PLACE-BASED AND PLACE-BOUND REALITIES: HOW A CHINESE FIRM EMBEDS IN TANZANIA
Abstract

The paper aims to contribute to understanding the implications of the Chinese firm within embeddedness concepts of the global production network (GPN) framework. The study demonstrates the need to fill a gap in the knowledge about Chinese investment in Africa by specifically focusing on intra-firm work dynamics and the cultural and relational constructs within the Chinese firms operating in Tanzania. In a growing and dynamic China-Tanzania business partnership, clarity on these aspects lack the ‘on-the-ground’ empirical analysis that may help shed light on the implications for value capture by local terms, especially for Tanzanian workers. In the last two years, private Chinese companies have entered new niche markets in response to public interests and profit potential, and strategically built its brand and reputation. The Chinese firm attempts to “localize” and engages the local labour force in their operations while holding on to certain cultural and social norms that create challenges and power differentials in the workplace. The findings are based on a case study of a Chinese broadcasting firm (BST Media) operating in Dar es Salaam and how the firm’s embeddedness into their local context and through its internal manager-employee dynamics may have different implications for the Tanzanian employees.

Key Words: Sino-Tanzanian cooperation, Chinese investment, Foreign Direct Investment (FDI), Embeddedness, Global Production Network, Chinese culture, Cross-cultural management, Labour relations
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List of Acronyms

ADB (AfDB)-African Development Bank
BH-Business Hall
CSR-Customer Service Representative
CSR+-Corporate Social Responsibility
CN-Chinese
DSM-Dar es Salaam
GoT-Government of Tanzania
GCC-Global Commodity Chain(s)
GPN-Global Production Network(s)
GVC-Global Value Chain(s)
HR-Human Resources
HRM-Human Resources Management
ILO-International Labour Organisation
MOLYD- Ministry of Labour and Youth Development
MVLI- Moderate-skilled, varied labour-intensity (work)
R&D-Research and Development
SM-Shop Managers
SSD-Software and Systems Development
TBC-Tanzanian Broadcasting Corporation
TCCC-The Chinese Culture Connection
TCRA- Tanzania Communications Regulatory Association
TIC-Tanzanian Investment Centre
TPA-Tanzania Ports Authority
TRA-Tanzania Revenue Authority
TZ-Tanzania
WB-World Bank
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1. **Introduction:**

1.1. **Research Problem**

“The Chinese government encourages and supports the efforts of more and more established Chinese companies to invest in Africa; create more jobs for the local people and transfer more technologies to their African partners” - President Hu Jintao during a trip to Dar es Salaam in 2010

In a recent African Business article (see Ndikumana, 2010), director of the Research and Development Unit of AfDB, Leonce Ndikumana highlights the image of the awakened African, “revel africain” and the need for African nations themselves to demand from Chinese enterprises to utilize local labour forces in an effort to mitigate unemployment, an existing challenge for the continent. What is revealed is a growing ease for African economies to access international, national, and regional markets thanks to the growth of Chinese investments in the continent. Despite what is criticized of China-Africa trade imbalances and uneven ratios of Chinese expatriate to local workers (see for example Rocha, 2007), there has been some indication of mutual interests prospering. This is revealed to some extent in the growing establishment of Chinese-African capitalistic joint ventures for profit-driven motives and not just purely one-way flows of raw materials, from Africa to China for example (Maswana, 2009). This is an instance of African telecommunications infrastructure, Ndikumana (2008) finds, where despite the non-resource-intensity of some economies, the sector is able to attract and increase domestic capital gains from increasing foreign direct investment (FDI). This is exemplified in Tanzania’s broadcasting development, and where a private Chinese firm has taken a large stake in providing digital TV products and services to the general public. As some Chinese executives have stressed, Chinese firms today are keener to employ local labour in their works (see Zadek et al., 2009), which is an added incentive from Chinese capital inflows. A more thorough investigation of how and to what extent this local labour is employed, the work relations between manager and employee, and the value created within these Chinese firms in one particular African country is little discussed in the available literature on Sino-African studies (Large, 2008; Brautigam, 2008; Alden, 2007).
From her past bilateral agreements with the Government of Tanzania (GoT), in the leading sectors such as health, agriculture, construction\(^1\) and debt relief agreements, to the more recent large-scale aid and infrastructure-based packages contracted by multinational firms backed by flexible loans\(^2\) (Sokoni, 2009; Jansson et al., 2009; Chaponnière, 2009 cited in van Dijk, 2009), China’s presence in and engagement with the country requires a more informed understanding of the human impacts of socio-economic upgrading (Riisgaard et. al, 2010), or labour-related development which may be observed through the quality of employment received by the Tanzania people affected by private Chinese investment. As much as there is value to understand the development relationship and economic cooperation between the two countries such as the historical friendship, or the construction of the Tazara Railway (Monson, 2009; Bailey, 1975), for example, there is a paucity of research on micro-level, manager-worker interactions. Firm-based data and knowledge of the behavior of and relationships between workers within may thereby help to then pinpoint the distinct characteristics of transforming and transnational Chinese business in Africa and a better understanding of the human impacts of global economic activities, especially of the Chinese firm, within the global production network (GPN)\(^3\).

Moreover, an understanding of the growing and transforming Chinese business strategy on a global scale is important to this research. According to Bair (2008:351), the GPN theory may have converged to a representation of a “hybrid” organizational form that exhibits both relational and market-based dynamics in which networks are embedded. Bair (2008:355) assesses GPN theory based on The Manchester school’s\(^4\) work and contributes an intriguing argument that resembles this dichotomy, and concisely highlights the GPN’s main idea that *actors’ socio-spatial relations are embedded in more global economic processes and changes at different geographical scales* (see also Yeung, 2005). This study draws specifically from her implications and also recognizes Yeung’s\(^5\) (2004) research on the Chinese firm and business in overseas

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\(^1\) mostly project-targeted

\(^2\) programmes and economic incentives-targeted

\(^3\) A definition of the GPN and its most important elements will be discussed thoroughly in chapter 2.

\(^4\) The University of Manchester’s Department of Geography within the School of Environment and Geography. The main researchers of the particular GPN research agenda include: Dicken, Henderson, Yeung, Hess, Johns see also: [http://www.sed.manchester.ac.uk/geography/research/gpn/gpnstaff.htm](http://www.sed.manchester.ac.uk/geography/research/gpn/gpnstaff.htm) for a comprehensive list and background. The research of Coe, N. and Hess, M (embeddedness) is also relevant for the research on GPNs and will be referred to later in the text.

\(^5\) Yeung, H. W-C. is one researcher representative of the Manchester school and is an Associate Professor of Geography at the National University of Singapore.
markets as contextually supportive. The latter research and a more detailed theoretical overview can be referred to in Chapter 2.

According to the Heritage Foundation, 13.8% of overseas Chinese investment went to Africa between 2005-2010 (The Economist, 2011: 67-68). However, understanding the impact of China’s investment on those within the inner nodes in the form of human resources gains benefits to actual Tanzanians on the ground may allow for a more informed evaluation of the future leverage of one African host country in its collaboration with Chinese investment strategies. In the larger sense, this may also help shed light on the overall “China in Africa” experience (Alden, 2007) as it is one continually on the fringes of international debate.

The theoretical framework developed for analysis draws from the idea of embeddedness within economic sociology and assesses how the Chinese firm and its economic activities are embedded or disembedded within the Tanzanian context, both socio-culturally and relationally. And as embeddedness is a key element of the GPN architecture, its analysis will act as an umbrella concept to better understand two elements of value and power to specifically examine ties to labour practices and firm level actors. The analysis suggests thinking about economic processes along a structural (organizational) and human resources scale as part and parcel of the GPN. In light of the paucity in literature and yet a growing inquiry about the Chinese business practices in Africa, the research aims to assess cultural, managerial, and socio-institutional factors that shape Chinese expatriate workers’ integration (or disintegration) and the interaction in the workplace with their Tanzanian counterparts.

1.2 Research Context

“The behavior of thousands of newly settled Chinese businessmen and the conduct of the African communities in which they live and work will matter as much as the diplomacy and concessions made at the government level” (Alden, 2007: 128).

By exploring at the micro-level how Chinese firms are integrate into Tanzanian society and how Chinese staff and managers engage with Tanzanian staff and managers, this research addresses

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6 A node is defined as a single point in a value chain where a product is exchanged, processed, or transformed, but for my study, I emphasize a single point, within the network, which encompasses the firm, employees and their strategies, behaviors, interactions, and impact (refer to Appendix, Picture 1).
certain structural or cultural differences between the two groups, which could have significant implications for how the two countries engage each other within larger China-Africa discussions. Similar to what the Manchester school envisions for its work on GPNs in East Asian and the EU, this research is especially significant at present when the business relations and economic exchanges between Africa and China are absorbing certain unique trends and characteristics (2010), often perplexing or misunderstood by mainstream opinions; therefore, the charting of such trends is pertinent to contribute to more transparency. Ideally, the study acts as calls for future research that recognize individual workers themselves as the “awakened African” to be active participants to leverage their role and positions in Chinese firms so that risks may be avoided and benefits are garnered from the exchange.

Finally, Chinese cultural work values are suitable to understand the behaviors and conduct of Chinese business and economic actors who may transcend cultural and political boundaries to develop a pronounced or even innovative corporate culture unlike more traditional state-invested firms (Alden, 2007; Brautigum 2011). Fostering a corporate culture, shaped by its own societal background and the host market including the people, spaces, and systems in which it operates, helps to determine the implications of power relations and value captured as elements of the GPN. These on-the-ground behaviors provide more substance to dissect the Chinese-African development potential where the resulting human relational interaction between place-based cultures and within place-bound processes might have significant prospects of value gain for actors at the firm level.

The findings of this research should be equally meaningful for the Chinese and African manager operating and interacting in the cross-cultural business settings of the present global economy, to sensitize them in the difficulties and benefits, in an effort to not only improve the current and future strategies and development of the firm, but to also consider the needs of the local society in which the firm operates. The following review of the available literature helps to contextualize the study of the Chinese firm through highlighting a gap of antecedent research to GPN (i.e. GCC and GVC) and the potential value or backward linkages in terms of labour development to African societies. This review concludes by zooming into the impact for the Tanzanian case-study which further reiterates the need for the related research.
Gaps in Value Chain Analysis

Within the global labour economy, the chain research that emerged from combined uses of Global Commodity Chains (GCC) and Global Value Chains (GVC) are adequate precedents for the conception of GPN. Popularized by Gereffi et al. (2005), GCC and GVC, however, are more restricted and linear antecedents (see also Gereffi and Korzeniewicz, 1994). Where inter-firm networks and divisions of labour are created from power relations and imbalances and social norms which are embedded in specific locations, within specific social groups and subgroups (cf Taylor, 2008), the role of governance is just as critical and should be emphasized to impact the flow of resources and economic processes for fostering the technological or functional benefits of firm-level transactions along a global scale (Gereffi, 2005: Strugeon, 2001: Gereffi and Kaplinksy, 2001). Value chain analysis has also downplayed the role of labour as other than a productive asset as there is a lack of understanding on how value creation may be mediated by social relations, local history, and environment (Jarsoz, 2008 cited in Bolwig, et al, 2010). Past analyses with GVC, for example, have focused on “functional ‘upgrading’ and have not considered the broader issue of the terms on which poor people participate in value chains.” (Bolwig et al. 2010:174).

For developing countries, in combating uneven development of global capitalism, interest is taken on the possibilities to enhance socio-economic conditions through upgrading of labour and vertical and horizontal linkages with local firms for localized economic development (Ibid; Riisgaard et al. 2010). Emphasis for this research will rather be placed on the epistemological level concerning “understanding the social and developmental dynamics of contemporary capitalism at the global-local nexus” (Bair, 2005:154). In the broader international development discourse of Chinese capitalist growth in Africa often shaping roles as investor, competitor or partner, Nyiri (2006: 101) explores China’s role to also be a “developer.” At the same time, it is important, as Nyiri argues (ibid:86), to explicitly ask about Chinese individuals’ encounters, in this latter role, with the actual people on-the-ground. This research’s theoretical underpinnings in Chapter 2 weaves critical elements of the GPN with some organizational dimensions of embeddedness to later better explore the role of labour as both a means and ends to social and development implications (Sen, 1975).
Potential Backward Linkages

Gu’s (2009: 23-5) survey research on Chinese private firm investments in Africa and Knorringa’s (2010:190-1) synthesis on Chinese responsible production in Africa are some of the few works which explicitly emphasize the implications for backward linkages and value creation to the African workers with whom Chinese firms work, and particularly within the global value chains perspective. Whereas Knorringa is more pessimistic of the gains from firms’ responsible attributes such as quality A-brand products and higher wage rates, Gu argues a more positive trend as private Chinese firms are only recently considering more local enterprise development and learning for local workers. Firms have the potential to offer more employment opportunities and contribute to poverty reduction through local provisions of management experience, transferring technology, and innovative marketing skills and knowledge (Ibid: 23). This is due to the market-driven identity of the investments, especially private SMEs as they are driven by fierce competition at home and recognition of the growth potential in African markets (Ibid: 24). However, host country institutions are also critical in supporting private Chinese ventures as a development option; investment regimes should be “fine-tuned” in order to best foster local value creation. Particularly, an accessible skilled workforce and local business personnel, local production and supply capacity combined with an enforceable regulatory environment should press firms’ increased engagement in the socio-human development of Africa (Ibid: 24).

