

American and Chinese Business Culture

Posted on January 10, 2020

Thesis Statement

The report will explore the business and cultural differences between the United States and China; they have history and practices, and they can overcome the cultural shock and develop healthy business relationships to improve profits and productivity by adapting to Chinese culture and workplace values.

Purpose

The purpose of this report is to explore and identify the cultural and business differences between America and China and to find ways to remove barriers to promote flourishing business relationships; both countries hold significant importance in the world economy.

Introduction and Background

Different cultures have different values; it can be easy to think about American business style and practices as the most effective in the world, but what might be considered effective in the United States may be a bit insulting in countries like China. By understanding the differences between the two cultures, it is easy for businessmen to adapt to the styles of each country in business. Adapting to the business styles and market values is a way to gain the trust of stakeholders and attract customers from the foreign market. The business can only grow if the clients are happy and the business does not follow any rules or practices that offend clients. (Thompson, 2017)

The style of the American business world is different from Chinese business culture. The differences exist in the ways to build relationships, style of communication, contracts, gifts and entertaining and logical reasoning. (Thompson, 2017) China has grown its business market worldwide and has emerged as a true superpower in recent years; America is its biggest competitor in the line of superpowers. But these two countries also have similar goals and ambitions for dominating the business economy of the world. The two countries are located in the East and West, a large number of Chinese workers love to work in America, and similarly, a large number of American workers are attracted to work and live in China. China has opened its door to the world for business investment, and Americans are most interested; however, a lot of Americans are initially shocked by the differences between the two countries. The most common differences between the two cultures are individualism, communication style, concepts of humility and self-promotion, professional Vs personal life, saving face and Authority Hierarchy. (Ian, 2015)

American and Chinese values are unique and beautiful in their own ways, but misunderstanding or friction may sometimes occur due to the different cultures of the East and West. The gaps can still be bridged despite all the cultural differences to promote a healthy business relationship through cooperation. As advocates of harmony and justice, Americans can build strong business relationships with the Chinese. China has a lot to offer to the United States; it can make a difference in the lives of many American students and professionals. They can begin their adventure of doing business in China and studying their culture to become a part of the fastest-growing economy in the world in the 21st century. (Ian, 2015)

As more American workers are going to China to seek employment and lucrative jobs, they get a chance to work side by side. The most lucrative jobs for Americans in China are engineering, Information Technology, and Teaching jobs. Cross-cultural partnerships can bring positive results for both countries. Tensions exist due to differences in culture, but still, a growing number of young Americans in their 20s and 30s are heading for China. The Chinese-American pairing in science and business is the most important collaboration in the world; the two groups were raised differently in the East and West and had different exposure to business markets and principles. So the workplace becomes a unique learning place for both nationals for the process of development and progress to achieve their American dream. Let us deeply explore what cultural and business differences exist between Chinese and Americans and how they can handle them to build fruitful business relationships to achieve two-way prosperity in the growing economy. (Ian, 2015)

Differences in Values and beliefs

The business market of China has evolved into a free market from the government-regulated market in the past; Chinese workers often land their jobs without much preparation and hands-on experience. They do not have much understanding of client services initially. They usually do not do internships in schools and colleges like the Americans do, but the managers still are paid significantly less than the Americans who have foreign experience and they also earn 10 to 15% higher. (Ian, 2015) Chinese have a very polite nature, so they do not like to speak loudly or argue directly with their employees. The imbalance is noticed in the Chinese workers; the Americans are paid more for the same work for their experience. (Ian, 2015)

The value of foreign knowledge and experience is appreciated in China; Chinese companies will be willing to pay more the U.S workers if they have knowledge of the West. Despite that they do not have a deeper understanding and knowledge of communism like the Chinese workers, they still prefer to hold management positions in organizations. That is a part of China's culture and economy. Americans, however, need to adjust to the culture and rich traditions of China to reduce the workforce issues. Multinational companies are operating in Asia that attract a huge number of tech-savvy Americans. (Ian, 2015)

Comparison of Business Culture

There is an obvious difference between the cultural foundations and business ethics of Americans and Chinese. Both foundations are based on Western Socio-theological and Judeo-Christian principles. Both Christian workers consider God as the sovereign moral authority; they abide by natural laws and believe in the principles of developing a healthy life. Americans strongly believe in justice, liberty, and pursuit of happiness principles; it is a part of their constitution and culture to promote equality among various ethnic groups and genders. Individuals' rights to choice are consistent with the market economy; the functioning of a free market economy can be described as the nexus of contracts.

