

supporting handout

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Supporting Handout

Introduction

Due to the globalised economy, marketing expansion from the west to the east is becoming more and more strategic for business organisations (Sahin and Ergin, 2016). To develop a company on a global scale, international communication is the most important technique to be acquired to communicate with overseas partners. At this stage, a Multi-National Company (MNC), Jewellery Retail Group, aims to expand its market to Asia. Our consulting company has been acquired to guide this market expansion. We offer a comprehensive guidance by evaluating relationship building critically. Therefore, this report intends to tackle the following elements: cultural differences, product strategy, skills of international communication, relationship building and gift giving.

Cultural differences

In general, the key cultural differences are generated by Hofstede's cultural dimension by purposing a framework of cross-cultural communication between countries. It can also be argued that society's culture and values can be presented by using this framework. Hofstede purposes six dimensions including "Power Distance", "Individualism", "Masculinity", "Uncertainty Avoidance", "Long Term Orientation" and "Indulgence" to analyse cultural differences. At this stage, for Jewellery Retail Group who desires to expand its market into Asia, a provisional cultural dimension has to be depicted to analyse the actual differences for international communication.

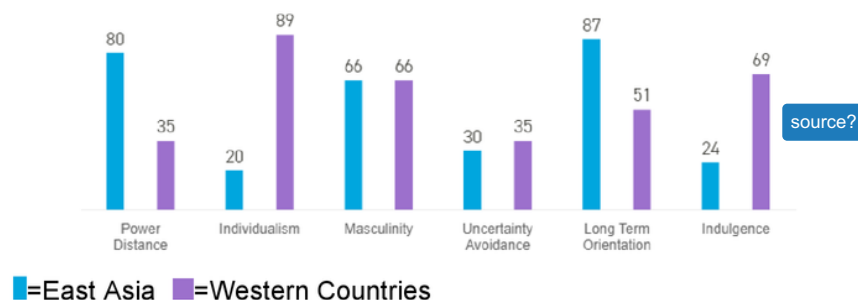


Figure 1: cultural differences between the West and the East

Firstly, the power distance in the west obviously differs from the east significantly. To explain more, the factor of power distance aims to evaluate the power distance between the least powerful group with the most powerful group in a business organisation (Hofstede, 2011). The other vital difference is based on individualism, 20 versus 89, mainly refers to the extent to the people in a society integrated as a group. Therefore, people in the east countries are normally tending to group together. According to the dimension of long-term orientation, people in east Asia have usually emphasised on a specific "long-term plan" or "long-term development" comparing with people in the west (Hofstede and Rorso, 2018). The final difference between east and west is the

factor of indulgence, west countries got 69 while east countries got 24 (Hofstede, 2011).

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For those proposed differences between China (can be regarded as a representative of East Asia countries) and the UK, to analyse those factors high power distance allows Chinese leadership enjoying greater power which will speed-up organisation's decision-making process. However, this can be regarded as a dictatorship in a western view.

source?

In addition, considering individualism versus collectivism, Asian country, South Korea for example, collectivism and corresponding group's benefit will be placed a significantly higher ground comparing with western countries which only focus on individual's benefit. This ideology can be applied in a company's rewarding system. In some business organisations, performance and corresponding salaries will be evaluated on an individual basis in some western countries. In collectivism countries, this evaluation system can simulate individuals better by applying group based system.

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Long-term versus short-term orientation is a determining element to decide long-term profit or short-term profit. For example, in Singapore, businessman emphasises on long-term profit. However, in short-term, those Asian businessmen can undertake certain amount of loss. This loss may present some threats on business's survival.

source?

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Therefore, comparing Jewellery Retail Group with Asian companies on cultural dimension basis, there are four major divergences in terms of cultural differences. To mitigate those principal four factors will be the key method to communicate with Asian companies and potential partners in Asia (Stoneman, 1990).

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Skills for international communication

Based on the cultural dimension theory, individualism, indulgence, power-distance and long-term orientation are four major differences. This theory is compatible with Hall's theoretical framework which is purposed to measure how messages are exchanged among individuals in a particular society (David, 2019). By referring to Hall's high-and low-context framework, within high-context society, communication highly depends on context (Hollenbeck, 2016). This concept refers that non-verbal communication is emphasised during a communication process (Piechota, 2017). There are many kinds of non-verbal communication including gestures, eye contact, body language and etc (Piechota, 2017). Therefore, within a high-context culture, business negotiators have to focus on their behaviours. Due to the cultural dimension theory (based on those mentioned factors), business negotiators should not show the opposite side of cultural dimension. For example, in Japan, to communicate with businessman from high-context culture, business negotiator should not express very explicit meaning within a communication. However, this method to communicate with partner may arise ambiguity.

For Jewellery Group, a western MNC, has normally engaged low-context communication method which only emphasises on verbal communication with

source?

Introduce sources

source?



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Figure 2: Cultural cluster theory, cultural mapping (Include-Empower, 2019)

Based on this cultural mapping theory which reflects distinct national attribute and cultural speciality for different countries, business relationship and corresponding social networks “Guanxi” are important to communicate with Asian partners in East Asia. To explain more, the boundary between social life and business in East Asia is blurred, formal relations are socially embedded (Jiang, 2012). “Guanxi” allows interaction between individuals to be formalised and applied on a corporate level. For example, an individual A is privately in favour of other individual B, on a corporate level, A tends to corporate with B based on A’s personal preference and private interpersonal ties. Therefore, “Guanxi” will be a most useful tool to corporate with Asian partners by building a private and international relationship (see table 1.0).