China-Tanzania Labour Dynamics

For Tanzania, there are two labour market dilemmas that call emphasis to skills of a high number of potential employees for a low supply of jobs: 1) general lack of skills for the available jobs and 2) mismatch in skills needed for supply of jobs in the market⁷. Job applicants lack the technical skills⁸ that employers need or have the skills that do not fit the supply of jobs. In 2008, the Tanzania Investment Center (TIC)⁹ estimated that China had maintained 174 projects worth 447 million USD in Tanzania. According to the TIC¹⁰, China is ranked third (out of 10 countries)

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⁷ See Interviews List 2 and 3 in Appendix (E2t, G1t)  
⁸ These skills include but are not limited to in medicine and health sector as well as in agricultural technology. Teachers with the knowledge to teach these specific skills are also a problem in the society. See interviews List 2 Appendix (G1t)  
⁹ TIC is Tanzania’s key government established agency responsible for the registering and monitoring investments to the country.  
¹⁰ See Interviews List 2 in Appendix (G3t)
to have invested the most number of projects in Tanzania, which have created 59,312 jobs for the market up to 2010.

In Dar es Salaam, independent traders or businessmen who deal with baihou products (everyday household products) at their “firm” or shop predominantly reside in the central market zones of the city, and live and create their lives amongst the social and economic society of these markets’ territorial space. Those who work in construction carry out their roles, interacting at their worksites and compounds within a space enclosed by high metal fencing branded by the firm’s initials. Chinese private small & medium-sized firms establish local operations and gain momentum in the market for products and services that cater to local demands. These characteristics are very real and explicit in Dar es Salaam, and are often nuanced in studies of general Chinese foreign investment and production networks in Africa (see for Kaplinsky & Morris, 2008), but where there is still a paucity of knowledge on empirical, on-the-ground evidence of the human relations among and between workers within their workplace.

Empirical literature on GPN that emphasize specific actors (e.g. labour) is “especially silent” (Coe et al.; 2008: 284), an on-the-ground approach to collect data on workers’ roles and relationships in a Chinese firm in Tanzania helps to draw out aspects of the Chinese labour practices in one African nation to better understand the potential for human resources development on a wider geographical scale. There is a requirement for constant negotiations between employer and employees where the latter must be able to demonstrate their abilities and a certain work ethic to be able to do the job\(^\text{11}\). Within the relational framework of GPNs, how Chinese workers manage, associate, interact, and perceive in Tanzania with Tanzanian workers may be characterized and differentiated based on some mechanisms of embeddedness. Embeddedness refers to economic activity that is embedded into more complex social relations and processes (Granovetter, 1985) and its emphasis for this study will be further detailed in the theoretical overview in Chapter 2.

1.3. Research Questions

Chinese firms may be heavily influenced by their or background or country of origin (societal embeddedness), while their mode of operation is determined or often inhibited by the cultural-institutional context (territorial embeddedness) in which they operate (Manchester, 2010).

\(^{11}\) See Interviews List 2 and 3 in Appendix (G1t, E2t, E3t)
However, in regard to the latter, it is argued that these firms may “‘cut through’ state boundaries in highly differentiated ways…to create structures which are ‘discontinuously territorial’” (Manchester, 2010). I argue that based on the extent of the firm’s embeddedness in the context in which it operates, there are different implications for value creation and human development opportunities for the Tanzanian work force who are actively learning actors within the firm. Nevertheless, in line with the research on GPNs, the Chinese firm may “cut through” boundaries, both regulatory and non-regulatory, carry some institutional ‘baggage’ from their home contexts and accordingly alter the extent of the local economy’s development in which it is anchored (Ibid; Henderson et al., 2002: 25).

The following overarching research question (1) is posed based on concepts of embeddedness which are fundamental to conceptualizing the GPN and understanding how the Chinese firm is discontinuously territorial. Based on this discontinuity and as argued by the Manchester School, I adapt a slightly altered understanding of the firm with a greater emphasis on the cultural context. In this regard, the firm is first bound to the environment in which they operate, but still inherently bases its decisions and processes on cultural-specific norms and behaviors that are derived from Chinese work dynamisms. The study’s interpretations make suggestions and shed light on the extent of value capture based on the key findings regarding the Chinese firm’s embeddedness in the local context.

1. How is the firm embedded in the local (Tanzanian) socio-cultural context?

   a. How are the internal firm actors organized in terms of management-labour relations and behaviors?

   b. What are the implications of the Chinese firm’s economic processes and internal interactions, activities, and human behaviors for value creation and enhancement, especially in regard to labour?

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12 ‘Discontinuously territorial’ has been adapted to mean that the firm apart from being bound to their work contexts in-situ, also exhibits certain decision-making actions and behaviors that are embedded in their country of origin or national background.

13 The notion of “actively learning” actors was constructed based on the findings of the case-study and means that workers exhibit a “learning on the job” capacity and are willing and able to apply this practical know-how.
It is critical to reiterate that the firm in this study is treated as an economic agent and a node within the larger network structure, depicting the employees’ relational habits and interactions at the ‘microspace’ (i.e. office) is treated as a function of the firm and an endogenous aspect of the node. Their actions, behaviors, and whims, whether determined by some typologies of embeddedness, in fact carry different implications for the local workforce and value creation that this research seeks to better understand.

1.4 Outline of the Research
The paper now proceeds in Chapter 2 with a discussion of the theoretical foundations and then in Chapter 3 will effectively outline the analytical framework based on distinct Chinese socio-cultural dynamics and work values. These dynamics its impact on the embeddedness of the Chinese firm in situ could further delineate this research from others and zoom into a better understanding of cross-cultural relational aspects and power relations within a specific firm in the GPN. In order to better frame the case-study, Chapter 4 includes a brief contextual overview of Sino-Tanzania history emphasizing business investment and the specific sector. Furthermore, Chapter 5 consists of a thorough review of the methods and limitations of the study given the research interest and problematique. Chapter 6 proceeds with the key findings and analysis about the focus firm and its embeddedness including management-labour relations which may affect the value capture by the local labour.

2. Theoretical Framework
2.1 Embeddedness
The efficiency of production networks depends on social relationships, both affected by territorial and societal embeddedness, and not just market forces (Granovetter, 2005; Hess 2004, 2008; Coe et al. 2008), and as such touches down on embeddedness theory (and *new economic sociology*) (*Granovetter, 1985, 2002*). “Embeddedness” is “the economic action of individuals as well as large economic patterns, like the determination of prices and economic institutions, are very importantly affected by networks of social relationships (Granovetter cited in Swedberg, 1990:100).” According to Coe et al. (2008) (also see Hess, 2008; 2004), embeddedness can be identified by “place-based” and “place-bound” issues. According to Hess (2004), place-based refers to *societal embeddedness* or the ‘genetic’ code of the actor referring to the place of origin.
and background that affects or shapes the actors’ actions within the spaces in which they operate. Place-bound refers to *territorial embeddedness* or the specific spaces, local relationships, institutions, cultural practices in which operations are carried out. However, there is a certain narrowness of these relationships in the general role descriptions of employer-worker, manager-subordinate, for instance, that does not consider that people maintain “particular relationships” (Granovetter, 1985: 491). This narrowness as Granovetter identifies is “oversocialized” assuming people can be categorized generally and behave similarly within their respective roles. Instead, people’s individual impact should be considered in relation to their embedding into the larger networks\(^4\) of social relationships (Granovetter cited in Swedberg, 1990: 100-101). In this line, Jones (2008:85) argues that analysis of embeddedness should be refined to a higher resolution where workers as actors, their power relations, and associational practices must be made less ‘invisible.’ He agrees with Hess’s (2004) critical lens taken to question the ‘spatialized’ nature of territorial embeddedness (Ibid:78). The firm and its economic activities in GPNs may be informed by certain patterns of relations that may be depicted by mechanisms of embeddedness for organizational strategies (Zukin and DiMaggio, 1990) as discussed below.

### 2.2 Mechanisms of Embeddedness

In order to adjust to a more contextual application of the theory, Dacin et al.’s (1999) elaboration of embeddedness for organizational theory strategy better underpins the analytical concepts discussed later in this section. For them, embeddedness is multi-leveled, and organizations are complex as there is “on-going contextualization of economic exchange (activity) in social structures” (320). Furthermore, just as managers and subordinates are embedded in relations and networks of trust, information, friendship, the firm in which they operate is also embedded in regulatory and institutional regimes. Dacin et al. (1999) highlight this duality with respect to some of Zukin and DiMaggio’s (1990) mechanisms of embeddedness,\(^{ii}\) cognitive, cultural, structural, from which this paper will draw upon to assess the embeddedness of BST firm. Cognitive embeddedness refers to the notion of “bounded rationality” or where an individual’s “rational” action is limited due to “uncertainty, complexity, and the costs of information” having

\(^{14}\) Due to the limits of the paper, the network embeddedness of the firm involved in facets such as R&D, design, production, and inter-organization will not be treated as it extends beyond the scope of the research. Rather, the focus will be on the ‘particular relationships’ of workers within the firm as a node in its own, predominately internal, values, power, and embeddedness. These concepts are discussed later in the paper.
relied on structured and habitual actions completed within the firm (Ibid:16). Unlike cognitive embeddedness, cultural embeddedness is referred to on a collective basis where shared norms, ideologies, and understandings give form to a firm’s structure, activities, and processes (Ibid:17; Dacin et al., 1999:329). Finally, structural embeddedness, tied to Granovetter’s (1985) theory refers to how interpersonal relations, “bundled up in densely connected but mutually segregated cliques,” shape economic exchange (Zukin and DiMaggio, 1990: 18). Taken together, these mechanisms of embeddedness interact simultaneously and tend to focus on individual actors (Dacin et al., 1999: 338). However, as I intend to explore how their intensity is contingent on these different actors and the Tanzania context, Jones’ (2008:79) conception of a practice-centred approach is effective. He shifts focus to “dynamic practices and relational associations that constitute action…so that “outcomes of these actions are theorized as the products of individual and collective practices in space and time that lead (in part) to tangible economic effects (Ibid).”

2.3 Global Production Networks

The Global Production Network is the preferred theoretical basis for this research; it is a heuristic model and conducive for the global economy, which is in constant flux due to the time and space of production (Coe et al., 2008: 272). GPNs have been the focus of many scholars, largely representing the “Manchester School” (see Henderson et al., 2002; Coe et al., 2008; Coe et al., 2004; Dicken, 2007; Dicken et al., 2001; Hess and Yeung, 2006). GPN research has been complemented by some empirical studies focused on its linkage with relational processes in different industries in the developed and developing world (see for example Murphy, 2008 in Bolivian wood; Hess & Coe, 2006 in mobile-telecommunications). According to Coe et al. (2008:272), GPNs are highly organizationally complex because it incorporates all network configurations and transcends linearity of production as conceived in GCCs/GVCs. There is value to employ the framework to better conceptualize contemporary economic processes that is profoundly relational and based on variable asymmetries of power (Ibid: 276).

GPN is a relational framework and “encompasses all relevant sets of actors and relationships” along a network, within and between firms. Labour as embodied in networks are “made up of real, living people who are more than simply abstract economic categories…” (Rainne et

15 The Manchester School’s development of and work on the GPN will be the main disposition for this paper.
more analysis is therefore needed to examine how this labour shapes the transfer across space of value among other physical commodities and products (Castree et al. 2008).

The GPN framework consists of a mixture of activities that require combinations of “labour-intensive, low-skilled activities with knowledge-and technology-intensive higher-skilled activities.” Different firms of different sectors “are likely to be composed on different ratios of both low-skill and high-skill production, therefore requiring different typologies of work (Barrientos et al, 2010: 8).

The type of workforce composition of the broadcasting firm involved in services and product sales in the macro-economic view of GPN can be characterized as “Moderate-skilled, varied labour-intensity work” (MSVLI)—associated with full package production including aspects of delivery of final product, design, inputs, production, pre-pricing, packaging and presentation. The processes are buyer-oriented. “Developing country firms improve their coordination capacity…and gain a greater bargaining power usually associated with higher profit margins” (Barrientos et al., 2010: 8-9).

