

# ***Cross Cultural Management of "Going global" and "Bringing in" of Chengdu Enterprises under the Belt and Road Strategy***

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**Abstract:** With the continuous expansion of The Belt and Road strategy and the deepening of export-oriented economy, more and more enterprises begin to "Going global" and "Bringing in" development. In The Belt and Road cooperation, cultural exchanges are gradually increasing and forms of cultural communication are increasingly diversified. Culture is exerting an increasingly important influence on the economy, trade, agriculture, education and other aspects of countries along The Belt and Road. These countries contain almost all religions in the world, and about 80% of the population of these countries have religious beliefs. As a common and lasting cultural phenomenon, religion is a double-edged sword. When properly used, it will have a lot of positive influences, because the understanding and respect of religion are the deepest. Improper application may result in the failure of cooperation between China and countries along The Belt and Road, and even affect the bilateral diplomatic relations. Through the study of Chengdu enterprises, this paper summarizes the cultural conflicts faced by enterprises and the existing problems in cross-cultural management.

## **1. Introduction**

Chengdu is an important node of the "The Belt and Road" and the starting point of the Southern Silk Road is an important hub connecting the Yangtze River Economic Belt. With superior geographical conditions, Chengdu is the most suitable area to become the logistics hub of the "The Belt and Road". In terms of land transportation, Chengdu has comparative advantages compared with surrounding large cities; In terms of aviation, Chengdu will soon have two international

airports, and the surrounding areas of Chengdu still have the potential to continue to expand the airport and airport; In terms of natural environment, Chengdu Plain is a rare plain city in southwest China with flat terrain and stable climate. As the largest city in southwest China, Chengdu is in the process of transforming from a regional big city to an international first tier city, which is more and more suitable for the development mode of "Going global" and "Bringing in" of Chengdu's enterprises. There are 64 countries along The Belt and Road, with large religious countries and religious populations. For example, most of Southeast Asia and the Middle East regard Islam as their national religion (about half of the countries have Muslims accounting for more than half of the total population), India, as the second most populous country in the world, regards Hinduism as its national religion, and North Asia and Eastern Europe believe in Christianity. It is necessary for us to pay more attention to cross cultural religious management in The Belt and Road countries, as shown in Figure 1.



Figure 1. Chengdu-ASEAN foreign trade enterprise cooperation and development conference

## 2. Chengdu Enterprises' Strategy of "Going global" and "Bringing in"

### 2.1. Development Status of Chengdu Enterprises' "Going global" Strategy

It took eight years for Chengdu enterprises to realize the scale of foreign direct investment from the first overseas investment project of US \$300000 in 1992 to USD 1 million. It took only seven years for Chengdu enterprises to invest from US \$1 million to USD 10 million. It took only three years for Chengdu enterprises to reach the level of USD 100 million in 2010 from USD 10 million. From 2006 to 2015, Chengdu's foreign direct investment has achieved rapid growth for 10 consecutive years, with an average annual growth rate of 125.57%. At the same time, with the continuous optimization of Chengdu's foreign direct investment structure, the growth rate of the turnover of foreign contracted projects and dispatched labor services has gradually slowed down, but the average annual growth rate is still 41.46%. By the end of 2015, Chengdu's foreign direct investment and the turnover of foreign contracted projects and dispatched labor services had reached USD 1.892 billion and USD 2.153 billion respectively, up 78.0% and 13.8% year on year. In terms of "Going global" and "Bringing in", so as to provide guidance for enterprises to develop and strengthen cultural management in cross-cultural business, as shown in Figure 2.



Figure 2. Mainstream media and youth trip to Sichuan in countries along the "the belt and road"

## 2.2. Development Status of Chengdu Enterprises' "Bringing in" Strategy

From January to October, 382 major projects (including capital increase) were introduced in the city, achieving 86.82% of the annual target, with a total investment of CNY 588.419 billion. Among them, there are 65 projects worth more than CNY 3 billion, with a total investment of CNY 357.142 billion, and 11 projects worth more than 10 billion yuan, including Geely Group's new energy vehicle production base and China Electronics Technology Group's Chengdu industrial base project. The actual domestic capital of the city was 531.935 billion yuan, up 11.71% year on year, reaching 84.43% of the annual target. The utilization of foreign capital actually reached USD 11.35 billion, up 9.1% year on year, and completed 87.31% of the target tasks. According to the statistics of the Ministry of Commerce, foreign direct investment (FDI) reached USD 1.641 billion. There are 394 new high energy level 500 enterprises in Chengdu, and 1301 of the top 500 high energy level enterprises in Chengdu (without weight removal), of which 11 are among the top 500 enterprises in the world, bringing the total number to 296; We have introduced 100 major projects invested by high energy level top 500 enterprises, with a total investment of CNY 284.784 billion, including 48 major projects invested by world top 500 enterprises, with a total investment of CNY 143.598 billion.

