. 151)

Through such ongoing, recursive and intersubjective coorientational interaction, organizational actors produce socio-cognitive patterns which are materialized in texts. The texts formed in conversation become objects in future interactions and reflexively shape the social-material environment and the trajectory of relationship development.

In addition to the material-social dimension and the cognitive (materialized in text) dimension, we want to add a third layer, the dimension of cultural rules, which is embedded in the previous two layers. The cultural rules can be compared to Bourdiesian habitus (Bourdieu, 1972/2000): they function as rule generative systems which act as field forces and orient human action without determining it. According to Giddens (1979),

(a) There is not a singular relation between ‘an activity’ and ‘a rule’ (…).

Activities or practices are brought into being in the context of overlapping and connected sets of rules, given coherence by their involvement in the constitution of social systems in the movement of time. (b) Rules cannot be exhaustively described or analyzed in terms of their own content, as prescription, prohibition, etc.: precisely because, apart from those circumstances where a relevant lexicon exists, rules and practices only exist in conjunction with one another. (p. 65)
Therefore, social structure can be seen as a socially-distributed cognitive networked system which acts on itself and on the social-material dimension through a system of cultural rules. The dimension of cultural rules ascribes affordances to the material entities in the social-material dimension according to its relationships to the other socio-material entities. “The affordances of an object or environment are the possibilities for action called forth by it to a perceiving subject” (Fayard & Weeks, 2007, p. 609). Affordances never determine action, but they attract it in their force field. When conversational links occur again over time, organizations self-structure as texts, whereas the other part is still conversational and non-ordered. “Feedback loops act to bring together inter-dependent activity into repeated cycles of actions, that is to say, they form routines” (Campbell-Hunt, 2007, p. 800). The existence of cultural rules system authorizes better coorientation and translation between the cognitive and the socio-material network, thus more efficiently structuring or “textualizing” the organizational socio-material environment.

Indeed, the practice-oriented framework of communicating as organizing that we have presented above is embedded in the Western experience of organizing. Organizing may have other meanings and consist of practices unfamiliar to the Western world, and we feel that the Eastern experience could contribute to the CCO framework. Our study makes proposals for a Chinese stance on communicating as organizing. Next, we will introduce guanxi as the focus of our study by first reviewing its recent literature and then developing our research question.

**Guanxi**

Guanxi, or personal connections, implicitly contains the meaning of network. In modern Chinese, it is sometimes called guanxiwang, or network of personal relationships.
Guanxi network and the western social network theory have many commons points (Hammond & Glenn, 2006). However, guanxi’s scale is different from the one of group in social network analysis, since guanxi possesses a personal, particularistic and dyadic characteristic, so that it can be considered a Chinese indigenous construct with some characteristics, such as the concept of guanxi base (Chen & Chen, 2004) or the fact that social order is “based on differentiation rather than homogeneity” (King, 1991/1996).

Chen and Chen (2004) define guanxi “as an informal, particularistic personal connection between two individuals who are bounded by an implicit psychological contract to follow the social norm of guanxi such as maintaining a long-term relationship, mutual commitment, loyalty, and obligation” (p.306).

Guanxi reflects the traditional Confucian view of the society which has not disappeared from the Chinese society despite its banning during the recent communist period and has become again fashionable today (Zhou, 2005; King, 1991/1996). Confucianism states that individuals are embedded in a social network of roles that they must respect to maintain the stability of the society. However, it does not mean that the individuality disappears from the construct of guanxi. Apart from the blood relationships, an individual can choose to enter or not into guanxi construction. As Chen and Chen argued (2004), “the Confucian self is the initiator of social communication and the architect in relation construction” (p. 308).

The literature has presented many typologies or classifications of guanxi (e.g., Zhang & Zhang, 2006; Chen & Chen, 2004; Su & Littlefield, 2001; Tsang, 1998; Yang, 1993; Hwang, 1987). In general, guanxi could be differentiated into two types: blood (kinship) relationship versus social relationship (Tsang, 1998). Because our focus is on
organizational and business processes and on the construction of voluntary relationships, the present study will center on *guanxi* that is based on social relationships. By choosing this focus, we do not mean that blood-based *guanxi* has no role in organizing process. In fact, blood-based *guanxi* can play a critical intermediary role in constructing social relation-based *guanxi*.

To further understand the construction of social relation-based *guanxi*, several concepts stand prominently. The first is *guanxi base*, which is a commonly acknowledged and shared element between two or more people. For blood-based *guanxi*, the base is natural kinship. For social relation-based *guanxi*, however, according to Chen and Chen (2004), the base could be some commonly shared life experience, for example, the same city in which two persons grew up or the same high school or college they attended. The base could also be a third person with whom both parties happen to have good relationship. Additionally, a shared intention could also serve as the base (Chen & Chen, 2004). In reality, the base is often a mixture of several elements mentioned above.