1. Notion of Harmony

In China, the culture represents that everything is in harmony. The change is often viewed as disruptive, and the United States believe in the principle of effectiveness and efficiency. They can sacrifice harmony for the sake of profits and get quick results. They focus more on the result than the beginning and consider logical reasoning and critical thinking in solving everyday business problems. They believe change is not disruptive, and they bring any change to get the desired business results. (Ian, 2015)

2. Importance of Relationship

In China, there are four important social groups existing in society; they are schoolmates, relatives, personal friends and indirect relationships. The constitution of the United States guarantees the rights to everyone, and they have a history of protecting their citizens working abroad. They stress personal achievement and individual progress as well. China used to be an agricultural state that had a small mentality and community working in the high-tech industry back in the 20th century. Privacy is still a highly valued attribute for the Chinese; Americans have singled out individualism more than the Chinese. The Americans believe in increased tolerance on diversity issues and like to separate their professional and personal relationships. The Americans like to be friendly in all places, and they like making friends with foreigners. Friendship can be dissolved quickly, whereas China is built more on subtlety; they like to reduce confrontation as much as they can and are not as outspoken as the Americans. (Seligson, 2009)

Chinese people in business like to develop business relationships with the people they buy and sell with. The value of transactions comes first to Americans. However, they believe in strong business relationships and do not mix them with personal relationships. The relationships for Chinese are more important than the Americans, that is why they want to get often to know the person who they are doing business with and like doing face to face meetings with them. In Chinese culture, trust has a premium value, and they do not hesitate to ask someone about their personal lives and finances. This is not a sign of rudeness or disrespect for the foreign community; this is a sign of interest in other

people's lives. (Chorn.com, 2017)

3. Style of Communication

The business culture of America is dominant in the world and also the most competitive and tough. They take pride in being tough as compared to the Chinese, who value a lot slower and less aggressive business style. They usually do not rush for their business, and they have ample time to conduct their business properly. They like to communicate the risks and interests of their business with the other parties in detail and do not like to deal with tough negotiations. They have a very tender and helping nature; in fact, the American style is considered aggressive in China and not favoured in the business environment. Therefore, the aggressive Americans do not often like the Chinese business culture as they like it back home. A Chinese can see an aggressive American as highly disrespectful or unprofessional (Chorn.com, 2017)

4. Contracts

The U.S. people like to be more open and frank in their work and discussions. As the Chinese business culture tends to value careful contemplation, therefore, they do not prefer to do contracts, unlike Americans who value contracts as premiums. In China, it is possible for many businesses to conduct business by a handshake, and no contract needs to be signed. This does not happen immediately, even if a contract is signed; the ongoing social relationships are the key to the success of the business deal in the presence or absence of the contract.

5. Gifts and Entertainment

It is more common in the United States to take a client to dinner or have a party with them. They can discuss business at the dinner table or at a restaurant table, but entertaining the clients is not a goal of conducting a successful business. Successful business individuals constantly entertain themselves; they do not need to feel the pressure of the business deals and do not force the clients to discuss the business points or problems during the entertainment events or dinners. However, gifts are highly valued and praised in the business culture of China; they feel pride by offering a token of appreciation to their business partners by giving gifts. The gift also reflects the culture and values of Chinese people to reflect a high level of respect and care for their clients. (Seligson, 2009)

6. Cultural Differences in Business

As the business grows, diverse groups of employees enter the business in the Chinese culture; the Americans are one of the most welcomed employees by employers in China. The workforce culture and diversity are evident in both China and America, where people from various ethnic groups, races,

colours, religions, and backgrounds work together for one goal to promote the economy. It can also bring a host of complications to the workplace. Cultural differences also become a reason for creating conflicts among employees and interfering with their productivity goals. If the issues become serious, the stereotypes about the Chinese culture can also lead to instability in the American workers who find it difficult to work as a team. (Chorn.com, 2017)

In America and Europe, it is not a strange tradition to kiss a business associate on both cheeks and shake hands with the ladies. This is a way of greeting for them, Americans are more comfortable to shake hands and to stand shoulder to shoulder with Chinese associates. The female colleagues, however, do not walk arm in arm with Americans in China and do not develop more personal or sexual relationships easily like in Russia and Europe. (Chorn.com, 2017)