From this point of view, under the framework of the "the Belt and Road", Chengdu has actively responded to the national strategy of "Going global" and "Bringing in", extensively participated in international cooperation, and broadened its development path. The development of Chengdu not only stays in the economic aspect, but also has become a friendly city with more than 100 countries. It also integrates with each other in culture, presenting the status quo of cultural diversification and inclusive development, as shown in Table 1 and Figure 3.

Table 1. Religious and linguistic conditions of the "the Belt and Road" countries

Religious	Proportion	Official language	Proportion
Islamism	44.62%	Arabic	21.54%
Christianity	30.77%	English	7.69%
Buddhism	15.38%	Malay	6.15%
Hinduism	3.08%	Russian	6.15%
Judaism	1.54%	Serbian	4.62%
Unbelief	4.62%	Chinese	3.08%

Note: The data is from CEPII database.





Figure 3. Economic and trade exchange activities of key countries (regions) along the “the Belt and Road”

### 3. Cross cultural Problems of Chengdu enterprises in "Going global" and "Bringing in"

The scale of Chengdu's foreign direct investment is growing rapidly, and Chengdu is developing from an inland city in western China to an international trade metropolis. The fields of foreign investment are also gradually diversified. The problems faced by Chengdu enterprises in the "Going global" development are also complex. The experience accumulated in the long-term domestic trade is not necessarily applicable overseas, and business activities are difficult to meet their own expectations. Due to the inclusiveness of Chengdu's multiculturalism, the scale of investment introduction is also very large. How to plan the introduced enterprises is also gradually on the table. In the cross-cultural context, enterprises have not been fully effective in cross-cultural management. Through research, this paper roughly combs the following cross-cultural problems in the development of "Going global" and "Bringing in":

#### 3.1. Business Etiquette

Our country's "The Culture of Drinking " is widely applicable and quite effective in domestic business communication, and drinking culture may have become a way to achieve business goals. As a major drinking province, Sichuan has famous liquor industries such as "Wuliangye", "Jiannanchun", "Luzhou Laojiao", and created an intensely drinking atmosphere. But, in the case of so many Muslim countries along The Belt and Road, as a major ban on drinking, the traditional domestic culture of "no drinking, no business" cannot be applied in such areas.

Islam pays attention to dress rules and advocates that clothes should conform to their social status and identity. Men are forbidden to wear clothes made of pure silk, colorful clothes and gold and silver ornaments. Muslim women have the habit of wearing veils and hijabs. Our country is more equal in the status of men and women, and enterprises stationed abroad may ignore this cultural difference in management.

#### 3.2. Diet Difference and Food Supply

In the religious culture of various countries, food is usually restricted. Muslims are not allowed to eat pork and beef, and Christians are forbidden to eat food with blood. Hot pot in Sichuan and

Chongqing culture is indispensable. The raw meat with blood, pig brain flower, lunch meat, sausage and other foods in hot pot ingredients are taboos in other countries' religions due to differences in dietary culture. Enterprises and their canteens may often be overlooked in the production of working meals, group construction and dinner parties.

### 3.3. Racial and Color Conflicts

The conflict between race and color is still very serious in today's world, with violence and vandalism occurring from time to time. At the beginning of its establishment, overseas enterprises will be faced with unfamiliar local conditions, incomplete facilities in all aspects, and lack of experience in local office, which will lead to discrimination against the western enterprises being cooperated. What's more, using populism to raise barriers to our enterprises has a great impact on our enterprises' business. The people of Chengdu are tolerant and open in terms of race and color. They are generally easy-going and simple. However, because they are too easygoing, they occasionally say some words with a joke color, such as "heiwaer", "laowai", etc., which may be incomprehensible to foreigners who understand Chinese, and regard such terms as racial discrimination.

### 3.4. Arrangement of Work and Rest Time

Due to different cultural backgrounds, the time concept of different countries is also quite different. The working days of each week are different. In most countries, the working days are Monday to Friday or Monday to Saturday. However, due to religious reasons, Israel's working days are Sunday to Friday, because Saturday is the Sabbath of Judaism, which is a national statutory rest day; The working days in most Arab countries are from Saturday to Thursday, because the Muslim rest day is Friday. There are 13 Arab countries along The Belt and Road, so it is inappropriate to arrange business affairs with Muslim colleagues on Friday.