MSVLI, however, may not adequately explain for the extent of the employees’ actual work (providing customer service). In this sense, the workforce composition of the firm in the view of the well-being of workers within may be identified as more knowledge-intensive (KI), where services-related and technology intensive requirements of positions allow for relatively higher wages and benefits (for local standards), flexible work arrangements, and the potential for skill improvement (Ibid: 13). Due to these different compositions, it may be useful to lightly touch on labour upgrading which I have adapted as value gained by the human resources of the firm through acquiring capabilities, enhancing the content of skills, and potentially gaining more social entitlements (Bolwig et al. 2010: 176; Barrientos et al. 2010; Riisgaard et al. 2010). The GPN gives more weight to the social and institutional embeddedness of production (Barrientos et al. 2010: 4), which, depending on its mode, is an important factor for how power is exercised and is decisive for value gained for the different actors (Henderson et al., 2002:22). This idea is kept in mind when evaluating recurrent themes identified from the case study that are associated to the Chinese embeddedness in the local context. Embeddedness, value, and power\textsuperscript{16} are three key

\textsuperscript{16} These elements will be extensively explained in the analytical framework section in Chapter 3
and interlinked elements of the GPN, and when considered together and in terms of the Chinese firm’s labour management practices suggests alternative ways to think about how cross-national management of the Chinese nature evolves and are shaped in the different socio-cultural contexts of African cities. Exploring my conception of a more abstract GPN framework equates to exploring the application of Chinese work values at the interface within a single node, which involves a managerial and relational view of how and to what extent ethnically different workers interact within the ‘micronepace’\textsuperscript{17} of their office.

\textsuperscript{17} Microspace is a term used by Jones (2008) in his conception of “global work” for transnational business
3. Analytical Framework: Understanding Chinese Values and Embeddedness

In the lack of empirical research on relational aspects within Chinese firms operating in Tanzania, the paper explores a new framework for working with contemporary overseas Chinese firms via qualitative information gathered from various levels of employees\(^{18}\) in a recently established Chinese private firm in Dar es Salaam.

Chinese global capitalism is a hybrid form according to Yeung (2004:42). It is dynamic and simultaneously converging towards and diverging from Western capitalism and Anglo-American norms given context-specific factors and imbalances of global capitals and technologies as well as changing actors and networks. Overseas Chinese business embodies a mergence of nuances between modern business and traditional Chinese personalism (Berger, 2002:10 cited in Yeung, 2004:43). Interpreted within the understanding of embeddedness theories, both internal (i.e. national background) and external (i.e. host county operating contexts) impact the Chinese firm’s experiences in their global reach and labour practices within GPNs (Henderson et al., 2002).

Based on interviews collected, patterns will be referred to according to some Confucian constructs as detailed below and analyzed in reference to the umbrella research question about BST’s embeddedness in Tanzania society. The analysis will keep in mind the dichotomous manager-employee dynamic influenced by the nature of Chinese management and values in the global market. In this light, analysis will conclude with how the character of embeddedness may stimulate the emergence of certain power relations and how this affects the value gained by the local workforce.\(^{19}\)

3.1 Working with the Chinese: “Confucian Dynamism”

“An acceptance of the legitimacy of hierarchy and the valuing of perseverance and thrift, all without undue emphasis on tradition and social obligations which could impede business initiative” (TCCC, 1987 cited in Frank et al., 1991).

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\(^{18}\) For reference to in-text citations of the respondents and their positions, please refer to Table x in the appendix.

\(^{19}\) Recognizing the abstraction and need to identify the conceptual meanings of power and value, but based on the limits of this paper, my study will treat these elements as far as their impact in the theory given the embeddedness of the Chinese firm and as defined within literature by the Manchester school.
Analysis of the findings from my research alludes to the above definition of “Confucian work dynamism,” developed by Bond (1987 cited in Frank et al., 1991)\textsuperscript{iii}, which may be informative as a determinant of economic performance. Its relevance for this study, however, extends as far as the definition infers that cultural conditions, sometimes even more than structural conditions, may explain for the competitive advantages of firm management techniques and human behavior that lead to subsequent economic development. Essentially, a certain degree of societal embeddedness cannot be overlooked when analyzing the Chinese firm’s influence on local factors of production. The culturally-based constructs rooted in Confucianism and and particularities of Chinese management relations (see Mackinnon and Powell, 2009; Warner, 1993), especially overseas, are better illuminated by key concepts listed in the Table below which thereby highlight the implications of the embeddedness concept for power relations and value captured within the GPN. These constructs are explained, identified within certain cultural dimensions\textsuperscript{20} (see Hofstede, 1980) and compared to African ideologies.

\textsuperscript{20} The definitions of the cultural dimensions will be woven into the proceeding section.
### Confucian Dynamism Constructs

<table>
<thead>
<tr>
<th>Chinese Constructs (literal translations)</th>
<th>Definition</th>
<th>African Constructs (compared and contrasted)</th>
<th>Cultural Dimension</th>
<th>Purpose/Aim</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Guanxi (relationship)</td>
<td>Personal connections used to achieve certain ends in mutual, trust fostering networks.</td>
<td>Higher emphasis on independence and individual decisions and less dependence on personal connections.</td>
<td>Masculinity v. femininity And Individualism v. collectivism</td>
<td>Avoids opportunism and conflict, strengthens trust. “emphasis on tradition”</td>
</tr>
<tr>
<td>2. Mianzi (face)</td>
<td>Playing it safe in risky positions by indirect and private problem-solving to maintain a self-image to not loose but save “face.”</td>
<td>Confronts conflict in open and frank manner to consult everyone’s arguments.</td>
<td>Individualism v. collectivism And Masculinity v. Femininity</td>
<td>Avoids confrontation and enhances one’s public image and prestige “Valuing of perseverance and thrift”</td>
</tr>
<tr>
<td>3. Quanli (power)</td>
<td>Control of resources that is valued by others, but embedded and manifested in seniority and authority.</td>
<td>Private equality is valued more.</td>
<td>High power distance v. Low power distance</td>
<td>Enforces social hierarchy and maintains management roles and trust; important for conflict resolution “legitimacy of hierarchy”</td>
</tr>
<tr>
<td>4. Renqing (Mutual Obligation)²¹</td>
<td>Natural reciprocity created from an individual’s feeling or sense of obligation after an initial acceptance of benevolence. Builds long-term rewards</td>
<td>Individual achievement is valued, private goals are vital as they are achieved from individual efforts. Short-term rewards matter more.</td>
<td>Long-term v. Short-term orientation and Individualism v. Collectivism</td>
<td>Avoids opportunism and enhances mutual benefits, strengthens trust “social obligations”</td>
</tr>
</tbody>
</table>

Adapted from Mackinnon and Powell, 2009; Oetztel et al.; China-Business-Connect.com, 2011

²¹ This construct is also related to the concept of “bao” or reciprocity.
The nature and extent of the Chinese management style in Tanzania and the conduct of BST Ltd., Tanzania and its Chinese employees are often reflected in the above constructs, which are rooted in a distinct collectivist style based on traditional Chinese values and Confucian work dynamics.

As one TZ respondent\textsuperscript{22} (B16t) recounted when the firm first started its operations, the interests were to satisfy the larger assemble. “Everything was for China. China this and this.” However, responses from interviews also revealed BST’s dynamic nature. Inevitably territorially embedded in the Tanzanian economy, BST is however also shaped by: 1) changes in its business strategy to best penetrate and suit the local context and market, 2) Chinese economic reforms to best enter transforming global markets, 3) a need to master (Western) management strategies in order to compete in these markets, and 4) formal and informal socio-cultural institutions and norms of Tanzania that may cultivate or inhibit economic processes.

In Confucian work dynamics, building trust through interpersonal relationships (guanxi) is a recurrent purpose or main outcome from interaction within a harmonious business firm and is the lubricant to conflict avoidance. Instead, “hexie” or \textit{harmony} is a desired result from the dialectic occurrence of relational conflicts and resolutions that may support not only the Chinese understanding of the human relationship but also is a means for a more balanced dynamic between manager and employee (Chinese and African) in the context of a cross-cultural business market in a developing economy such as Tanzania (Oetzel et al.).

Hexie evolves from several of the Chinese constructs that present themselves in work-related incidents or day-to-day interactions between and among colleagues (Mackinnon and Powell: 2009). But, harmony may evolve from or even foster some mutual gains or \textit{inter}dependencies of a joint Chinese-African business venture. Just as the masculinity-femininity dialectic in hexie reveals itself in the fusion of people’s achievement- nurturance dialectic in goal orientation (Oetzel et al.; China-Business-Connect, 2011), harmony reveals itself when the firm in the GPN’s is able to realize the strategies necessary to impact both economic growth and social development. Based on survey researched conducted by Jing Gu on the Chinese motives for investment in Africa, Chinese managers’ indications suggested their strong \textit{masculinity} strategies.

\textsuperscript{22} Refer to Interview List 1 in the Appendix
and long-termism goal orientation. They prefer aspects of accomplishment, and long-term solutions, reaping strategic advantage, seizing opportunity, and maintaining life-long business relations, which require high levels of trust (Gu and Schiere, 2011:16; MacKinnon and Powell, 2009: 140). Chinese SMEs, for example, are more masculine, interested in expanding their reach and achievement in different markets such as Africa; and therefore, they are more willing and able to take risks (Gu and Schiere, 2011: 16). Despite initially low profit margins and weak supply chains, the Chinese manager’s entrepreneurial nature and work ethic help them to be more flexible and adaptable towards transforming markets (Ibid).

3.2 Embeddedness of Transnational firms in Developing Economies
Research has exhausted the differences in Chinese management and developed (i.e. Western) country management (e.g. MacKinnon and Powell, 2009; Hofstede, 1980; Warner, 1998), as well as their interface through transnational corporations (TNC) and joint ventures (e.g. Shore et al. 1993), but little research has transpired that of the Chinese work culture incorporated in practice in developing economies. In this regard, implications for value creation create new international divisions of labour where profit-driven joint ventures could mean more mutual “intersystem dependencies” (Maswana, 2009). The development impacts and trickle down benefits to the local workforce when Chinese practices and managerial strategies are transplanted to and reformulated in an economy such as Tanzania may be better assessed through three GPN elements where both firm and non-firm actors are involved or affect their salience. These include embeddedness, power, and value where the first is the main focus for the findings and that help shed light on the latter two.

For the Manchester school, transnational firms are simultaneously shaped by the social and institutional fabrics of their home countries and their host countries, and sometimes even reconstituted depending on how they are ‘anchored’ in the latter (Coe 2004; Henderson, 2002). Coe (2004) provides a good example of the transnational corporation in the retail sector that is relevant for this paper’s case study. He cites Currah and Wrigley (2004:24), asserting that ‘each store is potentially an autonomous centre of innovation, embedded in ... a unique local context, with the capacity to learn how to adapt its format in a variety of ways.” Otherwise, how agents establish and make their connections to others is often dependent on their ‘heritage’ and influenced by their “values, priorities and expectations” as well as based on the institutional fabrics and socio-cultural contexts from the firm’s society of origin (Henderson et al. 2002: 24).
A firm’s distinct territorial embeddedness or its salience and commitment to a place may shape “…how value and power are distributed in their relational interactions… (Coe et al. 2004: 471; Henderson, 2002).” In this regard, the interpretation of the findings revolve around how the Chinese firm is integrated (disintegrated) into the local context base on employees’ emphasis or neglect of certain socio-cultural norms, Chinese management techniques, and the adaptive, hybrid nature of the firm as it is developing its corporate culture.

**Power as “relational geometries”**²³

Power is rather a relational effect (Allen, 2003: 5 cited in Johns, 2008: 76) of social interaction and is a critical determinant of how and to what degree value is captured and distributed for broader socio-economic development (Coe et al. 2004: 475; Henderson et al. 2002: 22). The Manchester school (Ibid: 23-4) identifies three forms of power: corporate, institutional, and collective. Corporate power refers to how firms, especially the lead firm, along the network influence strategies and decisions for their own interests. Institutional power is that which is exercise by institutions including state (multi-scalar levels), market, and international inter-state organizations or the United Nations. And finally, collective power constitutes how actions of a collective group of agents, including state and international agencies such employers’ and trade associations or NGOs, influence firms in the network (Ibid: 24). Actors’ inter and intra balance of power within these forms is crucial for potential value enhancement and capture in broader territorial spaces (Coe et al. 2004: 480). However, this research’s aim to explore value enhanced and created for the actual employees within the more “microspaces” (Jones, 2008) of the firm rather calls for a more attention to the influence of corporate power and practices, particularly in the Chinese managerial nature. In a recent study on the Bolivian wood products sector, Murphy (2010: 5) argues that “the power struggles between, and the social networking strategies of, businesspeople” help the prospects of production network structuring and the economic coordination. Power asymmetries emerge that reorganize or determine relational proximity, which can be defined as the varying degree to which businesspeople or interacting individuals are relationally bound by common goals, interests, routines, and “mutual recognition of each other’s positionality in a relationship (Ibid).” Employees are however also bound in their relations by the extent to which the processes of their economic activities through the firm is

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²³ See Yeung (2005)
embedded physically or territorially to the host society. This is further explored through management processes and the socio-cultural differences of the manager and the managed after the discussion of the firm’s embeddedness in Tanzania within the findings section.