Western and Eastern cues have substantially different meanings in business. The word “yes,” for example, usually means agreement in Western cultures. The Chinese culture is a high context culture where the yes more often means that the party understands the meaning of another party. For an American, the period of silence during a meeting or negotiations may be rude or displeasing because they believe in frank openness. The Western culture is more straightforward and open than the eastern culture of India, China, and Sri Lanka. Chinese culture places more value on avoiding disrespectful responses and avoiding confrontation in the business. (Chorn.com, 2017)

The Western culture is highly based on value-relationship-based marketing and business practices. The long term friendship and family ties are a great part of business relationships in the Eastern culture. Direct referrals from close friends are also considered valuable; the judgments made in business are a result of mutual trust and friendship. This is the oriental culture and acupuncture; Americans believe that everyone in the business deserves an equal opportunity and they value integrity and honesty, which is a common trait of Chinese and Americans in business deals and relationships. The unique qualities of equality, fairness and getting the best deal are the keys to success rather than relying on previous history and background checks. (chorn.com, 2017)

7. Language Barriers

In Germany and the United States, it is not uncommon to speak loudly and be more aggressive or assertive in the workplace. They like to speak loudly when giving directions or sharing ideas for the sake of clarity. This tradition, however, may not be considered very pleasant in cultures like China, where lowering your voice and speaking with a normal tone is more considered ethical. Chinese like to speak in a neutral tone while talking to business people from diverse cultures, like the United States; their political leaders also like to speak politely with world leaders in international meetings. This helps them to foster better business communication in the end. (chorn.com, 2017)

8. Target Audience

While launching a new marketing or advertising campaign, the members of Chinese culture and American culture have to interact with each other. They often research the target market before starting a campaign between the gender views and conservatism vary in two different cultures. The target audience may feel insulted if the marketing campaign is not in line with the cultural norms of the Chinese people. Introducing a new product that is not of significance for the Chinese culture does not appeal to the people who do not like western products. It can hinder their marketing campaign greatly and fail the business. The target audience can be narrowed down by American marketing professionals by observing the cultural norms of China, which helps them to make better decisions. In Japan and China, men make most of the purchasing decisions while in Europe, women make most of the purchasing decisions.

9. Technology Issues

Through the advanced technology and innovative inventions of the 21st century, now business in China and the United States is done through the intervention of technology. Technology is enabling Chinese and Americans to become close to each other and making the world a global village. But there are rules for using the technology, and there are time zone differences that need to be kept in mind for making communication through technology. There are different rules for using the technology as well in the United States and China. The availability of executives for a meeting overseas can be affected by cultural differences, Chinese like to get up early in the morning, but some American executives may like to work at night and sleep in the day. Therefore scheduling a conference call in the middle of the day might be a problem for the American executive. Moreover, the Chinese like to take longer lunch breaks than Americans; every minute is equivalent to one dollar lost for the Americans. Therefore to avoid confusion through the use of technology, asking for availability is the best option.

10. Politics

The influence of politics in the business relationships of Americans and Chinese is also very important. It affects the way companies or businesses operate; Chinese culture has a strong sense of government pride and nationalism, so they like to purchase from Americans who also have good backing from the government. If there are several ongoing political disputes between the business parties based on politics, the businesses are not going to flourish. The best solution is to avoid discussing political matters at the workplace and not repeat the history of countries if they had some political problems in the past. The interoffice relationships are greatly hampered by discussing politics. (chorn.com, 2017)

11. Individualism and Collectivism

As far as autonomy and individualism are concerned, Americans put a lot of emphasis on them. The goals of an individual are more prioritized over the goals of a group. Therefore, the Western culture is full of individuals who are more ambitious, and they use their skills and ambitions to achieve greater success. Americans also like the idea of being different; however, the Chinese people base their decisions on the way others perceive them. They will first consider their family, friends, and colleagues who are affected by their decisions and then think collectively. The AIEF reports say that Chinese people, more often than not, for the greater good of society and groups than to support the interest of an individual.