Muslims have a loose work schedule during Ramadan, so they should never rush to talk business with them. Europeans attach great importance to holidays. Every year, they have four to five weeks of vacation time. In particular, French people often go on holiday in hot July and August. If they disturb them or disrupt their holiday arrangements, they will make each other very angry. The time of some holidays is not fixed. For example, Ramadan and Easter are the same as the Chinese Spring Festival, and the Gregorian calendar dates are different each year. The same is true of us. It must be hard to be happy to receive a conference call at the dinner table.

### 3.5. Time Concept

People in different countries have different control over time, which is mainly caused by cultural traditions and economic development. In Moscow, people's pace of life is slow, and it is completely acceptable to be late for half an hour; The same is true in Malaysia. People say that being 5 minutes late often means being 1 hour late, and being late is an acceptable behavior. There is no need to apologize; Time is not very important in Saudi Arabia. People often show up half an hour after the meeting starts. It is also considered impolite to look at your watch during an activity. Chengdu businessmen are not very strict with the time, and it is not inappropriate to be ten minutes late, because business is about harmony in their opinion, and the domestic emphasis is on "harmony generates wealth". However, if you are in a foreign country, such as Singapore, Singaporeans have a strong sense of time. They believe that the good habit of punctuality is to respect and be polite to guests. Whether the attitude of cooperation and negotiation can be continued should be studied.

### 3.6. Administrative Regulations

Different countries have different limits on citizens in terms of administrative regulations, and the degree of punishment is also different. For example, Singapore, a Southeast Asian country along The Belt and Road, will be fined \$200 if caught smoking in a non-smoking area, and will be sued if the circumstances are serious, with the maximum fine reaching \$1000. It is illegal to grow long hair in Singapore and cover your ears. If the circumstances are serious, you may be prohibited from entering or departing. However, the Regulations of Chengdu on the Prohibition of Smoking in Public Places (Amendment) promulgated by Chengdu in 2019 has not yet come into force, and even the maximum punishment that can be faced in public places is only criticized and educated by law enforcement agencies.

### 3.7. Contract Spirit

The business negotiation venues in Chengdu are different from those in other regions. Most of them are in teahouses and mahjong tables. The forms are more casual and more sophisticated. On the basis of establishing feelings, business activities can move towards a better development direction. The traditional culture of Confucianism in China can greatly promote the performance of the contract, because Confucianism advocates honesty and trustworthiness, and can implement the spirit of contract in contract behavior. Countries along The Belt and Road have different religions and laws. There are many differences in traditional culture when signing, implementing and performing contracts. Especially in some countries with religious beliefs, religious ceremonies need to be used, which leads to significant differences in the understanding of the contract between the two sides, as shown in Figure 4.



*Figure 4. The founding meeting of the aviation special committee of the “the belt and road initiative” construction cooperation and development alliance for the integration of state-owned enterprises in Sichuan province*

## 4. Countermeasures and Suggestions for Chengdu Enterprises to "Going Global" and "Bringing in"

### 4.1. Cross Cultural Countermeasures and Suggestions for "Going Global"

#### 4.1.1. Establish a Cross-Cultural Risk Assessment Mechanism

When Chengdu enterprises are "Going global", they need to do a preparation of analyzing the nationality, race and religion of the destination country in advance, evaluating the investment environment of the enterprise and the local social conditions, investigating the potential

cross-cultural risks, avoiding the possible cross-cultural conflicts in advance, putting forward the requirements for risk assessment to all employees, and putting this mechanism in an important position, on the same level as attendance and performance, Establish and improve the mechanism of cross-cultural risk assessment for all staff.

#### **4.1.2. Improve the Priority of Cross-Cultural Quality in Human Resource Management**

The "1+" mode is adopted in talent selection. Under the same professional and educational background, employees with good cross-cultural literacy and cross-cultural experience are preferred to be employed to cultivate composite talents. In a complex foreign environment, ensure that every employee has access to local residents and has no barriers to communication etiquette, which can not only improve work efficiency, but also establish a good image of respecting other countries' traditions and religions in the local area, greatly improving the accessibility of enterprise development.

#### **4.1.3. Actively Guide the Company and Brand to Carry out Localization Integration**

The product positioning of Chengdu enterprises stationed abroad should pay more attention to the popularity of local religions and cultures. The comfort and comfort Chengdu people pursue may not meet the needs of the local people. Chengdu enterprises cannot impose the tastes of Chengdu people on the local people and build their own brands into inappropriate commercial images such as "KFC in slums" and "waste recycling stations in CBD". It is very important to find out the local customs and habits according to local conditions. "Communication Technology", a domestic electronics manufacturer, has improved its products in terms of price, performance and camera quality according to the needs of African people, which is in line with the consumption orientation of African people. Today, its market share in Africa has reached 40%. In cross-cultural research, only by understanding local customs and customs and catering to the needs of local consumers can we have a place in cross-cultural international trade.