Value

In the macro GPN structures, firms and non-firm actors (e.g., labor movements, civil society) create, enhance, and capture value\(^{24}\); they reduce costs, and generate potential economic rents\(^{25}\) from their organizational and business processes (retailing strategies and technological innovation) or inter-firm relationships (Coe et al. 2004). For labour in the local human and socio-economic context, value involves the production and reproduction of employment, training of the workforce, skills development through knowledge transfer, and an increasing demand of these skills, and working conditions (Henderson et al. 2002:21). Seeing the linkage of varying interpersonal relations between an investor and investee in a transnational joint venture with certain structural conditions may enable or constrain value creation in the macro-economic regard (Jones, 2008), it is also assumed that *intra*-personal relations between manager and employee may also produce different implications for value enhancement and capture. These implications, drawn from the findings of how BST engages with its workers along the management-labour continuum may suggest the possibilities for labour development socially and economically.

How BST firm is embedded or disembedded into the context of their work environment in Dar es Salaam, extensively detailed in the findings and analysis of Chapter 6, ultimately has implications for local development and value capture.

\(^{24}\) Another facet is for value to be “captured” (Henderson et al, 2002) which is significant for regional social and economic development (Coe et al. 2004) and the benefit of the locations in which it is created and enhanced; however, this study rather weaves the notion of value capture into the latter two facets and assumes that value capture hinges upon first where value is created and enhance. Also, value in terms of skill enhancement for workers is the main research focus in this paper as opposed to value for regional socio-economic development.

\(^{25}\) Economic rents can be market or non-market exchanges such as technological, relational, branding, etc. (Kaplinsky, 1998).
4. The Sino-Tanzanian Context

4.1. Chinese as Partners: Strategy and Opportunity

According to the World Bank, for Tanzania, partnering with China means two things. The first is strategy--to influence development and reform due to a lasting political will and a historical and continual friendship between the two countries. Recent policies insisted by the GoT to increase local unskilled labour to be mobilized for foreign financed projects have gained attention among the scholars of China-Africa labour relations (Brautigam, 1998; Large, 2007; 2008). However, as some analysts conclude, the collaborating parties must be more transparent and not overlook effective management "to ensure value for the money" (Schiere, 2011:15). As a lesson to be learned from the darling of Tanzania's friendship with China--the Chinese government-funded Tazara railway (1968) and the construction of more than 1800 km of track and 320 bridges in its current lethargic situation--cooperative and open management to actively and regularly maintain the railway is necessary and frequently cited (Gu and Schiere, 2011:14; Monson, 2006).

The second means for partnership is opportunity--a Special Economic Zone (SEZ) would create more potential and future collaboration in trade and investment26 (Brautigam, 2011). However, the informant asserted that it is still early to tell how China’s influence may make other breakthroughs such as skills transfers to the local workers working in Chinese firms. From personal communications with Tanzanian government sector officials, the received impressions of Chinese business investment in and engagement with the country was generally positive and would create potential for lowering the unemployment rate in the country and even inducing competitive and more skilled-labour. Moreover, the public sector recognizes the country’s role and especially private businesses as models or teachers for Tanzania. According to Debrah et al. (2004:84 cited in Kamoche, 2004) on the HRM development in Tanzania since the 1990s, it was actually the public sector management systems that stimulated the private sector in the country to compete in terms of employment practices and recruitment. Responsibility falls on the employers (both public and private) to recognize the competitive advantages in their labour force and actually develop new and strategic HRM practices that embody “integration, commitment, flexibility, and quality” (Ibid:85).

26 See interview list 3 in Appendix (WB)
As an official of the TZ Ministry of Labour asserted, the only way to “move things” in the country is to allow China to be “aggressive” and competitive so that local industries are stimulated to be more competitive (MOLYD). “How do you compete with your teacher” (Ibid)? An official at the TZ Ministry of Foreign Affairs asserts the reality is that Tanzanians are unsure how to compete with China, despite in terms of the growing trade exchanges and acquiring technical skills. Business is steadily expanding between the two countries. In early 2011, 200 Tanzanians requested Chinese visas and 95% of these were for business. Although, he argued that the Chinese employers trust their own people more, from 2005 until the present, the ministry approximates that 60,000 jobs were created for Tanzanians with Chinese-related investments across both public and private sectors.

4.2. Broadcast Television in Tanzania: “Pioneering the country's move to digital broadcasting”

TV broadcasting in Tanzania has long been in need of capital investment. And despite the 1997 National Telecommunication Policy (Ministry of Communications and Transport, 1997) encouraging foreign investments and the need for private sector contributions to the industry’s development and sustainable economic growth, broadcasting services were not explicitly itemized as an objective. According to one official at TIC, the growth of the sub-sector required private investment to stimulate other investors to the sector. Technical know-how about the sector was not available on top of an unfit workforce. Broadcast television was relatively late in arriving to the country when in 2001, Tanzania state TV was launched after a private company, ITV-Independent Television, first broadcasted terrestrially via satellite in 1994. Following in 1997, DStv, a private South African company, pioneered the premium pay-television era (via satellite dishes) and developed a brand name, which as indicated by many of its subscribers and competitors, caters to high income-level households.

The TIC reported that the new investments in the broadcasting sector from 2009 until the present have created around 1500 jobs in Tanzania. Broadcasting is considered a priority sector and since 2009, a total of four firms invested in the broadcasting sector, three are local projects and

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27 For Tanzania there are 900+ products that are under no-tariff restriction for trade. The informant also argued that actual Chinese and Tanzanian people on the ground (traders) ultimately decide whether these products are good or bad quality entering the TZ market (Ministry of Foreign Affairs).
29 http://news.bbc.co.uk/1/hi/world/africa/country_profiles/1072330.stm
the fourth is Chinese-owned. In line with Tanzania’s 2009 National Digital TV Project, the latter Chinese firm won a bid in an international tender directed by TBC under the Tanzania Communications Regulatory Association (TCRA) to attract investors for the project. The TIC reports that the new investments in the broadcasting sector from 2009 until the present have created around 1500 jobs in Tanzania. Broadcasting is considered a priority sector and since 2009, a total of four firms invested in the broadcasting sector, three are local projects and the fourth is Chinese-owned.

5. Methodology

5.1 Research Paradigm
A hermeneutic paradigm is key for this qualitative study, where the methods employed have supported the research goal of trying to interpret and explore the management-labour relations between Chinese and Tanzanian co-workers within the context of a company (see Myers, 2009: 194). According to Myers (2009:182), the use of hermeneutics is a specific mode of analysis that allows the qualitative researcher to understand by making inquiries and observing, interacting, and talking with people in their daily contexts in order to understand what they say, do, and why. The researcher then interprets the meanings of the empirical evidence from the “text-analogue” which is both written, verbal, and non-verbal communications, referring to an organization or a culture, where in my case, is the Chinese firm (Ibid: 183).

Three fundamental hermeneutic concepts are effective for my research position as the researcher. First the idea of historicity requires interpreting the subject through the understanding of others in firms through understanding their “historically evolving habits and practice” (184). Second, the research imperative on a larger phenomenon or context of the Chinese-African workplace relations can be interpreted through a hermeneutic circle or the movement of understanding of texts or “text-analogue” “from the whole to the part and back to the whole” to reveal how parts (e.g. gestures, public statements in media reports, interviewees’ accounts of subjects or incidents) fit together, their contradictions and absurdities, and why (Ibid: 185). Finally, the concept of

30 To respect the requests of the firm, actual names are not indicated and will be given aliases. The name of the firm will be designated the abbreviation BST.
prejudice is both advantageous and a limitation\textsuperscript{31} to this research. Possessing prior knowledge is a necessary requirement for understanding the empirical evidence. This means that I as the researcher must both suspend my own preconceptions of what I know about the larger phenomenon of Chinese labour practices, and be aware of my own views and biases which may be determined by my own personal historicity, interest, and knowledge on the subject (Ibid: 187). However, I take a view of my research closer to post-modern and critical hermeneutics notions where the former is the most subjectivist and argues that there are no objective or “true” meanings of an interpretation, while the latter sees alternative interpretations of contexts as recursive and infinite.

5.2 Reflections on Qualitative Research
Silverman (2005: 123) warns researchers about the complexity of using multiple methods and advises "simplicity and rigour\textsuperscript{32}" to avoid a tendency to aggregate data in an attempt to see a certain phenomenon or overall "truth.” Gradual simplifications of my research design were made as I noticed that trying to capture the whole picture of China in Tanzania was overly ambitious. Instead, I focused on saying “a lot about a little" (Ibid: 122), and one firm helped me to do this via a more systematic assessment of the “linkages between opinions, activities, and interests” (Ibid:126).

Research of Chinese-African management-labour relations in its historical infamy is sometimes portrayed through the lens of a post-colonialist regard in contexts of attempting to rebuke tension, conflict, and oppressive interactions (see for example Aye, 2010; Lee, 2009). However, grounded by hermeneutic concepts allows me to interpret socially constructed dialogue and understand contradictory views and findings within my case-study (Myers, 2009:193). In this way, I have dually reflected upon first, the “unexamined assumptions among participants and the ways in which people may be accepting explanations of the dominant cultural group that serve to oppress (Glesne, 2011:10),” and second, the possibility that such contradictory interpretations are of value to be further explained and conceptualized with some theoretical framework (Myers, 2009:193).

\textsuperscript{31} This concept as a limitation will be discussed further below in this section.
\textsuperscript{32} My research strategy contributes to the ‘rigour’ of development studies (Sumner and Tribe, 2008) where Sino-African relations is one area in which the application of multiple methods of inquiry is more and more desired by the research and policy communities. Since in-depth studies based on ground-level interactions between Chinese and Africans in one single African country are less frequently cited, my research offers this as its point of departure and accordingly anchors the fact that more can said about the Sino-African topic (i.e. development cooperation) on the basis of a deeper understanding through people to people interactions.
Overall, access to the specific ‘text-analogues’ of the firm (i.e. Chinese and Tanzanian workers’ interviews) may say something about the whole, or broader cultural patterns of values, interactions, and behaviors for and between managers and employees in the context of China-Africa discussions.

This research is envisioned to first raise awareness for critical firm-level participants and stakeholders in terms of the Chinese-African labour practices and their impact on the global production networks’ key human actors and agents (owners, managers, employees, customers) to better engage each other, speak out, or act more intuitively within the growing China-Africa business dynamic. Further implications of the research lie in subsequently illustrating how people (mainly Tanzanian workers) may not be so accepting of the situations in which they work and are possibly enabled to challenge the relationships and structures expected by their Chinese managers or counterparts (Glesne, 2011:10-11). The possibility with future research may argue employing a critical theory approach for this study helping to contribute to altering the structures or relationships currently characterizing the Chinese-African working relationships.

5.3 Data Collection Method
This study involved a qualitative, single case-study design, explicitly focusing on one firm in order to tell its story (Myers, 2009; Yin, 2009). A case-study of a single firm was the main empirical context for the analysis while other more general perceptions gathered in the community and secondary research (i.e. literature review, news and media articles, and official policy documents). These findings and other secondary methods were independent but supplementary for the research imperative and for purposes of data triangulation, and to able to conduct a rigorous and relevant qualitative study (Myers, 2009:10-11). More importantly, I undertook the specifics of the case-study methods of the firm through first framing the research problem with a thorough review of secondary literature. Corroboration of the final discussion of the findings (Bryman, 2008:607) was also supported by some methods that served to

33 These implications of the research and the future research potential are further explained in the conclusion of this paper.

34 A majority of secondary research involved literature reviews and desk research of Chinese influence in Tanzania. Through the support of the African Development Bank, this also included some state-led project documents, appraisals, and access to meeting minutes in relation to the projects, and unpublished correspondences between relevant stakeholders.
understand the context and need for the study as well as to enhance the integrity of the findings for the research study (Bryman, 2008:609).

- 9 pilot interviews with managers and employees to determine the interview guides’ and protocols’ appropriateness for the firms’ respondents.\(^\text{35}\)

- A short public opinion survey was conducted in the city at various locations that captured 75 people’s perceptions of the more broad relationships between Chinese business and investment in Tanzania and local development through skill-building.

- A short focus group with Shop Managers\(^\text{36}\) from BST firm to reinforce findings from the survey concerning skills development and to examine the group dynamics in action along with the leadership of a Chinese manager.

Case selection criteria are explained in detail in the next section (5.5). In total, I conducted 10 informant interviews (incl. government officials, civil servants, Chinese community members), 4 expert interviews (incl. professors, international organization, and civil society members), and 21 respondents from BST firm during fieldwork that lasted from January to March 2011 in Dar-es-Salaam.\(^\text{37}\) Sampling for the informants and experts was first purposive from within the community of Dar es Salaam through mutual contacts and direct cold-calling, and then snow-ball followed to engage others (Mikkelson, 2005).

