

Division of Research
School of Business Administration

July 1990

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AN ECONOMIC FORCE IN CHINESE ENTERPRISES

Working Paper #639

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As the Pacific Rim countries assume a more dominant role in international business, research into management practices and economic differences proliferates. Mainland China is no less a focus of that interest. And while economic issues, joint ventures, foreign exchange issues, government intervention, market penetration is in the forefront, ethnographic variables also are receiving more emphasis as China exudes an economic interest in joint ventures. Language as a major variable, and as the basis for communication interchanges, receives recognition as a preeminent concern.

Central, in our opinion, to establishing any relationship with China (throughout considered the PRC) is the presence of a language barrier, in most instances impeding relationships between joint venture partners: in negotiations in the chemical, light industrial, textile, and machinery industries (Lee, Lo, 1988); in attempting a transfer of different management principles even though there is language knowledge on both sides (Maruyama, 1988); in aircraft production, as between McDonnell Douglas and the Shanghai Aviation Industrial Corporation (Ross, 1987); in petro chemicals (Tappan, 1986); in consultants doing business in China (Engle, 1986); in executive offices and homes for those living abroad (Tung, 1986); in definitions and legal issues (Cohen, 1988); in marketing issues (Henderson, 1985); and a host of other areas.

An economic conclusion is this: language competence in the long term can have economic and cultural consequences. Hence the focus of this analysis is a descriptive statement analyzing data on 1,005 Chinese enterprise¹ leaders and their knowledge and use of various languages in national and international business relationships. Background information is presented first, followed by key findings, and concluding with a discussion.

BACKGROUND

As part of the China research described in the following, our related Asian investigations began in 1978 with a series of pilot studies based on a 32-item Mandarin questionnaire, plus interviews, resulting in responses from 436 Chinese managers. (Hildebrandt, Liu 1988a, 1989; Hildebrandt, Edington, 1987). That information served as the basis for an enlarged questionnaire (back-translated) constructed by Chinese scholars in the U.S. and China, giving birth to the current data.

Six sections, totalling 85 questions (career paths, education, sociological patterns, current economic reforms, recommended changes in economic reforms), are the basis for the current data set. Interspersed throughout were questions focusing on foreign language knowledge, usage, issues, and methods of communication used in enterprises.

Accepted impediments to China research were the usual, such as language, getting responses into comparable computer programs, ensuring strict privacy, and omitting references to individuals and groups which worked on collecting the data. Those difficulties were lessened via personal visits and numerous fax, letter, and phone communications, completed literally just prior to the Tiananmen Square incidents of June 1989. Of the 1,005 managers, 819 were male and 186 female.

Industries Represented

Managers in the sample represent 17 manufacturing and nonmanufacturing Chinese industries; the top five including non-electrical machinery (18.2%); textiles (13.7%); light industry (12.4%); miscellaneous categories (11.9%); and chemicals (7.4%). That ranking squares with China's movement away from agriculture which in 1952 was 56.9%, 15.3% in heavy industry, and 27.8% in light industry (Statistical Yearbook of China [China Stat], 1988, p. 22) changing in 1987 to agriculture being 25.3% of the gross output value, heavy industry increasing to 38.7%, and light industry to 36%.

Managerial areas with lesser representation included tourism (1.3%) and petroleum (.8%). Other areas are metallurgical, automotive, measuring equipment, electronic and electronic equipment, food, transportation, printing, pharmaceuticals, and commerce.

Enterprise size

Managers in the study come from relatively large industries, 57.8 of them from firms in excess of 1,000 employees. Interesting, however, are the 70 (7.1%) managers who came from firms with less than 100 workers. Table I indicates size by employee number.

(Insert table #I here)

Geopolitical structure

For later foreign language analysis it is important to review the geographic regions from which the managers came and the party and governmental structure under which they operate. All areas of China are represented, only Taiwan (still considered a province of mainland China) and the autonomous region of Tibet are not present. Figure I indicates the geographic location of the managers, and number, according to the following administrative classification:

- Provinces: Twenty-three provinces make up China. They are comparable to the States in the U.S., each governed by its own administrative units.
- Municipalities: Three cities (Beijing, Tianjing, and Shanghai) are given a status comparable to the provinces. Each of the three cities is under direct supervision of the central government.
- Autonomous Regions: Five areas of the country are so named because originally they included a high minority population as for instance Mongolians in Inner Mongolia; Zhongs in Guangxi; Tibetans in Tibet; Huis in Ningxia; and Uighurs in Xinjiang. Over time the Chinese government had many Hans, the largest of 56 ethnic groups in China, or 93% of the population, (Price, Liu, 1988) join those areas in order to replace the minority with a Han majority.

All three major administrative categories have parallel influences operating on them: the Communist party and the central government.

Communist Party. A standing committee of the Politburo is responsible to the Central Committee of the party. Thus Central Committee doctrines are communicated to the party ministries, bureaus, provinces, autonomous regions, municipalities, companies, factories, workshops, and party groups. It does not require much analysis to see how deeply entrenched the party is in each of the administrative units, seeking and ensuring adherence to Communist principles as determined by top-level Politburo Standing Committee members.

Central Government. Theoretically the National People's Congress is the ultimate governmental authority, which in turn extends, parallel with the party, down through the 21 provinces, 5 autonomous regions, and the 3 municipalities. Day-to-day operations at the central level are overseen by numerous ministries (foreign language, for instance, formerly under the Ministry of Education, today under the State Education Commission), committees, and bureaus (Saich, 1981, p. 128).

At the level of autonomous regions, municipalities, and provincial governments, the bureaucracy is similar to the central government (Jan, 1966; Richman, 1969), with somewhat parallel structures for the county and cities.

As the administrative channel narrows there rest the companies and factories, each reacting to two influences: party and government. Thus the managers in this study primarily represent the enterprise and factory level, or what one could call upper-middle management.

