

Programme: BA Business Management
Module: International Business Communications
Module code: LCBB6001
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Introduction

- ❑ All that changes when doing business between cultures is the language used.
- ❑ The difficulty arises from the fact that cultural expectations and requirements differ considerably from one nation to another (Gibson, 2019).
- ❑ Greggs, a baking business located in the United Kingdom, is attempting to initiate negotiations toward the formation of a collaboration agreement with Bimbo China both of which are situated in China and produce and market baked food items.
- ❑ The primary purpose of this session is to acquaint listeners with the cultural contrasts that exist between the UK and China.

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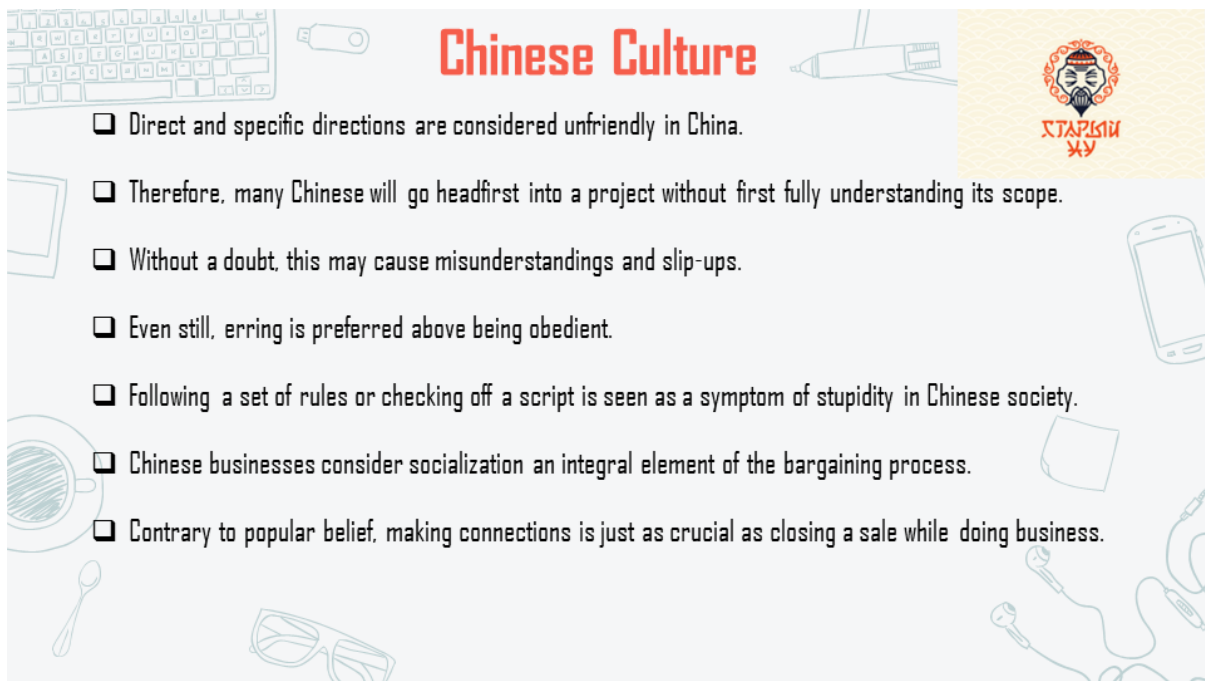
Chinese Culture

- ❑ The Greggs will need to learn about and adapt to Chinese customs and language if they want to conduct business there.
- ❑ Many factors contribute to China's unparalleled market, including the country's thriving corporate environment, low taxation, and attractive currency policies.
- ❑ The work ethic of a Chinese worker is strongly influenced by cultural norms that place a premium on such characteristics.
- ❑ The philosophy of Confucius has a significant impact on the way business is done in China.
- ❑ Therefore, the primary implication of the Confucian notion of Social exchange entails that a connection network is essential, with its foundation in the virtues of mutual support, loyalty, humility, and politeness.

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There is a great emphasis on "avoiding confrontation" in Chinese corporate culture, which necessitates a preference for non-direct interaction. It is situated in such a way as to most effectively baffle Westerners in numerous ways (Gulubova, 2020). China has a highly formalized and bureaucratic social system. Therefore, everyone knows their place within the organization and respects the limits set for them. Mandarin Chinese serves as the medium of official communication in China. There has been a dramatic growth in the number of people who speak this accent. Indeed, only around 55% of the certain population could speak Mandarin.



