

# Barriers to Entry

Paul Ross

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Overcoming Challenges and Achieving  
Breakthroughs in a Chinese Workplace

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*To my grandmother,  
Annette Margolis  
who envisioned this book 50 years before it was written*

## FOREWORD

The globalization of Chinese firms has a number of dimensions: People, Information, Goods and Services and Capital. Focusing on the movement of people, Paul writes from the unique vantage point of someone who has worked in China for a long period of time and been a member of the workforce in a multinational Chinese enterprise.

Paul and I first crossed paths at the *China Goes Global* Conference I co-founded more than a decade ago. The genesis of the conference was a recognition of the growing appetite Chinese firms were showing for expansion into markets outside of China. This led to our first book on the subject, *Globalization of Chinese Enterprises*, (Palgrave Macmillan, 2008) that we edited with John R. McIntyre, Professor of International Business in the College of Management at Georgia Tech.

Paul, who was back in the U.S. at the time and eager to keep on top what was going on in China, saw the *China Goes Global* conference as a way to stay connected and meet others who had a similar interest. As a way of engaging with the conference and with what we were doing, he offered to pitch in anywhere assistance was needed and by doing that had the opportunity to absorb new ideas and share insights he had developed through his own experience.

With more than two decades of experience in the telecommunications industry under his belt and a decade spent living and working in China, Paul brought industry and practical experience to the discussion. In the subsequent years he attended the conference, running panel discussions and then eventually submitting research papers on topics that caught his

attention, he maintained a commitment to engaging in a serious, interpretive study of what real Chinese companies were doing in the real world.

We considered Paul a ‘practitioner’ because he had come from industry, a profile that is an exception in most academic conferences. However, as time went on, and we got to know him better, we came to realize that he had an academic bent. It was this combination—the profile of a ‘practitioner’ and the heart of an academic—that was a source of insight and gave him a unique perspective.

The book that Paul has written on the experience of foreign staff in Chinese companies combines extensive secondary research with first-hand observation based on the experience he has gained over the years he has spent in a Chinese working environment. It adds a novel dimension to our understanding of Chinese enterprises, their culture, and the nature of their workplaces much of which previously was based on conjecture and assumption. It is also highly applicable to the situation of an increasing number of people around the world who are today or, in the near future, will be working in a Chinese firm.

That the employment of foreign staff in Chinese firms is a global phenomenon I can attest to from my own vantage point in Norway where I currently teach. In less than a decade, Chinese firms have invested billions of dollars in Norwegian firms in sectors such as Transportation, Chemicals, Metals, and Energy. As a result of this development, there are today plenty of Norwegians who work for Chinese firms and are engaged with Chinese management.

This movement of talent across borders is a significant and important, but often overlooked aspect of China’s globalization in the twenty-first century. This book serves as a timely source of insight into the Chinese enterprise as well as a well-informed guide for those who want to better understand the phenomenon of foreign employees in Chinese firms or who may one day in the not too distant future find themselves employed by a Chinese firm.

Kristiansand, Norway  
2019

Ilan Alon Ph.D.  
President of the Chinese  
Globalization Association  
<http://www.chinagoesglobal.org>

## PREFACE

Before I had a chance to work in a Chinese company myself, I had heard many comments about what kind of experience it was: “Management in a Chinese company was top-down”. “Chinese bosses were tyrants”, and the food served in the company canteen was “inedible”. Undeterred by the words of caution, most of which were imparted by commentators who had never set foot in a Chinese company themselves, I accepted a position at the Shanghai Bell Company and started work promptly on May 8, 2011, a day that marked the beginning of nearly 3000-day journey that would culminate in the writing of this book.

Founded in 1984, the Shanghai Bell Company was regarded, at the time, as a leading light for China’s nascent hi-tech industry and a symbol of the country’s future aspirations. Today, more than three decades after its founding, the company’s place on the list of China’s state-owned enterprises remains unchanged. What has changed are the types of products it sells, the profile of the companies it competes with, and the shape of the markets it addresses. In the more recent past, the company has entered into successive partnerships with a number of foreign companies—the French telecommunications equipment provider Alcatel, then Alcatel-Lucent, and most recently Nokia.

Over the months and then years I spent at Shanghai Bell, first in the company’s marketing department and then in the export division, I went from standing out as a novelty at meetings, training sessions and team-building activities to fitting in as coxswain on the company’s Dragon Boat and moderator at the company’s book club. And if I didn’t

entirely fade into the company's woodwork, I became embedded in its operational fabric, a vantage point from which I could, undisturbed and unobstructed, make observations about how the company worked and record impressions about my experience as a foreign employee. Over a lengthy period of time, I found that incidents and events that at first seemed random and inadvertent began to emerge into discernible patterns and fit into larger themes. My impressions and observations would eventually take form as the source of this book's content and the themes and patterns I discerned would eventually take shape as its outline.

The source of the book's inspiration, quite distant in both location and time from the book's source of content, was incongruously a room on the fifth floor of a dormitory at Wuhan University in central China's Hubei Province where I lived for the better part of a year more than a quarter of a century ago. Through a program organized by my school in the U.S., I was engaged as an English teacher at the University and assigned, by default and fiat, to a private apartment in a building dedicated to the housing of foreign staff. Eager to learn more about life in China and disappointed to find that Chinese were not permitted to live in the building where I was housed, I requested permission to move into a dormitory on campus and share a room with Chinese students, appealing for support directly to the president of the university, Liu Daoyu. Against the better judgement of his staff and in the face of opposition from the rest of the administration, President Liu took the unprecedented step of approving my request and making possible what would prove to be a unique and unforgettable experience.