*Guanxi base* helps begin a relationship. Making a relationship work, however, requires continuing exchange and accumulation of two other elements: *renqing* (favor) and *mianzi* (face) (Wong et al., 2007). The rule of exchanging *renqing* is reciprocity. In a *guanxi* relationship, when person A receives help or favor from person B, it means person A is the recipient of *renqing* from person B and is committed to return the favor in the future. As Gao and Ting-Toomey (1998) described, "Once *ren qing* is presented, one immediately is in a double-bind situation: Rejecting *ren qing* is rude and disruptive to the harmony of the relationship, but accepting it will make one vulnerable to any request for favor" (p. 29).
In the exchange of *renqing*, the benefactor also gains *mianzi*. *Mianzi* is about social reputation, self-image and prestige (Gao & Ting-Toomey, 1998; Wong et al., 2007). In many *guanxi* transactions, especially of hierarchical relationship, the benefactor who occupies the higher position may not expect any immediate favor in return but enjoys instant enhancement of *mianzi* through the act of extending favor. The significance of gaining *mianzi* goes beyond immediate dyadic relationships because a bigger *mianzi* helps extend one's *guanxi* network in the future and, therefore, translates into more social power in getting things accomplished. Hence, exchanging favor and winning *mianzi* indicate the instrumental characteristic of *guanxi* (Wong et al., 2007).

So far, we have presented a static view of *guanxi* with regard to its definition, typologies, and characteristics. Although important in itself, the static approach fails to address *guanxi* as a dynamic, developmental process. Recent research by Chen and Chen (2004) on *guanxi building* begins to fill this void and serves as the springboard for our investigation. In the following, we will introduce Chen and Chen's process model and present our research question.

The Question on Doing *Guanxi* in Business Settings

Chen and Chen (2004) conceptualize *guanxi building* as following three stages: initiating, building, and using *guanxi*. During the first stage, two individuals familiarize themselves to each other by mutually self-disclosing their background. In this self-disclosing process, the two parties would identify commonalities -- the *guanxi base*. Successful initiation leads to the second stage -- building *guanxi*. According to Chen and Chen (2004), the goal of this stage is to establish mutual trust and affection. Activities of this stage may involve participating in social events and reciprocating help and favors.
Building *guanxi* leads to the third stage—using *guanxi*, which is marked by asking and giving favors and regulated by the principle of long-term equity.

Chen and Chen's (2004) model is a significant advancement over previous research. Instead of treating *guanxi* as a static network with fixed attributes and functions, the model portrayed *guanxi* as a dynamic process of development. We find the model good scaffolding for further theoretical and empirical work from a communicative perspective. The model implies that interaction is the core action, for example, in initiating and building *guanxi*. However, the model fails to reveal how *guanxi* is accomplished in communicative practices and how context plays into *guanxi* interactions. For example, the model portrays the initiation stage simply as a stage of familiarization through self-disclosure, focusing solely on the outcome, that is, finding *guanxi base*. However, for two out-group strangers to become in-group members, familiarization itself could be a far more complex interactional process than what is sketched out in the model. Also, in the building stage, although instrumental and affective exchanges are conceptually different, how they are mixed and conducted in practice is still elusive. In addition, as a stage model, it portrays three discrete states. It fails to capture the process in which relationship transforms from initiating (stage 1) to building *guanxi* (stage 2) and from building to using *guanxi* (stage 3). To answer these questions, further theoretical and empirical work is in urgent need.

Although unable to address all the questions suggested above, the present study intends to be an exploratory first step to enrich our understanding about *guanxi* from a practice-oriented communication perspective. Because of the open and inductive nature
of the investigation, we propose a rather broad research question, that is, how is _guanxi_ accomplished in practice?

**Method**

Data analyzed for this study belong to a larger project that examines strategic business communication practices of managers in Chinese firms. Qualitative methodology was chosen for its capacity to examine the complexity of meaning in the case involved. The first author conducted qualitative interviews and field observations in two Chinese private small enterprises belonging to a large private group. The remainder of this section will first introduce the research sites and then describe our data collection and analysis procedures.

*The Field : Presentation of The Two Firms*

China economic system is a transitional economy where boundaries between the public and the private sector and the definition of private property are not clear (Pairault, 2001; Walder, 1996). Because of this situation, institutional economists have found that transitional economies did not correspond to the neo-liberal standard classification between planned economies and capitalist economies, and had to be named networked economies (Boisot & Child, 1996; Wank, 1996). The Chinese group where we conducted our research glorified its belonging to the private sector since the 80’s. Large business groups, public or private, were the model of the form of business activities in the 90’s (Zhang, Li & Deng, 1998). The two firms of the group where we made the interviews both belonged to the electronic sector and each had less than 50 employees. The status of the two firms was different. The first firm was in fact a branch of the holding company, whereas the second had been partially bought by the holding. Ironically enough for
research about *guanxi*, after having received refusal from both firms while trying to contact them herself, the first author eventually obtained authorization to conduct research on the two firms after having met the vice-director of the holding company through the help of a Chinese professor who was a classmate of the vice-director.

*Data Collection and Analysis*

Our data collection consists of both qualitative interviews and field observation. The first author interviewed 15 top and middle managers of these two firms. Interviews were conducted in Chinese in the office of the interviewees and tape-recorded. Each lasted for one hour. Interviewees were considered as competent communicators, possessing common knowledge, in other words, having the capacity to analyze their social environment by producing typifications about it and to give a pertinent account of this knowledge for the interviewer.