Chinese Culture

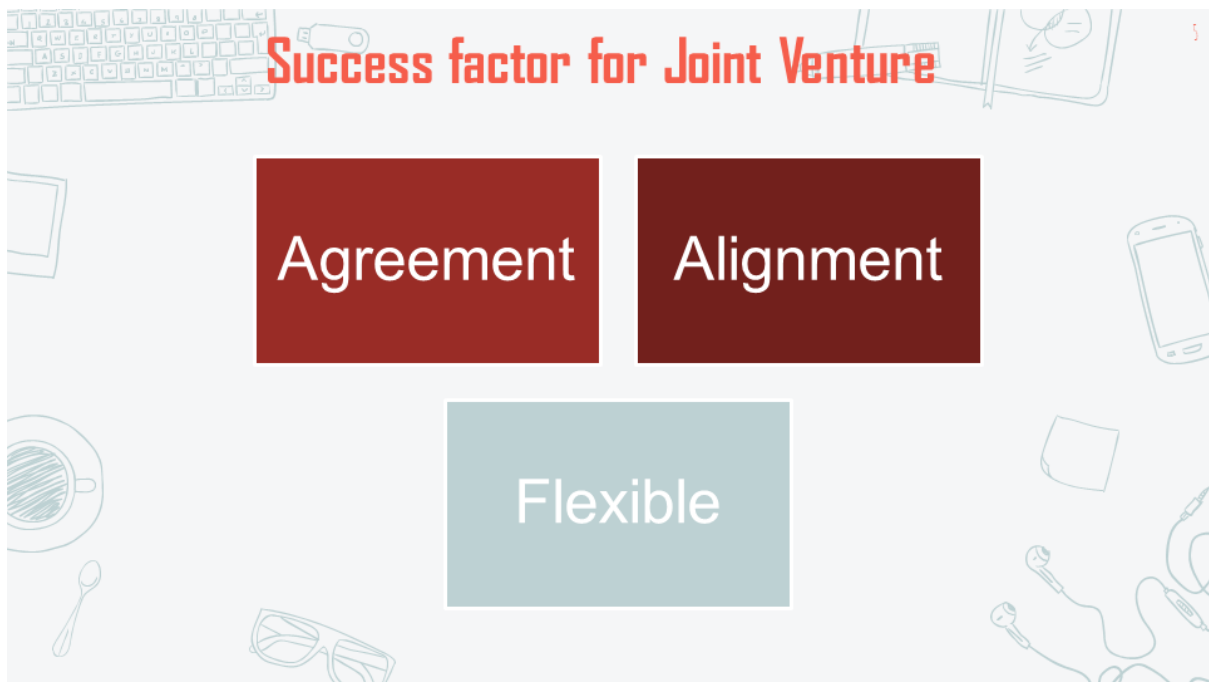
- ☐ Direct and specific directions are considered unfriendly in China.
- ☐ Therefore, many Chinese will go headfirst into a project without first fully understanding its scope.
- ☐ Without a doubt, this may cause misunderstandings and slip-ups.
- ☐ Even still, erring is preferred above being obedient.
- ☐ Following a set of rules or checking off a script is seen as a symptom of stupidity in Chinese society.
- ☐ Chinese businesses consider socialization an integral element of the bargaining process.
- ☐ Contrary to popular belief, making connections is just as crucial as closing a sale while doing business.

The infographic features a light blue background with various line-art icons: a keyboard, a USB drive, a pencil, a smartphone, a coffee cup, a spoon, a pair of glasses, and a pair of headphones. In the top right corner, there is a circular logo with a stylized face and the text 'STAPIN' below it.

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The business culture in china encourages honesty, pride, civility, cooperation, and advancement. As a whole, Chinese people place a high value on heritage, and this is reflected in their corporate practices. Understanding Chinese customs and manners are crucial if one wants to establish trustworthy business relationships with Chinese colleagues.



