

British-Chinese joint venture

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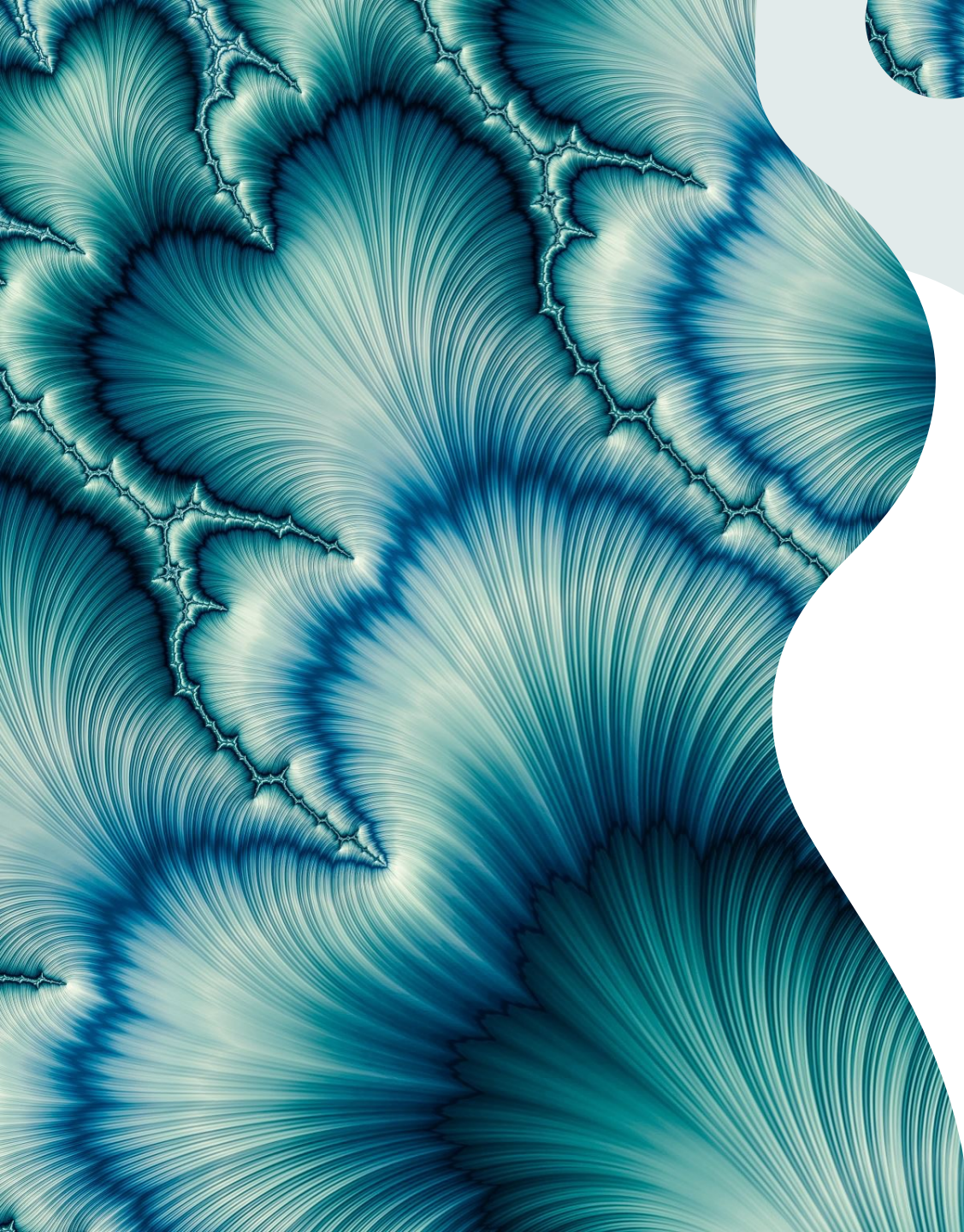
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INTRODUCTION



HUAWEI



HUAPAY

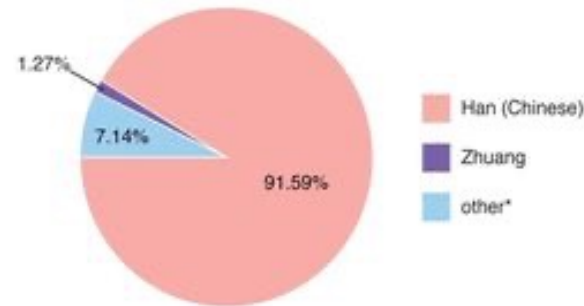


Introduction to the Chinese culture

- Largest Asian country
- Largest population in the world
- Multinational country
- Great center of world religion



