Business Ethics in China: Challenges and Opportunities

Raydwell Consulting Inc.
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Business Ethics in China

- The Gaps are there!
- Why?
- Examples

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History of Business Ethics in China – 5 Generations

Five Generations

Five generations of entrepreneurs have emerged from China’s economic horizon.
- Mr. Bao Cheng Liu, Director of CIBE (Centre for International Business Ethics), Professor at University of International Business and Economics in Beijing

Generation 1: Pioneers

Generation 2: Opportunists

Generation 3: Contractors

Generation 4: Private business owners

Generation 5: Professional managers

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Ethical challenges faced by Canadian companies in China

- **Common challenges**
  - Lack of honesty: overlooking the obligation to be honest with its customers
  - Unfairness to employees: failure to offering a comfortable working environment and reasonable pay to employees
  - Lack of integrity – Failure to sticking to moral codes or ethical standards particularly when facing with competition
  - Lack of social responsibilities: such as negligence on environmental protection issues
  - Others:

- **Ethical dilemma**

  Foreign companies must decide whether to adhere to constant ethical principles or to adjust to the local rules to maximize profits.

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Canadian Companies Doing Business with China – an awkward situation

- 80% are SMEs.

- Over 80% are doing business with US.

- Doing business with China? Sounds good, but how real could it be?

- Perspectives and Expectations
  - Canadian Companies vs. Chinese Companies
  - Business success vs. Ethics (challenges: balance)

- Government support

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Opportunities

- The door is still open.
- China’s increasing concern over environmental issues
- China’s increasing concern over the gap between the rich and the poor
- Chinese government officials’ mindset

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Cultural Differences

Chinese ethics emphasizes the exploration of nature, functionality and relationship, while the West pays more attention to norm, structure and methodology.

But, when it comes to business, do cultural differences really matter?

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Conclusion - A creative and applicable ethical plan

- Be aware of the problems
- Hire professionals
- Take advantage of opportunities
- Avoid common ethical traps and corruption by following the same ethical principles adopted in home country
- See the Trend!

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