

# Essay on mercedes benz in china

[Business](#), [Management](#)



## **Introduction**

China is one of the most developed countries in the Far East. It's fast and dynamic technology has led to development in the country. As a result of the emergence of many industries and competition prevailing in china, many factors need to be put into consideration when establishing a business in China. In addition, cultural values form the foundation of a great success in any business venture. Maintaining a good relationship with the Chinese people is crucial for the success of a business. However, the ethical values of organizations are greatly influenced by the top management cadre.

## **China Corporate Culture: Factors and Elements**

Chinese usually dislike foreign dependency simply because they fear western investment. Chinese culture of trust can be attributed to their suspicious nature when dealing in business activities with western foreigners.

Friendship is highly valued in doing business with the Chinese. Another important aspect is time consciousness, Chinese person's valuation of punctuality is of the highest degree, hence the associate lateness with rudeness. The Chinese are also known to be ardent negotiators, thus their business meetings will take a long negotiating time. Business meetings are conducted in Chinese language, however a translator is provided in case of another party. The Chinese have a high value to the authority. The most ranked persons enter first in meeting and the foreigner visitor seats at the right of the host. In addition, signing of contract does not mean that the contract is binding and thus negotiations are endless. The Chinese put a lot of consideration to the issue of face. Therefore, when they find a deal not

pleasing, they do not say it openly. This is to prevent direct disappointment to the negotiating parties.

When doing business in china, there is always the need to form some connections with people who have experience in business related ventures. This ensures the right decisions are made in order to avoid subsequent challenges. In addition, being aware of the Chinese culture is another key issue to put into consideration. Chinese people have a lot of cultural values which they believe and ardently follow. Understanding their language makes one better off in venturing into business with the Chinese people. Exchange of business cards is another important dimension in dealing with Chinese businessmen. However, the key issue about business cards is how they are presented.

### **National Culture and Business Culture of Chinese**

China's economy has been, from the past years, rampantly growing. This has led to many foreign investors to have an interest in establishing business ventures in China. However, the Chinese culture causes a lot of conflicts with the foreign cultures. The difference in culture has been a major hurdle for the foreign investors. The issue of culture is always crucial and fundamental in determining the prosperity of a business venture. Societies are proud of their culture. However, foreign societies tend to bring conflicts in cultural values. Therefore, it is important to find ways in which two cultures can harmonize in order to bring a peaceful coexistence. Cultural differences between western countries and the Chinese people are analyzed and discussed below. In our discussion Germany will represent western countries.

Germany and china vary differently regarding their political, social and economic perspectives. These differences can be summarized as in table 1.

## **The Likely Issues That Will Need to be Adressed to ensure Intergration of the Two**

### The Issue of Collectivism and Individualism Dimension

Collectivism is one of the major cultural issues which need to be addressed.

Collectivism can be described as a cultural outlook, where there is interdependence and cohesion among people. China is one of the societies that practices collectivist. The cultural value of collectivism arises from the fact that china follows its culture of Confucian. Some of these cultural values still persist in the modern china. China has carried on the collectivism ideology in the business field. This ideology significantly affects the outcome in business enterprises.

European organization establishing itself in china will face a lot of challenges.

European countries, unlike the Far East countries practice individualism.

Therefore, establishing an organization in china will lead to conflict of cultural values. The fact that European countries practice individualism, while the Chinese have the ideology of collectivism will tend to affect the business outcome. There are several ways in which the problem of collectivism can be put to rest. Establishing an organization in china will require one to embrace the Chinese culture. Acknowledging and appreciating their way of life is usually a stepping stone to a successful business venture in China. In addition, the cohesion of the Chinese is part of their culture, which makes it difficult to change the perception. Top management of the organization should ensure that there is linkage between the two cultures.

Everyone is usually proud of their cultural beliefs and values. It is therefore important to respect each others' way of living. The feeling of one culture being superior to the other should be eradicated. Therefore, getting along with their social values will enable a business prospect to do well in china.

## **Complexity of Guanxi**

The issue of guanxi is another major conflicting problem among the two cultures. Chinese people usually have a strong relationship and connection among themselves. Strong relationship implies that Chinese people tend to trust each other and are generally more of a family. This is a major factor which makes Chinese do well in business and become prosperous.