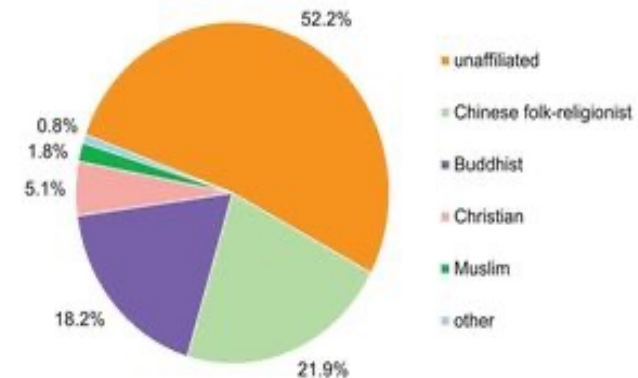
Ethnic composition (2010)



*Includes small percentages of Hui, Manchu, Uighur, Miao, Yi, Tuja, Tibetan, Mongolian, Dong, Buyei, Yao, Bai, Korean, Hani, Li, Kazakh, and Tai ethnic groups.

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China religious affiliation (2010)*



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*Many Chinese practice both China folk religion and Buddhism.

1. Greeting

- The Chinese culture prefers may to bow or nod
- Greeting the most senior persons before others
- It is recommended to use family names and the appropriate titles

2. Personal space

- They avoid contact with foreign persons
- The Chinese do not like to be hugging or kissing each other on the cheeks

3. Touching

- They detest being touched by strangers

4.Facial expression

- Prefers to use poker face
- More reserved and calmer when they speak
- It is important to not have a displeased face when they speak

5.Eye contact

- Not considered as essential, it is believed that subordinates should not make eye contact with superior

7. Formalities

- Offering and receiving an object is recommended to use both hands

8. Time

- Arriving early is an important part of giving respect



Factors for the success and failures of joint ventures



Joint ventures are the combination of two or more organizations that are necessary for survival or growth in any certain market.

However, before heavily investing in joint ventures the company needs to understand some of the essential success and failure factors for the betterment of the organization.



Success factors

The first essential factor of success is the *legal agreement* between two parties regarding joint



The second crucial factor of success for joint ventures is finding the *right market objectives* for the market of

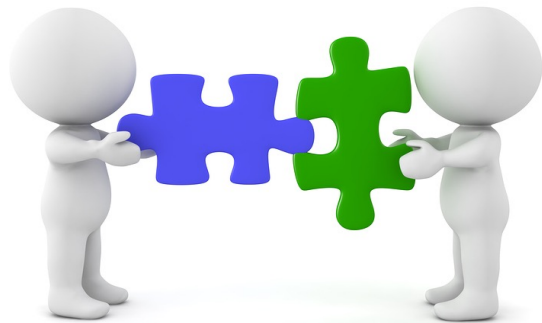


Lastly, the best success factor for joint ventures is *communication* between both parties.



Failure factors

The first factor that is there for the taking is the *issue of the compatibility* between both parties.



Lastly, the second failure factor is the *difference in expectations* from both parties involved in the joint ventures.



All these success and failure factors are crucial for the company to engage with and that is the reason why it is crucial to understand their impact in the long term. By maintaining all these crucial factors and implementing them with the plan, the company can move forward in the Chinese market.



Cultural sensitivity in China / Difference from UK

Cultural sensitivity is integral in any cross-cultural relationship. But it is critical in international working relations, such as in business or government jobs.



There are a number of key cultural norms and values that Western leaders like the UK need to be aware of in their daily business life in China.