To Western eyes it does not take long to see the stifling bureaucracy produced through party and governmental influences on one's managerial life. Personal decision making is relatively minimal; the communication labyrinth for internal and external communication is formidable as China attempts to modernize management and principles related thereto (Walder, 1985; Wang, 1986; Engle, 1986; Laaksonen, 1984; Jones, 1984).

(Figure I about here)

Time With Present Enterprise

Table II summarizes the number of years male and female managers have spent with the same enterprise as well as their education level. Inferences suggest that males are better educated than females at both the undergraduate and graduate level, that younger male managers are better educated than their older colleagues, that those with an enterprise longer are less educated, and that few (males, N=23; females, N=6) only possess a high school education. In other words, the younger generation of managers coming to the workplace are academically better prepared than their predecessors, presaging our conclusion that language training is a part of their preparation.

FINDINGS

1. English is the dominant foreign language of male and female managers, regardless of their education level. Indeed, 50.3% of the total males and 36.5% of the total female managers know English. However, those with a graduate degree possess more foreign language competence than any other education level, with comparable expertise in a foreign language also characteristic of those with an undergraduate degree.

Such conclusions are in agreement with the latest data reported by a then member of the Ministry of Education, where Fu (1986) suggests that 22,200 undergraduate and 422 master's level students in 1983 majored in the English language.

He asserts that English represents the most studied foreign language, followed by Russian, Japanese, French, and a few others. This ordering is identical to our managers' ranking: Russian is also in second position, following English. Then come managers who know Japanese, French, German, Spanish, Arabic, and other languages. Details of managerial language competence and education level are noted in Table III.

(Insert table III about here)

2. Males possess more competence in a second language than females. First, such a conclusion stems from a traditional stance that men were considered a form of investment, therefore, they should be educated and not females. Men would carry on the patrilineal tradition whereas females would leave the home to become a part of another economic unit, via marriage.

Second, subsequent to 1949 a more egalitarian attitude was born, giving women more of an opportunity for an education. That statement is not entirely true because higher scores were demanded for women's admission to some colleges.

Third, an impediment occurs, for both genders, in that China in relation to its size and in contrast to the U.S. does not have many institutions of higher education. In 1952 there were 210 institutions, increasing to 902 in 1984 and 1,063 by 1987 (China Stat, 1988, p. 775). Such increases continue to occur, in part because many of the current governmental leaders possess a college education (Butterfield, 1987) and because there is a commitment to both undergraduate and graduate education (Limerick, Davis, Fitzroy, 1985).

Fourth, a primarily agrarian economy did not need as many educated people, particularly women, as did a highly technological country. Over 800 million people still live in the countryside (Wu, 1988), and regardless of a nine-year compulsory education system rural children find it difficult to enter college.

What the above information suggests is that education favors the male. And overwhelmingly the male managers who know a foreign language know English, 50.3%, as opposed to 36.5% of the females. For males their foreign language is Russian (20.6%); Japanese (8.9%); French (1.4%); and others (.54%). Of the females who know a foreign language, their ordering follows the male: Russian (15%); Japanese (7.5%); French (1%); and other (.54%).

3. All age groups have a similar competence in English; older managers are more competent in Russian. Accepting the premise noted above--that education continues to

receive emphasis by the government--leads inevitably to more interest in and support for foreign language training. Thus in 1983 (Fu, 1986) there were 6,355 teachers of English at special language schools; 10,417 in colleges and universities; and in 1981 there were on the high school level 259,054 teachers of English. What that means is that inevitably the younger manager, and only by a slight margin, relatively fresh from school, had more access to foreign language training, specifically English. Similar data is available for Russian language training: in 1983 there were 1,078 teachers of Russian at special language schools; 719 in colleges and universities; and in 1981 4,051 at the high school level (Fu, 1986, p. 96).

Of the 15 managers aged 20-24, 66.6% of them know English; 6.6% Japanese; and 0% for Russian, French, or other languages. Contrastingly, of the 37 managers aged 55-60, 54% know English; 10.8% Japanese; 24.3% Russian; 5.4% French; and 5.4% other languages. Additional details are in Table IV.

A brief historical perspective is in order. During the period of the Russian influence in China, about 1950-1960, both countries pledged 30 years of friendship, alliance, and mutual assistance. It lasted about ten years. During that time, students attending school were introduced to Russian, not out of personal choice, rather one imposed because of political considerations. Fu (1986) echoes this assertion in his English preface to his analysis of foreign language training in China:

"In the early 1950s, I was transferred to the Ministry of Education from the Harbin Foreign Language Training School in Heilongjiang Province. At that time, there was an upsurge of interest in studying Russian. Soon afterwards, the National Steering Committee for Russian Teaching was established under the Ministry of Education. During this period, I had the opportunity to acquaint myself with foreign language teaching in higher education and came to understand the problems of teaching. I was involved in the formation of educational policies and regulations as well as in staffing and teaching materials and methods."

Table IV clearly indicates the results of a political decision and imposition of a policy via the Ministry of Education: those managers between aged 40-60 know more

Russian than any other age groups. Figure 2 graphically illustrates the political influence on foreign language learning.

One could produce a similar argument as a result of the Japanese occupation of China, 1940-1945. But that was too short a period, mainly in the northern parts of China, and certainly Japanese language training was not supported by the Chinese government. Thus one cannot draw any conclusions from the few managers, aged 50 and above, and their motivation to learn Japanese.

(Insert Figure 2 about here)

4. English as a second language is prominent among top-level managers. That position arises out of tracing the career paths of the Chinese managers, seeking to determine their precise administrative position within an enterprise. Thus, of the 66 managers at the headquarters level of an enterprise, 62.1% of them know English, higher than factory managers, chief of operations, head of workshops, or members of the general staff.

Less surprising is the fact that more factory managers know Japanese--(11.6% of 421 at that level--than managers at headquarters level. And, Russian is also known more at the chief of operations level (45.3% of 64 managers) than those at headquarters.

