

A winning personality might play a major role in China's apparel industry

February 21 2018, by Sheena Rice

In the United States, business relationships are formal and typically based on contractual agreements. In China, business relationships rely more on the long-lasting culture of *guanxi*, a mixture of personal and public relationships that affect all individuals and organizations. Now, researchers from the University of Missouri have found that personality traits associated with *guanxi* might contribute to the overall performance of new business ventures in the Chinese apparel industry.

The researchers found that three of the [personality traits](#) studied—openness to experience, agreeableness and emotional stability—had significant influences on the quality of business relationships.

"For apparel businesses to succeed in China, it is important to understand how the founder's personality can impact the relationships needed to help the business be successful," said Li Zhao, assistant professor of textile and apparel management. "The findings will be useful for those interested in starting new ventures in fashion. For a business to be successful in China, relationships matter and we found relationships matter; understanding and improving personality traits can help businesses achieve better performance."

Zhao explained that more than one-third of the clothing imported by the U.S. is made in China. Understanding what contributes to Chinese companies' success can help the global apparel [industry](#), which includes suppliers, vendors and global consumers, she said.

According to China's National Bureau of Statistics, China's textile and apparel industry made a total profit of \$54 billion in U.S. dollars during the first quarter of 2016 alone, meaning new apparel ventures are striving to meet the demands of the industry. Despite positive contributions to the industry, many new ventures have a poor survival rate and fail in their early stages. To understand why new ventures are struggling in an industry with room for new business, Zhao, along with Jung Ha-Brookshire, associate professor and associate dean of research, surveyed more than 200 founders of apparel businesses in China and studied how apparel business founders' personality traits impact the quality of business relationships and overall performance.

Zhao further suggests that the findings of this study can be useful in apparel education and that *guanxi*, along with marketing, management and finance should be included in the curriculum for fashion entrepreneur students hoping to be successful in China's apparel industry. Given China's dominance in the [apparel industry](#), a successful [business venture](#) in China can equal global success, she said.

"The winning personality; impact of founders' personality traits and firms' network relationships on Chinese apparel new venture performance," was published in the *International Journal of Entrepreneurial Behavior and Research*.

Provided by University of Missouri-Columbia

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