Overall, my research strategy is one of inductive logic, which allows for making inferences based on the findings obtained or observed (Bryman, 2008: 11), and a combination of epistemological and ontological stances that are more empirical and iterative in nature. Semi-structured, in-depth interviews were the main source of methods used with the main Chinese and Tanzanian respondents (multi-level managers and staff) and more in-depth interviews with select

\(^{35}\) They included interviews from other sectors that have established a significantly longer presence in Dar es Salaam or Tanzania relative to that of broadcasting. They were also conducted keeping in mind that these sectors were purposely chosen as the Chinese firms working within have made a large difference for the local Tanzanian society and citizens, especially construction and health. For a list of the interviewees indicated, refer to Table x in the Appendices

\(^{36}\) The focus group was conducted at a weekly shop managers’ meeting

\(^{37}\) These key interviews will be denoted by abbreviations throughout the findings and analysis section
few were conducted where the responses and descriptions were thick.\footnote{Thick descriptions (Geertz, 1973) of the interactions in space due to simply “hanging around” and overheard conversations, were taken into account as contextual supplementary evidence to support the research imperative.} Meyers (2009), Kvale and Brinkman (2009), Rubin and Rubin (2005) informed the specific protocol adapted for interviews and interview questions for the Tanzanian employees and Chinese managers\footnote{It should be noted that among Chinese employees, there was a hierarchy within the firm from the CEO and directors to medium to low level management, however, with the exception of one Tanzanian employee, the status quo remained that there no Tanzania nationals to whom they were required to report.}.

Yin’s (2009), Bryman’s (2008), and Stake’s (1995) literature on case-study were the main methodological resources for this study, while Silverman (2005, 2010), Creswell (2007), Mikkelsen (2005), and Glesne (2011) were referenced for mixed methods, research logic and motives in the field and different social settings.

5.4 Reflecting on Methods and Data

On-the-ground Research
I heavily emphasized my role as a student to invoke trust in my informants and subjects, to obtain more raw data. Out of all the methods undertaken, I was most “playful” in this method so as to allow subjects to feel at ease and to help them essentially forget I was there as a researcher but instead as a friend, listener, Swahili enthusiast, or fellow Chinese migrant in Africa. Often engaged in participant observation, I held no expectations of my informants and subjects and actually took a vested interest to learn about them and observed their actions in the globalizing and localizing\footnote{This also translates to going to Casinos with some of the Chinese managers so as to get an idea of their social lives outside of their work areas.} world in which they worked.\footnote{This also translates to going to Casinos with some of the Chinese managers so as to get an idea of their social lives outside of their work areas.}

Research Reliability and Validity
To increase reliability of the data, I conducted all the interviews where possible without a translator to ensure the uniformity of questions. Interviews were not recorded to respect the confidentiality of sensitive issues and to allow respondents to speak more openly. Interviews lasted between 60 to 90 minutes where within 48 hours proceeding, I transcribed them into soft-copies and noted my own impressions of the actual meetings, settings, and respondents’ attitudes. In embodying a rigour in research to contribute to the growing body of Sino-African empirical studies, the external validity of my research was envisioned to point out a gap in the
type of studies undertaken about Sino-African relations—one in which emphasized the micro scale and more private levels of engagement.

**Research Limitations**

Many Chinese or Tanzanian respondents held preconceived notions (i.e. biases, and criticisms from Tanzanians about the Chinese business presence (not just in TZ) and stereotypes about working in “Africa” from Chinese individuals). Although I tried to stress the research purpose, these individuals were more reluctant to speak freely in their discussions fearing that what they say might be used against them, or compromise their jobs. This was a key limitation and an issue of research ethics in terms of crossing discourses, which encouraged me to be more sensitive to what respondents were really trying to convey.

Language barriers in both Swahili and Chinese were other limitations and also learning experiences in the field, possibly altering the depth of my interviews and discussions. In this regard, I relied on my secondary gate-keepers/informants but became more prone to issues of ethics, miscommunication, or mistranslations in the process as they were also considered active informants for sources of data. Furthermore, availability of the respondents was a significant limitation to securing interview times, especially with the Chinese staff.

**Ethics in Research**

A power differential between my research participants in the firm and me as the researcher and was an issue that I reflected much upon during my recurrent visits to the firm (See Schevyens and Storey, 2003:149). As first an outsider who listened to employees, made inquiries and witnessed the day-to-day interactions, experiences, and sometimes very personal perceptions of different employees, there are certain differences or even biases, perceived by the interviewees. This may have affected the way people’s thoughts and responses were formulated and recounted in various ways, as well drawn out certain impressions, fears, resentments, or deference (Ibid).vi Although the other more physical aspects as an outsider were more difficult to control (e.g. sex, personal Chinese ethnicity), I was conscious to not incite feelings of power imbalances or discomfort of the respondents from the questions I posed (Ibid:151).

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41 Those who are in the field who spoke Chinese and English and those who spoke Swahili and English, as well as Swahili, Chinese, and English.
42 It should be noted that I had been rescheduled 3 times before finally interviewing the HR director.
The interpretative and hermeneutic approach of this study and my external position, in all
manners culturally, ethnically, socially, may have inspired different perceptions, beliefs, or even
implicit actions from the actual actors with whom I interacted and observed, especially those
whose voices and ideas may be the minority, overlooked or ignored (Creswell, 2007). Any real
benefits, however, for the respondents within the firm or the general “giving back” to
participants are limited. Nonetheless, it cannot apologize for my passion and rigour to engage in
and conduct such a research study where the findings may potentially contribute to deeper
insight for research and business individuals interested in cross-cultural business relations
between Chinese and Africans (Schevyns and Storey, 2003:155).

5.5 Case Selection: “Particularization” of a Chinese firm in Dar es Salaam, Tanzania

The research consisted of a mixed intrinsic and instrumental single case study where despite the
previous formulation of research questions and some assumptions based on theory, I hoped to
gain more insight into the broader phenomenon of Chinese labour-management practices in firms
in Africa (Glesne, 2011). Certain criterion allowed me to maximize what could be learned about
the private Chinese firm and Chinese HRM nuances in Tanzania, which could shed light on
labour practice dilemmas and the way Chinese firms participate in the global production
networks of Africa.

Purposeful and convenient sampling
Key criteria include: (1) medium-sized, privately owned in Dar es Salaam, (2) with a high ratio
of Tanzanian to Chinese employees, (3) where interaction between workers were high, and
finally (4) some transnational connections or communication across networks.\(^4\) Although the
use of one firm would preclude the research from being statistically representative of all private
Chinese enterprises in the country, it nonetheless provides some insight into a Chinese firm’s
labour practices in a country that many researchers would not have been able to access or view
first-hand.

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\(^4\) This meant that the firm should have some sort of relationship with supplier or production sites/nodes in China
and Tanzania while also sourcing local suppliers of goods and services as well.
Other privately owned Chinese firms were not well fit for the study framed within HRM due to their low levels of intra-firm interaction (i.e. Manager-Employee relations) with too simplistic, bare-bones styles of management. A lack of network relations in country and across borders made these firms also unsuitable for analysis within the GPN framework. While other large-scale multinationals (e.g. Huawei Technologies Ltd.) were not considered having been long-established and already possessed a heavy influence in the country. Priority was rather given to a relatively recently (2010) launched firm in order to more explicitly observe management-labour practices and the employment system at the peak of its growth. Given a limited capacity (i.e. time and access) in the field, hospitality of the respondents within the firm was also an important criterion.

**Uniqueness of the case**

To acknowledge a potential variability, such as in the labour relations between Chinese managers and Tanzanian employees, through what Stake (1995:8) calls “particularization” of a certain case. The selection of the firm was therefore to know the case well “not primarily as to how it is different from others but what it is, what it does.” BST Media is particular because the firm is privately-owned, and yet its brand is well known and maintains a good reputation in Dar es Salaam because of its joint venture with a Tanzanian firm, provision of both consumer goods and services, as well some philanthropic activities in the local community.

Furthermore, the firm is unique because the majority of employees are generally young (between 20-38 years) and both Chinese and Tanzanian employees are degree-holders or recent-graduates with some relevant work experience. It was therefore envisioned that further research on the firm would be instrumental to drawing out the implications of skill and human development of the local workforce.

The findings about the firm and the qualitative interviews conducted in 2011 with the firm’s employees are detailed below to answer the main research question (How BST is embedded

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44 Employees’ names have been removed for purposes of confidentiality. Refer to the Appendix and the Lists of Interviewees in order to see the association of abbreviations.
into the local context of Dar es Salaam). The findings are then followed by an analysis of internal work relations and the implications for value to labour development. They are structured to best illustrate the perspectives and behaviors of both the Chinese and Tanzanians.

6. Findings and Analysis

6.1 BST TV Broadcasting in Dar es Salaam

Among Dar es Salaam’s wave of Chinese auto mechanic garages, restaurants, medical clinics, construction sites, the BST Media brand just as steadily made itself a household name, splattering across billboards and shop flyers, and even winning the broadcasting rights for the 2010 FIFA World Cup. Upon debuting in Tanzania in December 2009, BST Media has signed up 200,000 television subscribers in the East African Region; Tanzania subscribers make up half of this total (Mwijagye, 2010). Since its launch in Tanzania, the firm has created over 180 jobs and has prospects to reach 2,000 jobseekers by 2012 (Robi, 2010).

For a better contextualization of the proceeding discussion to demonstrate the embeddedness of the firm, the findings below illustrate the firm’s 1) position as a global media group with regard to a) its mission and b) the extent of its localization or integration. Then, the findings continue with understanding some of the challenges of embeddedness through a review of the 2) Socio-cultural norms and behaviors that are embodied in distinct Chinese style in a) management styles and business processes, and b) the development of a corporate culture.

A brief overview of the firm’s history, services, and human resources are more specifically outlined in Table 1 in the Appendix.

6.2 BST—A Global Media Group Embedding in the Tanzanian Market

“Advanced terrestrial digital television technology enables every African family to afford digital TV set, to watch digital TV, to enjoy TV as well as share the beauty brought by digital television.”

Advanced technology, affordability, and entertainment all suggest the appeal of BST to the Tanzanian demand. However, how the firm’s functions and its internal operations, as now

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45 These findings are complemented with some discussion of information gathered from informant and expert interviews and secondary research on the context of the industry and socio-economic situation in Dar es Salaam.
46 First gained a Digital TV operating license in Rwanda in 2007.
47 Quoted from promotional material.
depicted, to touch down on value captured locally and among the Tanzanian workforce is the main interest of this research. BST Media is considered a GPN due to its functions and operations that are interconnected through the production and distribution of goods and services across geographical borders and networks (Manchester School, 2011), which is only envisioned to expand in all of the African countries (B11c). The latter aspect of growth is mirrored in respondents’ perception of the overall mission of the company as becoming a well-known global media group. This is a key strategy for BST’s brand to grow, to develop a high degree of management capacity and reform, and generally to “become a very big company” (B11c; B17c; B10c). This reflects the firm’s need to transfer value across space in the GPN of not just physical products but of the value created by labour (Castree et al. 2008) The MSVLI work typology where BST delivers its service along with packages, prices, and presents its product suggests actors recognize certain broad advantages in contributing in their role to a global group and the corporate mission as illustrated below.

A structural embeddedness of the firm is evident through its inter-actor ties (Dancin et al. 1999) or joint venture with TBC as it has smoothed the entry of BST into the Tanzanian market. If the local citizenry know there is a collaboration between the firm and a Tanzania-owned corporation, then it is more efficient for business procedures (e.g. registration of the firm, no foreign investor taxes to report), to gain a positive reputation among the consumers, and access to reliable local industries and suppliers and services (B11c). Working with and supervising the HR unit (incl. administrative) of entirely Tanzanian staff and who “know how to make things happen in the city,” is a big benefit. As Coe (2004:14) argues, a joint venture decreases the cost and risk of entry because of the advantage of having a partner who knows the local market.

This also suggests strategic territorial embedding of the firm for cost-cutting and as a potential stimulant for local capacity and managerial reform. Intentional, transaction-cost dependent ties affect the internal structure of the firm and its ties with external structures or actors (Dancin et al.; 1999:326). At the same time, the embeddedness character of the firm may serve to create value through its inter-firm relations in terms of strategic alliances (Henderson et al., 2002: 21). Furthermore, value may be captured as the firm is benefiting the well-being of the Tanzanian society through increasing its network in all regions of Tanzania (Bongo 5, 2011), supporting the
country’s switch to digital TV broadcasting, and maintaining a vision that management of the company will be transferred to the Tanzanian locals in the future (B11c).

6.2a Corporate Missions and Community
From the viewpoint of the Tanzanian employees, especially the Shop Managers (SM), they can individually affect 1) higher sales of subscriptions, 2) penetration into the DSM market through effective marketing strategies of their shops, 3) recognition by the public as the best shop, and most importantly, 4) to “provide the service beyond our customers’ expectations” (Bt0, Bt2, Bt4). This latter aspect is reflected in the form of customer service. Customer service ranges from providing the customers with excellent and efficient sales and technical support (Bt0) through possessing a high degree of knowledge about the products and services (Bt1), to an ability to market the cost-effectiveness of BST products.\footnote{By December 2010, the already low prices of BST Media were slashed in order to increase its penetration into the local market. Compared to their main competitor, a BST monthly service costs twice as less.} For some of the SMs (Bt0, Bt2, Bt3, Bt5), their capacity to supervise their own shops’ CSRs was an important goal in terms of the advantage of work experience and in terms of how they can support BST’s development. This may be interpreted as value enhanced as the skills they learn in the service sector will be demanded as the firm continues its growth in the market and its appeal to more TV viewers.

