

Cultural differences between uk and china in business



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Hofstede's dimensions of cultural variability identified five dimensions of culture labelled Masculinity vs. femininity, Uncertainty Avoidance, Individualism vs. collectivism (ID), Power Distance (PD) and Long-term versus Short-term. In terms of masculinity (the emphasis placed on success) and uncertainty avoidance (level of comfort when faced with risk and uncertainty) there is little to choose between the two countries. However, in the other dimensions there are substantial differences. When it comes to individualism Hofstede (1991) found that when ranking countries in order of a score for individualism (the degree to which people take care of themselves) that many eastern Asian countries, such as China (individualism score of 20), were likely to have a low score. This is in contrast to western society and cultures which have high individualism scores, with the UK having one of the world's highest at 89. As a result of China's collectivistic culture Chinese project managers will primarily associate their work identity with the company on the other hand UK managers will primarily associate their work identity with themselves. Another effect of this cultural difference is that Chinese project managers place more importance on relationships whereas in the UK more emphasis is placed on independence and control resulting in a reluctance to cooperate. Power distance is the extent to which a culture accepts that power in organisations is distributed unequally. The power distance is typically much greater in China than in UK- suggesting that British negotiators must pay careful attention to the organizational hierarchy of their Chinese partners, and appreciate that their Chinese counterparts will be very sensitive to hierarchical issues. In addition in Chinese culture with large PD the ideal leader would be a benevolent autocrat, whereas the ideal leader in UK culture with small PD would be a resourceful democrat.

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There are a number of key cultural norms and values that Western leaders like UK need to be aware of in their daily business life in China. Attitudes to time vary among cultures, the Chinese prefer slower negotiations, whilst the UK, believe that time is money and are in a hurry to conclude the deal. This reflects their contrasting views on the purpose of a negotiation and their contrasting views on the Hofstede long-term versus short-term orientation. Cultures which are biased towards the short term end of this dimension, like the UK, prefer instant gratification and hence quick negotiations. British team members need to adapt the pre-negotiating phase, an attempt to shorten the process might be viewed as an effort to conceal something by the Chinese team which is more content waiting for gratification over a longer term. This cultural difference can lead to mistrust and the breakdown of negotiations.

Trompenaars (1997) looks at the cultural differences in a similar manner to Hofstede, applying bipolar scales, but using a different, more extensive, set of dimensions. One of these is Universalism v Particularism, this is the extent to which society believes that rules, codes and values are important. In a universalistic society these things are seen to be important whereas in a particularistic society human relationships are seen to be more important. China is a particularistic culture and hence friendship plays an important role in the success of business negotiations. The Chinese may refuse to agree in a negotiation if the other negotiators do not display friendship and trust. The Chinese do not like being taken by surprise, and they feel more at ease when dealing with people whom they can relate. Friendship is often associated with social tiers or hierarchy and understanding this structure is important to

avoid offending the Chinese. The Chinese believe that a Gift is an expression of friendship and symbols of hope for good future business. The UK team member is advised to go to china with gifts to offer to the Chinese as part of this Chinese ritual in business. They should expect to offer the gifts at the end of the meeting, this is a way of welcoming the UK member and the gift value follows the rule of hierarchy. Offering a gift with a company logo is important and a means for the Chinese to remember the visit. Furthermore trust between negotiators is important as the British prefer very detailed contracts where all the possible eventualities and risks have been anticipated and governed by law. This is reflective of the universalistic culture in the UK which means laws and contracts are seen to be important in business negotiations. In contrast the Chinese prefer a more general agreement as the foundation of the contract lies in the relationship between the parties. For Chinese a detailed agreement is a proof of lack of trust between the parties.

Hall () defined cultures as being low or high context in a very similar way to how Trompenaars defined them as universalistic (low context) or particularistic (high context). When it comes to attitudes to time the Chinese are open and flexible with cultural process valued more than product. This is typical of a high context culture. On the other hand in the UK time is highly organised and the product is more important than the process.

Another cultural dimension looked at by Trompenaars (1997) was specific versus diffuse. In a diffuse culture the idea of " saving face" is important during negotiations. Having face means having a high status in the eyes of one's peers, and is a mark of personal dignity. The Chinese prefer a more

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structural form and hierarchy, they tend to show low emotion during negotiation and they are really concerned about saving face and maintaining their composure. Hence they will be deeply offended by opposing negotiators that would embarrass them. In sharp contrast the UK are generally known to speak out their mind even if it might cause other counterparts embarrassments. Causing Chinese to lose face could ruin business prospects or even invite recrimination. Just as face can be lost, it can also be given by praising someone for good work before his or her colleagues.

Neutral versus Affective is another cultural dimension studied by Trompenaars. This is the range of feelings expressed, neutral cultures do not show their feelings keeping them carefully controlled and subdued. More affective cultures, like the Chinese, are more open with their feelings. In contrast the UK has a highly neutral style and according to Trompenaars this could be misinterpreted as disinterest or boredom by the more affective Chinese. Conversely China's indirect style of communication can be seen as vague and ambiguous by their British counterparts. For example, smiling is a common means of communication when people meet. However it can express different meanings such as cooperation or denial, joy or anger, trust or distrust thus it can be viewed as a mask. Direct eye contact should be avoided, as the Chinese do not look people straight in the eyes as this tends to make them feel uncomfortable.