What the figures suggest is that English is the more common language of top-level managers, those heading the enterprise or in major administrative positions. Operations people would have more direct contact with operating level engineers, as for instance with counterparts in Japan: to discuss, talk over issues relating to a Japanese product. While the number of managers knowing Japanese is less than those who know English, it will be interesting to trace, as this study continues, whether Japanese reaches the higher levels of competence in English. Conversely, even though Russian is known by more chief operations people at the moment, time will indicate whether the Russian language will decrease over time.

5. It is unclear whether language preceded product or product preceded language.

What that assertion means is that there appears to be a connection between language competence and the products imported or exported. Hence the question: is language competence the result of a product coming into a country and necessitating communication about that product, or did language competence precede the product because China, in this instance, saw an economic opportunity in exporting or importing it?

Table V indicates that English is the dominant foreign language in all industry categories, but is particularly prominent in non-electrical machinery [light industry]; electronic equipment (computers) [electronic equipment]; automobiles [heavy industry]; chemicals, and printing. Based on the authors' contacts with U.S. companies in each of those areas it is clear that attempts have been made to form joint ventures in those areas, either for manufacturing (e.g. Jeep vehicles) or for sales (e.g., IBM computers).

Furthermore, the data suggest that the high Russian language competence in the non-electrical area is a carry-over from the 50s. Then the central government, politically warm toward Russia, focused on receiving Russian help in that area. Today the Chinese political view is toward high-tech nations such as the U.S., demanding English as the medium of exchange.

A similar situation exists with the Japanese language. Many vehicles in China are Japanese. Hence in order for trade to continue, for repairs to current Japanese vehicles to occur it is incumbent for Chinese to know Japanese in areas involving the automobile, electronic equipment (computers), and commerce (trade ventures). In both knowledge of English and Japanese the Chinese managers tend to be involved in high-tech products.

6. English and Japanese language competence are highly correlated with current high-tech positions of managers. As part of the overall study a longitudinal assessment has been made of the paths managers follow to achieve success. That means, as in one study of U.S. managers (Hildebrandt, Miller, Edington, 1987), half have worked for two

different companies, but held different positions within that company. Mobility for other Asians was similar: two-thirds have worked for two different companies, with numerous positions within those companies (Hildebrandt, Edington, 1987). Western countries, and other non-communist countries, permit opportunities for job movement, based on an individual's personal desire for a job change.

In China such freedom of mobility is less. Managers may leave their place of work for a collective or private enterprise but risk losing seniority, death benefits, minor dependent benefits, and even a decrease in old-age pensions. Welfare benefits for managers are not perquisites easily given up, for a work unit is close to a total work and living environment (Schmerhorn, 1987; Nelson and Reeder, 1985). Indeed, in addition to job-related perquisites, there is the issue of housing, often supplied as part of the job. One final impediment remains: to move from a larger city to a smaller one is possible, but to move in the opposite direction (where often are located major industries and enterprises), is virtually impossible.

Nelson and Reeder (1985) suggest that at least 90% of the Chinese workforce thus remain at their same location. Managers in the current study mirror that conclusion as just over 50% have worked for the same enterprise or only one other. How then does one get to move, to advance one's position within an enterprise. Does language competence play a roll? Data suggest that language competence has a minimal affect on changing location.

1. Regardless of one's competence, language included, to move to a different workplace requires approval of a long list of bureaus, even more difficult when moving from a workplace in another enterprise under a different bureau. There is a tendency for the current bureau, and the oversight ministry, to retain a worker with foreign language competence.
2. Managers below the age of 25 (66.6% or N=10 managers in this study) still have the opportunity to attend college, after passing the required entrance examination. Should such an option be given, the government would, on the student's graduation, firmly recommend which enterprise or industry needs the new talents, including language competence.

What the above background suggests is that tight control exists for interdepartmental or interenterprise mobility, regardless of aptitude. Our assumption is that the 10 managers out of 11 in computer information systems, the highest percentage of any number possessing English competence, would be denied job mobility by their enterprises. That would be purely an economic decision, retaining workers for the current and future benefit to the enterprise.

Add to that one other impediment. A large number of engineering and technical personnel--often with English competence--work in research or design institutes. That means the First Ministry of Machine-building or the Ministry of Metallurgy, in their institutes, have highly trained technical staffs, and presumably would be resistant to losing those persons to enterprises. Sadly, says Muqiao (1982), "Some of these institutes often do not have any research or design tasks for long periods of time, thus idling thousands of engineering and technical personnel."

A similar argument could be made for computer information system managers knowing Japanese: there too, the two out of eight managers currently working in that area would be prized workers, to be retained for the enterprise benefit.

If one accepts the premise that English is dominant in high-tech industries, it must be less a factor in low-tech areas. Such is the case. Of the 73 managers working in the area of Ideology (promulgating party principles) only 23 (31.5%) know English, just below the area of finance where 31 out of 73 (42.4%) know English. Table VI provides additional information for all current position categories.

7. Users of high-tech media for exchange of messages dominantly employ English. In a recent study of top-level executives (Hildebrandt, Miller, Edington, 1987), face-to-face communication and the telephone is the most often used modes of business communication. Asian managers (Hildebrandt, Edington, 1987) and the current Chinese managerial study parallel those results. See Table VII.

A cursory scan suggests an inverse relationship between Chinese managerial English competence and the mode of communication used. That is, face-to-face communication, the most common mode between managers, is in their native language, Chinese. It follows, therefore, that those who use that mode find English less mandatory in that obviously non-technical form of communication.

Obverse to that position are those managers who use modes of communication of a high-tech nature, namely, teleconference, telex, fax, and computers. In other words, sending a fax would often involve overseas communication (often in English) as would a telex. Internal communication, on a computer often supplied by a U.S. manufacturer, would have software suitable for English rather than Chinese usage, again demanding English competence. Of course that same computer could be used to send faxes and telexes if it had that capability.