We acknowledge that, being French, although fluent in both spoken and written Chinese, the interviewer's personal attribute may have had influence on interviewees’ responses. Research has shown that, when communicating with out-group members, Chinese tend to be polite, undirected and reluctant to convey information (Gao, 2006). Thus, the foreignness of the interviewer could influence the interview dynamic in a negative way. To alleviate this concern, a Chinese student familiar with the site accompanied the interviewer during the interviews. Although she was not the interviewer, her presence helped the interviewer develop rapport with the participants. On the positive side, the interviewer's foreignness may have elevated participants’ level of self-reflection on being Chinese and doing business in a "Chinese" way. Additionally, the interviewer's ability to converse in Chinese expressed sincerity and could have helped gaining respect
from the participants. As evidence, data suggest the highly self-conscious and reflexive way Chinese managers considered their business communicative practices as “Chinese” ones.

Although observation was not authorized, we were able to make ad hoc observations before and during the interviews. Observation was primarily focused on materiality clues of the organizational structure, such as the characteristics of the office, labels, and locations of the managers and employees, as well as on any exchange that took place in the enterprise during our presence. Since our observation was limited, the interviewees were asked to draw their relationships with others. In particular, they were asked to choose among several settings (office, restaurant, elevator, etc.) and to draw their most encountered situation of communication with their supervisor, subordinates, and/or peers for important information exchange. Data retrieved from their drawings were cross-examined with interview analysis in order to have a better understanding of the communicative contexts in which guanxi building took place.

To stay as close as possible to the indigenous view of guanxi, the interviews, which were conducted in Chinese, were transcribed and analyzed in Chinese as well. Discursive analysis was conducted on the interview transcripts. It includes the analysis of discourse regularities based on the frequency of some particular linguistic patterns and thematic categories appearing in the data, as well as on the reconstruction of the organized background knowledge that may lead the interviewees to make their statements (Brown & Yule, 1983). The interpretation of interview data was made in conjunction with other data sources, such as networks of internal relationships and situations of
communication drawn by the interviewees, observation notes and documents obtained (documents describing the holding company, phone lists, etc.).

Analysis and Findings

Literature on Chinese communication suggests that communication is related to *guanxi* and that *guanxi building* is one of the primary tasks of communicational exchange. “Verbal exchanges in Chinese culture are means of expressing affect and of strengthening relationships, while argumentative and confrontational modes of communication are avoided at all costs. Chinese communication, therefore, serves affective and relational purposes… Seeking harmony … becomes a primary task in the self’s relational development and interpersonal communication. The appropriateness of any communication event, for example, is influenced by the notion of harmony” (Gao, Ting-Toomey & Gudykunst, 1996, pp.282-283). Our findings support such a relational emphasis in communication. Another point is the preference displayed by the Chinese managers for oral communication, which may be formal or informal (Zheng, 2003). Literature suggests that hierarchical communication, in particular, formal oral communication prevails in Chinese firms (Krone, Garrett, & Chen, 1992). Therefore, we had expected formal oral communication to be highly represented in the data. Our data display patterns of oral communication. However, informal oral communication is more salient in our results, in particular, through three verbs related to oral communication, which are *gou tong* [communicating], *jiao liu* [exchanging] and *liao tian* [chatting]. In the following sections, we analyze more particularly the verb *liao tian* and its associated practice.

Emphasis on Relationship More Than Content
Interestingly, although interviews’ topic was on information exchange, some verbs not directly related to information exchange are highly represented in the transcriptions, for instance, the verb *goutong*, which is not related to content exchange. Originally from the characters *gou, ditch, gap, and tong, to cross*, the verb *goutong, to communicate* means literally *cross the gap*. Some scholars argue that it represents the closer translation of the Western meaning of communication (Gao, 1998). It appears in the data as a verb without direct object, that is, it represents the relational feature of communicative practices (cf. the excerpt pp.18-19). Even the verb *jiaoliu, to exchange*, is most of the time constructed without indication of content in the data. An accounting manager of the first enterprise said about her relationships with the other managers, “There is conversation, there is *jiaoliu* [exchange] …, we have *jiaoliu* [exchange] with all of the employees of the other departments”. As literature on *guanxi* has already suggested, Chinese culture stresses the importance of relationships and not, as Western communicators do, content. In the structuralist view of communication, information is described as being the content of the exchange process. However, our data suggest that even when the central topic is on information exchanging, Chinese managers first perceive communication as relationship building, and not a way to exchange content. For instance, a manager of the second firm gave the following statement about communication, 

Internal [information exchanging], it is about the mutual *goutong* between colleagues, between departments, between colleagues, it is about mutual… it is not easy to say, colleagues in the enterprises *goutong* [communicate] in a mutual
way, it is a sort of conversation. The internal coordination is relatively good, coordinating is easy, everybody speaks a little and that’s it.

