

With business consultants in China towards the economic anthropology of ethics

Review by Johannes Lenhard

Best Practice: Management Consulting and the Ethics of Financialization in China.

By Chong, Kimberly.

Duke University Press, 2018

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What do business consultants actually do? In her book on the daily workings of one of the most powerful forces of (apparent) change in the economic world Chong sets out to answer that question with a specific focus on the emerging Chinese context. What Chong found is remarkable: while “[consulting] is the work of moralizing and legitimating what is ‘best’ under the aegis of financialization” (p.7) and as such standardized globally, the work is by necessity locally rooted in ethical and value-systems that adhere to – in Chong’s case – Chinese clients. Financial globalization and its shareholder value ideology are not flatly rolling over every little (ethical) bump; tensions between different regimes of value are manifold (p. 29): Chinese vs Western, revenue generation vs cost generation, performance vs change. Chong’s analysis leads us through some of these conflicts to paint a vivid picture of the daily struggles of business consultants in China.

While one might have expected an outpour of literature on the financial world after the most recent 2008 global crisis, apart from certain notable exceptions (e.g. Appadurai 2015; Leins 2018; Souleles 2019) much of the classic anthropology of finance is not only based on pre-crisis material

(e.g. Zaloom 2006; Ho 2009; Maurer 2009) but mostly focused on the West. Additionally, ethics – something *Financial Times* editor and anthropologist Gillian Tett (2019) proclaimed recently to be one of the main new forces in the investing world – has not featured at all in the anthropological analysis of finance yet. Here, Chong’s analysis of the ethics of Chinese business consultants comes in very elegantly.

In seven substantial chapters, Chong leads us from human resource and performance management to outsourcing, issues around (Chinese) nationalism to corporate social responsibility. She starts at the inner workings of the consulting machine to take us slowly out to the client’s site (Chapter 5 and 6) while thinking through the influence of factors such as the local Chinese culture (and ethics) and the Chinese state in each chapter. In this way, Chong manages to unravel the impact consultants have on the economic system generally and in China specifically from the inside out. The first four chapters hence explicitly focus on the internal workings of the consultancy Chong calls Systeo. From an internal ‘performance management’ program (Ch 1, 2) and the role of outsourced ‘cost centres’ (Ch 3) to internal trainings for higher level executives on how to sell Systeo’s services (Ch 4), Chong picks out different processes of ‘commensuration,’ of making different regimes of value overlap, that are at the heart of the consultants’ work. How is labor – and what is made to look like an appreciation of employee loyalty – turned into financial capital? How is human value translated into shareholder value? By describing the intricate tools used internally by Systeo – the balanced scorecard, rating and ranking within performance management, the employee engagement team – Chong gives the reader a strong flavor of how consulting is performed, narrated and trained.

While she hardly ever openly criticizes these practices, Chong’s tone is mostly revealing enough. Her analysis of the separation (and hierarchization) of revenue generating activities (the consultants working directly with the clients) from the cost generating back office work (e.g. coordinating remote meetings) is one such example; her analysis of the disciplinary practices that are part of performance management in Chapter 2 is another. It is unclear, Chong argues, even for the consultants themselves, whether any of these tools actually have the desired effect. Other problems are apparent: while the internal hierarchization between back and front office (which is often mirrored to the outside in the form of client advice) makes sense according to the

‘shareholder value’ logic of Systeo, it doesn’t necessarily adhere to local Chinese principles of relationship-based business. Chong’s analysis is indeed at its strongest when she uses this perspective – what does consulting look like in China and what conflicts come to the fore? – as a way of critiquing the universalizing approach Systeo attempts to apply.

In Chapter 5, we switch sites and finally arrive at the client’s office where much of the consulting work is performed. Here again, Chong elegantly shows how different values – increasing efficiency / busy-ness or higher *suzhi* (“human quality,” p. 146) – clash in the process depending on the client context. Systeo might understand its operations as a straightforward project of modernization in China but neither do some of its clients – Chong was able to do fieldwork at a Chinese state owned company with Systeo for instance – nor some of its employees that give in to the common practice of napping after lunch for instance. In Chapters 6 and 7 we are taken even more into the thicket of specificity of consulting in China: how does being good for the nation and being good business consultants go together? “Performing globality” (symbolized by the arrival of a coffee rather than tea culture) while staying “red” and “local” (is gift giving allowed as part of the business world?) is a constant struggle (p. 171).

Three small question marks remain for me concerning the concept of ethics, the role of gender and a stronger focus on practices beyond Systeo’ internal working. Firstly, while ethics is a concept applied in many different ways throughout Chong’s analysis, I am hard pressed to find a direct explication of what is meant by it beyond the value conflict Chong describes. Given the disciplinary push towards ethics (Laidlaw 2002) but the lack of application in economic anthropology so far (hence also the research center’s focus I am coordinating: the Max Planck Cambridge Center for the Study of Ethics, the Economy and Social Change), I would have liked to see more thought on this. Secondly, I am sensing an untapped potential in Chong’s unique research position as a female academic to look more strongly at the role that gender plays in the context of consulting. Does it make a difference not only whether you are a Chinese consultant but also whether you are a female Chinese consultant? How does it influence your (ethical) position in the work world? Lastly, I am slightly disappointed that it takes until Chapter 5 before we enter the client-focused work of Systeo (which from my own experience of working in consulting is really the core of the work). I admit that the question of access is a tricky one, but similar to Stein’s

(2017) study and Ho's (2009) comparable analysis of the banking industry we are learning a lot about the consulting culture, what they are taught and how they are supposed to think rather than about the actual influence they have. Perhaps, however, this is no coincidence and the work the consultants do is indeed – as Chong alludes – without measurable and efficient results and improvements.

Despite my desire for these add-ons, Chong's contribution is highly valuable for the advancement of a more inclusive anthropology of finance generally and an economic anthropology concerned with the issue of ethics specifically. It is in fact one of the first studies available that tries to make this link and is hence a very important step towards paving the road for the field of the economic anthropology of ethics.

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