

UNIT 4 TOPIC 2 CHINESE BUSINESS CULTURE AND ETIQUETTE

Pre-knowledge

Before class, students should read Unit 4 Topic 2 to gain some basic understanding of Chinese business culture and etiquette. They should be able to identify the unique features of Chinese business culture and etiquette crucial for doing business with the Chinese.

Aim and Objectives

Topic 2 aims to provide students with some knowledge of the concepts and essence of Chinese business culture and etiquette that people should follow in order to do business with the Chinese successfully.

Teaching and Learning Activities

Activity 1

Print out and have your students read the text below:

“If you display feelings of appreciation and excitement as part of your business etiquette, try to restrain that impulse. It is best to maintain composure when dealing with Chinese business people, the most you can do is use kind words, politeness or a faint smile. No matter how grateful you are, do not bring a gift and do not tip in a restaurant – they will not be received with joy!”

Today Translations, *Doing business in China*.

Available at: <https://www.todaytranslations.com/doing-business-in-china>

The rapid rise of China as a major economic power within a time span of about three decades is often described by analysts as one of the greatest economic success stories in modern times. The Chinese business practice is vastly different from the Western method that most of us may be used to. Of course, with the Chinese economy opening up, China's joining of WTO and the Olympics in 2008, many Chinese business practices are now beginning to align with more conventional methods.

However, China will always have their own unique business culture and etiquette, given their unique history and background.

We know different cultures teach different values, and what might be polite in the West could be highly insulting in China. By understanding the differences between the two cultures and adapting your style accordingly, you can gain the trust of people in foreign markets, avoid offending potential clients and grow your business. It will also help you relax, avoid embarrassment, and focus on the matters at hand on critical occasions.

Then ask your students to research online information on Chinese business culture based on what they have read.

Activity 2

Watch the video clip *Chinese business culture – Business in China requires patience* published by InBusinessTV (available at: <https://www.youtube.com/watch?v=3743zVOjkME>). Then have your students discuss the content of the video clip such as the importance of building a relationship, the tactics for negotiation and the focus on collectivism.

Activity 3

Ask your students to gather information on Chinese business culture and etiquette from various resources. Then have them discuss the topic in groups of four or five. They have to create a PowerPoint presentation of the key points of Chinese business culture and etiquette.

Activity 4

Ask your students to research online or watch some video clips on the forms of address in Chinese business culture. Then have them discuss the implications of the different forms of address in groups of four or five.

Activity 5

Ask your students to research online the differences between a business meeting conducted in China and one conducted in a Western country. Then have a class discussion on the possible reasons behind these differences.

Activity 6

Ask your students to research online the reasons why seniority is so important for business dealings with China to succeed. Then have them discuss in groups of four or five.

Activity 7

Explain to your students the importance of *Guanxi* and *Mianzi* in Chinese business culture. Then ask them to write a 300-word reflection on their understanding of the two concepts in English.

Activity 8

Watch the video clip *MGMT5606 – Business Dinner in China* published by Oriane Thorat (available at: <https://www.youtube.com/watch?v=67U6eXfORX0>). Then have your students discuss the features of a Chinese business dinner including the dos and don'ts to observe.

Activity 9

Organise a visit to a local Chinese company. Ask your students to observe and ask the staff how the company operates in a uniquely Chinese way. Then have each student write a 400-word reflection in English.

Activity 10

Invite a member of staff at a local Australian company which has business dealings with China to give a talk on how they conduct business with the Chinese to your students. Have them take down notes from his talk for a class discussion.

Activity 11

Watch the video clip *Chinese v.s American business culture* published by NWUIM (available at: <https://www.youtube.com/watch?v=6K4G1s1Hw4E>). Then have your students discuss the differences in Chinese and American business cultures.

Activity 12

Have your students think about how they may be involved with China in their careers. Then have them share the possibilities with the class.

Activity 13

Have your students do Exercise 2 of the Workbook according to your teaching needs and progress.

Resources/Materials

Apart from those listed in the activities, you may also consult these resources/materials:

1. Bucknall, K. (2015), *Chinese Business Etiquette and Culture*. Carolina: C&M Online Media.
2. Liu, Hong (2017), *Chinese Business: Landscapes and Strategies*. London: Routledge
3. Ye, Lang & Zhu, Liangzhi (2008), *Insights into Chinese Culture*. Foreign Languages Teaching and Research Press.
4. Smith, D. (2012), "Guanxi, Mianzi, and Business: The Impact of Culture on Corporate Governance in China". *Private Sector Opinion, World Bank*. No. 26.
Available at: <https://openknowledge.worldbank.org/handle/10986/17094>
5. Wang, Minglei (2012), "Guanxi, Renqing, and Mianzi in Chinese social relations and exchange rules – A comparison between Chinese and western societies (A case study on China and Australia)". *Student thesis: Master thesis*. 31 May, 2013.
Available at:
[https://projekter.aau.dk/projekter/en/studentthesis/guanxi-renqing-and-mianzi-in-chinese-social-relations-and-exchange-rules-a-comparison-between-chinese-and-western-societies-a-case-study-on-china-and-australia\(b96315ee-b329-4bca-9bac-c86c04124867\).html](https://projekter.aau.dk/projekter/en/studentthesis/guanxi-renqing-and-mianzi-in-chinese-social-relations-and-exchange-rules-a-comparison-between-chinese-and-western-societies-a-case-study-on-china-and-australia(b96315ee-b329-4bca-9bac-c86c04124867).html)
6. Cendrowski, S. (2015), "10 Must-Read Books That Explain Modern China". *Fortune* [Online]. 4 April, 2015. Available at:
<http://fortune.com/2015/04/04/china-modern-economy-10-books/>