The statement does not mean that Chinese managers do not pay attention to content or believe that communication is not about exchanging content. Instead, it concurs with a more blurred view on interactional process and content, believing that one cannot be distinct from the other. In this sense, the communicative approach to guanxi supports the sociological findings on guanxi found in rural China by Kipnis (1996), where no distinction is made by Chinese villagers between the relationship, the perception of its quality and material gifts. Therefore, it can be said that the Chinese approach to communication adopts a constitutive view of communication very close to the recent current of the CCO research in the Western countries. In the following section, we study more particularly the communicative practice of liao tian, which displays similar features, and thus may constitute a basis for theoretical reflection. As Craig (2006) outlines, normative discourse develops along with practice and “for communication per se to be a practice, there must be a cultural concept of communication referring to the general kind of practice that people are engaged in whenever they communicate” (p. 41).

Communicative Practice of Liao Tian and Materiality of Guanxi

Dimensions of the Concept of Liao tian

Among the data, the phrase liao tian particularly drew researchers’ attention, because so many occurrences of this phrase were unexpected in organizational settings. Although research has acknowledged the role of informal communication, in particular, informal oral communication at workplace in China (Zheng, 2003), it is rather associated with the informal way of communicating than on the informal content. Liao tian
represents informal communication in both ways. Liao tian literally means talking about the day and is equivalent to talking about the weather. It appears in the data as liao, liao liao or liao tian. liao is a character composed with the character meaning ear. Its original meaning was the sound of a tinnitus. In modern Chinese, it can be an adverb, a verb or a noun. Its meanings as an adverb, merely, or a little and a verb, to chat, stress the meaning of attenuation comprised in the word. As a verb, liao has another meaning: to rely on, which is interesting since it relates directly to the idea of relationship and of guanxi. In this way, it is highly representative of informal communication as well as it outlines the stress made by the Chinese view of communication on relationship rather than content itself. Both aspects, (1) informal communication, and (2) stress on relationship, appear in the discursive analysis of the interviews.

Informal communication. On 60 occurrences of liao, 1/3 (22) are constructed without direct object, and on the 2/3 remaining (38), only 18% (7 occurrences) are constructed with a precise direct object. The others are liao tian (chatting about the weather) (15 occurrences) or are very imprecise (16 occurrences), for instance: liao yi xie shiqing (chatting about some things), shenme dou liao (chatting about all). Moreover, liao is most of the time (39 on 60 occurrences, that 65% of the cases) constructed in a attenuated form, which can be made in Chinese by reduplicating the verb (liao liao, liao yi liao (chatting a little)), by adjoining a complement of attenuation (liao yi xia, liao yi xie (chatting a little)) or by adjoining a generic complement (liao tian (chatting about the day)).

Relationship and meaning co-construction. The stress on relationship also appears in the way liao is constructed in the interviews. The communicative mode of liao is never
a one-on-one communication mode, which is the classical model of information exchange. The construction of liao always shows the co-constructive aspect of sense making: like jiaoliu or goutong, it appears generally constructed in the following way: subject and another person + liao, and is often accompanied by adverbial phrases meaning together. Moreover, this construction appears whatever the relationships of the two persons are: colleagues, subordinate/supervisor, or two representatives of two different companies (supplier/client and even competitors). It shows that the communicative practice of liao tian as meaning co-construction is a core concept of Chinese organizational communication.

**Liao tian and the Process of Guanxi Building in Business Settings**

**Process of guanxi building.** Chinese communication is based on guanxi difference made between in-group versus out-group members (Gao, 2006; Gao, Ting-Toomey & Gudykunst, 1996). Communication with the persons of the inner circle is direct and open, with private information sharing, whereas communication with strangers is based on politeness and is perceived as difficult, with protection of self-information (Gao, 2006). Guanxi building enables strangers and the self getting gradually closer. The process of guanxi building is a process from the phase of raw (sheng) to the phase of done (shu). For example, one interviewee commented, “Chinese people like to say 'strangers first time, acquaintance second time'. Between us there is no problem. When we meet for the first time we liao liao [chat and chat], and when we meet for the second and third time, our guanxi gets better”.

**Materialization of guanxi building in Chinese business settings. Liao tian as other-oriented : the cultural rule of listening.** Recently, after years of studying only
Western practices, Chinese society has regained interest in indigenous practices such as *guanxi building*. Numerous books have been published about *guanxi* and communication (i.e. Liu, 2009; Zeng & Liu, 2004). They display the Discourse laying in the Chinese society on communication rules for *guanxi building*: the most important of them is the one of priority of listening. Zeng and Liu quote Confucius to argue for the priority of listening: “Confucius says, 'When three people meet, one of them must be my teacher'. By listening to others, we can learn many things that cannot be learned in books and can benefit us immensely” (p.178). Listening-centredness is one of the characteristics of Chinese communication (Gao, Ting-Toomey & Gudykunst, 1996). This cultural rule is learned since childhood in the Chinese society. Moreover, “in most work situations, communication interaction means learning to listen and, most importantly, learning to listen with full attention” (Gao, Ting-Toomey & Gudykunst, 1996, p. 286). This feature also emerges from our data. As one manager of the second firm outlined,

> Doing business is about trust and reputation and level of trust and reputation. It is the same for products. Whether you have acquired trust and reputation is something everybody has to confront. If you have products you have competitors. When you chat with others, just listen to others a lot, and do not encroach on others' interests, I don't think there should be any problem, at least in the way I understand. If other people discuss with me, I won’t care. This society is a competitive society in itself. We have to compete for everything. Even people can be cloned, not to mention products. I believe this is simple.