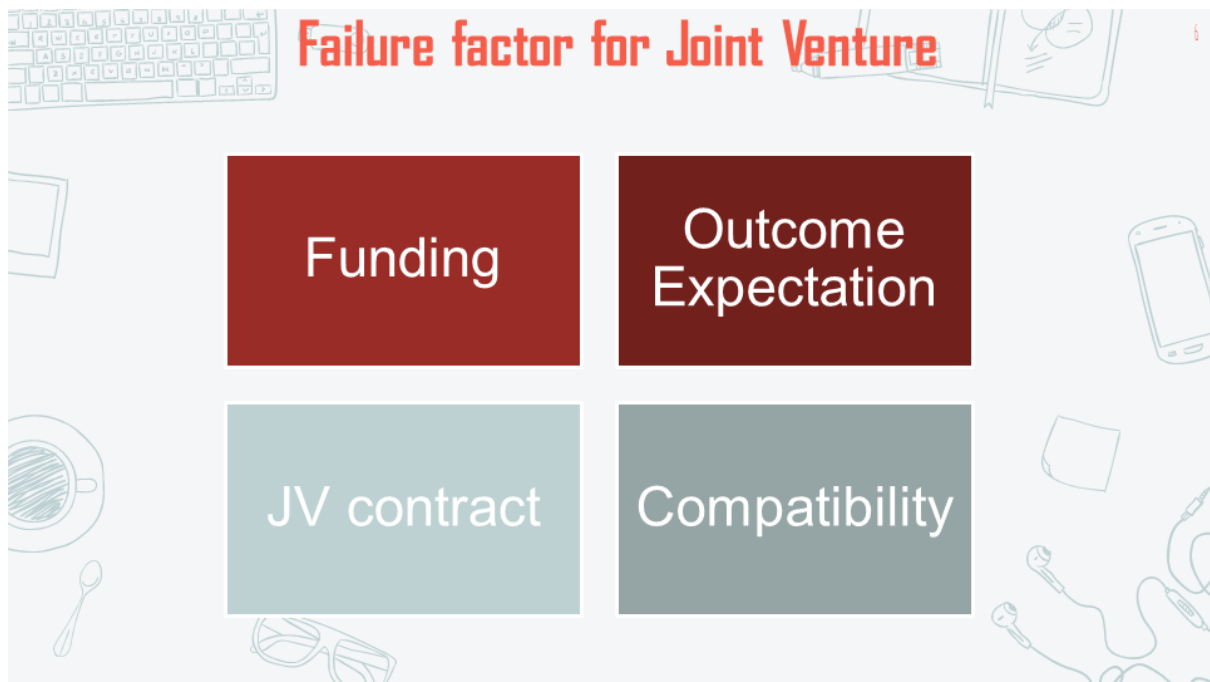
Note

When two or more businesses work together to attain a common goal, they are said to be in a strategic alliance. It's up to the company whether it would be a brand-new initiative or some other operation. Earnings and expenditures from a joint venture are shared equally among the partners. In the situation of Greggs, which is based in the United Kingdom, and Bimbo China, which is based in China, among the most important variables contributing to the successful operation of strategic partnerships, are the contractual alignment improvement and the adaptability of both sides.

Agreement: Duration, performance standards, and decision-making procedures are only a few of the key parameters that need to be established early enough. The parties involved in the JV agreement need to negotiate on the size of the first commitment they will each be contributing. Both companies will need to bargain with one another to ensure their continued prosperity.

Alignment: Productive Joint ventures are based on common goals. Each party's risk and reward expectations must be compatible with the partnership's goals for the relationship if it is to succeed (Watt, 2018). Both of these companies are working towards the same objective. The achievement of a profit should be the primary focus of corporate operations.

Flexible: Each party should be prepared to adapt to the other's manner of conducting business and make decisions to resolve any conflicts that may develop. Both firms have a solid understanding of each other's management style and company culture



Note

The inability of the two businesses to work together harmoniously and inadequate money were among the main contributors to the collapse of the collaboration agreement that they had entered into in China. All strategic alliances are susceptible to four common issues, all of which must be resolved in some fashion (Hip, 2020). Disagreements may arise over factors such as complementarity, resources, the JV agreement, and expected returns.

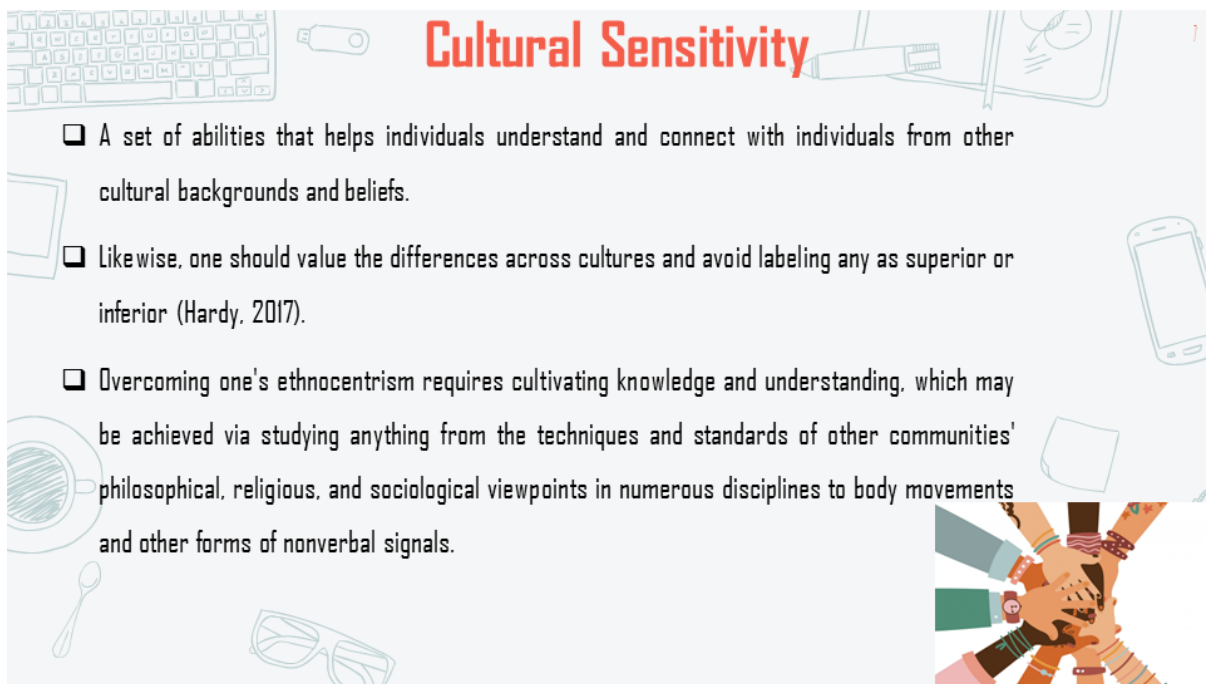
Compatibility: When forming a partnership, it's important to think about how well the potential partners get along with one another (Killing, 2016). Each participant has to be committed to the project's success and compatible with the others.