UK

The UK believes that time is money and is in a hurry to conclude the deal

China

Chinese prefer slower negotiations

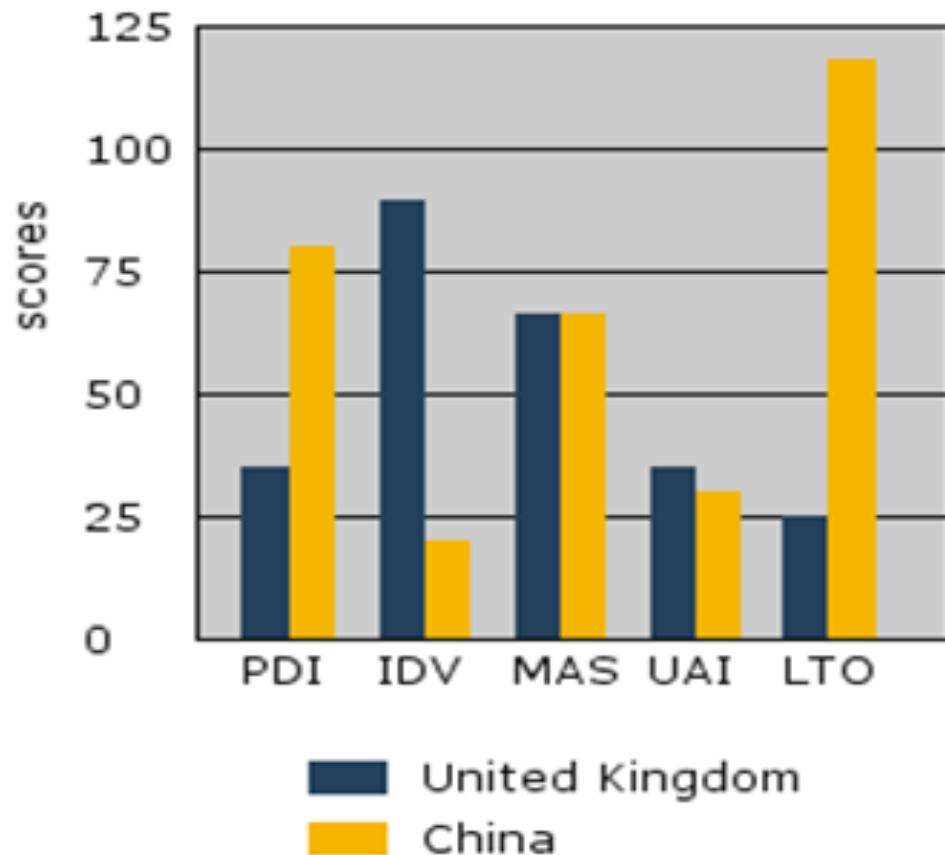


This reflects their contrasting views on the purpose of negotiation and their contrasting views on the Hofstede long-term versus short-term orientation.

(Hofstede, 2010).

Individualistic and collectivistic

The 5D Model of professor Geert Hofstede



In the UK individualism is a core cultural value. In the West, we're taught from an early age that we should focus on our own needs and interests and that is okay to put ourselves first

In the Chinese culture, and in many Asian countries on the other hand, collectivism is a core cultural value.



"saving
face"

In sharp contrast, the UK is generally known to speak its mind even if it might cause other counterparts embarrassment.

The Chinese prefer a more structural form and hierarchy, they tend to show low emotion during the negotiation and they are really concerned about saving face and maintain the composure

Trompenaars (1997)



It is important for both UK and Chinese organizations to pay attention to Cultural differences in order to adopt practices and foster successful collaboration.

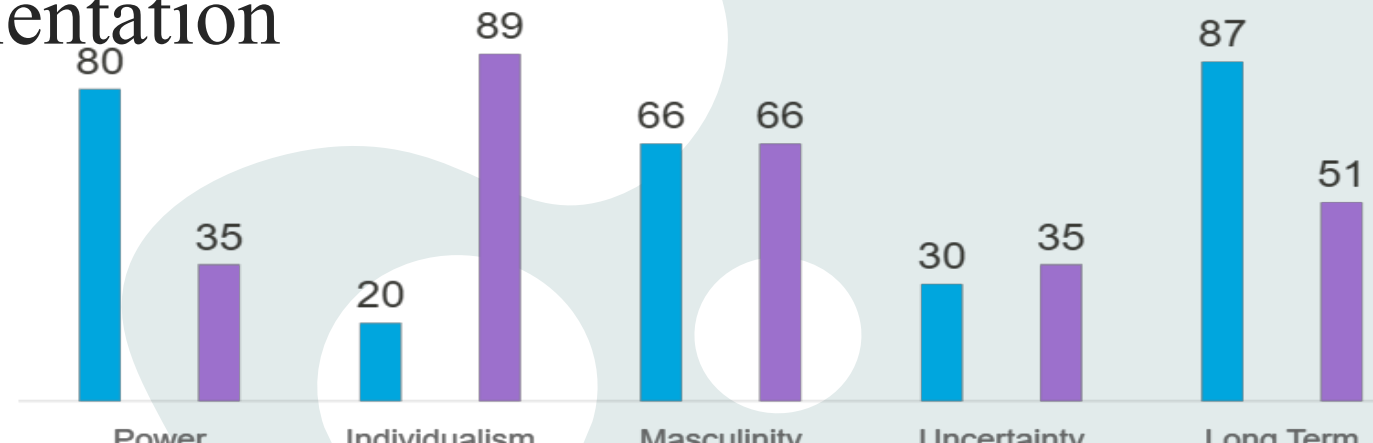


Training in cross-cultural issues is vital and should be based on conceptual frameworks that are both up-to-date and relevant