This excerpt supports Chen and Chen’s view that *guanxi* is other-oriented (2004). It also displays the individual and dyadic nature of *guanxi* (Chen & Chen, 2004; King,
The manager does not perceive himself as belonging to an organization in total opposition to representatives of other organizations. *Liao tian* is a process of mutual understanding between individuals despite the organizational competitiveness. As also stressed by another manager in the first enterprise: “(even) if we compete on a similar product, there is no hatred between one another, so we will sit down and *liao liao* [chat and chat]”.

Because it gives enough space to the co-speaker through its emphasis on listening, the communicative practice of *liao tian* enables (1) the co-construction of a common space, and (2) the building of an interpersonal relationship which goes beyond the organizational boundaries. “*Guanxi* or *guanxiwang* is a fundamental concept to understand Chinese culture and Chinese people. Using Schultz’s terminology, this concept is one of the basic knowledge of common sense that Chinese people use to deal with their daily life” (Zhou, 2005, p. 230; King, 1991/1996).

*Liao tian* is a form of communication designed to establish better *guanxi* base. Its discursive content is general enough to allow the communicators to find common points, thus to reach some basic accordance, from which they will be able to construct the relationship, that is to say, construct future common meaning on different topics. Data suggest that Chinese managers are highly self-conscious of the language games constituting the construction of communication, thus organization. *Liao tian* is a form of communicative game in which each player knows that he/she has enough conceptual space to move into the puzzle of meaning construction to attain his/her goal; but each player also knows that he should let enough room to the other player as well. This kind of social rule is well-defined through the Chinese term *han xu*. According to Gao (2006),
Han xu refers to a virtual or desired characteristic or manner for conducting interpersonal communication. It values self-restraint in revealing one's ability, emotion, and knowledge (p. 8). In the practice of liao tian, han xu allows interrectants to maintain harmony while subtly negotiating meaning to advance the interests of both parties.

Nonverbal features of liao tian as communicative practice of guanxi building.

Chinese are very aware of the limits of verbal communication. As Zeng and Liu (2004) stress, humans have two eyes to observe, two ears to listen, and only one mouth to speak. In our data, the rule of listening appears as related to the capacity of perception (ganjue). Managers of both firms relate most of the time the practice of liao tian to face to face interaction, because they link good communication to ganjue, that is, sensation or perception. The multiplicity of cues in body language materializes the linguistic feedback.

One participant said, “While we liao and liao [chat and chat], you can perceive what kind of impression he has about you”. It concours to the idea that Chinese cognition relies on “intuitive perception and more reliance on sense data” (Redding, 1980, p.132).

In the process of guanxi building, liao tian appeared together with some extra-linguistic performances. In 23% (14 occurrences) of the cases, liao tian appeared together with the action of zuo (sitting) (10 occurrences) or of chi fan (eating) (6 occurrences), and was associated with both actions in 2 occurrences. Moreover, 11 of the 14 occurrences are constructed with the phrase yiqi or yikuai meaning together, and 9 are constructed in an attenuated manner. This makes clear the material dimensions of the communicative practice of liao tian as a way to co-construct a common space by sitting and eating together while chatting. These performances take place in communication with
colleagues or subordinates or in communication with representatives from other organizations.

A manager from the first enterprise has detailed the relationships between the linguistic and extra-linguistic performances of Chinese communication in business settings, especially by describing the action of eating as “a mode of exchanging”. The following extract concerns the relationships between the CEO and sales managers returning from their monthly business trip.

The CEO invites them [sales representatives] for a lunch. He wants to jiao liu [exchange] with them. They obtained some information. In general, during meetings it is not possible for them to obtain the information. It [information sharing] belongs to the process of jiao liu [at lunch].

It is the same with customers:

In general we eat with our old customers so that our jiao liu is a bit deeper. It is hard to say, perhaps, after eating we will play mah-jong, etc. With new customers we also eat sometimes, but for some unfamiliar ones, he doesn't like to invite you to eat. Many people invite local customers to eat. Nobody pays attention to what he is eating, it is mainly a process for jiao liu. It is what we mean by ‘zuo yi zuo’[sitting for a while].

