China is an extremely complex and ‘insider-controlled’ market for foreign businesses. This study investigates how Western companies engage with local market insiders through relational gatekeepers. In-depth interviews are conducted with 40 Chinese and Western business managers based in China, Australia and New Zealand. Guided by the Yin-Yang balancing logic, we develop four key constructs in gatekeeping. These constructs are: (1) insider personal (guanxi) power and outsider organizational power that coexist as gatekeeping antecedents; (2) gatekeeper resources of status (Mianzi) and favours (Renqi) and gatekeeper capabilities of balancing favourable with unfavourable network momentums (Ying Shi vs. Zao Shi); these are two key process constructs. The Yin-Yang balancing logic adds an important new dimension to the understandings of business relationships in international business. Both the holistic nature of the insider-outsider business relationship and the balancing function of relational gatekeepers are clearly established in our study. Our study finally offers managerial implications for an international company to engage a relational gatekeeper strategy to break into guanxi-controlled local business networks and manage the levels of embeddedness in the local networked market.

About the speaker

Dr Hongzhi Gao is Senior Lecturer in the School of Market and International Business at Victoria University and a Senior Fellow at the New Zealand Contemporary China Research Centre. Before coming to New Zealand, Dr Gao was chief analyst of foreign loans and risk management for Jilin Provincial Government in China. He was responsible for a number of international projects funded by the World Bank, the Asian Development Bank and governments of different countries. Dr Gao received a New Zealand Postgraduate Study Abroad Award in 2005 and the Early Career Researcher award from the Marketing Department of Otago University in 2007. He was the recipient of the Emerging Researcher Grant from the Asia New Zealand Foundation in 2008.


Date: Thursday, 27 July
Time: 5 - 6pm
Venue: RHMZ03, Mezzanine Floor, Rutherford House, Victoria University (map)

If you are interested to attend this seminar, please email Lai Ching at laiching.tan@vuw.ac.nz or call 04 463 9549 to register.