

Business Etiquette When Traveling To

CHINA

PUBLISHED EXCLUSIVELY BY **OnePlanet®**

CHINESE PERCEPTION OF AMERICANS

53% Like Americans Personally

21% Like Americans Very Much Personally

13% Do Not Like Americans Personally

13% Unsure of Feelings Towards Americans

China Global Times survey, March 02, 2005

LANGUAGE

- China's official language is Mandarin. Cantonese is spoken in the southern province of Guangdong, near Hong Kong.
- English is not widely spoken in China. However, most businesses in China employ some English speaking personnel.
- When distributing your company's literature to potential clients it's best to provide Chinese translations of the material. This will be interpreted as an indication of your commitment and a sign of respect.
- Note that Taiwanese and Chinese people share a common spoken language but their written language is very different. If you are doing business in both areas, be sure to have separate translations done for all materials -business cards, etc.

GUANXI

- The concept of "Guanxi" lies at the heart of any Chinese business relationship. In Chinese, the word means "relationship". In English, Guanxi can be summed up by, "It's not what you know. It's who you know," or "You scratch my back. I'll scratch yours."
- Essentially, to have "Guanxi" means to have a network of useful contacts. It also means a relationship where the parties are bound by personal obligation to assist each other.

FACE

- For foreigners conducting business in China, it's essential to understand the Asian concept of "Face". Face represents respect or status.
- Chinese people regard public respect as a matter of utmost importance. Conversely, public humiliation is regarded with great shame.
- Foreigners must be aware of the public image of the people they deal with and help them to protect it.
- In many respects, face is merely a matter of common courtesy. It is possible to give a person face by presenting gifts, publicly praising good performance and by giving credit where credit is due.
- When difficult situations arise, they must be handled delicately and without anger. To shout at a Chinese person in public, or to raise one's voice when exasperated, will cause both parties to lose face.
- Confrontations that place a Chinese person on the spot should be avoided and resolved quietly. When refusing requests or invitations do so politely and carefully to avoid embarrassment.

NAMES

- Most Chinese names are three syllables long with the surname first, followed by given names. For example, Mr. Jiang Lie-Hwo is referred to as Mr. Jiang. Given names are only used by family or close friends.
- If a Chinese hotel clerk cannot find your name on the reservation list, you might ask that they check for your first name as this is often misunderstood as your surname.
- Many Chinese people working for international companies take on an Anglican, or English, first name. i.e. Ms. Mary Liu

APPOINTMENTS

- Being late for an appointment is considered an insult in Chinese business culture. However, Chinese businessmen may make you wait. This is not considered an insult as you are a visitor to their place of business.
- Most Chinese workers take a break between 12:00 p.m.- 2:00 p.m.

BUSINESS DRESS

- Conservative suits and ties are the norm in Chinese business attire. Bright colors are considered inappropriate and flashy.
- A conservative suit is appropriate for any business meeting and gives a foreigner face.
- Foreign businesswomen should wear conservative suits or dresses. Stick with subdued, natural colors and avoid any revealing clothing. Shoes should be flats or low heels.

INTRODUCTIONS

- When entering a business meeting, you will likely be first greeted by the most senior business person and then, in descending order, be introduced to the other people present. Chinese business people expect the same ritual when introducing other members of your team.
- When conducting business in China, the importance of business cards can't be overstated. When distributing, or receiving, business cards use both hands as a sign of respect.
- When receiving business cards, always pause and read each card individually. Never place the card immediately into your pocket or wallet. Business cards are an extension of the individual. Putting a card in your wallet and then putting the wallet in your back pocket is disrespectful. Place business cards on the table in front of you for reference.
- Your business cards should be printed in both English and Chinese. Include your professional title on your business card, especially if you have the seniority to make decisions. In Chinese business culture the main point of exchanging business cards is to determine who will be the key decision-makers on your side.

BUSINESS BEHAVIOR

- While China does not possess a class system, upper management is more privileged and has status. While it is the "People's Republic of China" and everyone is equal, there are centuries of feudal culture ingrained into every day life.
- Be humble, but don't allow yourself to be pushed around. If you speak humbly, but act with authority you will be respected and approachable.
- Be Yourself - Do not confuse your Chinese associates. They will expect you to behave and think like an American.
- When you are speaking to a representative of upper management and there is an underling present translating, continue to speak to the person in charge not the translator.
- Face is always important even in private, one-on-one situations. If a difficult decision is to be made, always try give it a positive spin. This is similar to the American custom of firing a senior executive and announcing, "That they have left to pursue new opportunities".
- When setting down chopsticks, between meal courses, never place them in the rice-bowl vertically, or at an angle, as this resembles sticks of incense burned at a funeral and is considered a bad omen. Always place chopsticks horizontally across the rim of the bowl or on a chopstick rest.