Funding: All considerations related to the loan performance and reliability of a strategic alliance must be accounted for when seeking funds.

JV contract: In every business partnership, it is essential to establish a comprehensive Joint Venture memorandum from the outset (Hip, 2020). Specific aspects including profit sharing,

control, responsibility, and departure clauses need to be defined and the duties of each participant made clear.

Outcome expectation: When forming a strategic alliance, all parties involved must have the same goals and expectations for the project. The ESL messed up the most here. In analyzing the enterprise based only on its potential to make, it ignored important contextual considerations (Killing, 2016).

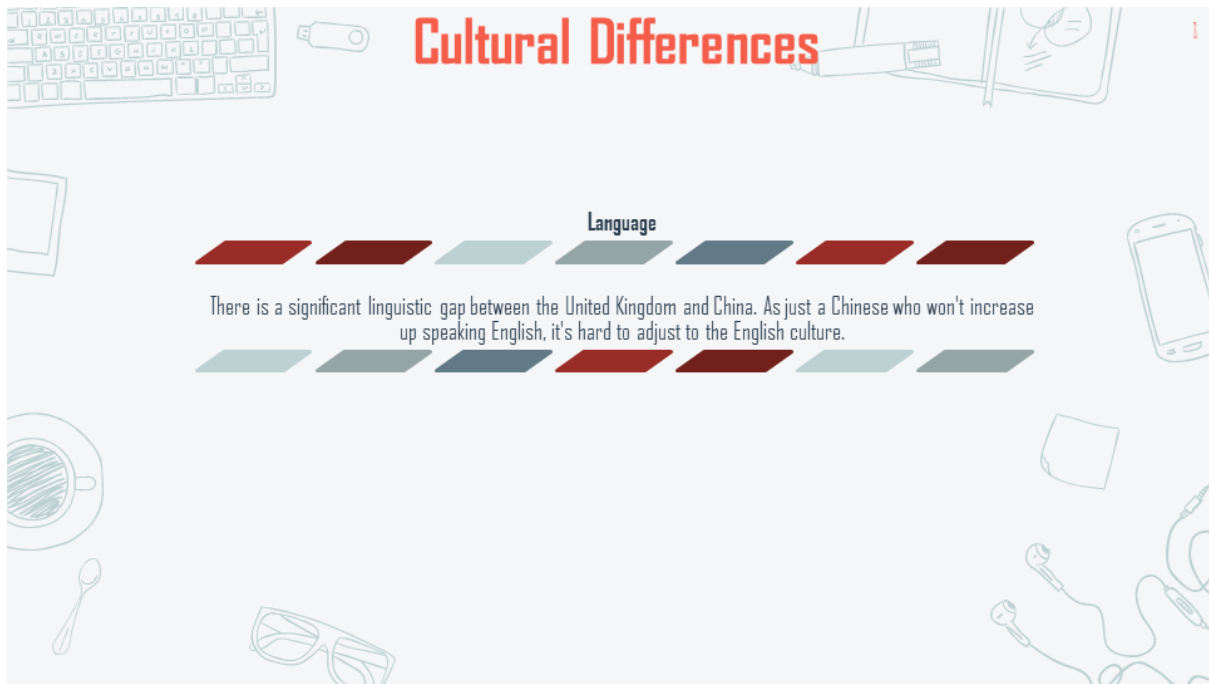


Cultural Sensitivity

- ☐ A set of abilities that helps individuals understand and connect with individuals from other cultural backgrounds and beliefs.
- ☐ Likewise, one should value the differences across cultures and avoid labeling any as superior or inferior (Hardy, 2017).
- ☐ Overcoming one's ethnocentrism requires cultivating knowledge and understanding, which may be achieved via studying anything from the techniques and standards of other communities' philosophical, religious, and sociological viewpoints in numerous disciplines to body movements and other forms of nonverbal signals.