#### **4.1.4. Establish a Platform for Sharing Cross-Cultural Experience and Providing Advice within the Enterprise**

The situation of each enterprise's residence is quite different. Even if it faces the same race, nationality and religion, different regions may have different customs and fastidiousness. Each employee may be at a loss in the face of sudden cross-cultural differences. Establish a platform for cross-cultural experience sharing and suggestions, summarize the conditions encountered by all employees and how to properly handle the experience, share experience with each other in advance, and guide all employees in their future work and life. Only when business activities are carried out and summarized can we lead enterprises to go higher and farther.

### **4.2. Cross Cultural Countermeasures and Suggestions for "Bringing in"**

The introduced enterprises can be divided into pure capital introduction and joint venture. From the cross-cultural perspective, we mainly analyze the cross-cultural management of joint venture.

#### **4.2.1. Establish Religious and Cultural Management Department**

The biggest feature of a Sino foreign joint venture is that its employees come from all over the world. To maintain the normal operation of the joint venture, the first problem to be solved is the

internal relations of employees. Respect for the traditional culture and religious customs of various countries should not be superficial. Establish a new cross-cultural management department and assign special personnel to solve problems for employees with religious beliefs and their own traditional customs; Properly handling the relationship between employees from different countries, races and faiths can create a good atmosphere of cooperation and solidarity within the enterprise. Regulate and communicate special cultural behaviors that do not violate laws and administrative regulations.

#### **4.2.2. Establish a Diversified and Inclusive International Corporate Image, Characteristics and Development Philosophy**

Chengdu's joint ventures should widely absorb the advanced parts of various cultures on the basis of *Chuan* and *Shu* elements in their corporate image and brand. From the enterprise logo, enterprise development orientation and product features, Chengdu will show its differences, and then integrate the requirements of global consumers on product price demand and preferences to create a diversified and inclusive enterprise brand based in Sichuan and Sichuan and facing the world. For example, building the hot pot brand into a unique customized taste for a certain national consumer group can promote the hot pot culture in Sichuan's traditional culture, just like the development model of KFC, McDonald's and Pizza Hut after they enter the Chinese market. This model can not only make the enterprise bigger and stronger, but also spread Chinese culture well.

#### **4.2.3. Carrying out League Building Activities Sharing National and Religious Cultural Characteristics**

The purpose of the group building activity is to promote the internal relations of all employees. Through the group building activity, the joint venture in Chengdu can let employees from all over the world share activities, tell about their own national and ethnic characteristics through speakers, group tea parties and other ways, tell about the particularity of life, geographical environment and the origin of religious customs and traditional culture hidden behind them, and enhance the feelings among employees. In the sharing meeting, employees must respect their own religious customs and traditional culture, and do not force content that is not convenient to tell.

#### **4.2.4. Enterprise Catering Management**

The canteen and the logistics department of the enterprise should make timely investigation, and make advance arrangements and inquiries about the eating habits of different religions. Halal windows should be set up to make recipes for employees of different nationalities and religions. Chengdu's food tastes spicy and heavy, so the security department cannot cook out of habit and the taste of local employees. The food management of an enterprise should enable every employee to have a full and good meal, so that employees can have the motivation to work.

#### **4.2.5. Establish the System of Rotational Rest**

Countries along The Belt and Road have diverse religious beliefs and different understandings of worship. The Sabbath of Islam, the Sunday of Christianity and China's statutory holidays are different. The enterprise shall, according to the religious beliefs of different employees, take turns on duty, work and rest, arrange shifts and plan scientifically, and respect the religious beliefs of employees, as shown in Figure 5.





Figure 5. "The belt and road" Chinese entrepreneurs summit

## 5. Conclusion

The Belt and Road, as a cooperation initiative proposed by China, aims to borrow the historical symbols of the ancient Silk Road, actively establish economic partnership with countries along The Belt and Road, and jointly build a community of interests, destiny and responsibility with political mutual trust, economic integration and cultural inclusion, which has greatly promoted the process of globalization. In such a grand strategic process, Chengdu, as a new first tier city in China, actively leads enterprises to "Going global" and "Bringing in". Every successful "Going global" of Chengdu enterprises will inevitably encounter cross-cultural differences and conflicts. This article analyzes the characteristics of Chengdu and the countries along The Belt and Road to provide reference for relevant enterprises at home and abroad, which has a certain significance in guiding how to deal with cross-cultural differences in business practices. And pay tribute to the employees who live in foreign countries, uphold the core socialist values, and practice telling Chinese stories well.

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## Conflict of Interest

The author states that this article has no conflict of interest.

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