An inference is that all enterprises, and companies across cultures, have core modes of communication; nevertheless, when working on both an administrative and policy level within a joint venture with high tech companies, particularly of English origin, the manager must have language competence in that language. Not to have that competence can impede, perhaps even destroy, a business relationship.

8. Communication courses as preparation for business careers receive minimal support. Such an assertion, and its relationship to language demands explanation.

When a political environment strongly influences the direction of education, it follows that certain major fields of study will inevitably rise to the top. Such data is seen in the highest number of graduates in the area of engineering, where over 190,000 students graduated in 1987. (China Stat, 1988, p. 785). That means language training is in a secondary, even tertiary, position, accompanying engineering rather than assuming the prime focus of study.

Additional endorsement for such a central government position is seen through the number of institutions of higher learning receiving support throughout the country. In

1987 there were 14 linguistic institutes (concerned with foreign language study), 275 colleges of science and engineering (China Stat, 1988, p. 795), compared with 74 colleges of economics and finance, or what the West would call business administration.

Liberal arts--where language study is positioned--is fifth (c. 36,000 graduated in 1987, China Stat, 1988, p. 785), behind students receiving undergraduate degrees in pedagogy, medicine, and agriculture and forestry. Of course students could enroll in foreign language training as part of their major university work, but in that position it would accompany, not lead.

Before leaving institutional influence on languages, a brief statement must be made on what additional language training sources are available. There is a category called Adult Schools, where an undergraduate degree is obtainable, but at an academic level with questionable prestige. But a point must be made: English language training, or other training in other foreign languages, is possible for persons not in a comprehensive university. Radio and TV universities are just that: classes taught via those mediums for the public, at their expense, at their option. One may learn foreign languages at "Universities for staff and workers and universities for peasants," meaning, enterprises themselves offer opportunities for foreign language study.

Correspondence and evening universities are similar, these frequently independent institutes obtaining students via ads in newspapers, or word-of-mouth. Cadres, or managers, may attend "Colleges for management cadres," comparable to executive training seminars in the U.S. And finally, "Pedagogical colleges," comparable to early teachers' colleges, also independent or linked to a larger university, would also offer foreign language training.

In short, in 1987 over 185,000--up from 66,100 in 1982--(China Stat, 1988, p. 794) adults were enrolled in the above categories.

What the preceding means is that workers, managers, citizens have opportunities beyond the dictates of the government. And as a result one should be able to determine,

absent any governmental influence, as to what the managers, themselves, would choose to become successful in Chinese business. Up front we must say that language training, and training in communication, receives miniscule support. So low, that in comparison with other Asian and U.S. managers, communication, oral and written, is dead--last. It is our inference that language training would fare no better; it receives no support in the category "other" when reviewing courses for business preparation.

Why? We have traced causalities elsewhere (Hildebrandt, Liu 1988b; Hildebrandt, 1988) so the analysis here is abbreviated. First, in a top-down system of control there is little opportunity for argumentation, give and take. Demands are laid out, listeners should adhere. Second, the Chinese culture places little emphasis on assertiveness, applauding acceptance, begun at home, carried to the workplace, where, some aver, managers simply serve as conduits of information (Fischer, 1986). Third, since childhood there is imbued in everyone a strong sense of protocols, of who may speak, and in what order (Solomon, 1971, p. 49). In brief, there is less need for communication competence, oral or written.

Thus to communicate in a foreign language, for many Chinese, is both culturally, academically, and governmentally fashioned. With negligible governmental support for dissention, even in one's own language, there is minimal incentive for any kind of communication training, foreign language or otherwise. An end result is that students hear the governmental drumbeat for technology, for science, for high-tech, in place of the liberal arts where one masters the art of knowing one's own or another's language. And after learning a foreign language, there is cultural baggage, collected over years, so difficult to drop when communicating in another, more assertive culture.

Both males and females rank finance and marketing first and second in course importance for their personal preparation. Then come accounting, computer/information systems, business policy/planning, and business economics. In addition to communication courses at the bottom lie courses in law and production/operations,

suggesting, as based on China's long insularity, that in a self-sufficient economic model, centrally fashioned, there is less need for managers knowing how to plan for production internally and even less knowledge of laws and procedures externally.

9. English is the most widely studied foreign language, regardless of academic concentration. While that assertion is more generic in nature, going beyond the managers in this study, it captures the language opportunity available to them, prior to even beginning work in an enterprise.

"Over the past half century, however, foreign languages have been treated as barometers of the international political climate rather than as communication tools" ("China Diversifies," 1985, p. 9). If that utterance has validity--and that is a core thesis of our paper--political relationships favor continuing rapport with the West. Figures are difficult to come by, but it is possible over 50 million ("China Diversifies," 1985, p. 10) Chinese are learning English as early as age 10, and can thereafter take nine years of English language study, concluding with the English departments of major universities.

At those universities a more sophisticated opportunity to view English occurs, through working with: linguistics, translation exercises, a review of acclaimed English literature writers, scholarly journals, and periodical and newspapers. So, students learn content through substantive readings, grammar through exercises, economic practices through case analyses, cultures through comparative discussions, technical competence through interchanges, idiomatic vocabulary through visiting scholars--and, oral and written English through merging all of them. Such practices are common at a leading Beijing university, the University of International Business and Economics, where many English lessons take on a business perspective (Zong, Hildebrandt, 1985; English Business Communication, 1983; English Business Letters 1982; Business Chinese 500, 1982; Business Dialogues, 1983; Zhu, 1979, 1982). There English is the medium of expression, having, as one of its goals, the preparing of students to become commercial attaches in Chinese Embassies around the world.