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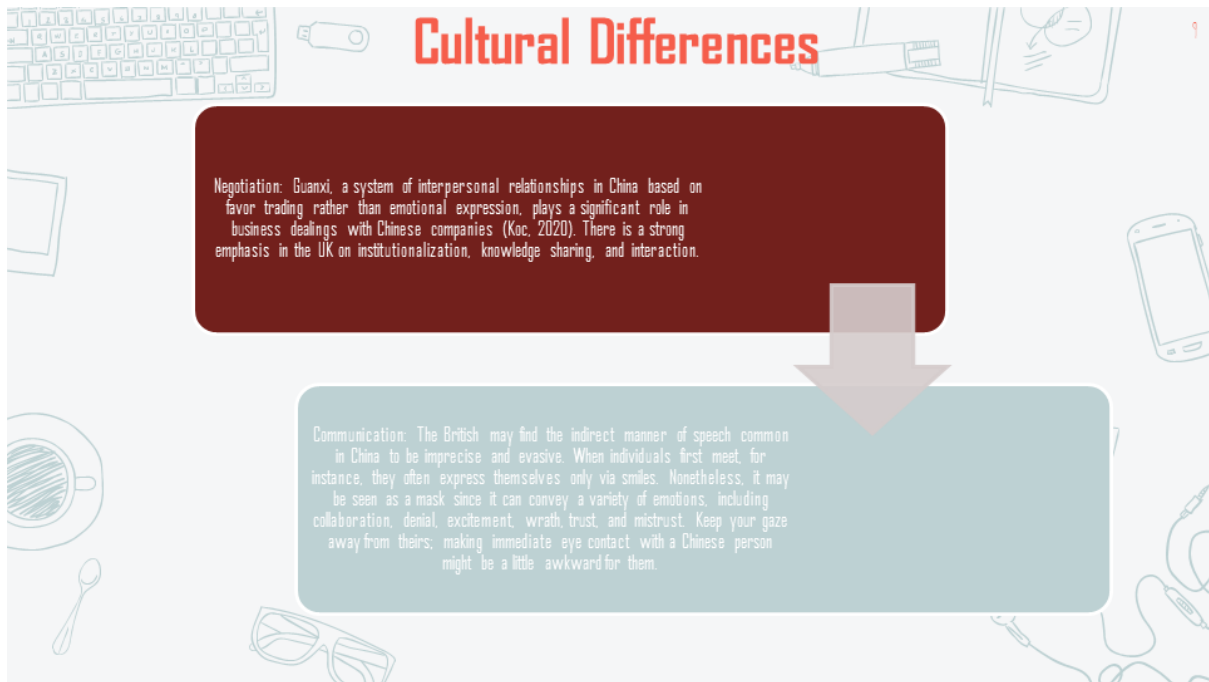
A set of abilities that helps individuals understand and connect with individuals from other cultural backgrounds and beliefs. Likewise, one should value the differences across cultures and avoid labeling any as superior or inferior (Hardy, 2017). Overcoming one's ethnocentrism requires cultivating knowledge and understanding, which may be achieved via studying anything from the techniques and standards of other communities' philosophical, religious, and sociological viewpoints in numerous disciplines to body movements and other forms of nonverbal signals. Keeping an open mind and heart towards other cultures helps broaden the scope of ideas spoken and raises everyone's level of understanding about the world around them. For example, in china touching someone, or making anybody contract is a disrespectful act.



Note

The term cultural differences refer to the myriad ways in which people of different ethnicities, races, and nationalities articulate themselves through their beliefs, attitudes, languages, behaviors, and body language (Ogbu, 2017). China and the United Kingdom are on opposite sides of the world and share quite diverse cultural traditions.

Language: There is a significant linguistic gap between the United Kingdom and China. As just a Chinese who won't increase up speaking English, it's hard to adjust to the English culture.



Note

Negotiation: Guanxi, a system of interpersonal relationships in China based on favor trading rather than emotional expression, plays a significant role in business dealings with Chinese companies (Koc, 2020). There is a strong emphasis in the UK on institutionalization, knowledge sharing, and interaction.

Communication: The British may find the indirect manner of speech common in China to be imprecise and evasive. When individuals first meet, for instance, they often express themselves only via smiles. Nonetheless, it may be seen as a mask since it can convey a variety of emotions, including collaboration, denial, excitement, wrath, trust, and mistrust. Keep your gaze away from theirs; making immediate eye contact with a Chinese person might be a little awkward for them.

When trying to implement techniques and encourage productive cooperation, businesses in the UK and China must both consider cultural differences.