Hofstede's 5 dimensions

Comparing China and UK

- Power Distance
- Individualism and collectivism
- Masculinity Femininity
- Uncertainty Avoidance
- Long-term and short term orientation

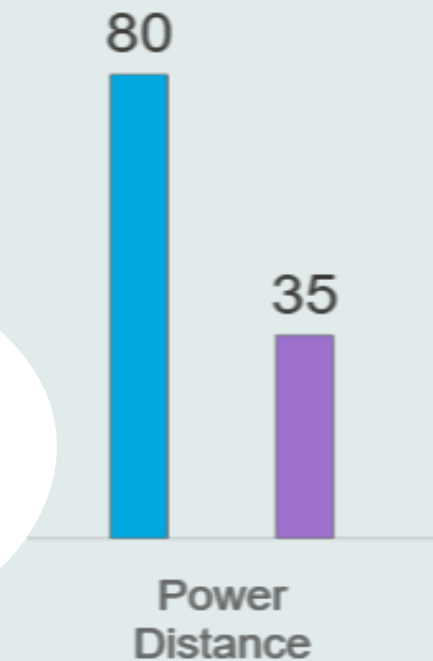


Power Distance

The level of acceptance by a society of the unequal distribution of power in institutions

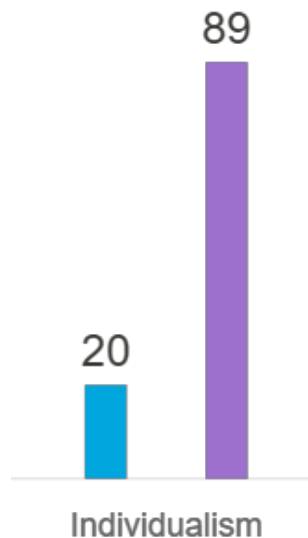
Chinese society is more likely to accept and expects that power is distributed unequally

British society leans towards the idea that people should be treated as equal regardless of their work position.



Individualism and Collectivism

- Individualistic societies are more self-oriented
- Priorities mostly their own self and their families



- Workers who live in a collectivist culture might strive to sacrifice their own happiness for the greater good of the group.
- Collectivism in companies can enhance collaboration, leading to greater levels of productivity across departments.
- Loyalty

Masculinity and Femininity

Masculinity refers to cultures who values ambition, power, material possessions and achievements whereas feminine societies values more quality of life.

Pros:

- Economic growth is a priority
- Competitive society leads to higher achievements

Cons:

- Larger gender wage gap
- Fewer women in management
- Most of your time is spent working



Uncertainty Avoidance

High uncertainty avoidance

Structures and rules are highly valued

Focus and organization and bureaucracy

Focus on safety and less risk taking

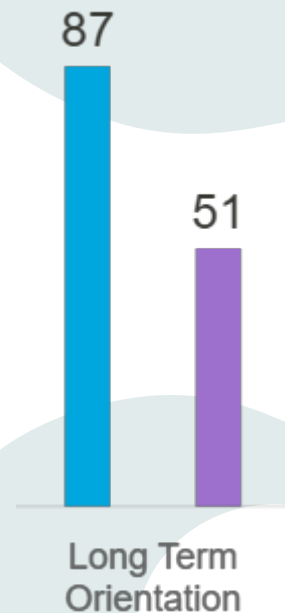
Low Uncertainty Avoidance

- People are much more relaxed with new or unusual situations
- Structure and rules are not a priority
- Less focus on safety



Long-term and short term orientation

- Long-term societies are oriented towards long term goals and future rewards
- Adapting to change is highly valued in long-term oriented societies
- Tend to delay short term gratification for future benefits



China is one of the countries with highest rate of LTO, and UK is somewhere between long and short term oriented.

Although the theory is not absolute, it provides the opportunity to navigate in a new and unknown environment. By comparing China and the United Kingdom we can have a clearer vision of our idea will be successful in a place with such a different culture, by using this theory we can see in what way these two cultures differ and decide whether can we manage to achieve desired results and is it worth it, considering cultural differences.



Slower negotiations



Better communication



Find a way to deal with problems



Monitor performance



Plan carefully



Conclusion

- ✓ Joint venture will be hard but possible
- ✓ The Chinese are very sensitive
- ✓ The two countries are as different as they are the same



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