Earlier in this paper we inferred that English is solidly linked with our high-tech managers: they can read, write, speak, and comprehend English. Our data does not confirm the precise level of expertise, whether it is ESP (English for specific purposes); EST (English for Science and Technology); or TTSE (technical, technological, and scientific English) (Price, Liu, 1989, p. 46). What is known, however, is that English, out of necessity, is becoming the second language for engineers and scientists who must study English for at least two years during their undergraduate training ("Use of English," 1983, p. 68). Frequently these students translate for visiting U.S. engineering groups. An illustration of correlating age and English competence is the following incident:

"Occasionally these technically trained translators, typically persons in their 40s or 50s, had some difficulty in handling the translation. When this occurred, an English-speaking member (student) of the audience, typically in his or her 20s, would volunteer the appropriate translation." ("Use of English," 1983, p. 68)

Laying aside all influences of the government, all pressures for what is good for the state, we asked this question: "For the student who plans to follow an undergraduate degree with graduate/professional study, what course of study would you recommend for an undergraduate major and for graduate work as the best preparation for a management career?" At the moment complete data for this question rests in Beijing, but from incomplete data available to us in the U.S., it closely parallels the earlier study (Hildebrandt, Liu, 1988a) of Chinese managers. We assert that our current preliminary data will differ but fractionally from the earlier information, and thus our conclusions here will be virtually indistinguishable from the preceding study.

Foremost, and we remind the reader that these are not forced-choice responses, nearly two-thirds of the managers recommend business administration as the preeminent field of study at the undergraduate level. Such a pronounced support for the field of business, from enterprise managers, signals two things: a wish for training in modern business practices and recognition that such training will demand language competence of the countries which have done research in and offered support for international

business relationships. Asians and U.S. managers also recommend business administration at the undergraduate level, as seen in Table VIII, but not with the enthusiasm of the Chinese managers.

Interestingly, Chinese managers give less support to engineering as the second ranked field of study when compared with U.S. and Asian managers. When Chinese managers are given a private choice they desire managerial skills, found in business studies, rather than the sciences, as part of engineering.

Humanities receive tenuous support. Here lie the foreign languages, the literatures of the world. Nonetheless, there is closer affinity here with the two other cultures in Table VIII.

(Insert Table VIII about here)

Finally, and overwhelmingly, the Chinese, Asian, and U.S. managers recommend business administration at the graduate level.

In sum, it makes little difference in which area future managers will operate or in which field they are educated; they will be exposed to English. We are not slighting the other languages, but the craze ("English Craze," 1988, p. 34-35) for English is so vigorous that other languages receive less support. If managers work for an enterprise and later require English, the opportunities for gaining such competence are myriad: whether at the English "corners," through a formal education, via radio or TV, through enterprise courses, through independent linguistic institutes, or other avenues. What is important is that the opportunity is there, sometimes one's freedom to learn is not.

DISCUSSION

It was not our purpose to delineate the uses of foreign languages in China, admirably done for English by Pride and Liu (1988). Our goal was to take a specific group of 1,005 Chinese managers, report on variables affecting their use and competence in a foreign language, and draw some economic related conclusions.

Foreign language study can mirror the political climate in China. Underlying that comment is an ancient lineage: centrality of power resides beyond the individual, affecting not only individuality, but enterprises linked indissolubly to the party--and the Communist state. At the moment English is supreme. It was not always so. While the Han people make up 93% of the population and speak Mandarin or Putonghua, the peaks and valleys of English intruding on that native language can chronologically be measured, as a result of political winds rather than individual or enterprise preferences.

For this reason during the Japanese presence during World War II, a political attempt was made to force learning of Japanese, especially in the northeast. Such pressure ended with the War. English grew popular in areas influenced by the Kuomintang, continuing in favor until the U.S. was engaged with China in the Korean War. Then Soviet-Sino relations improved; the Russian language displaced English, remaining significant until the 1960s. As that political relationship tired and a newer and exciting relationship with the U.S. reawakened, English became paramount as the most popular foreign language. That friendship continues.

Unless U.S. political relations with China deteriorate, English will continue to be China's principal foreign language, affecting individuals and entire enterprises, our next discussion issue.

Economics of an international enterprise are directly affected by foreign policy decisions of the central government. Strategic planning in the U.S. is highly developed. That means U.S. companies undertake detailed business planning, creating a business strategy which extends for several years, as opposed to operational planning for shorter periods. It is an intricate undertaking; oversimplified, it involves interrelating and answering many questions about the functional areas of a business, (labor, operational efficiency, cost of capital, raw material), gearing up financially to provide a fiscal underpinning, setting out the product goals, understanding foreign exchange rates, setting national and international targets, analyzing the competition, and getting personnel on

national and international targets, analyzing the competition, and getting personnel on board to make the whole idea go. Ongoing, such a process is time-consuming--and costly.

On the other hand, some enterprise planning in China does occur, implementing the central policies of the government. To dislodge that internal planning, particularly if the enterprise had extensive communications with English import-export companies, would raise havoc with everything between acceptance of raw material and exporting a final product. Certainly the Chinese central government, and its ministries, would contend that strategic planning is their function, with enterprises having to accept the economic consequence of a political decision.

Take one product, computers. It would be enormously difficult to effect a rapid change in altering both the hardware and software connected to that single product; many computers in Chinese enterprises, and schools, are U.S. made. Even the program for those computers, in English, and the millions of megabytes of enterprise information stored therein would be affected by a rapid deterioration in relationships with countries using English. Our scenario for other products could be extended almost indefinitely.

Individual curriculum choice is secondary to major policy decisions. Data in the Chinese study firmly suggests that when given a choice, most managers would choose an area of study in conflict with government direction. Business administration, for the managers, is more important than engineering. A conclusion from this line of reasoning is that business principles, and primary research thereto, are closely allied to English--which half of the managers in this study know.

In the current high-tech environment English and Japanese are the dominant languages. Insularity, as was the fate of China for years, sealed the country from modernity and advances in technology. To catch up or even to work with operations people at a basic level--and there is high evidence that that is the case--demands English and Japanese competence.