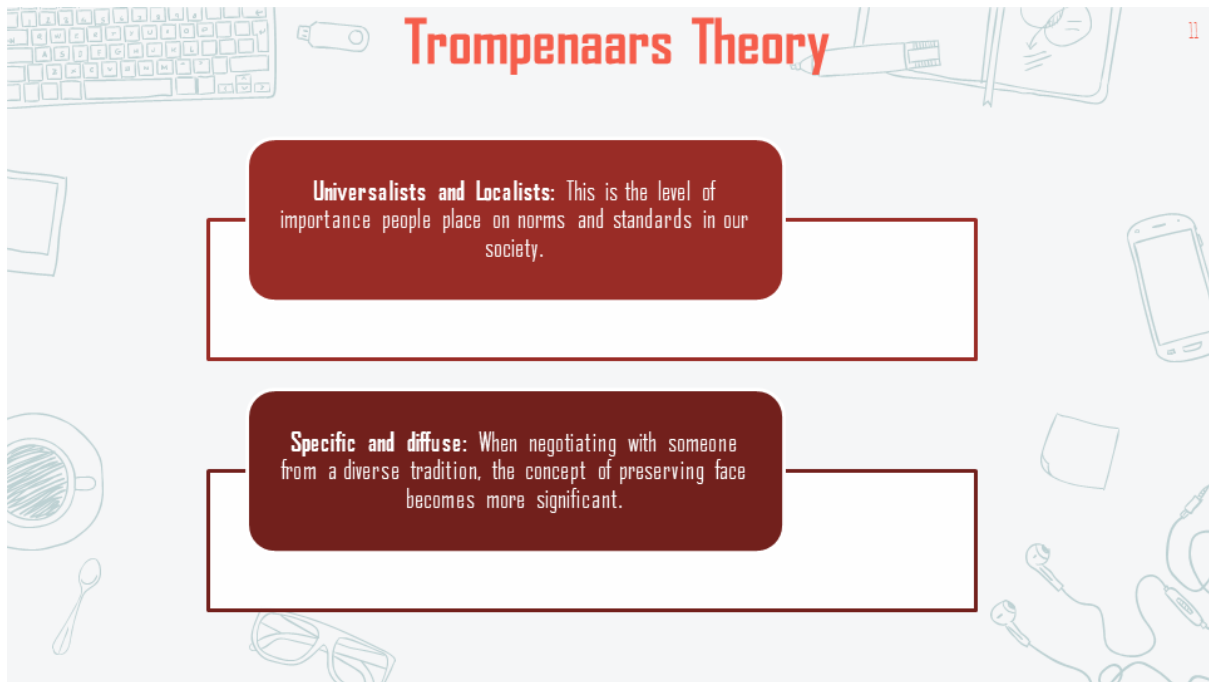
Intercultural Communication

- ❑ Understanding and appreciating one another's cultural background is important to effective intercultural interaction.
- ❑ The idea is not total integration but rather the development of a composite culture that combines elements of two or maybe more civilizations.
- ❑ Assumptions about other cultures may be quite costly in international commerce (Aiden, 2021).



Note

Understanding and appreciating one another's cultural background is important to effective intercultural interaction. The idea is not total integration but rather the development of a composite culture that combines elements of two or maybe more civilizations. Assumptions about other cultures may be quite costly in international commerce (Aiden, 2021). Because of this lack of preparation and cultural knowledge, whole initiatives have been abandoned. To build trusting connections and prevent misunderstandings, the ability to communicate effectively across cultural boundaries is a must for anybody operating across international borders (Salerno, 2020). Data must be sent between different cultures and nations in a way that respects and honors local norms and values.