A Tanzania marketing personnel stated in a press release that, “we thought it wise to bring back to the community” through not only giving away TVs and vouchers for monthly subscriptions, but also food, clothes, and other daily necessities (Tambwe, 2011). These initiatives that “care for the community” were cited by some respondents as reaffirming their sense of respect in working with the firm (B16t; B8t) and the advantage of being associated to BST’s “name” (B15t). Additionally, the quick spread and influence of BST in the country is viewed to help people “cope with rapid changes in science and technology” considering the TCRA’s decision to fast-track the date of switching from analogue to digital broadcasting for Tanzania (Bongo 5, 2011). Under these circumstances, BST is bound by the cultural mechanisms of the local society’s needs which allow it to simultaneously create brand and reputational rents and essential enhance its value (Henderson et al. 2002).

6.2b Localization and Integration: Business to Consumer (B2C) Experiences
Moreover, in terms of its reach to its main customers, the service-related quality of BST, which will be discussed further below, are also relevant to better illustrate its embeddedness. Nevertheless, some interviews with both Tanzanian (B6t; B9t; B4t) and Chinese respondents (B10c; B20c) indicated that the key components for the steady growth of the firm are determined by the service and quality of affordable products available to TV viewers.

One Chinese respondent called this a Business to Consumer experience or B2C (B17c). BST is embodied by B2C business as it largely deals with selling an end-product\(^{49}\) to the customer and resolving client-side issues\(^{50}\), which serve to satisfy demand. In response to market forces and the attempt at “localization” or integration, BST is in the process to increase its Business to Business (B2B) deals through local sourcing of service providers and sub-components needed for the functioning and operations of BST in the country. This is especially attractive for avoiding transaction and transport costs involved with imports from Chinese suppliers in China.\(^{51}\) At the same time, despite the challenges to “understand what’s in the society,” the market and structural forces of the firm’s host society encourages it to seek relational rents through interlinkages with local firms and organizations for value creation in situ.

Local connections and associations to firms or even non-business organizations help BST. This was relied to me by the Designer (B17c) who, however, believed that the Chinese “don’t understand what’s in the society [TZ society].” More ties to local firms mean more integration and create “localization” (Ibid). Unfortunately, it is very difficult for the company [Chinese employees] to integrate with business associations or interact with local sources because “we don’t understand the politics, hot topics, habits and cultures of the country” (Ibid)). Knowledge of the local dynamics makes up a large part of the difficulty because “communicating in China is natural; we can foresee things happening so we don’t care about day to day problems that arise with a business. In Tanzania we are misunderstood, or we must be more aware of Safety [example given]” (Ibid). When asked about an interest to learn about these dynamics, the Designer’s opinion was no, and speaking on behalf of his Chinese colleagues, he asserted that

\(^{49}\) i.e. TVs/antennas/TV subscriptions  
\(^{50}\) e.g. installation of antennas  
\(^{51}\) This further demonstrates its GPN status as it sources key products from China and therefore profits are repatriate back to the country of origin.
first, “we are guests” and since the firm has a vested interest in its business development, the Chinese must try. “The issues is time and the question remains how” (Ibid).

6.3 Socio-cultural Norms and Behavior: Challenges of Embeddedness

The Tanzanians employees with whom I spoke acknowledged a distinct disconnect between their Chinese managers merely working versus integrating and assimilating in their cultural context. Some quotes from Tanzanian personnel below demonstrate the general challenge for the employees to maintain a common ground, showing the extent of separation present that may inhibit place-bound behaviors by the Chinese:

- “The Chinese are hard to change” (B16t).
- “We have already lose [lost] somethings” (B14t).
- “Two different sides work at the same organization” (B8t).
- “The work environment seemed hard at first and it was not easy to befriend them, but maybe it’s because they didn’t know about us and we didn’t know about them” (Bt8).
- “Differences in the way Chinese do business are brought by differences in culture.” “China comes first” (B18t).
- “Tanzanians do business the way the English do” (B18t).
- “They don’t want to cope with cultures; they come with a mindset that practice in China is same in Tanzania” (B15t)

Overall, patterns appeared for three elements that may have caused “clashes” or “two sides” between Chinese and Tanzanians as well as the differences in management (as discussed further below). These elements illustrated below include: language and communication, trust, and work ethic.

Language & Communication

Language gaps and different communication habits appeared to create barriers for Chinese and Tanzanian employees to work together, let alone socialize or relate with one another. For the
majority of Chinese staff, despite BST’s effort to sub-contract a weekly Swahili teacher upon the firm’s launch (B8t), there is very little interest in studying or practicing the language; instead, they resort to communicating in Chinese amongst one another and mediocre to poor English with their Tanzanian counterparts. For example, even though he has lived in Tanzania for almost four years, the Designer speaks only a couple of Swahili phrases. The sales manager argued that he has tried speaking Swahili to his employees but they often misunderstand him or do not respond. However, according to Tanzanian respondents, there are often misunderstandings that occur because the Chinese managers are not able to express themselves or give directions clearly in English. In communication, the friendliness of Tanzanians, as indicated by some Chinese managers, is a blessing in disguise. Whereas one manager (B10c) generally appreciated the friendliness of Tanzanians and the fact that “they like to care”, another manager felt overwhelmed by the number of greetings and “couldn’t keep up” with their happy demeanor (B20c). As viewed by the Tanzanian call center manager, “language is the media of communication.” “If the top manager does not speak the language of or communicates with his subordinates, his management style and orders will not be communicated” (B19t).

Trust

Based on my observations and interviews, there is much respect between Chinese managers and their Tanzanian subordinates in terms of professional working relations within the BST workspace. As one Chinese stated, “Chinese are life partners and Tanzanians are work partners” (B10c). Nevertheless, there are still issues of downward trust (or distrust) inherent among the Chinese managers towards their direct Tanzanian staff. Some Chinese expressed, “naturally we are closer to the Chinese” (B17c). Nonetheless, managers who trusted their Tanzanian staff were open and confidently delegated tasks to them with directions such as “it’s your choice,” or recognized that allocating more responsibilities that are challenging would motivate them to work better and more efficiently (B20c, B10c). This trust remained the strongest between unit directors and the Tanzanian staff within their unit. At the same time, one

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52 The Director of HR claimed it would be beneficial for her to learn Swahili as she spends much of her time with external stakeholders and dealing with the public administration, negotiating with Tanzania officials and making public relation calls for the firm. It could contribute to the efficiency of business processes.

53 When I greeted him in Swahili, for example, he neglected to respond with the language but rather reverted to Mandarin.

54 e.g. Software and Systems Director trusting Systems Admin
Chinese complained to me about the workers’ excessive laid-back nature, laziness, and inability to follow through on instructions (B20c). One incident had occurred where after extending a certain privilege or reward to one of his Tanzanian staff, and expecting that the employee would in return, work harder, the employee rather reciprocated the “kindness” by “misbehave[ing] and take[ing] advantage of me” (B20c). This experience further reiterated B20c’s distrust of his Tanzanian colleagues. In this regard, he learned that with respect also comes strictness.

Work Ethic

Tanzanian respondents, on the other hand, when asked about their work relationships with their bosses, sought to gain more trust and confidence from fulfilling their responsibilities and demonstrating an “endless pursuit of goals” (B2t). Meeting up to a certain work ethic expected by the Chinese managers was often viewed by the majority of the Tanzanian respondents as a condition to potentially move to a higher position in the firm (B0t, B9t, B16t). The Tanzanian marketing manager, for example, was proud when she received comments from some Chinese managers about her working longer hours and harder than other Tanzanian colleagues. As the Marketing manager, Tz6 works laterally with a Chinese Sales manager and the Chinese designer to supervise two local Tanzanians. However, there appears to be still a lack of lateral trust between her and the Chinese managers based on an interview with the Designer who claimed that despite a need for Tz6’s local perspective, the main reason for promoting her to this managerial position was somewhat of a strategy on the part of the regional managing director and company CEO to encourage a greater feeling of responsibility from her (Eric).

Throughout the interviews, managerial capacity, which is a key element of HRM, became a recurrent issued discussed among respondents. It is important to the management-labour dynamics and business process of BST, and reveals different socio-cultural norms and behaviors of BST workers, which can better illustrate the embeddedness (or disembeddedness) of the Chinese firm. Thus, the findings in the following section (6.3a) will explicitly examine BST’s

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55 It is important to note that of all the Tanzanian employees, she is the only one in a management position at BST.

56 Upon launching of the firm, the respondent was a dealer for three to four months.
management experiences. This section is followed by some employees’ reflections on the potential development of a 1st Class Business (6.3b), one which is characterized by a corporate culture, and the present challenges to reach this class.

6.3a) Management and Business Processes

“Management in Africa is not as strong because we are used to management on foreign terms” (B17c).

“You can’t change their [Tanzanians] behavior to be like Chinese” (B10c)

According to the Designer, managerial problems arise because at home, Chinese management has not developed to its full potential. He exemplified his view through the example of Wal-mart in China and how Western techniques which, when employed and transferred to Chinese employees in China, help to develop strong management capacities. Conversely, when BST works in Africa, “we must first get used it [managing local workers]” and the process is slower and harder to transfer to Tanzanian employees. The SSD Director state, for example, that the constant need to repeat directions and remind his staff hindered his own management ability. In terms of the firm’s overall business processes, the HR Director reported that some public sector actors also lacked efficiency in completing business processes. “I have to push them,” Bella explained, referring to some contacts at the TRA. “If it were not for this effort, I would not be as busy.” Processes, which would take one day to complete in China, would likely take six times as long in Tanzania, and even despite personally visiting the offices herself and directly showing them which forms to sign, she must constantly pressurize these offices and the staff. She stated that pubic Tanzanian administrative employees perceive no obligation or urgency in matters of importance for the firm’s well-being. This prevents “banshiqing” or making things happen (i.e. ease of doing business) for the firm’s growth. vii

Management-Labour Dynamics

Regarding management-labour relations, although some Chinese employees realize the need to redress and draw upon issues rooted in cultural and institutional differences between different ethnic counterparts, it is rather intriguing why many still hold on to traditional Chinese managerial habits. In the process of their perceived adaptation to the local socio-cultural habits, traditions, and institutions, Chinese managers often unknowingly create more explicit ‘in-group and out-group’ dynamics that were noticeable and sometimes caused resentment among the
Tanzanian staff (B9t). This reflects the power relations emergent in the firm and reflects often asymmetrical distribution of power in production networks (Henderson et al. 2002: 22).

For example, the Director of Sales (B10c) realized that in Tanzania, workers are “well-protected.” Tanzanian workers cannot be fired without having received both official verbal and written warning and everything is a matter of official letters. He is therefore more careful in managing and training his direct staff because the administration [firm and regional managing director] recognizes less labour flexibility with an already limited supply of skilled labour in the country and high employee turnover rates (B10c). The Designer also confirmed a need to reevaluate labour practices at BST in Tanzania. “In China, we can punish workers very easy[easily], but here, this is more touchy and requires more procedures.”

Control by one: Power Relations and Chinese Quanli

Nonetheless, as reported by some Tanzanian respondents at the firm, there is somewhat of bitterness towards the CEO or higher management. “In Tanzania, the boss is your friend,” said one respondent (B16t). “In China [referring to her experience with BST], the boss is the police. The CEO wants staff to be afraid” Currently, for her, the boss is an “untouchable,” whereas he should be both a friend and serious. One example illustrates the strictness of her supervisors: “one mistake could cancel all the good things you have done” (B15t) This is echoed by the Tanzania Marketing director (B13t) in claims against the hierarchal decision-making approach of the firm. She reports that there is a lag in getting results due to “talking in action” while decisions come slowly and are made for the needs of the manager himself (regional manager) and not for the needs of the company.

There was a stated appearance of strict hierarchal control from the highest position at BST in Tanzania (i.e. Chinese CEO or Regional Director) where once an order is passed to different unit directors, there is no more discussion from the unit directors (i.e. Chinese) to the unit staff (i.e Tanzanians). Rather, when asked about a procedure, the director would just say “it’s an order from the CEO [or Regional Director] and expect us to accept” (B25t). The organizational structure is not well known, according to this respondent. Some Tanzanian staff (B8t, B16t) revealed unstructured management by the Chinese directors regarding their lack of attention to procedure and the discrepancies between advertised job descriptions and actual on-the-job duties.
performed by staff members. At the beginning, people were idle and responsibilities for their positions were unclear (B16t).