High-tech instruments of communication, perfected in the U.S. and Japan, are most often used by those who have capability in the languages of those two countries. It is unclear whether language preceded the imported product or was learned in response to the import. In either event, those persons possessing the needed language would be in demand: under impetus of the government channeled down to the enterprise.

Enterprises, and other avenues are open for the learning of foreign languages.

Such a declaration arises, again, out of (1) a need for knowing the language of the country with which an enterprise is importing/exporting and (2) in response to the government's political directions signalling a warming trend with designated countries, and indirectly with whom the enterprise may do business.

We have been unable to find precise data for the number of language courses taught at enterprises, notably English. Anecdotal and personal contacts suggests the number is considerable, especially in the larger cities.

We must remark again: while the product and to whom and with whom an enterprise internationally contracts is centrally programmed, achieving the communication necessary for that exchange rests with the enterprises.

In sum, inestimable pressures are upon enterprises under a command form of planning. Not the least of these are policies affecting not only direct economic policies, but indirectly as to which prerequisites--language, courses of study, personnel preparation--are needed to implement political policy. That changes are occurring in other socialist countries in Eastern Europe is clear: whether even slight deviations in the political-economic environment of China will occur is analysis for the future.

Notes

1. "Enterprise" as a term is generic to the factories and other work-units in China. In the U.S. the term is more an umbrella term, i.e., it is the overall organization with its numerous sub-units. We shall use the term in its generic sense unless referring specifically to a factory-level manager.

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Table I. Enterprise Size by Employee Number

Employees	Percentage	N
< 100	7.1	70
100-500	20.2	200
500-1,000	14.9	147
1,000-2,500	21.0	208
2,500-5,000	15.2	150
5,000-10,000	14.8	146
10,000-100,000	6.3	62
> 100,000	.6	6
	100%*	989

*Rounding will result in percentages greater or less than 100%; N's will vary because not all managers responded to all questions.

Table II. Years with Enterprise, Education Level, and Gender

Males and (Females)

Years	< High School	High School	Some College	Undergrad.	Grad.
< 1 yr.	.0 (.0)%	11.8 (33.3)%	23.5 (66.7)%	35.3 (.0)%	29.4 (.0)%
1-2 yrs.	.0 (.0)	15.6 (33.3)	26.7 (22.2)	46.7 (22.2)	11.1 (22.2)
3-5 yrs.	4.5 (4.6)	20.3 (18.2)	24.1 (45.5)	40.6 (31.8)	10.5 (.0)
6-10 yrs.	2.2 (6.3)	21.5 (21.9)	29.6 (50.0)	40.7 (21.9)	5.9 (.0)
11-15 yrs.	.0 (.0)	27.2 (46.2)	33.7 (25.6)	29.4 (28.2)	9.8 (.0)
16-20 yrs.	1.9 (.0)	21.7 (39.4)	28.7 (30.3)	40.1 (30.3)	7.7 (.0)
21-25 yrs.	2.6 (7.4)	19.7 (48.2)	22.2 (37.0)	50.4 (7.4)	5.1 (.0)
26-30 yrs.	6.4 (.0)	25.4 (12.5)	20.6 (31.3)	42.9 (56.3)	4.8 (.0)
> 30	7.8 (16.7)	41.2 (33.3)	19.6 (50.0)	29.4 (.0)	2.0 (.0)
N	23 6	184 63	213 68	327 48	63 2

Table III. Education Level and Language Competence

Education Level	English		Russian		Japanese		French		Other	
	Comp.	Noncomp.	Comp.	Noncomp.	Comp.	Noncomp.	Comp.	Noncomp.	Comp.	Noncomp.
< High School	20.0%	80.0%	10.0%	90.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
High School	27.2	72.8	7.2	92.8	6.0	94.0	0.4	99.6	0.8	99.2
Some College	43.8	56.1	13.0	86.9	6.8	93.1	1.8	98.2	0.0	100.0
Undergrad.	60.0	39.9	31.8	68.1	10.7	89.3	1.5	98.4	1.31	98.6
Grad.	81.2	18.7	32.8	67.1	18.7	81.2	1.5	98.4	7.81	92.1
N	477	526	200	803	87	916	13	990	12	991

Table IV. Russian, Other Language Knowledge, and Age of Managers

Age Groups	Language Competence					
	Russian Competent	Russian Noncompetent	English Competent	English Noncompetent	Japanese Competent	Japanese Noncompetent
20-24	0%	100%	66.6%	33.3%	6.6%	93.3%
25-29	4.8	95.1	46.7	52.2	11.2	88.7
30-34	7.1	92.8	48.2	51.8	4.3	95.6
35-39	8.7	91.2	40.2	59.7	7.2	92.7
40-44	25.9	74.0	50.0	50.0	12.5	87.5
45-49	32.8	67.1	46.1	53.8	7.6	92.3
50-54	27.9	72.0	55.0	44.9	10.0	89.9
55-60	24.3	75.6	54.0	45.9	10.8	89.1
N	199	807	477	526	87	916

Table V. Industries and Foreign Language Competence

Industry	N	English	Japanese	Russian	French
Non-Elect. Mach.	185	67.5%	10.8%	34.0%	0.5%
Textile	139	49.6	7.9	13.6	0.7
Lt.Industry	126	26.1	5.5	12.7	1.5
Chemical	75	57.3	10.6	32.0	1.3
Electronic Equip.	50	64.0	16.0	18.0	0
Measurement	43	44.1	6.9	16.2	6.9
Metallurgy	43	34.8	9.3	25.5	0
Food	38	28.9	2.6	13.1	0
Pharmaceutical	37	35.1	5.4	10.8	2.7
Automotive	34	58.2	17.6	29.4	0
Commerce	33	42.4	12.1	18.1	3.0
Transport.	26	46.1	3.8	15.3	0
Electrical Equip.	24	33.3	4.1	16.6	4.1
Printing	20	50.0	5.0	15.0	0
Tourism	13	23.0	0.0	7.6	0
Petroleum	8	50.0	0.0	12.5	0
Other	121	42.9	9.0	9.0	2.4

*Row percentage may be greater than 100% because some managers know more than one foreign language.