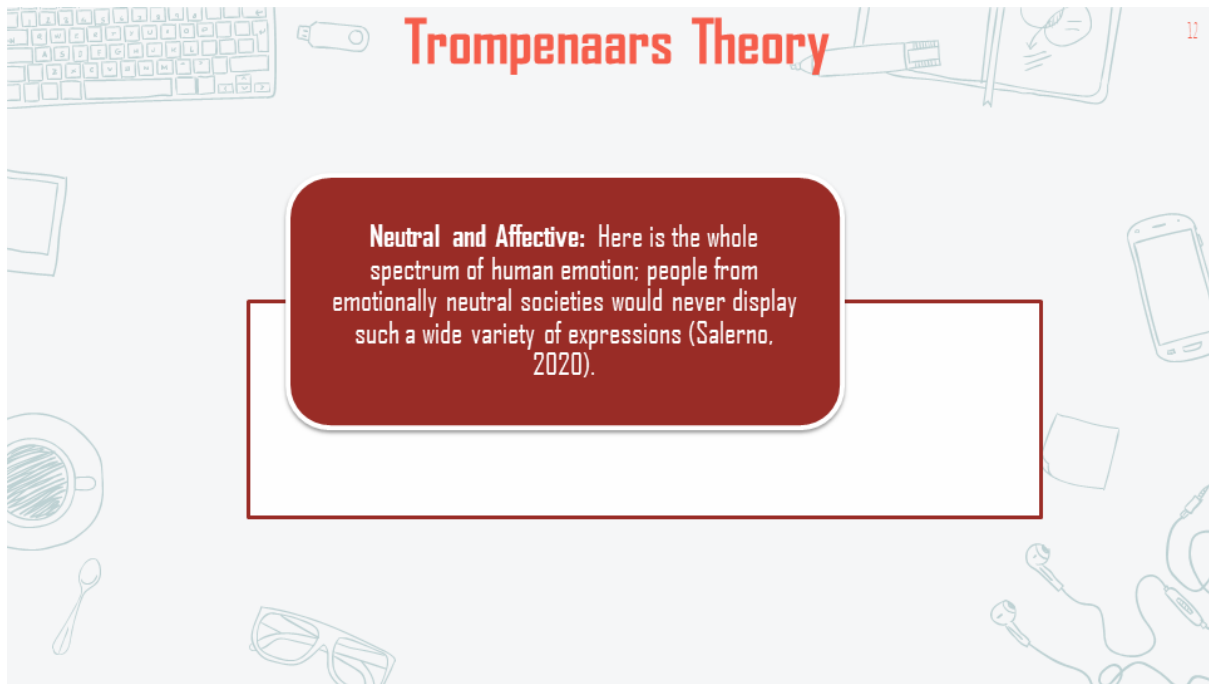


Note

According to Fons Trompenaars, universalistic cultures are associated with non-Western nations, whereas internationalist cultures are associated with the West (Koc, 2020). Cultures evolve constantly, sometimes at a faster rate than is widely recognized.

Universalists and Localists: This is the level of importance people place on norms and standards in our society. In a culture that has a universalist worldview, issues such as this are regarded as significant, but in a community that holds a particularist worldview, interpersonal connections are prioritized. Since China is a collectivist society, friendship is crucial to the outcome of commercial dealings (Koc, 2020). The culture of the United Kingdom is the absolute opposite.

Specific and diffuse: When negotiating with someone from a diverse tradition, the concept of preserving face becomes more significant. To be respected by one's contemporaries and to have a high social standing is to have a face. Chinese people are less likely to express strong emotions during negotiations and are more interested in keeping their cool and not embarrassing themselves (Mulder, 2022). Contrarily, Brits have a reputation for saying what they think, even if it may disgrace them.



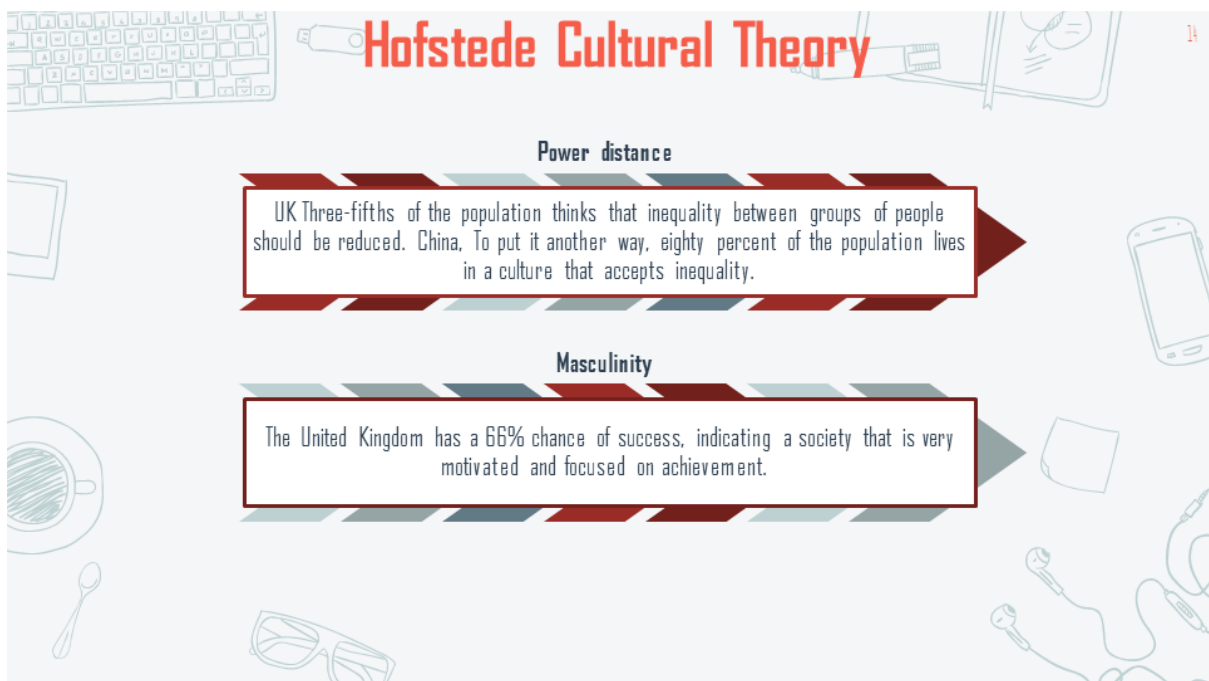
Note

Neutral and Affective: Here is the whole spectrum of human emotion; people from emotionally neutral societies would never display such a wide variety of expressions (Salerno, 2020). Cultures that place a greater emphasis on emotion, such as China's, tend to express them more freely. The British have a very neutral manner, which Trompenaars claims the more emotive Chinese may perceive as a lack of enthusiasm or indifference.