As disconnected as Wuhan University and the Shanghai Bell Company are by time and place, it was only as I began to write this book that I realized how closely connected they were by experience. As I reflected on that experience, it became clear to me that the spirit of curiosity and adventure that had motivated me to move into a student dormitory at Wuhan University was the same one that prompted me to seek an opportunity for employment with the Shanghai Bell Company a quarter of a century later.

For their patience, friendship, and support I am indebted to the executives at the Shanghai Bell Company I worked for and the colleagues I worked with. I am indebted in even greater measure to President Liu Daoyu of Wuhan University who at a delicate time in China's most recent history took the bold step of letting a young American student move into a Chinese dormitory and in taking that step forever changed that student's life.

## ACKNOWLEDGEMENTS

It goes without saying that a project of this scope and complexity is the work of many hands and, no matter how sincere and heartfelt my expression of gratitude for the support I have received may be, I realize that it will never be enough to compensate those to whom I am most indebted. In recognizing here the experts, family, and friends whose contributions were most meaningful and significant I hope to be able to repay at least some small part of that debt.

Professor Ilan Alon, a world-renowned expert in international strategy and business and an inspiring teacher currently at the University of Agder in Norway, who recognized the value of the topic I proposed from the very beginning and made a convincing case for turning it into a book. Ilan's enthusiasm was the fuel that got the project got off the ground and his guidance was what got it going in the right direction. Bill Araiza for applying his prodigious talents as a writer and editor and his extensive experience as a professor and scholar to critiquing my early drafts. His careful reading and thoughtful comments showed me how I could take the raw material I shared with him and turn it into chapters that someone would find worth reading. Oded Shenkar, Professor of Management at Ohio State University's Fischer College of Business, a leading expert in International Business and Chinese Management who was a consistent and reliable source of advice on any and every aspect of the project and whose words of encouragement and wisdom gave me the courage I needed to move forward. Jim Cheng, Director of the C. V. Starr East Asian Library at Columbia University, who made sure

that I had the resources I needed—books, articles and people—even when I myself had given up any hope of ever being able to find, much less get access to them. Richard Smith, professor emeritus of Rice University and eminent scholar of Chinese intellectual and social history who welcomed my inquiries with open arms and, without the slightest hesitation, shared the wealth of knowledge he had acquired over a long and fruitful career. Mr. Gao Jiacheng currently completing an advanced degree at Shanghai’s East China Normal University who, with very little guidance or direction, gamely took up the challenge of reading through hundreds of pages of unfinished and unwieldy chapters to produce a coherent index for the book.

Bill Sees at Columbia University, Zhang Wenxian at Rollins College and Joshua Seufert at Princeton University for their generosity in granting access to library services, sharing invaluable references, and providing archival support; Professors Zhang Yanli at Montclair State University, Li Mingjie at East China Normal University and Mike Ryan at Georgetown University, for input on topics as diverse as Chinese social trends, etymology, and trade policy. “China Hands” Matt Shofnos at Alibaba and Pat McAloon, Director of the Heartland China Association, whose insights into the operations and culture of Chinese companies were indispensable. Old and dear friends, Joel Epstein, Lin Boyang, Dee Rogers, Rosey Jaffe, Rob Amen, Frank Bilstein, and Josie Shen whose unstinting support and encouragement throughout the project was a source of strength and hope. And my brother, Phil, and his family in Jacksonville—Ruthie, Manny and Evan who provided “Uncle Paul” with a much needed portal back to his own country during the eons he was living in a place that seemed like a galaxy “far, far, away”.

The Palgrave Macmillan team of publishing guides and editorial gurus: Marcus Ballenger in New York who was willing to take a second look at the half-baked proposal for this book that arrived unsolicited on his desk. Jacob Dreyer in Shanghai who endeared himself to me at our first meeting in the Westin on Henan Road by showing up with a well-worn copy of Dante’s *Inferno* under his arm and demonstrated an equally thorough familiarity with the works of German philosophers as with the policies of Chinese Government officials. His breadth of knowledge and his own experience as a writer made him the ideal editor for a first-time author whose book covered a wide range of topics and domains. Anushangi Weerakoon in Singapore and Abarna Antony

Raj and Sooryadeepth Jayakrishnan in Chennai who oversaw the book's production and whose patience, grace, and consummate professionalism made them the perfect partners for an author who was inexperienced, disorganized, and often tardy.

Finally, I am especially thankful to my father whose boundless curiosity, spirit of adventure, and intense interest in other cultures was what inspired me to go to China in the first place. And his passion for imagining what could be was what inspired me to think that I could one day write a book about what I saw when I got there; To my mother, who has always been there for me no matter what. As I got deeper into the project and began to have doubts about whether I would ever be able to finish, she stepped up, pitched in, and helped out wherever help was needed, from tracking down photo usage rights held by organizations halfway around the globe to, a little closer to home, brewing up a cup of hazelnut coffee when she sensed I was losing momentum. To Catherine, who, without one word of reproach or sign of protest, changed plans, cancelled appointments, and sacrificed time we should have spent together so that I could keep working on my book project and bring it to successful conclusion. If nothing else, this project made me even more keenly aware of how unworthy I am of her unconditional love and infinite patience.

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