Table VI. Current Job Positions and English, Japanese, and Russian Competence

Position Current Job	Language Competence					
	English		Japanese		Russian	
	Competent	Noncompetent	Competent	Noncompetent	Competent	Noncompetent
Production/ Operations	51.8%	48.1%	5.7%	94.2%	14.6%	85.3%
Marketing/ Sales	42.4	57.5	5.4	94.5	15.0	84.9
Finance	32.5	67.5	8.7	91.2	17.5	82.5
Personnel	41.5	58.4	7.5	92.4	15.0	84.9
R & D	59.4	40.5	8.6	91.3	35.3	64.6
Law	0.0	0.0	0.0	0.0	0.0	0.0
General Mgmt.	50.6	49.3	11.0	89.0	23.0	77.0
Computer/ Info. Systems	90.9	9.9	18.8	81.8	99.0	90.9
Ideology	31.5	68.4	8.2	91.7	16.4	83.5
Social Welfare	NA*	NA	0.0	100.0	0.0	100.0
Other	39.3	60.6	6.0	93.9	18.1	81.8

*Data not included because N fell below five.

Table VII. Modes of Communication for U.S. Executives, Asian, and Chinese Managers

Modes	Usage of Modes			Chinese	
	U.S. Executives*	Asian Managers	Chinese Managers	with English Competence	Noncomp.
Face to face	81.4%	77.5%	94.4%	47.6%	52.3%
Telephone	81.4	90.0	87.6	49.7	50.2
Written	69.9	55.0	87.1	49.7	50.2
Mail	NA**	NA	69.0	51.5	48.4
Teleconference	12.9	5.0	11.5	55.0	44.9
Telex	NA	NA	15.6	65.0	35.0
Fax	NA	NA	9.5	67.0	32.9
Computers	10.7	30.0	20.5	68.1	31.9

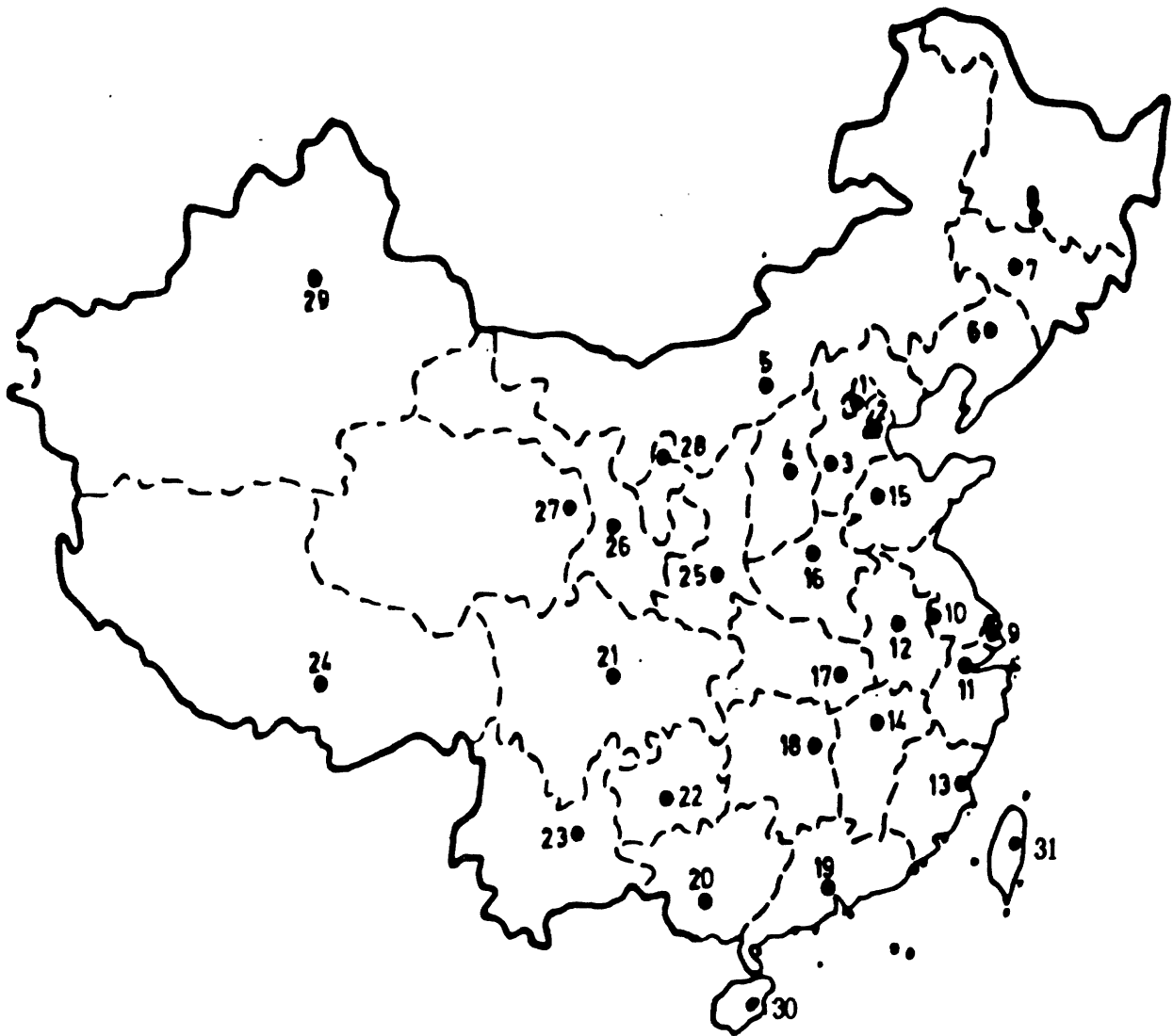
*Executives are defined as Chief Executive Officers, Presidents and Vice Presidents

**Not available in our U.S. Executive and Asian Manager database

Table VIII. Recommended Fields of Study

Recommended Fields of Study	Undergraduate		Graduate	
	Chinese*	Asian	U.S.	U.S.
Business Administration	60.4%	42.3%	49.2%	76.1%
Engineering	20.1	25.8	28.4	--
Science and Math	9.1	11.1	6.4	23.8
Social Science	3.3	11.7	3.2	--
Humanities	2.6	2.9	10.5	--
Behavioral Science	.6	4.7	1.5	--
Law	--	--	0.2	--
Other	3.9	1.1	0.6	--
			Chinese*	Asian
			87.3%	82.4%

*Based on Hildebrandt, Liu, 1988a; preliminary analysis in the current study will fractionally differ from 1988 data.