Assessment

1. Collect the notes taken by your students during all group and class discussions.
2. Prepare some questions and assess your students when they answer them verbally.
3. Each student is required to write a 400-word reflection on their field trip to a Chinese company.
4. Students are required to prepare a PowerPoint presentation to show their understanding of Chinese business culture and etiquette.
5. Each student is required to write a speech on the similarities and differences between Chinese and Western business cultures.
6. Each student is required to write a 500-word report on the relationship between the concepts of *Guanxi* and *Mianzi* and Chinese philosophy.

Workbook Answer Key

1. Watch the video clips *Chinese Business Etiquette Instructional Video* and *Chinese Business Meeting Protocol and Etiquette* on YouTube. Write the etiquette essential for doing business successfully with the Chinese and how business negotiation is conducted.

Students should consider these points:

- The unique content of Chinese business etiquette
- What *Guanxi* and *Mianzi* mean to the Chinese
- The importance of hierarchy
- Preparation of a Chinese business meeting
- The behaviour and language used in such meetings

2. Watch the video clips *20 Tips on Chinese Culture for Successful Business* and *Cultural Difference in Business* by Velerie Hoeks | TEDxHaarlem on YouTube. Prepare some notes for a class discussion.

Students should consider these points:

- What the few most important tips out of the 20 are
- Why these tips are important
- The relation between success in business and business protocol and etiquette
- How Chinese business etiquette differs from Western business etiquette
- The impact of these differences on conducting business with the Chinese

3. Pair Work

With a partner, interview a local businessman/businesswoman who has business dealings with firms in China. Find out the approaches he/she takes in doing business with the Chinese. Ask him/her how these approaches have helped him/her. Prepare a PowerPoint presentation of your findings. Your presentation should last about five minutes.

Students should consider these points:

- What his/her initial contact is
- How he/she builds and maintains connections with the Chinese
- How he/she reaches a deal with the Chinese
- What other tips or advice he/she has
- The differences between the Chinese and Westerners in doing business

4. Group Discussion

In a group of three or four, find a Chinese company or an Australian or Western one. Write down some questions on business culture and etiquette. Use the list to interview the companies. Then, prepare a research report on the similarities and differences between the two companies. Your group report should be between 600 and 800 words.

Students should consider these points:

- The structure and philosophy of the Chinese company
- The structure and philosophy of the Australian or Western company
- The different *modus operandi* of the two companies, focusing on their daily routines, connections with others and how they generate profits

5. Imagine that you are trying to promote a product from your company to a Chinese trader. Write down how you make a business pitch to him/her. Include the key aspects you would cover.

Students should consider these points:

- Get to the point to keep his/her interest and convey key points to him/her very briefly.
- When he/she is convinced of your business, pay attention to details including an analysis of industry trends and competition, customer needs, marketing strategies, business model, competition, risks, implementation plan, financial projection and financial needs.

- Do your research: you must know your product, audience and competitors well and be prepared to answer any questions and polish your answers.
6. Imagine you are attending a business lunch or dinner with a group of Chinese businessmen. What are the protocol and etiquette you should be aware of and follow?

Refer to pages 210 and 211 of the Textbook.

Suggested video: *Chinese Dining Etiquette*

Published by Off the Great Wall on 18 September, 2013

Available at: <https://www.youtube.com/watch?v=jkyE2rPac3s>

7. Pair Work

With a partner, role-play on conversing with a Chinese. Take note of some of the topics that the Chinese usually avoid and practise averting an awkward situation where a Westerner unknowingly talks about these topics.

Refer to pages 212 and 213 of the Textbook.

Students should consider these points:

- Political issues, especially criticism of China
 - Death and superstition
 - Homosexuality
 - Child adoption
 - Comments on people and their dressing
8. Do you think it is important for one to know the language of the person he/she is doing business with? Why?

Students should consider these points:

- Helps make our relationship more intimate
 - Enables the other party to understand us more easily
 - Enables us to widen our network
 - Helps us improve our decision-making process
9. Watch the video clip *Cultural Difference in Business* by Velerie Hoeks I TEDxHaarlem on YouTube. Write a summary of 500-600 words of the similarities and differences of business cultures between China and the West.

Students should consider these points:

- The Chinese focus on connections and personal relationships while Westerners focus on potential benefits or profits.
- The Chinese prefer reciprocal favours while Westerners look at actual profits.
- The Chinese emphasise *Mianzi* while Westerners value recording everything in black and white.
- The Chinese prefer having business dealings done at a banquet while Westerners prefer to do it over a formal meeting at the office.
- The Chinese seek long-term relationships while Westerners tend to work on a case-by-case basis.

Note: All URLs listed herein were ascertained to be accessible on 10 September, 2020.