According to Casse, 1981, Cross- cultural negotiations are negotiations where the negotiating parties belong to different cultures and do not share the same ways of thinking, feeling and behaving. For some cultures the <https://assignbuster.com/cultural-differences-between-uk-and-china-in-business/>

primary goal of negotiations is to reach a deal and sign contract, while other cultures view it as the establishment of a long-term relationship between the parties, which will eventually lead to a contract. In China, the creation of interpersonal relations takes priority over a commercial transaction. The negotiation process is generally more complex because it encompasses unconscious forces of the different cultural norms that may undermine effective communication (Chen, 1995). Blackmann 1997, observed why negotiations in china carry difficulties among western business people and he summarized as follows; there is cross-cultural complications which encompass the interpretation of behaviour, language and cultural expectations; The surrounding environment which influences the business norms. This includes the stage of economic development, power and influences centres, the level of bureaucracy and government policies. Finally, there is the methods and manner by which the Chinese conduct the negotiations and assumptions. Understanding this features can help European negotiators discover the reasons why the Chinese behave the way they do, and goes some way towards unveiling their homocentric character (Goh, 1996).

' Zhong Yong' in china, when doing business it is important that there this is mediator to act as someone in the middle during negotiations. Zhong Yong helps to facilitate the business activity and might act as a sign or guarantee of confidence from the eastern negotiator. It is important for UK team member to study a negotiation process before travelling to China The formal introduction phase follows with the hand shaking which the Chinese expect to last as long as ten seconds or more. Then the exchange of business cards

which, should be received with both hands and furthermore for the success of the negotiation the UK team member needs to master the Chinese negotiators and their hierarchy.

One of the key elements to consider in the process of negotiations with Chinese entities is the concept of Guanxi; personal connections that binds people through the exchange of favours rather than express of sympathy and friendship. The Chinese place a premium on individual's social capital within their groups of friends, relatives, and close associates. While the UK put a premium on networking, information and institutions (Graham and Lam 2003). According to Abrahamson and Ai, 1997. Guanxi can take two forms firstly, a web of personal connections, relationship and obligations that business people can use to obtain resources and advantages, and secondly; the exchange of favour or the purchase of influence. For UK companies seeking to do business in China it means striving to cultivate personal connections to establish a personal guanxi network, this will involve identifying and seeking to establish a personal relationship with one or more influential person in an organization with whom your trying to develop an inter-firm relationship. Often it also involves seeking connections with influential government officials (Butlery and Leung, 1998). Guanxi has been compared to the constructs of trust, shared goals, cooperation, a collaborative approach to disagreements, and the development of networks of importance connections.

Finally Shehui Dengji (Social Status) The Chinese respect the status and the hierarchy. The Chinese would expect the UK negotiator to be seated directly in front of the Chinese negotiation team and to enter the meeting room first, <https://assignbuster.com/cultural-differences-between-uk-and-china-in-business/>

otherwise it might cause confusion as to the identity of the leader. All are expected to sit around a meeting table in hierarchy with an interpreter to follow closely. The UK is expected to avoid all conversation topics that could destroy the relationships for example, interrupting the Chinese leader, even if he is making a mistake in his speech. It's advisable to take a note of what is said and refer it back to him later outside the meeting room. The UK team member should also avoid addressing the Chinese by their first Name instead they are advisable to use full titles such as Director, or Professor.

In conclusion we can see that there are marked differences in the UK and Chinese negotiation style. In order for business to be conducted smoothly, the British team negotiator preparing for the negotiations could be advised to first study their own cultural origins, as people sometimes judge others through the lens of their own upbringing, perhaps without knowing it.

Learning more about one's own culture also serves as a spring board for finding similarities, or at least more fully understanding differences of other cultures. It is also recommended that time is taken to study and understand the Chinese negotiation process and the culture and customs that accompany it. Relationships between British and Chinese firms can be fraught with potential cultural misunderstandings but many could be avoided by gaining self awareness with regards to one's own culture and developing cultural understanding of your Chinese opposite numbers. Armed with this knowledge one would recommend that careful, explicit attention should be paid to cultural factors when entering into negotiation. This includes respecting the strict hierarchal nature of Chinese business, being careful not to embarrass or offend, being prepared to invest time building up a network

of influential personal connections and being prepared for a longer negotiation process than would be normal in the UK. It is also important to respect Chinese customs such as bringing gifts for the Chinese negotiation team. However, it is also important not to allow cultural stereotype to determine the relationships with the potential business partners. Failing to develop cultural awareness and adapt leadership style can leave UK team members open to damaging mistakes, and risk rendering their negotiation unsustainable. It is important for both UK and Chinese organization to pay attention to Cultural differences in order to adopt practices and foster successful collaboration. Training in cross-cultural issue is vital and should be based on conceptual frameworks that are both up-to-date and relevant.