Establishment of a manufacturing industry in China will require one to have a good personal relationship with the Chinese people. The issue of guanxi, is as well incorporated into their culture and it's very hard to change one way of living. Therefore, for a prosperous manufacturing industry in china, there must be the issue of building trust among the Chinese people. Business ventures face a lot of hurdles and challenges in their different stages of development. It is therefore important to create to create a strong interrelationship among the Chinese people in order to prevent some of these challenges. The Chinese are not involved in any kind of business transactions with untrustworthy people. In addition, they put emphasis on respect and cooperation. Chinese people have the perception that business operations cannot go smoothly and efficiently when there is a lack of trust and respect among the trading parties. It is therefore, of great importance that any prospects of business venture to manifest respect and build trust.

## **The Issue of Face (Mianzi)**

Another cultural issue is the one of face. In china, the aspects of face are of major importance. Face can determine the fate of a business organization or a success in making business dealings. The Chinese have put a lot of weight on the issue of the face especially in negotiations. Face plays an important part in negotiation. Losing of face occurs in some instance like when an employer criticizes employee. This kind of relationship is detrimental in a working environment. Face is a reflection of ones respect and image. Therefore, it is crucial to consider the issue of face and initiate the necessary measures to avoid failure in a business venture or a business deal. It is important to note that, the issue of face among western countries is not taken with a lot of weight compared to Chinese society. Therefore, it is important the way it is dealt with in order to avoid conflicts in between the two cultures.

## **Difference in Decision Making**

In an organization, decision making process is a major and important aspect in any business. Decision making process in china conflicts with the decision making in European countries. China has a very strong hold on culture of authority. Collectivism of the Chinese people makes employees adhere so much to authority issues. On the other hand, European countries are not oriented to authority as compared to Chinese people. Therefore, a conflict arises as a result of the difference. It is then important to culminate these differences and aim at a considerable decision making policy. The issue of decision making can be solved by allowing the management to make decisions instead of employees always making decisions. This can be

assonated with the fact that Chinese employees respect the aspect of authority and always wait to be given instructions on what to do.

## **Leadership and Communication**

Another important issue is the problem of leadership and communication. In China, people are common with the authoritative leadership, whereas in Europe there is the issue of democracy. Chinese people usually take orders from authoritative agents up in the hierarchy levels. This makes the employees to carry out activities as commanded without questioning. On the other hand, in western countries employees tend to follow democracy in every undertaking. The majority will have their say. However, Chinese people work with a particular set of objectives. It is this targeted objective which enables them to work even for longer hours in order to accomplish the set targets. Unlike employees in western countries where there is flexibility in the working environment and working hours are predetermined. To solve the issue of leadership and communication, there must be an interception between the two types of leaderships. The Chinese are commonly associated with the authoritative leadership while the western countries follow democracy. Therefore, to create an understanding between the two cultures, the issue of leadership has to be neutralized. Chinese people tend to work on the basis of set targets. In addition, they are also collectivists. Due to the above facts, Chinese workers can then be collectively be punished for their under performance. This ensures high commitment and increase performance in the organization. They should also be rewarded for their good performance, hence create motivation.

## **High-Context Culture**

High-context is another cultural issue among Chinese people. It is said that Chinese people take into consideration the very small gesture or word spoken into account. This means that, every movement and gesture has an implication. It is therefore, important to maintain a personal relationship to avoid being misunderstood. However, in western countries it is not the case. Many words can be used to drive in just one point. The differences involved in communicating create conflict in both cultures. However, it is very difficult to change Chinese culture and hence the need to acknowledge and embrace it. In solving the problem of high-context, manager of the foreign organization should be an aversant with cultural issues. This enables the manager to advise and train employees on the importance of cultural cultivation. It is through acknowledging and understanding different cultures that business organization will operate efficiently with no major hurdles. Moreover, organization's management can adapt localization policy. This is where the organization tries to absorb assimilate itself to the local culture. Therefore, through localization the organization can run its operation smoothly.

## **Proposed Solutions to Identified Issues**

### **Dealing with Collectivism and Individualism Dimension**

Chinese staff are said to lack the anticipate teamwork capability. This forms a major weakness in the Chinese labor force. Teamwork capability is said to have been attributed by the education system in china. Education system therefore, needs to integrate the importance of teamwork to enable efficiency in the labor force. In addition, it is also important to develop



cohesion between members and keep an oversight on team work activities. This will ensure that there is spirit of team work.

