

## *The Betty Letters*

*My Dear Grandchild,*

*I don't think that I told you, but I have been vacationing in Hamburg, Germany, and what I saw was something of an eye-opener. Germany and China are the 2 largest exporters in the world, today, and, coincidentally, Germany is the strongest economy of Europe while China is the second-strongest economy of the world. I was wondering, while staying in Hamburg, whether or not there was a common factor that contributed to the successes of these 2 giant economies. Ironically, Germany is very much a democracy whereas China is very much a dictatorship although its Constitution is, seemingly, based on democratic principles. Perhaps to state that China is a dictatorship is a little harsh, come to think of it, so let me suggest to you that it is a paternalistic, governmental nation, led by geriatric father figures, who just happen to fashion the direction of Governmental policies by sitting and directing the highest legislative assembly, called The National People's Congress. Whenever, these geriatric figures make definitive proposals in The National People's Congress, everybody and his cat, sitting in this Assembly, votes in favour of the proposals – naturally. Be that as it may, both economies, those of Germany and of China, are bubbling so that it does appear that both governments seem to be functioning very well. In the case of China, of course, the economy is the strongest in the country's entire 5,000-year history. In the case of Germany, in a matter of 65 years, it has risen from a completely bankrupt economy, following the country's surrender at the end of World War II, on May 7, 1945, to the Allied forces, to its present situation as the envy of eurozone. That is the overview, now to more specific aspects of these 2 mighty economies of today.*

*In my short stay in Hamburg, lasting the best part of 3 months, one factor seemed to predominate: In many, if not most, of the successful enterprises, such as the high-end, hospitality industry and retailing industry, one finds that employees appear to have an affinity with their company and its management and these employees, for the best part, work in unison with their superiors, not as inferiors to superiors, but as part of an entire team, working for the benefit of the team. There is little need for senior employees to flex their muscles because that would be counter-productive to what is accepted as good managerial skills and, also, it could put somebody's nose out of joint, resulting in work activities, being performed grudgingly and in a manner that is not in the best interests of all concerned. Instead, when some aspect of the business is not working exactly as it should, senior employees take it upon themselves 'to suggest' how best to improve the situation. Such 'suggestions' are, in effect, orders, but they are not couched as such so that the junior employees may not be intimidated or emotionally distressed by the suggestions, and, indeed, the junior employees take the suggestions to heart in the interests of efficiency. Better efficiency leads to higher company profits, leading to higher pay for all, and, more importantly, leading to promotion up the hierarchical ladder of the enterprise. In addition, most of the successful entities of the high-end, hospitality industry and the retailing industry have instituted rules and terms and conditions of employment. These rules and terms and conditions of employment may, indeed, be flexible, but only on express permission from senior management. Without such express permission, it is unlikely that the rules and terms and conditions of employment would not be followed since such maladroitness on the part of a junior employee could be followed by disciplinary procedures; and, that would not be considered a constructive result of such an action that is known to have been contrary to company policy. I am not suggesting that the above is*

*successful in all cases, but where else in the world does one hear a junior employee of a successful corporate entity describe himself or herself as being part of the company's 'family'?*

*If one compares the present, German employment formula as it applies to the high-end, hospitality industry with that which predominates in Hongkong and in most parts of China in the private-sector, high-end hospitality industry, one could state that the China management formula inculcates the habit of 'buying' its employees or, in some cases, even 'bribing' its employees with proportionally higher salaries that are paid in other corporations, generally,, numerous perquisites and generous bonuses. The result of this method of employment is that there is little to no affinity of souls, few employees think along the lines of what is best for the enterprise – because they are too busy, thinking how best to feather their own little nests. If there is no financial reward for these employees, somewhere down the road, they will not consider an action which, in and of itself, only benefits the enterprise. It must follow that, when the enterprise is seen not to be able, or unlikely to maintain its policy of rewarding/bribing employees with off-the-graph salaries, perquisites and bonuses, then, an exodus of the employees must follow. Not so for the Germany employment formula, however, because the employees, viewing themselves as part of the corporate family, would seek to look for an acceptable solution to the problem(s).*

*Both China and Germany, today, embrace capitalism and market economies, but the execution of their respective capitalistic systems varies, with the German formula, embracing, in addition to reward and punishment, the concept of the enterprise and the working family. This is lacking, almost completely, in the China formula of capitalism. The 'family' concept of Germany must not be mistaken for communism, too, because, in the German version of capitalism, acquisitiveness still plays a large part in spurring an employee to work for the benefit of the enterprise that rewards him or her with a regular pay cheque and, at the same time, promotes the welfare of the employee so that, as a solvent consumer, he joins the ranks of those who will buy the services and products of the enterprise that he serves: In the communist model, on the other hand, this is only an exercise in political science, a social order where all property is held in common; or, a political movement whose final aim is the establishment of such a society. Also, in the high-end, service industry of Germany, the individual is not a servant, but a member of a team of people, sharing similar values with management of the corporation for which he or she works whereas, in the China model, a member of the high-end, service industry is equated with a servant of the corporation that employs him or her.*

*I think, perhaps, that, although I started this letter to try to write a précis of that which I witnessed in Hamburg, Germany, in the high-end, private sector of the hospitality industry of that economy, I have digressed into writing a short thesis on comparisons of socio-economics, comparing the German model with that of the China model. I must apologise, My Dear Grandchild, but it is a fascinating subject, is it not?*

*Talk to you, next week.*

*Chief Lady*

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