Good communication is thus related to the action of sitting. For instance, a manager from the second enterprise had chosen two possible settings for communication with his colleague. He explains: “[I chose] the office, and the cafeteria, because only when we sit together and liao tian [chat] can there be gou tong [communication]”. 
The extra-linguistic performances of sitting and eating are related to “successful communication”, as said a manager from the first enterprise, because such performances enable a certain state of body, which is itself related to good communication: the state of fang song or relaxing. As shown by the extract above, extra-linguistic performances are not limited to eating. They can also be “playing mah-jong”, or other activities, for instance “drinking tea”. A manager from the first enterprise detailed the process of fang song or relaxing: for instance, the enterprise invited customers for training sessions about products in some relaxing places. These training sessions serve for communication as well:

Training is only one aspect. In fact, it is for having fun; it is jiao liu [exchanging], it is not exactly ‘having fun’. In a two-day or one-day training, half the time is for fang song [relaxing]. If the whole training time has 3 days, we'll have one day for meeting, and the rest for fang song: swimming, eating, sunbathing. That is what we mean by ‘fang song’, which is simply having some rest. During this time, people from our company, during this time, at least during the process of having a rest we can have one-on-one jiao liu [exchange]. It is in the process of relaxing that we have a process of gou tong [communicating]. But it is not about work. It consists in discussions about feelings, about other things, it is liao tian [chatting].

In this excerpt, liao tian is linked to non-work related content. “Discussing of feelings” or “exchanging feelings” is a feature of guanxi building linked to good communication. The “exchange of feelings” mixes linguistic and extra-linguistic elements. As we have explained above, Chinese people are highly aware of the richness of face-to-face
interaction, and they relate communication to the verb *ganjue* which means to feel, to have an impression.

The *guanxi building* process requires repetition of connections. As a component of *guanxi building* and enabler of feeling exchange, the communicative practice of *liao tian* must be sustained, as a manager of the second enterprise explained about eating with customers: “It is not just once, but not often either, in general we get together every month or every other month, or even less frequent, it is not so formal. It is mainly for mutually *gou tong* [communicating] feelings, and everybody can sit together for a deeper understanding”.

**Summary of the Findings**

Table 1 summaries the main elements of *liao tian* as a communicative practice related to the process of *guanxi building*. As an indigeneous Chinese concept, *liao tian* possesses five remarkable aspects: (1) although it is related to the perception of maximum richness of information exchanged, the information in itself is not understood as precise information as it would be in Western theories, but rather contains vagueness and non-linguistic contents as feelings and impression; (2) it is other-oriented and gives priority to listening; (3) it is embodied and performed in conjunction with other actions; (4) it is dyadic and interpersonal; and (5) communication is never understood as a linear and consecutive process, but as common construction of the two co-actants.

--Insert Table 1 Here--

The process of *guanxi building* is complex. Managers of both enterprises describe the feelings exchanging as well as the eating process as beginning after the *guanxi* have already been initiated, that is, after a *guanxi base* has already been found. The
performance of eating takes place after more formal communication modes, as formal meetings in the office. A manager from the second enterprise related eating to the inner circle of relationships, arguing that one could not accept invitation for eating from anybody. According to the extract above, the action of sitting is related to deeper communication that could take place in a second step after eating. However, the analysis of the other extracts does not show a clear distinction between eating as light communication or chatting and sitting as deeper exchange. Most of the time, liao tian is directly linked to eating or sitting without any indication of a classification in the process of guanxi building. Nevertheless, data show that liao tian is the first step of the negotiating process, so that it affords the deepening of guanxi: vague information and feeling exchange allow the two co-actants to build a guanxi base, and when the guanxi base is broad enough, it is followed by more direct focus on precise information and on negotiation.

Discussion: the Chinese View of Communicating As Organizing

Guanxi Base Layering and the Organizing Process

Guanxi base is a core dimension of the concept of guanxi (Chen & Chen, 2004; Luo, 2000; Tsui & Fahr, 1997; Yang, 1993). The moving from the phase of stranger to the one of acquaintance is a moving of guanxi base, that is, of commonality base. From a communicational viewpoint, the guanxi base may be defined as a common frame for meaning co-construction. Charaudeau (1983) has developed the concept of contract of communication to refer to such a common frame:

The concept of contract supposes that individuals who belong to a common set of social practices are able to agree on language representations of these social
practices. Therefore, the communicating subject may always reasonably suppose that the other possesses a language competence of acknowledgment similar to his/her own competence. (p.50)

In that sense, the contract of communication corresponds to the constitutive role of communication for the organizational structuration (Putnam, Nicotera & McPhee, 2009; McPhee & Zaug, 2000). The contract of communication is negotiated through the continuum of action chains so that meaning is continuously co-adjusted by the co-sensemakers (Ghiglione, 1986). The process of liao tian as co-sensemaking is also a process of guanxi base layering: every communicational co-action leads towards a greater commonality; the more sense is co-constructed, the bigger becomes the common frame and the bigger becomes the potentiality of further co-construction. This corresponds to the gradual materialization of the conversation toward text through distanciation and to the structuration of the organization. The first role of communication thus is that of the construction of the collective organization. As our findings show, “that role is not so much to transmit one’s person’s knowledge to others as to permit both together to construct interactively a basis of knowledge, which becomes their joint property and thus cannot be said to belong to either of them individually” (Taylor & Van Every, 2000, p.3). Consequently, organization can be described as “a group’s framework of frameworks” (Goffman, 1974, p. 27) which gradually self-structures. In the same sense, Chia (1997) considers the concept of organization as a process of “world-making”, so that “organizing as this active and dynamic process of identity-construction and reality-configuration is, therefore, an ontological activity” (p. 699).
However, our data display the infiniteness of the ontological process. The concept of *liao tian* outlines the emphasis made by Chinese culture on the process, that is, on conversation, rather than on the structure, that is on text. The findings show that managers favour the conversational possibility of adjusting the meaning and of frame building. When managers are asked on how they share information with the others after a business trip, they oppose the oral and written communication.