1. Humility

In China, it is more important to discuss the problems of each other and discuss success by not hurting the feelings of others. This is an indication of humility and respect for human beings in society; Americans sometimes have to apologize for hurting the feelings of the Chinese by displaying a slightly lower level of humility and empathy for others during business relationships. Sometimes Chinese do not discuss the problems at all and do not involve humility; bragging may be considered a norm in the United States culture, and it is acceptable in business communication. Americans also like to discuss and speak about success openly. Some Americans have a notion that humility is a weakness that makes you vulnerable, and it is not always a virtue. (Tan, 2015)

2. Economics Vs Relationships

The Chinese people are very keen and fond of building social networks and relationships with their business clients or employees. This is referred to as 'guanxi' in Chinese, and they like to socialize while conducting business. To them, relationships come. Next, they sign a deal with them and become friends. They trust the business relationships with their clients and follow their instincts to develop family relationships with them. This is, however, contrary to how Americans perform their business practices day to day. A greater emphasis is put on speed and efficiency by the Americans for achieving a target during work. They believe in more casual and easy-going social interactions.

3. Professional Vs Personal Life

In American culture, personal life and professional lives are not mixed with each other more often. They keep them separate by not overlapping the two things. Offices, however, sponsor trips and functions for the employees and give them a chance to mingle and build friendly relationships, but they do not want to mix their business or professional life with their personal life. They have to leave their family and personal issues at home when they come to the office. Many Americans do not like to

personally socialize with each other during work timings and only do it in social gatherings and outside office hours. (Tan, 2015)

The 'guanxi' in China plays a huge role in their professional and personal life. They love to know those closely whom they are working with to foster genuine trust among them. Their bosses and managers are keen to ask their junior about their personal lives and past experiences.

4. On-Saving Face

The Chinese hate losing face and have a history of humiliation and hurt feelings; they tend to take things too seriously and more personally than Americans. They hate to see them called a fool or someone with low self-control. This is also one of the reasons why the Chinese hide their feelings from the people and do not open up frequently. They are not known to express themselves more often like Americans, who express their feelings openly in public, even if they are on worldwide television. Americans are not afraid of making mistakes; they don't mind being human, and they consider it a part of the learning process. In Chinese classrooms, the environment is not totally like in American classrooms; the government needs to change the school-level environment to make international students more at home.

5. Hierarchy and Authority

In China, a hierarchy dictates authority, they interact with each other through a hierarchy, and it defines their communication. In the family, the members who are juniors have a tradition of listening and valuing the opinions of older members of the family; this social structure of hierarchy has also extended itself to the workplace, where the person or employee with the highest power of authority will be responsible for making the highest decisions. If we observe the parent-child relationships in the American culture, there is a lot of fluidity in their relationships. This trend has also extended to siblings, employees, and managers in the offices. They like to make decisions together and like to go to comprehensive debates before making the decisions in the office or business place. The final decision is made with the mutual understanding of all the employees involved in the meeting, and it makes their culture unique and beautiful for caring for the interest of wider groups than of an individual. (Tan, 2015)

Cultural Differences Affect Business Communication

For successful operations and daily deals, the businesses in America and China depend on effective communication like the rest of the world. Understanding cultural differences and overcoming language barriers are some of the considerations people should have when dealing with business with people of various cultures. When the parties involved in the business fail to understand each other and do not communicate effectively, they do not remain in business for a long time.

For example, if we take the example of a salesperson who approaches a customer in China with his full background knowledge, then an American salesman can better perform in the Chinese market with his body language and confident gestures. Understanding cultural differences is the key to business success in both countries; an American can better suit the Chinese market if he or she adapts to the cultural values and understands the nature of their Chinese clients. (chorn.com, 2017)

Cultural Adaption in Chinese Marketplace

The business practices of many Asian and African countries may be acceptable in the American culture of a business environment. Therefore cultural adaptation is the most important thing to consider for businesses that do business with advanced countries like America. China has a different culture than America, and they have to operate in a foreign market with a different culture. A company which has a large amount of diverse, multicultural employees must address these issues in all major departments of its business. The language is the culture of every country; the official languages of China are Chinese and English. However, English is widely used in many higher institutions and offices as a medium of communication in diverse cultures. With the involvement of local people or translators, English-speaking Americans may have to seek assistance at some places where they have to go out for marketing, and the Chinese do not understand English. Moreover, they must also not develop products for Chinese consumers which offend them with presentation or design. In America, the colours and shapes may mean different things than in Chinese culture. The materials and tools that are common to the Chinese and American markets must be utilized to ensure better growth and productivity of the businesses. (chorn.com, 2017)