This is coupled with some Tanzanians’ reports of issues of a mismatch in hierarchal position in the firm and their wages. From their point of view, there is no agreement between one’s position and how much is earned (i.e. salary scale), nor is there a distinction between salaries for two people who possess different academic or professional credentials (e.g. degree v. certificate, banking v. MBA) (B13t). This creates resentment and discourages many personnel (e.g. Shop manager, SM) from working harder then the minimum required for their positions because they discover that they earn higher wages than another Tanzanian employee (e.g. Operations assistant who may have more decision-making power than the SM) who has the same position or possesses more management capacity (B16t, B19t). As one Tanzanian staff exclaimed, the latter contributes to Tanzanians’ skepticism towards the true management capacity of the Chinese (B8t). But another employee assumed that the lack of a salary scale was “a tradition of the Chinese” (B15t).

**Adaptive Management: Guanxi and Mianzi**

Referring to the difficulty for Tanzanians to change, the Designer said, “we [Chinese] need to meet them in the middle (B17c)” The Chinese are more interested in the efficiency of attaining results, often discovering ways such as through a “gongsi guanxi” or a *company contact* to avoid B in order to reach C, possibly at a lower cost. Tanzanians, rather emphasize processes and systematic procedures. “If you ask them to reach C (e.g. economic efficiency), they will always start at A and pass through B.” Giving an example concerning decision-making of the firm, he claimed that the Chinese are trying to meet their counterparts halfway. Distributing official notices (i.e. letters or company-wide announcements) is often the most effective way that the management has been able to incite Tanzanian employees to “work more efficiently,” given that “telling and retelling” as a way to influence actions was usually useless (Ibid). Despite still holding on to certain Chinese values important to their economic transactions such as the use of intermediary relations in the form of guanxi, they embed (territorially) to the local contexts of where they work, adapting their business processes, and making compromises to suit the needs of their Tanzanian counterparts and staff.
One Chinese manager recounted one incident that revealed the harmonious work relationship that is necessary for the firm’s economic transactions and thereby growth. This concerns the notion of mianzi or “saving face”, a need to return to an equilibrium of working procedures and relations. In China, losing face could translate into not only embarrassment but also a negative impression on an individual’s transactional worth (MacKinnon and Powell, 2009: 38). In this particular incident, the Chinese manager called a Tanzanian employee stupid in front of other employees; the next day, the manager tried to “save face” through a public apology to the employee. The manager appeared somewhat ashamed of his behavior during the interview; he further explained that an order or “routines” had to be restored as well as his own mianzi or self-image in the eyes of his subordinates as well “for the sake of the firm” is something that made him reevaluate his loss of control.

6.3b) A 1st Class Business: Developing a Corporate Culture

“If you don’t understand the firm’s culture or mission, you will fail” (BtSales).

Currently, as conveyed by the Designer, the firm is moving from becoming a 3rd to a 2nd class business. Previously, upon its launch, the firm was very structured and had many problems with the hierarchal make-up, which in large part caused a switch in the CEOs (Designer and Sales). The Sales Director claimed that the first CEO possessed much technical expertise with little managerial skills while the second and current CEO possesses little technical expertise, but with a lot of marketing experience, he has been able to manage the firm effectively. The current CEO’s role is therefore a determinant of BST’s current business type, one that rests between 3rd and 2nd (see table 2 below). “Development forces this change,” or at least the straddling of the two classes at present (Designer, 2011). The CEO cannot manage the firm by himself because it has grown so fast and so quickly; he needs different people and their advice, experience, and knowledge of the market. It was reiterated by the Designer that the firm hopes to build itself into a 1st class business through expansion into other regions in the country and eventually to be recognized throughout Africa for its good reputation and economic growth.

Table 2.

<p>| 57 It should be noted that the Designer was personally “invited” to work at the firm after a mutual friend of his and the current CEO made a recommendation to the latter to hire the Designer. |
| 58 These classes of business are defined in Table 2 based on the interview with the BST Designer. |</p>
<table>
<thead>
<tr>
<th>Type of Business</th>
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<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Class Business processes depending on a “culture of the company” (i.e. Corporate Culture)</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Class Business processes depending on market dynamics, systems and regulations.</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Class Business processes depending on a private individual.</td>
</tr>
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</table>

Source: Own Illustration

Improving its reputation and economic growth has been, in large part, due to the converging nature of the firm to better align with the needs and demands of its internal labour force to understand how to maintain a company culture. As indicated by the Designer, a first class business requires closer relationships and improved “guanxi” between managers and their Tanzanian staff. In terms of labour upgrading (as defined in chapter 2)<sup>59</sup> it is possible that relational aspects of Guanxi such as motivation and trust, as previously mentioned, could very well affect staff development and thereby influence the firm’s corporate culture. In the case of BST, this corporate culture is still being formulated and is largely based on the struggle between self-development and mutual understanding.

It became clearer at a weekly SM meeting that the employees had developed a cooperative and teamwork mentality among each other where they felt comfortable calling and confiding each other if they had issues with their respective shops, either services/sales or management related. The main stimulate for this, as viewed by a couple of the SMs was the strong leadership and management skills of the Chinese operations director who “listens,” is “strict” and yet is “open to suggestions and ideas” from the SMs, while fostering motivating manager-employee relationships. For the SM, their motivation to succeed and “be the best shop in Dar” is also due to the monthly cash bonus that they may receive from the Operations director based on their performance assessment which examines their supervision of the CSRs and the sales at their respective shops. The HR Director believes that the Tanzanian staff should not be pressured. Instead, motivation is effective to encourage self-improvement in the daily work responsibilities in which they engage (B11c).

<sup>59</sup> Labour upgrading is value gained by the human resources through acquiring capabilities, enhancing the content of skills, and potentially gaining more social entitlements.
Workers as Actively Learning Actors

When asked about how she views the potential for skills development of her Tanzanian staff, it was argued that BST’s operation and employment of local labour is beneficial for the improvement of the managerial capacity of Tanzanians. This is reflected in the idea that Tanzanian workers are actively learning actors in the Chinese firm. The view of one Tanzanian employee (B16t) on the advantage in working for a private Chinese business seems to reflect what the majority of managers believed to be a good way to transfer knowledge to their employees: on-the-job training. This mentality is reciprocated as, ”it’s not how smart we are, it’s how we apply what we know (Ibid)” All of the Shop Managers also confirmed this fact and claimed that on-the-job experience is an advantage to working with a Chinese firm given that there was a lack of training upon starting their jobs.

Nonetheless, it appears that the notion of “pushing” by the workers themselves to seek information or in general, to induce changes in the management and firm processes made some strides for the staff, but also contributed to some moral dilemmas within the firm. Many Tanzanian respondents noticed change or a transformative trend in BST from when the firm first began operating in April of 2010. Some of the changes mentioned include:

- New training sessions announced and required attendance of employees
- Designated coffee and tea breaks throughout the day
- No more smoking by the Chinese indoors, in the office
- Increased downward trust or trust of subordinates

“I think they [Chinese] are learning,” said one Tanzanian respondent about the changes at the office. “In the beginning, everything is done for the company; now, we are growing so fast.” More changes are envisioned to come so that the firm can be “more practical.” Practical was conveyed by the respondent through her expectations of an up-coming staff training within the operations unit where the Manager of each unit take two days to conduct full day training sessions on customer service protocol. From probing the respondent more on the aspects of practicality, she identified ‘practical’ as workers capacity to gain more practical experience and

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60 On-the-job experience for the SMs meant dealing with customers’ complaints and challenging issues related to the products and services.
essentially more value-added through their respective responsibilities. However, based on some Tanzanians’ responses, attention must be paid to moral dilemmas arising where staff members were “breaking the rules in order to change them” and make the Chinese cooperate (B9t). “People [Tanzanians] were just eating at their desks and drinking tea, checking their emails…they [Chinese managers] noticed and now we are not allowed to use the internet as much, but now we also have breaktime” (B16t).

The above examples bring to light the notion of collective power or the need to the influence of a concerted effort by the employees to affect processes of the firm within the GPN.

Of the 6 SMs interviewed, 5 of them stated that they believe that moving up in the company was likely; they just had to work harder. Chinese manager forces them to do that because they see how hard he works and want to impress him (B18t). However, with a lack of information flow, “if it weren’t for me pushing, I would not have learned anything.” Another SM perceived that the Chinese managers, when the firm first launched, kept things to themselves in terms of information and were not as open to ideas, which were seen as issues of trust.” Now, the managers seem to have changed, delegating more and different tasks to their employees and even organizing social events such as monthly dinners as a reward to high sales or for team-building. “There is more of a system [now]” and we also try our best to improve this system through our performance and working together with the Chinese. This helps us understand each other more” (B6t). This suggests the firm’s growing corporate culture that is reflected in Chinese constructs of renqing, or mutual obligation. Individual workers recognize the potential for personal achievement and skill development through a distinct self-initiative or obligation to “move management,” which is equally fostered by a mutual understanding for the more long-term goals and overall rewards (largely economic) that the firm’s impact in the market can garner.

7 Discussion

BST is drawn to the buyer demands of Dar es Salaam and therefore territorially embeds itself in terms of a desire to penetrate the market through its low prices, an awareness of community welfare and giving, brand-name recognition, and enhancement of its overall reputation. In light of cognitive and cultural embeddedness dimensions, and the distinct societal attachments to
Chinese styles, the firm’s strategies and the managers’ reasoning are respectively affected by a bounded rationality, which define the limitations of and prescribes the manager’s self-interest for his own development or the firm’s economic interests, sometimes at the cost of the Tanzanian workers.

Nonetheless, the firm is defined by its ability to adapt to and clone systemic products (antenna in place of satellite dish) and drive down prices, in light of its structural mechanisms driving the embeddedness of the firm. The main barriers to entry for the firm included the cost for consumers to switch and marketing strategies as compared to its competitor. However, on the other hand, given its buyer-driven (BD) qualities, their advantages lie in not only lower prices, but also knowledge of markets, marketing and advertising, ability to handle risk, possessing many retail outlets, and acquiring cheaper labour (Clancy, 1998:136) as shown through its strategic joint-venture partnership with TBC.

However, the fact that the vision for the future management as transferable to the Tanzanians as well as the belief in Tanzanians’ ability to “learn on the job” may intuitively suggest some degree of value enhanced and potential labour upgrading as the workers excel to move up in the company and expand their skills. The heavy-hand of the Chinese management and unstructured hierarchal practices at work, potentially for future research interest, may spur more initiative for workers to be more active agents to move management themselves to gain more leverage in mutual collaborations.

In brief, this dynamism and the power relations BST embodies, shaped and conforming to the people and context in which it is present, may engender alternative considerations of the Chinese firm’s impact on the development of the local workforce that it encounters in their business ventures into sub-Saharan Africa. This analysis endeavored to further elaborate on the key research question through providing insight to the sub-questions indicated in Chapter 1 in order to arrive at some recommendations for the transnational Chinese manager and their Tanzanian counterparts, as active, relational, and social constituents for the future business dynamics between the two within the global production network (Coe et al. 2008).

8. Conclusion
With the push of policies to “go-out” or zhouchuqu and rising costs and local competition in China, Chinese firms sought to establish business overseas and particularly in regions of less-developed Africa (Brautigam, 2011:40; Maswana, 2009: 68). According to Yeung (2004:114), overseas Chinese firms, their operations and organizational strategies are transforming, becoming less ethnocentric and more attuned to the needs and demands of increasingly global economies. This could be attributed to being structurally embedded as the firm is bound to the social structures and opportunity of the market, which affects the internal organization. And in Tanzania, BST Ltd., Tanzania took advantage of the joint venture opportunity and the broadcasting segment of a transitional niche market as beneficial in their brand penetration into the host-country, given a relative lack of managerial capacity and familiarity with different socio-cultural settings and contexts (Ibid; Maswana, 2009). But the overarching question that the findings were critical to answer is how the particular firm embedded or integrated into the society in which the firm’s actors interacted at work and launched their business operations. The findings reveal the firm’s hybrid nature—firstly ‘bound’ by the potential to penetrate the market dependent on an awareness of the needs and demands of the Tanzanian contexts (place-bound), and second, disembedded or discontinuously territorial as Chinese managers held on to some cultural dynamisms (place-based) (Coe et al. 2008:14).

The mission of of BST Ltd., Tanzania as a global media group, its integration or localization, and the socio-cultural norms and behaviors of its various employees have set the backdrop to how BST firm conducts itself and relates work dynamisms to different interpersonal relations, both hierarchal and power-laden. The Chinese firm is a node within a larger global production network, but dwelling more in-depth on examples provided by the workers themselves of incidents, perceptions, and experience with specific management-labour interactions within the workplace, brought attention to deeper interpretations of the implications on value, in both economic and social terms for the local workers and the international division of labour that the available literature on GPNs claim to be demanding. Especially sparse are interpretations for production networks, which span from South to South or more specifically, the Chinese-African business dynamic within a GPN framework. It has been evidenced from this study that value capture (i.e. labour upgrading, transfers of knowledge and technology, enhanced management capacity, and ultimately, improved distribution of social and economic benefits for the local
workforce and settings) is contingent on relational interactions determined by the Chinese firm’s background and embeddedness in the very contexts of their operations.