In general, we do it in the form of *liao tian*, not written reports, because there are many of us, or we all talk while eating. Unless big things [have happened], which need all kinds of reports, perhaps what everybody says is not very direct, in general, they will talk to the CEO, and communicate with others while eating. Written reports are seen as engaging the responsibility of the self only, so that the communication mode will be the one of polite and indirect communication, for self-preservation, like with strangers. Moreover the numerous reports are seen as numerous meaning frames without common base. Written communication thus appears, contrarily to the Western understanding, as subjective, and does not enable *guanxi building* and *guanxi base* layering. On the contrary, in oral communication, the cognitive network of meaning is never crystallized, so that the cognitive and linguistic frame is never fixed. Conversation enables the need of *guanxi* escalating, on-going co-adjustment and negotiation of the contract of communication, so that it is considered by co-actants as more objective. In that sense, it can be said that the Chinese approach of communication as constitutive of organization sees the textualization of the organization as an ideal only: organization as structure is only partial, and the only tangible aspect of the organization is the perception of the process of organizing itself. Moreover, in the process, the most
important is not the meaning construction as a content construction, but meaning construction as enabling better relationships. Sense sharing is first and foremost a feeling, a sensitive perception of being together, of *guanxi* base layering. Therefore, *guanxi* could appear as a horizontal form of communication which could enter into conflict with the prevalence of the vertical order in the Chinese organizations (Hong & Engeström, 2004). This relational feature appears in the definition of the communicating self in the Chinese culture. As Gao (1998) pointed out,

> For Chinese, maintaining relationships is an integral part of communication, because the Chinese self is defined by relations with others and the self would be incomplete if it were separated from others. The self can attain its completeness only through integration with others and its surroundings. (p.168)

In that way, communication and *guanxi* are the two faces of the same coin. Organization occurs through communication.

*The Chinese Self As an Organizer*

This concurs to the idea that organizing is networking. The Chinese concept of networking stresses that networking remains an individual activity, and that networks are self-centered. “The Confucian self is the initiator of social communication and the architect in relation construction” (Chen & Chen, 2004, p. 308). In the social type of *guanxi*, the Chinese self pursues his/her own goals and interests so that the utilitarian dimension is essential to understanding the process of *guanxi* building. This utilitarian dimension should be stressed in the communicative approach of *guanxi* as well. Despite general writings describing the Chinese communicator as obedient to the collective, some researchers have showed the bulging of the self in Chinese communication (Chang, 2001).
The construction of a common space or *guanxi base* does not mean that the self disappears in the process. That is why an aspect should be added to the definition of the *guanxi base*: the mutuality of goals and interests as outlined by Gao (2006). *Guanxi base* is based on common meaning sharing, but *guanxi base* is not meaning sharing, because total equivalence between *guanxi base* and meaning sharing would mean the self’s enslavement to the other. The Chinese approach of co-sensemaking emphasizes relationship building more than content building because it perceives structured language as framing the self. Since Chinese antiquity, language appears as the “textualization” of the reality, that is, its organization in the ontological sense. In order to preserve on-going constructions of the organization of meaning, the Chinese classical thinkers have found ways to circumvent the limitations and frames of language, to make the language “overflow” itself (Jullien, 1995/2004).

In fact, in *guanxi building*, the self always needs to preserve a personal space of meaning where he/she can escape. Conversation enables on-going games of co-construction, adjustment, but also protection of the self-meaning capacity. Chinese communication plays language games so that boundaries of the constitutive rules are never fixed and meaning always blurred, in becoming (Jullien, 1995/2004). Through the rule of “listening to the others first”, space is also preserved for the meaning of the other, so that each of the co-actants can truly take part in the conversation. Therefore, the Chinese approach is highly reflexive of the concept of agency, that is, the capacity of human actants to make a difference. This capacity of difference makes the network of selves evolve, so that change in the organizational network are not only hierarchical
(organization structuration and textualization), but also horizontal (organization reshaping and conversationalization).

It can be said that Chinese culture displays a Discourse (in the sense of Fairhurst & Putnam, 2004) about the transactional aspect (in Taylor’s sense (1993)) of the organizing process. The construction of meaning is a result of an interactional process, and not the sum of two individualities.

In the case of the communicative practice of liao tian, cultural rules of meaning construction and negotiation consist in discursive and non discursive activities. Discursive activities concern the content of the communication process: content must be general and vague. Non discursive activities concern the state the body should reach to be able to take part in the negotiation process (fan song, zuo yi xia, chi fan). The interesting point is that in liao tian, which is the first step in the negotiation process, the non discursive activities are seen as a prior step. The first goal of a competent Chinese communicator in the business process is then to make his/her counterpart physically relaxed, that is, be in a state of accepting negotiation. Managers are conscious that this physical state is a communicatively dangerous position in the game: data suggest that one should not accept invitation to dinner from total strangers. In other words, one should accept to be in state of accepting negotiation only if he/she has already established a guanxi base with the person, that is, if he/she has already find some accordance point, and measured the informational room available for each player in the game play.