(Continued on reverse side)

BUSINESS CONVERSATION

- In China, relationships are everything. Spend some time getting to know your host before jumping into business needs and decisions. Five minutes of casual conversation will pave the way for real constructive business talks.
- Negative replies are considered impolite. Instead of saying, "No," you may have to say, "I'll have to think about it," and get into specifics later. You'll find that your Chinese counterpart will do the same. Being told "Okay," or "We may be able to do this," means there are problems that they are not willing to share.
- Because of face Chinese are not willing to be the bearers of bad news. It is often difficult to determine the root cause of a problem or failure.
- You may be asked intrusive questions concerning your age, income and marital status. If you don't want to reveal this information, remain polite and give an unspecific answer. On the other hand, unless you are a very familiar personal friend, do not ask your Chinese hosts about their family. You can ask, "How old is your child?" or "Where is your child studying?" as a means of determining their marital status and age.

Note: Chinese families are only allowed one child by law.

- In Chinese culture, the question "Have you eaten?" is the equivalent to "How are you?" in North America. This is a superficial inquiry that does not require a literal detailed answer. Simply answer, "Yes. Thank you".
- Make an effort to learn and use at least a few words in Chinese. Your initiative will be noticed and appreciated. "Shi-Shea." is "Thank You." and "Tzie-jen" is "See you again."
- During a meal, expressing enthusiasm about the food you are eating is welcomed and expected.
- Discussing Taiwan is allowable. However, never refer to the island as 'A Republic of China' or 'Nationalist China.' The correct term is 'Taiwan Province' or just 'Taiwan.'
- Only senior members of your group are expected to lead the discussion. Interruptions, or unsolicited comments, from subordinates are considered vulgar by the Chinese.

NEGOTIATIONS

- If possible, bring your own interpreter. It will help you to understand the subtleties of everything being said during meetings. Good interpreters act as your eyes and ears catching subtle cultural feedback and side conversations. Always allow your interpreter time, ahead of a meeting, to read your materials and understand your negotiating position and business needs. A debriefing after the meeting will give you valuable insights into what just occurred and the next steps to take.
- Speak in short, simple sentences free of jargon and slang. Pause frequently, to allow everyone to hear what you are saying and to give your interpreter time to translate.
- All printed presentation materials should be in black and white. Colors have special meanings in China, many of them negative.
- Except for those educated in the West, Chinese businesspeople largely rely on subjective feelings and personal relationships in forming opinions and solving problems.
- In Chinese business culture the collectivist way of thinking still prevails, even in sectors experimenting with free enterprise.
- "Saving face" is especially important in negotiations. Choose battles carefully and be willing to give up ground on unimportant matters to gain what you truly desire.
- Humility is a virtue. Exaggerated claims are regarded with suspicion and in most cases will be investigated.
- The Chinese will not directly say, "No." to you. Instead, ambivalent answers such as "Perhaps," "I'm not sure," "I'll think about it," or "We'll see," usually mean "No."

- The Chinese tend to extend negotiations well beyond the official deadline to gain the advantage. On the final day of your visit they may try to renegotiate everything. Be patient, show little emotion and calmly, but firmly, reiterate what has already been agreed to. You may have to accept that delays will occur.
- At the end of a meeting you are expected to leave before your Chinese counterparts.
- You may have to make several trips to China to achieve your objectives. Chinese businesspeople prefer to establish strong relationships before closing a deal.

GIFTS

- Never present knives or scissors as a gift, as they symbolize conflict. However, letter-openers seem to be the exception to the rule.
- Objects that have an association with death are inappropriate gifts. These include clocks, cut flowers, white objects (such as bed linen and table cloths) and objects that come in a set of four.
- When wrapping gifts for Chinese people never use white paper, as this too signifies death and is regarded as a bad omen. Blue-yellow color combinations are associated with messages to the dead. Purple is generally associated with barbarians. Red or gold is associated with royalty and wealth. They are the best colour to use.
- If you wish to give a gift to an individual, you must do it privately in the context of friendship, not business.
- The Chinese may decline a gift three times before finally accepting it, so as not to appear greedy. You will have to continue to insist. Once the gift is accepted, express gratitude. You will be expected to go through the same routine if you are offered a gift.
- Make sure gifts given to people of the same level of importance are equitable or of similar grade.
- In the presence of other people, never present a valuable gift to one person. This gesture will only cause embarrassment and possible problems for the recipient - given the strict rules against bribery in Chinese business culture.
- Tipping is not customary. This can be considered a bribe, although, the staff in westernized hotels like Marriott and Westin are used to receiving a gratuity.
- Giving a gift to the entire company, rather than an individual, is acceptable in Chinese business culture as long as you adhere to the following rules:
- All business negotiations should be concluded before the gift is exchanged.
- Specify that the gift is from the company you represent. If you can, explain the meaning of the gift to the receiver.
- Present the gift to the leader of the Chinese negotiating team.

WELCOME TOPICS OF CONVERSATION

- Chinese scenery, landmarks
- Weather, climate and geography in China
- Positive experiences traveling in China
- Chinese art
- Your travels in other countries

TOPICS TO AVOID

- Refrain from using terms such as "Red China", "Mainland China" and "Communist China". Just say, "China".
- Do not criticize government policies in China. Political discussions are welcomed with each side presenting alternate views, as long as the official government view is not criticized.

One Planet
820 Evergreen Avenue
Pittsburgh, PA 15209
Direct: 412.632.1070
contact@one-planet.net
www.one-planet.net

