

How canadian doing business in china

Business



A BUSINESS ESSAY (A Canadian doing business in China) of (affiliation)

Business Culture

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Introduction

Globalization continues unabated today and this trend has impelled many companies to expand abroad in search of new markets and revenue streams. There are times when cultures of other countries cause problems if these cultural aspects were not taken into account. The people assigned to another country as expatriates must learn the nuances and intricacies of local culture to avoid embarrassment or missteps that can ruin a business deal. There is a grain of truth to the buzz phrase "think global but act local" and this is the topic of this paper, about how a Canadian doing business in China should comport or behave and be a success in business.

Discussion

China is the epitome of Eastern culture. Any business communications between two countries must be done with care. Western culture in terms of the spoken language can be characterized as low-context. This means Westerners speak in a direct, frank, and oftentimes blunt manner as their language is precise and specific. In contrast, the Eastern culture is high-context in that besides the spoken word, there are added elements to communications such as a smile, frown, silence, aphorism, metaphor, anecdote, or even a joke to deliver a message (Norales, 2006). Added to these subtleties are the strictly local concepts of guanxi and of "face." This paper discusses the enduring values and utility of guanxi and face when in China.

Guanxi - this refers to the personalized network of contacts and influences in
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Chinese society. Basically, this word combines the two concepts of relationships and connections which are very central in how Chinese society functions. It is an all-encompassing idea that links two people in a mutually beneficial relationship although the relationship may not be always between two equals. In guanxi, there is an implicit general understanding (without specific requests or demands) in which people benefit from the social connections they had developed over the years through a cycle of reciprocity in granting favors. In this context, a Canadian businessman should first try to develop his guanxi by joining a club or a business association to gain contacts before asking any direct favors from the Chinese. Other members of the association can evaluate the Canadians sincerity by interacting with him without business in mind. Business can be discussed later only when trust is gained and people know each other better (Reuvid & Li, 2006). Guanxi in its literal meaning is “ pass to a hierarchy” and a successful businessman gains influence and the necessary connections with the right persons in China. Moreover, it is closely related to the age-old Confucian values of mutual trust, reciprocity, and continuing obligations.

Face - in Eastern cultures and especially in China, there is a great value or premium put to the concept of “ face” which in Western culture is the equivalent of a positive self-image. The “ face” in Chinese culture forms part of guanxi and refers to social status, public image, business prestige, and personal propriety. A Canadian wanting to do a business deal in China considers it when first proposing the deal if it will not embarrass or put the receiver (a Chinese) in awkward position to either immediately accept or reject a business offer but instead gracefully first allow exploration of the possibility of doing business with a particular Chinese person or entity by <https://assignbuster.com/how-canadian-doing-business-in-china/>

using his guanxi. The closest Western equivalent of guanxi is “ network” and a Canadian can ask other persons closely related to the Chinese person if he is amenable to make a deal. This use of a “ bridge” or guanxi allows that Chinese person to consider a proposal deeper in private without deciding right away. Rejection will not result in embarrassment if guanxi was used but the door is left open for any other subsequent favorable deals in the future because the relationship is still intact. This intricate process is termed as “ face-saving” and it is a crucial skill that requires a lot of patience and persistence for Westerners to understand and acquire (Gordon, 2014).

Conclusion

A Canadian doing business in China must use guanxi and give importance to the value of “ face” as essential elements to business success. These two concepts can open doors for a lucrative deal that might otherwise be closed. Guanxi is a time-consuming and complex process but it is well worth the effort if one considers the long-term rewards. It is like the Westerners concept of an “ IOU” (I owe you) which is held in strategic reserve and cashed when expedient. “ Face” in the Chinese culture is intertwined with respect and courtesy (social image). Chinese trust guanxi more than the legal and regulatory frameworks which can be unreliable at times. Guanxi is fundamental to success as it provides a solid network of contacts (Chee & West, 2007) while one must avoid “ losing face” or the equivalent of a public humiliation.

References

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