



Cross-Cultural Negotiations: UK- China Strategic Partnership

Achieving a Successful International Business Deal

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OUTLINE

- Define culture
- various elements of culture
- Importance of cultural awareness and adaptability in cross-cultural negotiations.
- Theoretical Underpinning Key cultural theories (Hofstede & Hall)
- Chinese cultural elements in negotiation
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Define culture

- Culture is defined as a set of common beliefs, values, traditions, social norms and behaviors of a group of people who live in a certain area of the world (Naik, Baker, and Mohiyeddini, 2023).
- Edgar Schein has provided one of the most commonly referenced definitions: culture is the acquired product of group experiences, which is the result of significant personal history of the group and the traditions, customs, practices, transmitted knowledge, and beliefs, mores, and norms (Billups, 2025).



Elements of Culture

Values

- Values are personal ideas of an individual
- Examples are Kindness, health, personal accomplishment, learning, fairness

Beliefs

- Beliefs are intangible but powerful forces of actions and choices
- Examples are religion, ideology, or tradition

Norms

- Social norms are unwritten regulations that are shared knowledge
- Major examples of norms are Folkways and Mores

Non-material Culture

- Non-material culture encompasses abstract aspects of culture
- Examples are values, beliefs, norms, knowledge and traditions.

Symbols

- Symbols are things, gestures, signs or words that have common meanings within a culture.
- Examples are flags, religious symbols, road signs and even gestures.

Language

- The language is a cultural system of symbols to communicate and transmit
- Examples are exchange ideas, transmit knowledge, and to continue cultural continuation

Material Culture

- The physical objects produced and utilized by a society.
- Technology, infrastructure, clothing, buildings, and tools and are referred to as material culture





Importance of cultural awareness and adaptability in cross-cultural negotiations

- Determine the negotiations processes in terms of trust perceptions, time orientation, risk tolerance as well as decision making styles (Liu, 2024)
- Improves the results of negotiations by allowing one to adjust his approach to the cultural expectations
- Produce better relational and financial results (Feyerherm and Gu, 2015)
- Minimize misunderstandings,

Theoretical Underpinning Key cultural theories

01

Hall's Context Theory

- The Context Theory by Hall is a theory that elucidates the difference in communication in a negotiation. Direct communication is not always direct, relationship-based and is dependent on non-verbal communication and implicit meaning in high-context cultures like China. As an example, no reply or indirect replies can represent disagreement or deliberation instead of rejection (Yee, et al., 2025).
- Low-context cultures: communication is explicit and relationship is not important (e.g., China)
- Low-context cultures: communication is task-oriented, explicit and direct (e.g., UK).

02

Hofstede's Cultural Dimensions

- The cultural differences theory of Hofstede singles out power distance, individualism, uncertainty avoidance and long-term orientation as the major differences in value that determine the way people conduct business negotiation (Wu, 2006).
- Power Distance: Tolerance of inequalities of power
- Individualism vs Collectivism: individual-centered focus vs group-centered focus
- Avoidance of uncertainty: fear of the unknown and the unknown element of risk
- Long-Term Orientation: focus on future rewards vs short-term results).

Chinese cultural aspects in negotiation.

- The Chinese culture has a significant influence on negotiation behaviour and especially in the form of guanxi (relationships), mianzi (face), harmony as well as long-term orientation.
- Guanxi has a great impact on selection of partners and negotiation results because trust-based relationships help to minimize uncertainty and cooperate (Yen, et al., 2017).
- the principle of mianzi (face) underlines the need to uphold dignity, respect, and social reputation, contributing to indirect communication and evading direct confrontation (Zhou, and Zhang, 2024).
- Chinese negotiators highly value harmony and indirect communication, and instead of being direct, they tend to use silence, ambiguity, or non-verbal communication to show disagreement, which fits high-context communication patterns and may cause misunderstanding in cross-cultural contexts (Chuah, Hoffmann, and Larner, 2014).
- Chinese culture shows a long-term orientation, the negotiators value long-term sustainable relationships and future benefits over short-term benefits, and consequently, their negotiation processes tend to be more sluggish yet relationship-oriented.

How to negotiate effectively and make a deal.

- Effective negotiations entail preparation, cultural awareness, effective communication and strategic flexibility.
- According to a study conducted by Hong, (2024), negotiators who use systematic approaches like preparation, relationship building and integrative bargaining have a much higher chance of reaching a win-win situation.
- The second important strategy is to establish trust and relationships and this is more so in high-context cultures like China where guanxi (relationship networks) have a greater impact in determining business decisions.
- Leung, et al., (2011) shows that trust-based relationships lead to greater cooperation and likelihood of reaching an agreement with international negotiations.



CONCLUSION

- The success of cross-cultural negotiation is based on the knowledge of how culture influences communication, decision-making, and relationship-building.
- The Hofstede Cultural Dimensions and the Context Theory theories explain that cultural differences in power distance, individualism and the style of communication may greatly contribute to negotiation behaviour because high-context and low-context cultures like China and the UK promote different communication styles, which may result in misunderstanding, unless effectively handled.
- guanxi (relationships), mianzi (face), and long-term orientation are key elements of Chinese negotiation culture and make culturally sensitive and flexible negotiators more successful and effective in their international relations.
- cultural sensitivity and flexibility are critical to minimising misunderstandings, establishing trust, and achieving win-win deals in international negotiations.

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