



UNIVERSITY OF WALES  
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# **Rolls Royce doing business based on a joint venture agreement with Chinese company Air China**

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# Introduction

In 2020, Rolls Royce and Air China announced that they were entering into a joint venture partnership, creating an engine maintenance and repair facility in Beijing, China (Team, R. R., 2020).



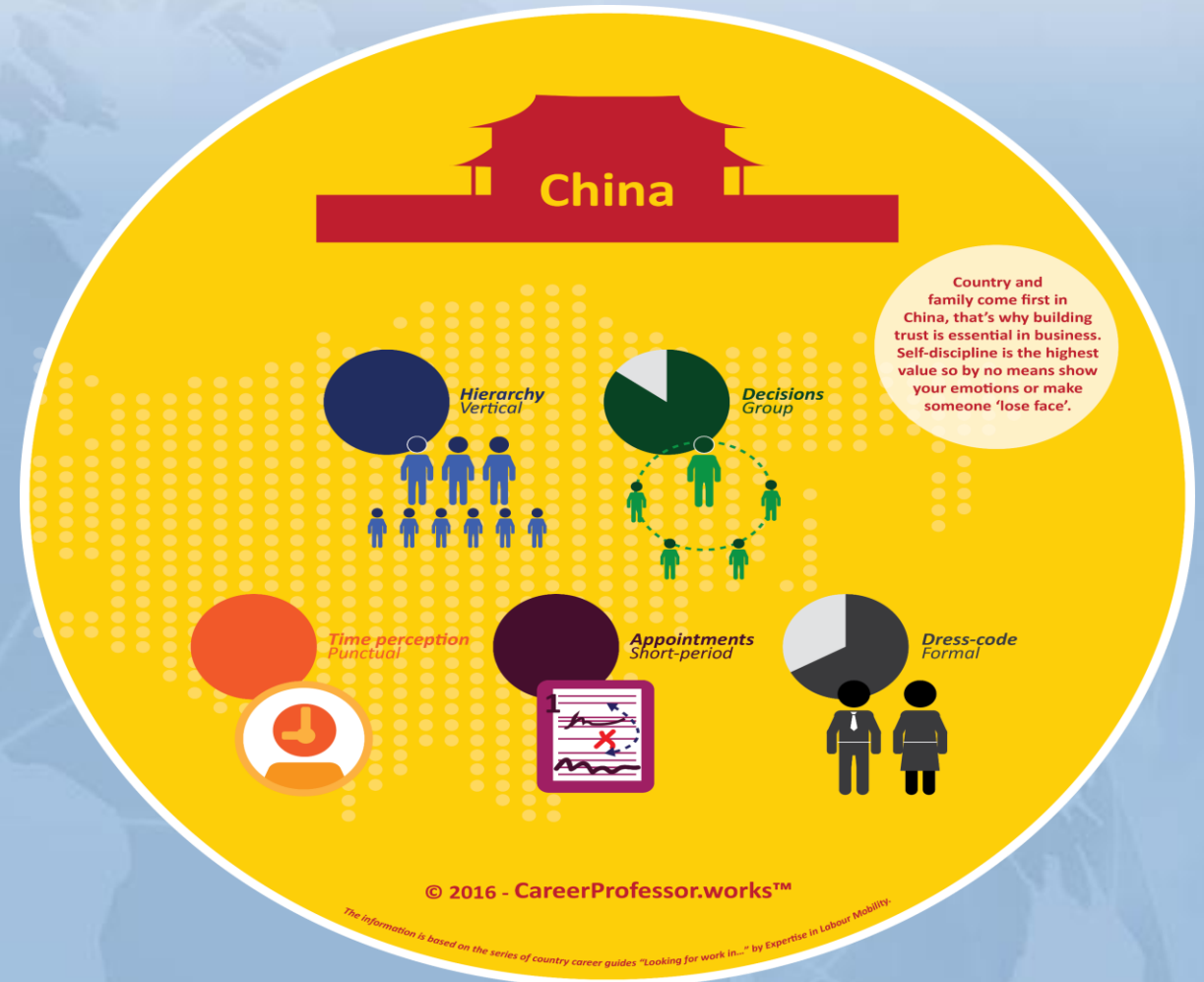
# Joint venture partnership

It is a temporary partnership where two or more separate parties form to gain mutual benefits.