Chinese firms are slowly yet explicitly changing its business strategies in Africa and while still competitively trying to capture markets, firms are more attuned to the needs of the actual workers of the contexts in which it works. In recent news, the multinational Chinese telecommunications firm Huawei is collaborating with the ILO in East Africa to implement activities for employees that promote worker health and safety on the job (Imaka, 2011), while the state-owned China National Offshore Oil Corporation (CNOOC) is pairing up with Norway to teach local Ugandan workers to manage oil resources and specific engineering skills (TheCitizen, 2011). This could be interpreted as the much-needed and growing leverage some African states are exercising in their collaboration with Chinese firms.

From the WB’s point of view, it is about differences in and acceptance of business practices as well as the ability to articulate what one wants from the other. This comes in the form of also knowing how to negotiate. Despite the WB’s notion that there should be strategies to manage cooperation opportunities more in line with development objectives, at the same time, Tanzania is unsure of or “is not as articulate in terms of what it can get from China.” At the same time, there “cannot be too much demand of China” because even though China is able to articulate its power, “the friendly relations [between the two countries] cannot be tampered with (E3t)”.

Although beyond the scope of this research, insight into potential policy reform or implementation about the governance and spatial linkages to transnational Chinese business would inform how certain relationships influence African countries to “articulate what it needs” from the Chinese investment. International institutions or more formal regulatory forces have a large influence on developing countries' capacity to negotiate. In order for Africa to stand out, not merely through its treasure chests of raw materials, it must know how to attract mutual partnerships and thereby mutual benefits, which is the advantage often asserted within the ‘South-south dialogue’. This endeavor may only be successful, Maswana (2009: 86) argues, through social struggles; it rests prominently in 'negotiating power' and requires both sides not only playing, but "setting the rules of the game." And therefore, one area requiring further research within the GPN school is the connection of the theory to actual practical purposes and policy-based arenas to consider the empirical variations of how the research can be applied. This
study is thereby important in setting a preliminary basis for creating practical linkages between GPN and action-oriented research that will explore actual measurable gains of what Bair (2005:154) terms the “global-local nexus.”
9. References


Bailey, M. (1975) Tanzania and China. African Affairs. (74) 294,


+ For the sake of consistency, references were formatted in accordance to the University of Sussex Harvard Referencing Standards as the programme standards were not comprehensive for all types of sources. Please refer to: http://www.sussex.ac.uk/library/infosuss/referencing/h_bibliography10.shtml


10. Appendices

Picture 1: BST firm as a node within GPN

Source: Own illustration adapted from Riisgaard et al. (2010:201); Bolwig et al. (2010: 187)

Interview Lists and Pilot Interviews (C=Chinese T=Tanzanian)

List 1

<table>
<thead>
<tr>
<th>List 1</th>
<th>BST Ltd. Firm Subjects</th>
</tr>
</thead>
<tbody>
<tr>
<td>B0t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B1t</td>
<td>Shop manager (SM)</td>
</tr>
<tr>
<td>B2t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B3t</td>
<td>Shop manager (SM)</td>
</tr>
<tr>
<td>B4t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B5t</td>
<td>Shop manager (SM)</td>
</tr>
<tr>
<td>B6t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B7t</td>
<td>HR Specialist</td>
</tr>
<tr>
<td>B8t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B9t</td>
<td>Administrative Manager</td>
</tr>
<tr>
<td>B10c</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B11c</td>
<td>Warehouse Support</td>
</tr>
<tr>
<td>B12t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B13t</td>
<td>Sales Manager for Dealers</td>
</tr>
<tr>
<td>B14t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B15t</td>
<td>Customer Service Rep (CSR)</td>
</tr>
<tr>
<td>B16c</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B17t</td>
<td>Sales Director’s Assistant</td>
</tr>
<tr>
<td>B18t</td>
<td>BST Ltd. Tanzania</td>
</tr>
<tr>
<td>B19t</td>
<td>Operation Assistant</td>
</tr>
<tr>
<td>B20c</td>
<td>BST Ltd. Tanzania</td>
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<tr>
<td></td>
<td>Systems and Software Development Director</td>
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List 2

Government/Public

<table>
<thead>
<tr>
<th>Code</th>
<th>Organization/Department</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>G1t</td>
<td>Ministry of Labour</td>
<td>Assistant Labour Commissioner</td>
</tr>
<tr>
<td>G2t</td>
<td>Ministry of Foreign Affairs</td>
<td>Second Secretary</td>
</tr>
<tr>
<td>G3t</td>
<td>Tanzania Investment Center</td>
<td>Senior Researcher/Statistician</td>
</tr>
<tr>
<td>G4t</td>
<td>Tanzania Investment Center</td>
<td>Director of Investment Facilitation</td>
</tr>
<tr>
<td>G5t</td>
<td>Association of Tanzania</td>
<td>Policy and Advocacy Director</td>
</tr>
<tr>
<td>G6t</td>
<td>National Social Security Fund</td>
<td>Sen. Public Relations Officer</td>
</tr>
<tr>
<td>G7t</td>
<td>TaESA</td>
<td>Assistant in Charge</td>
</tr>
<tr>
<td>G8t</td>
<td>Tanzania Chamber of Commerce, Agriculture and Commerce</td>
<td>Manager of Industry Development</td>
</tr>
<tr>
<td>G9t</td>
<td>Ministry of Industries, Trade,</td>
<td></td>
</tr>
<tr>
<td>X10c</td>
<td>China Development Bank</td>
<td>Financial Researcher/WB correspondent</td>
</tr>
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List 3

Expert

<table>
<thead>
<tr>
<th>Code</th>
<th>Institution/Agency</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1t</td>
<td>University of Dar es Salaam</td>
<td>Professor/Deputy University</td>
</tr>
<tr>
<td>E2t</td>
<td>ILO</td>
<td>Administrator</td>
</tr>
<tr>
<td>E3t</td>
<td>WB</td>
<td>Senior Programme Officer</td>
</tr>
<tr>
<td>E4t</td>
<td>Economic and Social Research Foundation</td>
<td>Executive Director</td>
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</tbody>
</table>

List 4

Pilot Interviews

<table>
<thead>
<tr>
<th>Code</th>
<th>Institution/Agency</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>O20c</td>
<td>Tanzania Chamber of Commerce of Northeast</td>
<td>Secretary-General</td>
</tr>
<tr>
<td>O21c</td>
<td>Chinese Business Chamber of</td>
<td>Chairman</td>
</tr>
<tr>
<td>AM1c</td>
<td>Spring City Garage Ltd.</td>
<td>Accountant</td>
</tr>
<tr>
<td>AM2c</td>
<td>Spring City Garage Ltd.</td>
<td>Business Manager</td>
</tr>
<tr>
<td>AM3t</td>
<td>Spring City Garage Ltd.</td>
<td>Translator</td>
</tr>
<tr>
<td>AM4t</td>
<td>Spring City Garage Ltd.</td>
<td>Mechanic</td>
</tr>
<tr>
<td>C1c</td>
<td>China-Geo-Engineering</td>
<td>Project Manager</td>
</tr>
<tr>
<td>C1o</td>
<td>Jburrow-Consultants</td>
<td>Resident Engineer</td>
</tr>
<tr>
<td>H1c</td>
<td>Sino-Tanzanian Friendship Hospital</td>
<td>Doctor-Acupuncture</td>
</tr>
<tr>
<td>H1t</td>
<td>Sino-Tanzanian Friendship Hospital</td>
<td>Laboratory Staff</td>
</tr>
<tr>
<td>R1c</td>
<td>HK Tai Yong Sun Restaurant</td>
<td>Manager</td>
</tr>
</tbody>
</table>
### About BST Group, Ltd.

**History & Ownership**
- Privately owned and originated in Beijing in the late 1980s as a systems and software company.
- With both the rising competition in China and growing demand in East Africa, BST ventured into the African market in 2002 and established BST Group, Ltd.
- Presently operates in all East African Community (EAC) countries and Nigeria, where the Group is headed by a Chinese (CN) CEO.
- In Tanzania, BST Media, Ltd. operates in DSM and Arusha, soon to expand to Dodoma. Managed overall by a Chinese Regional Managing Director.
- Officially registered at the TIC as a foreign private firm in 2009.
- Formally began operations in a joint venture with TBC in March 2010. Owned 70-30 (%) by BST-TBC.

**Services & Products**
- Digital TV services through 24 hours of digital broadcasting of 38 channels of which 5 are local, 5 are news, and 6 are movie.
- Programs cover English, Kiswahili, Chinese, French, Arabic, and Hausa.
- Products include Digital TVs with built-in decoders that receive both analogue and digital signals, and are low power consumption\(^{61}\).
- Price of product is the main attraction as well as demand for sports channels
- Seven designated “business halls” (BH) or stores in DSM are the main selling points of products and TV subscriptions, and provide digital TV services to new and existing customers.
- 17 authorized dealers of BST digital TV products and services are located around DSM.

**Human Resources**
- 115 staff (20 CN expatriates and 95 TZ).
- Organizational departments/units: Operations, Sales and Marketing, Systems and Software Development (SSD), Procurement and Warehousing (PW), and Human Resources (HR) (incl. administrative staff).
- One CN and one TZ co-manage the Sales and Marketing unit. All other units are led by a CN manager (i.e. Director)
- TZ Shop Managers (SM) run the business halls and supervise 3-4 TZ Customer Service Representatives (CSRs). (SMs & CSRs are managed by the Operations Director).\(^{62}\)
- TZ call-center manager runs the call center for customer support and sales in DSM and supervises 6 TZ staff.

Source: BST Advertising Material, 2011; Interview at BST Firm with B11c; B12t (Edwin); B20c

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\(^{61}\) (100V-240V)
\(^{62}\) Sometimes the SSD Manager also manages the SMs because of technical issues that arise from operating the information system for sales and subscription tracking.
Products 1: TV Antenna and Decoder

Broadcasting requires a simple TV antenna that attaches to a (A) decoder\textsuperscript{63} or a digital TV (E) with an in-built decoder to receive signal; there is little installation required as compared to the satellite dish. Customers can purchase an indoor (B) or an outdoor antenna (C) given variations in physical settings and possible obstructions to a stronger signal.

Source: Advertising Material emailed from respondent B16c, 2011

Table 2. Price Comparison for Broadcast Television, BST Media and DStv (TSH)

<table>
<thead>
<tr>
<th>Services and Products</th>
<th>BST Media Original</th>
<th>BST Media New</th>
<th>DStv</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Service</td>
<td>12,000</td>
<td>9,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Decoder*</td>
<td>70,000</td>
<td>59,000</td>
<td>89,000</td>
</tr>
</tbody>
</table>

*(The package for BST includes indoor antenna, decoder and smartcard to recharge service. The package for DStv includes satellite dish, satellite decoder, and smartcard.) The smartcard allows customers to skip lining up to renew subscriptions, but instead recharge via SMS.

Currency: 1500 TSH =1 USD

Source: (Own Illustration) Data: Respondent TZx, Advertising Flyers
Endnotes

i Refer to picture 1 in Appendix

ii They also propose a political embeddedness, which refers to how mechanisms of regulatory power outside of the firm and nonmarket institutions impact economic exchanges (Zukin and DiMaggio, 1990 cited in Dacin et al, 1999: 330).

iii Bond and his team of researchers in Hong Kong conducted a Chinese Values Survey (CVS) to explore the correlation between four cultural measures (Confucian Dynamism, integration, human-heartedness, and moral discipline) and national economic growth. Confucian Dynamism was one measure most consistent in explaining the success of East Asian economies (Franke et al., 1991: 172).

iv The services of the broadcasting subsector are licensed and regulated under the TCRA while the international digitalization of TV broadcasting is regulated by the International Telecommunication Union (ITU) Organization. The ITU is an agency of the United Nations and serves to establish global standards through promoting telecommunication infrastructure worldwide and especially to developing countries (ITU, 2011).

v Globalizing was a term acknowledged to more than twice by some Tanzanian interviewees, while the term localizing was a term referred to more than twice by Chinese interviewees. The latter suggested that Chinese firms needed to do more localizing or localization, meaning integrating into Tanzanian society in their overall operations and in the efforts by Chinese employees.

vi An indicator of this perception was when a Chinese manager commented on my diligence and timeliness to appear at their office and also one Chinese employee told me I was a “gāo suzhi nu ren,” literally meaning high character women and which he explained as someone who persisted with a certain serious intensity.

vii The main issue is the time management of the Tanzanians with whom she must deal outside of the firm, mostly in the public sector, and in more formal institutional settings such the government-owned agencies of the Tanzania Revenue Authority (TRA) (for tax purposes) and the Tanzania Ports Authority (TPA) (for the coordination of the inflow of goods).