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Guanxi stages	Guanxi objectives	Interactive activities	Operating principles
Initiating	Setting up bases	Familiarizing	Mutual self-disclosure
Building	Enhancing quality	Expressive & instrumental transactions	Dynamic reciprocity
Using	Getting benefits re-evaluating guanxi quality	Exchanging favors	Long-term equity

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Table 1.0 a process of model of “Guanxi” building (Chen and Chen, 2004)

In China's business context, “Guanxi” has some specific meanings. This is a term referring to the private relationship between businessmen. To be more specific, doing business with Chinese businessman, “Guanxi” will be a dynamic personalised networks of power (Jiang, 2012). Building relationship in eastern culture is equivalent to a foundation of Confucian doctrine of mutual commitments and reciprocity in a community. In business context, “Guanxi” also plays an essential role in relationship building. Therefore, it is important to build relationship with East Asian partner on “Guanxi” basis by referring two significant domains: a) government administrators can also form social ties with private business, b) it is vital to build social tiers with suppliers, buyers, competitors and other business mid-men (Chen and Chen, 2004). Due to the interrelated social networks, Jewellery Group's potential business partners are also interrelated with other players in the market. Therefore, building relationship with potential partners is not an adequate method to expand market. Treating all players in the market with good “Guanxi” would be a suggestion to Jewellery Group. By having good “Guanxi” with local enterprises, secret information and highly specialised knowledge can be easily acquired to build Jewellery Group's competency.

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Potential failures and threats are somehow related to the broken down of “Guanxi”. The potential results are mostly negative for relationship building and profit maximisation. This can be exemplified by engaging cases studies of Mattel, eBay, Google, Home Depot. Those companies are thrived in all over the world excepting China. This is due to they failed to localise their business by engaging “Guanxi” and relationship building. *a lack of understanding of the legal and cultural environment that leads to most failures,” says Shawn*

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Mahoney, managing director of the EP China consulting group. *"The only difference between a success and failure in my experience is that people who are successful are more willing to talk and learn about how things work on the ground (Carlson, 2019)."* Therefore, companies must obtain good flexibility and prepare to localise when they doing business globally.

Example and evidence

In 2018, D&G's event in China market had been described as a "disaster" by mainstream western media. This is a representative example to justify the application of "Guanxi" in China. To warm up D&G's fashion show in Shanghai, China, D&G released its short videos titled "Eating with Chopsticks" which arose huge humiliation against Chinese people. Only few hours later¹⁹ Chinese actors and singers who contracted with D&G showed on weibo expressing they will not attend this fashion show (Stockholm, 2019).

²⁷ "The home country is above every material gains. We are proud and confident of our culture and soul, China is the best". Said by previous D&G's contractor, a signer and actor Kerry Wang Junkai. He expresses that he will decline the contract and not attend the fashion show organised by D&G in Shanghai. In the next day, all D&G's luxury products have been removed from shelves (online and offline stores) (Stockholm, 2019).

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FINAL GRADE

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GENERAL COMMENTS

Instructor

PAGE 1

QM

avoid 2nd person pronouns

avoid 2nd person pronouns



Comment 1

You need to briefly introduce what culture is, and how it might impact communication (barriers), then go onto introduce Hofstede and apply the theory to support your guidance and recommendations to the jewellery company

QM

inverted commas

ensure that all direct quotes are appropriately cited and placed within inverted commas

QM

source?

source?

Additional Comment

It is imperative that all areas of the handout indicate the source of your research. This is particularly important for direct quotes

QM

source?

source?



Comment 2

west is a bit general. Does Hofstede use this terminology?



Comment 3

How do these elements link to the case study scenario? You need to apply the dimensions rather than describe them



Comment 4

Is this the country you are recommending?

QM

source?

source?



Comment 5

Is this the country you are recommending?

QM

source?

source?



Comment 6

Again, this is quite a sweeping generalisation. Does Hofstede refer to East and West? Is the UK the same as Italy for example?

QM

source?

source?



Comment 7

why?



Comment 8

This source is somewhat old. Are there more recent discussions, research linked to this?



Comment 9

You are using the titles of the dimensions, but really making it clear where this is leading. You need to apply the concepts of the theory, rather than using the titles of the dimensions. Remember, you should not assume that the reader understands the theory and how the dimensions work, you need to make it clearer.

QM

source?

source?



Comment 10

which are? explain what this means

QM

inverted commas

ensure that all direct quotes are appropriate cited and placed within inverted commas



Comment 11

who says?

also, avoid referring to the gender of sources etc

QM

Introduce sources sooner

Avoid introducing sources at the end of a paragraph, as it indicates to the reader that the information is only relevant to the last sentence.

QM

inverted commas

ensure that all direct quotes are appropriate cited and placed within inverted commas



Comment 12

You need to be more specific, apply the theory in simpler terms, rather than using the title of each dimension

QM

source?

source?

QM

source?

source?



Comment 13

This diagram is not clear.



Comment 14

It's unclear in the diagram and how it works



Comment 15

better



Comment 16

So, are you recommending China?



Comment 17

How does this align to UK culture?



Comment 18

Fair point

PAGE 5



Comment 19

OK, so this relates to not considering culture?



Comment 20

OK, so you need to make specific recommendations to the jewellery company

PAGE 6



Comment 21

There are one or two errors in the presentation of the reference list. An example of how it should be presented is included in the feedback summary box.

PAGE 7