The Workplace Authority and Respect

The Chinese environment is robust, and it is based on a culture that promotes learning and enthusiasm without aggression and confrontation. Americans are more open to questioning authority and outspoken personalities; this widely affects workplace communication in China. Working as a female sales executive in a multinational company in Beijing is not always easy for American ladies; they observe that their Chinese colleagues are sometimes hesitant to share their inner views and feelings with them, which is the norm of their culture. In China, many foreign men are in higher positions in multinational companies due to their better knowledge, education, and exposure to the foreign environment. They possessed incredibly strong decision-making and managerial skills as compared to the local Chinese workers and were paid higher salaries. The Chinese people sometimes fear them and do not confront them directly; they like to remain polite with them and respect them in all situations. A female worker may feel embarrassed if her American boss tells her directly what she is doing. The indirect ways of communication are more suitable for the Chinese, which are a part of Asian tradition in many countries neighbouring China. (Selingson, 2009)

The Americans who perceive Chinese as indecisive do not adore their communication styles at the

workplace. They may consider them less confident at various positions and do not regard them as tough human beings, although Chinese have a culture of doing exercise early in the morning like Americans, they do not like to build muscular bodies and dress fancy in many situations. Chinese may see Americans as rude people and inconsiderate of the feelings of others. It can easily lead to conflicts and misunderstandings, and it affects the promotions of the employees. The Americans like to assign the tough tasks to people who are more vibrant, vigilant and quick in their delivery of work. The Americans appreciate perfection and also give a chance to employees to improve their mistakes. (Selingson, 2009)

The young Chinese feel that there are barriers in the Chinese economy that are hard to pass in the presence of a foreign workforce. Most of the expatriates do not speak Chinese, which is their local and family language, therefore, the chances of getting a promotion or raise become low for the expatriates. (Selingson, 2009)

(Li, 2012)

Ways to Improve the Cultural Tension

In the business and workplace where the people of two nations mix and form a business team, it is natural that conflicts may arise due to the above-mentioned cultural differences. The foreigners can still make China their home and feel comfortable doing business with the Chinese if they make an effort to adapt their cultural values and respect them at all times. For example, eating something that displeases a Chinese boss or coworker should be avoided; whistling in public or speaking fast will not help Americans get appreciation from Chinese people. To do successful business with the Chinese, it is mandatory to make them feel comfortable and adjust to their society by accepting their norms and ways of communication.

It is not hard to adapt to the cultural norms of China if American businessmen and workers take their jobs seriously and develop trustful relationships with them. Discussing their problems with the Chinese will never hurt them because they are full of passion and empathy to help their coworkers. The Americans must not do or say anything at the workplace that offends any male or female employee. Developing unethical relationships with them will ruin their integrity and moral values; the Chinese prefer those who prove to be reliable and trustworthy in the long run to build their economy.

Conclusion

Despite the differences in culture, values, language, norms, and perceptions, the Chinese-American pairing is beneficial for both nations to promote political and economic growth for the progress of people. Both country highly values the progress of their nation; they want their people to thrive and make a difference in the world. Tensions grow in the workplace and business world when Chinese and American cultures collide; there are ways to reduce those tensions among the white American

employees who work at higher and junior level positions in various multinational companies in China. The cultures of West and East mingle with each other, and they have an excellent opportunity to understand each other's values and priorities. The likes and dislikes of Chinese and Americans are different in many areas of life.

Being the largest exporting country in the world, China also provides goods and services to the American economy. The best way to avoid confrontations with Chinese at the workplace is to engage in polite conversations; learning the Chinese language will also help reduce the language barrier for foreigners. Patience is a virtue that is a blessing for Americans doing business or employment in China. Western Americans feel comfortable, if not feel right at home in China if they behave tolerantly and try to get mixed with their peers in the workplace to promote a culture of understanding. The success of the American-Chinese alliance will bring enormous growth in the economies of both countries and help people to be more productive in their personal and business lives. The cultural shock can be reduced by understanding the cultures of each other in depth; both countries can rule the world economy if they build fruitful business relationships regardless of cultural differences.

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