### **Dealing with Guanxi**

There is the expectation that Chinese workers are proactive. However, it follows that it is not the case, due to the fact that Chinese people follow authoritative leadership, makes them have little or no command in the working environment. It is therefore, important to choose a more flexible framework for solving this issue hence motivate Chinese to be proactive. This should be done in a systematic manner to avoid cultural conflicts between cultures.

### **Dealing with Mianzi**

Chinese people have a lot of experience and professionalism in the business ventures. The feeling of having a higher level of expertise can make the Chinese to change their perception towards the western expatriates. The Chinese therefore do not welcome the expatriates with the required respect and trust they deserve. However, this problem can be solved through training programs which will allow the expatriate to match their skills with the Chinese people. Therefore, by acquiring sufficient technical skills, managers can be comfortable and confident in making major and critical organizational decisions.

### **Adressing Differences in Decision Making**

There are different ways in which various communities deal with uncertainties. Some societies try to put in to control the future while others just let it follow its course. China has s different way of tackling future

uncertainties. Being a risk averse, china avoids all types of risks projected to occur in future. This is contrary to the western countries, where they are risk takers. This creates another conflict in the way they perceive risk. The issue of risk can be solved by harmonizing both risk averse and risk takers to risk neutral. Therefore, establishment of manufacturing organization in china should put into consideration the effect of risk perception and how to harmonize the difference.

### **Addressing Issues of Leadership and Communication**

Masculinity and femininity is another cultural issue affecting the establishment of manufacturing organization in China. Masculinity and femininity are both driven towards motivation. Those driven by the desire of the best of performance are masculine while those like their acts are feminine. According to IKEA china has a great score on masculinity, with great crave for success. It is evident due to the fact that Chinese workers extend their working hours and hence sacrifice their leisure time. This conflicts the feminist culture of western countries. However, China has been on the verge of giving its workers more time to be with their families and thus avoid overtime.

The Chinese people have the notion of friendship in business. It contradicts western countries where business and personal relationships are totally different. In western countries, friendship is of superficial in nature and for many it's a short term thing. Meanwhile, in china business ventures are much of a personal relationship. People know each other well and maintain interpersonal relationship in business.

## **Adressing the Issue of High-Context Culture**

Chinese people tend to be long term oriented compared with the western countries, who are short term oriented. China usually has a culture of long term orientation. This is evident by the fact that it prefers to undertake long term investment projects compared to western country counterparts who their main objective is make quick profits, thus invest in short term projects. However, the difference in how they perceive projects create another conflict of interests between the two communities. In addition Chinese people opt to invest in durable goods which last longer than to buy cheap goods which do not last for longer. Therefore, in establishing a business venture in china, there must be a reconciliation of how the two cultures perceive projects as well as the products.

## **Implementation of the suggested solutions**

Chinese enterprenuers have clearly exhibited a character of loyalty to their customers through trust. However, some of the suggested solutions facing western forein investors in china need to be implemented in order to create a smooth and efficient operational market. Chinese people are known to create a good interrelationship with any one they come across. In other words, Chinese people have a welcoming heart to foreigners. The difference comes in when foreign investor try to differ with the Chinese cultural vaues. Therefore, rules can be formulated and implemented to prevent any foreigner who tries to meddle or disrespect the Chinese culture in one way or the other. These regulations will safeguard Chinese social and cultural values from bein eroded by westen foreigners. Preservation of Chinese cultural values of of great essence particularly in doing businesss in the country.

Another way to implement these solutions is improve the code of communication. Chinese people as discussed above , tend to have a lot of respect to each others well being. Chinese people have the perception of face, where they do not have to put off any business prospect openly or talk to some one in manner that he or she will feel dishonoured. Therefore, Chinese people try to dislike or put off any business deal in an indect way. This mode of communication among the Chinese is ethical and morally upright. In addition, Chinese should instill the same behavior to their counterparts in order to create peaceful business environment.

The issue of collectivism among Chinese people is worth mentioning. Chinese culture is always attributed to the social trait of collectivism. In solving collectivism in china, some actions need to be put in place. Chinese people have the perception of dealing with ideas and issues collectively rather than individually. The Chinese system of of education should therefore integrate the issue of individualism in training and learning processes.

China practices authoritative leadership style. However, this is contrary to the leadership experienced in western countries. Therefore, is solving the issue of leadership and communication china has to involve some aspects of democracy in business enterprises. This is important for the employees since it allow them to make some decisions without having to wait for the manager to make the very minute organizational decisions.

## **Appendices**

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