	N	%		N	%
Provinces			Provinces		
3. Hebei	58	5.7	17. Hubei	15	1.5
4. Shanxi	15	1.5	18. Hunan	9	.9
6. Jilin	15	1.5	19. Guangdong	15	1.5
7. Liaoning	34	3.3	21. Sichuan	49	4.8
8. Heilongjiang	25	2.5	22. Guizhou	8	.8
10. Jiangsu	33	3.3	23. Yunnan	5	.5
11. Zhejiang	6	.6	25. Shaanxi	10	1.0
12. Anhui	11	1.1	26. Gansu	9	.9
13. Fujian	26	2.6	27. Qinghai	8	.8
14. Jinagxi	11	1.1	30. Hainan	3	.3
15. Shandong	181	17.8	31. Taiwan	--	--
16. Henan	87	8.6			
Municipalities			Autonomous Regions		
1. Beijing	350	34.5	5. Inner Mongolia	5	.5
2. Tianjin	5	.5	20. Guangxi	4	.4
9. Shanghai	12	1.2	24. Tibet	--	--
			28. Ningxia	2	.2
			29. Xinjiang	4	.4

Figure 1. Provinces, Autonomous Regions, and Municipalities

Percentage

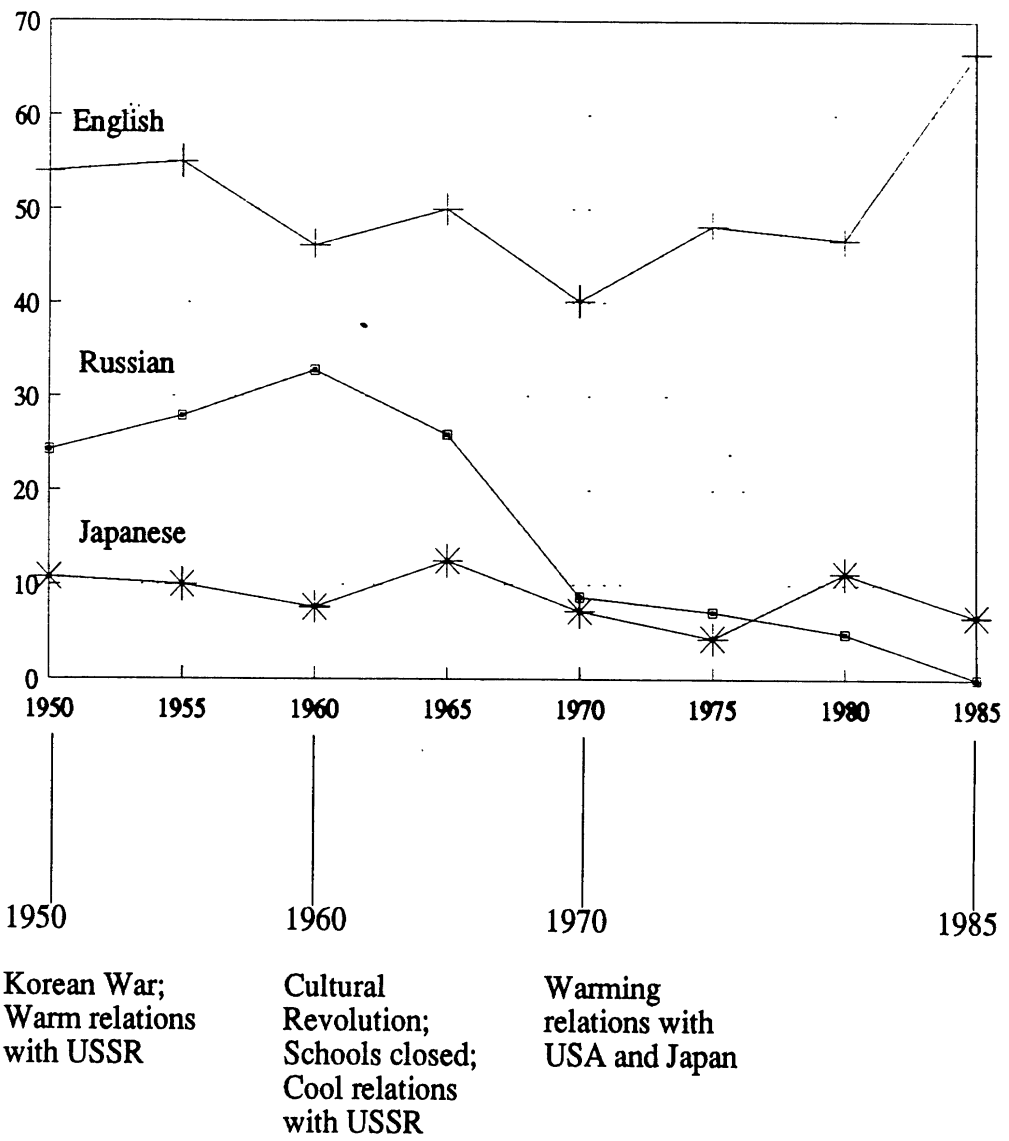


Figure 2. Chinese Managers' Foreign Language Study and Historical Periods