In the situation of interaction with colleagues or superiors, the constitutive rules of the game change, since a common goal already exists in the search of efficiency and performance. The point is to construct the enterprise’s concepts and strategy together.
Materializing Guanxi  34

Research has showed that despite hierarchy, middle management and even lower employees took part in the construction of the enterprise’s concept and strategy (Burgelman, 1991, 1983; Hart, 1992). Liao tian is related to informal face to face communication, which is perceived as richer and more objective than written communication. Since room is let to each player to add his/her understanding of the situation, concepts are not bound in fixed words like what they would be in written communication: their limits (that is, their constitutive rules) can be modified during the conversational process, so that the structuring process and the materialization process of the concepts governing the enterprise’s culture can be the fact of several players and not only one.

Conclusion

In the past few years, scholars have shown a growing interest in indigenous practices in Chinese business and organizational settings. The reflexive manner liao tian appears in our data makes it part of a Chinese business Discourse on communicating as organizing. Our study of liao tian as an indigenous communicative practice of organizing raise new questions in several directions. First, the interactional process of organizing does not make the self disappear, even in the so-called Chinese “collective culture”. On the contrary, the organizing process is a self-centered process which goes beyond the boundaries of the organization and comprises colleagues as well as representatives of other organizations. Consequently, it raises the question on organizational belonging and commitment and on the sustainability of organizations in Chinese business settings. Such a lead could give us the impression that organizations are only short-time alliances between individuals pursuing personal interests. This stance is
supported by research that argues that Chinese people tend to be loyal to a person rather than to a system (Chen, Tsui & Farh, 2002). However, some scholars have shown that the view of *guanxi* that poses personal interests against organizational interests has been evolving (Hong & Engeström, 2004). Moreover, the stance according to which Chinese would pursue only personal interests does not give an account of the lasting of Chinese famous firms, such as Lenovo, Huawei or Sina.

Second, the emphasis on oral communication, which is regarded by Chinese managers as more objective than written communication in our data, may question the validity of the concept of textualization as equivalent to the concept of materialization of the organization in the Montreal School theory. McPhee has already addressed this question to the Montreal School theory by arguing that this theory embraces too much the grammatical stance and not enough the systemic one (McPhee & Zaug, 2000).

These two problems, high individual and utilitarian networking practices and little textual materialization, may be solved by McPhee and Zaug’s (2000) call for functionalism:

> A discussion of the ongoing constitution of an enduring systemic form such as an organization automatically raises the issue of functionalism; … We believe that a limited version of functionalism is unavoidable or at least useful in discussing the topic of the persistence of organizations and societies of organizations. Organizations are a social form created and maintained by manifestly and reflexively reifying practices of members – the members think of, treat, and relate to organizations as real, higher-order systems, and make provisions for their survival. (2nd section, para.12)
Even if it addresses only actors and non actants with various ontology, the systemic theory of Crozier and Friedberg (1977/1981) has already shown how organizational actors with individual goals create local orders through interaction. In daily practice of business organizing, personal and collective goals are mainly instrumental. Managers and employees work together to achieve some collective goals defined by the collectively constructed strategies of an enterprise (Burgelman, 1991, 1983). To achieve their personal goals (for instance, to be promoted or to suggest an idea), individuals should make them fit to the constitutive rules created by collective goals. They build instrumental relationships with each other to achieve both types of goals in the most efficient possible way. When they negotiate with extra-organizational partners, managers play roles of organizational representatives. The instrumentality of the connections they establish at the inter-organizational level should be examined at the level of the collective goals of the organization, that is to say, as tele-actors of the organization, managers will integrate collective goals of their organization as their personal goals.

Still, the limitation of our research does not enable us to further examine this issue. First, our research concerns only small firms, so that the hierarchical dimension is not as obvious as it could be expected in larger organizations. Second, the study was initially focused on information gathering and sharing. As a result, some features of communicating as organizing and guanxi building may not have been addressed. Third, the small size of our sample only allows us to make assumptions. Consequently, further investigation, focused on the topic of communicating as organizing, is needed to conduct in-depth examination and to assess the validity of our proposal. Nevertheless, our
research shows the contribution of indigenous concepts to theory building and advocates for a better integration of Eastern thoughts with Western theories.
References


Cambridge: Polity


Table 1

*Main Characteristics of Liao Tian in Business Settings*

<table>
<thead>
<tr>
<th>Type of communication</th>
<th>Mode of communication</th>
<th>Richness of communication cues</th>
<th>Linguistic content of communication</th>
<th>Extra-linguistic performances</th>
<th>Structure of communication</th>
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<tbody>
<tr>
<td>- Informal</td>
<td>- Oral</td>
<td>- Maximum</td>
<td>- No precise content</td>
<td>- Observing, feeling</td>
<td>- Interpersonal</td>
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<td>- No-work related content</td>
<td>- Sitting</td>
<td>- Emphasis on the co-acting in communication</td>
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<td>- Feelings</td>
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