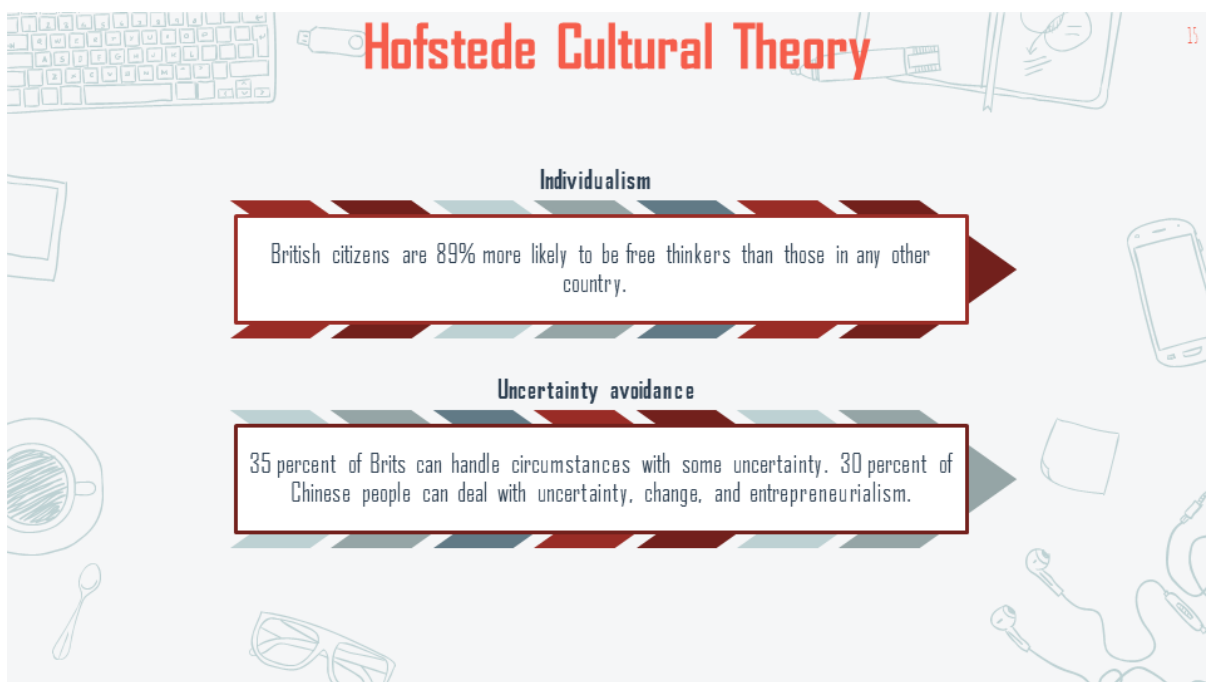
Note

Hofstede's Cultural variables are a theoretical framework for analyzing cross-national cultural variations (Newbury, 2018). It was established by Geert Hofstede.



Note

- **Power distance:** UK Three-fifths of the population thinks that inequality between groups of people should be reduced. China, to put it another way, eighty percent of the population lives in a culture that accepts inequality.
- **Masculinity:** The United Kingdom has a 66% chance of success, indicating a society that is very motivated and focused on achievement. Many people in China are so focused on their careers that they'll put their families and free time second (Uță, 2022).



Note

- **Individualism:** British citizens are 89% more likely to be free thinkers than those in any other country. Twenty percent of the world's population lives in China, a strong collectivist society where individuals often put the needs of the collective ahead of their own.
- **Uncertainty avoidance:** 35 percent of Brits can handle circumstances with some uncertainty. 30 percent of Chinese people can deal with uncertainty, change, and entrepreneurialism.



Note

Several suggestions might be made for each of the organizations.

- As an international communication strategy to support business cooperation with China, the UK opponent may recruit a Chinese professional who is fluent in both languages to handle all business operations translations in China.
- Verifying the accuracy of all interpretations to remove linguistic barriers from collaboration.
- Having to rely on covert or covertly communicated information.
- Paying careful attention to both one's attitude and expression.

Conclusion

17

- ❑ In the course of doing worldwide business, the British baking giant Greggs may find itself in a precarious position should it decide to prepare a collaboration agreement well with the Chinese firm Bimbo Bakery factory.
- ❑ However, if both businesses were to follow the tactics and ideas indicated in this session, it would be possible to preserve a long-term commercial connection and collaboration.

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