(Linton, 2011).

# Chinese business culture

- Vertical hierarchic system
- Relationship and principles of Guanxi (Advisory, M. M., 2022)
- Time perception



# Cultural sensitivity: Difference between UK and China



Direct communication



Indirect communication



Online meetings



Face-to-face meetings



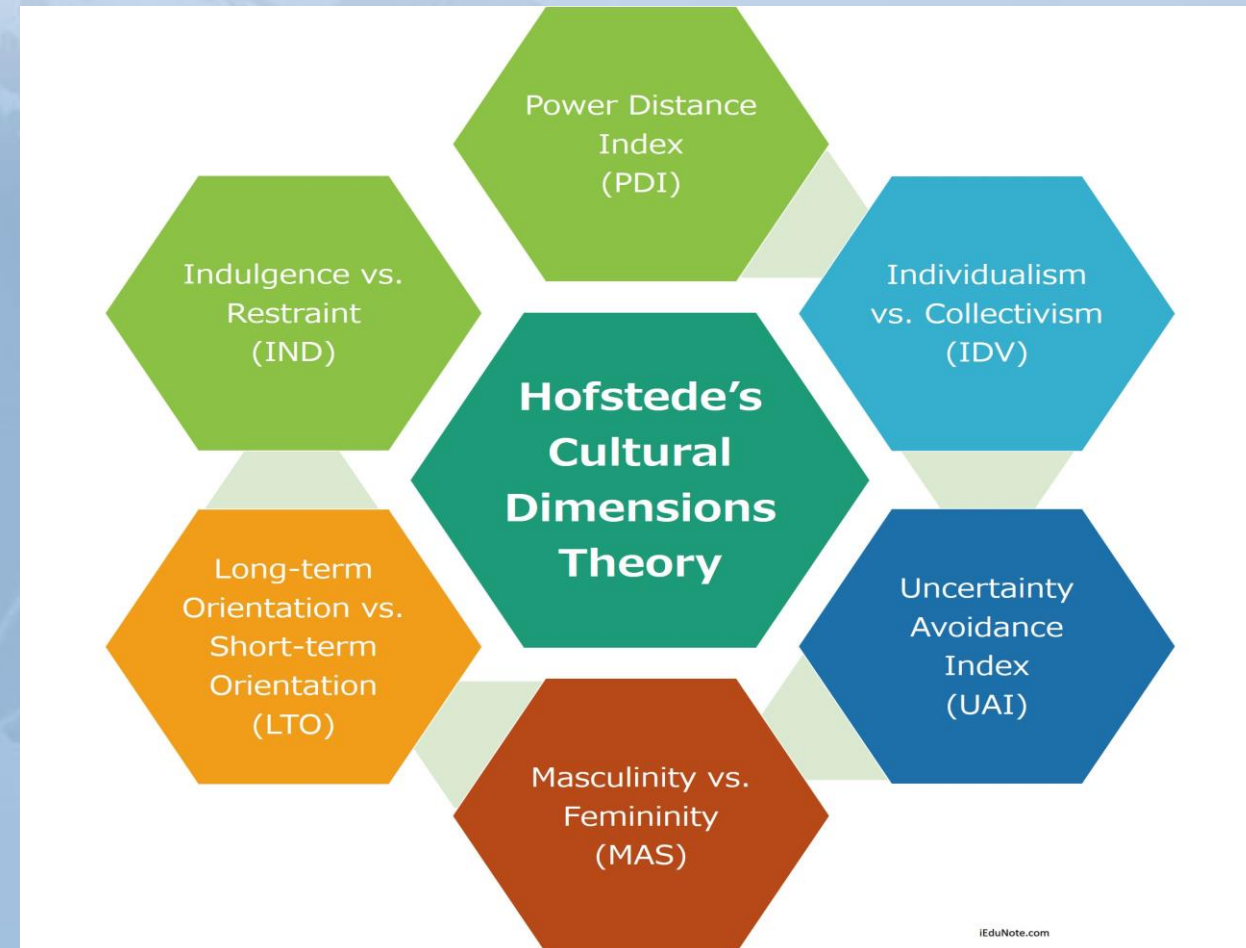
Long-term relationships: lunch in a restaurant; a drink in pub



Long-term relationship: dinner at home, social events

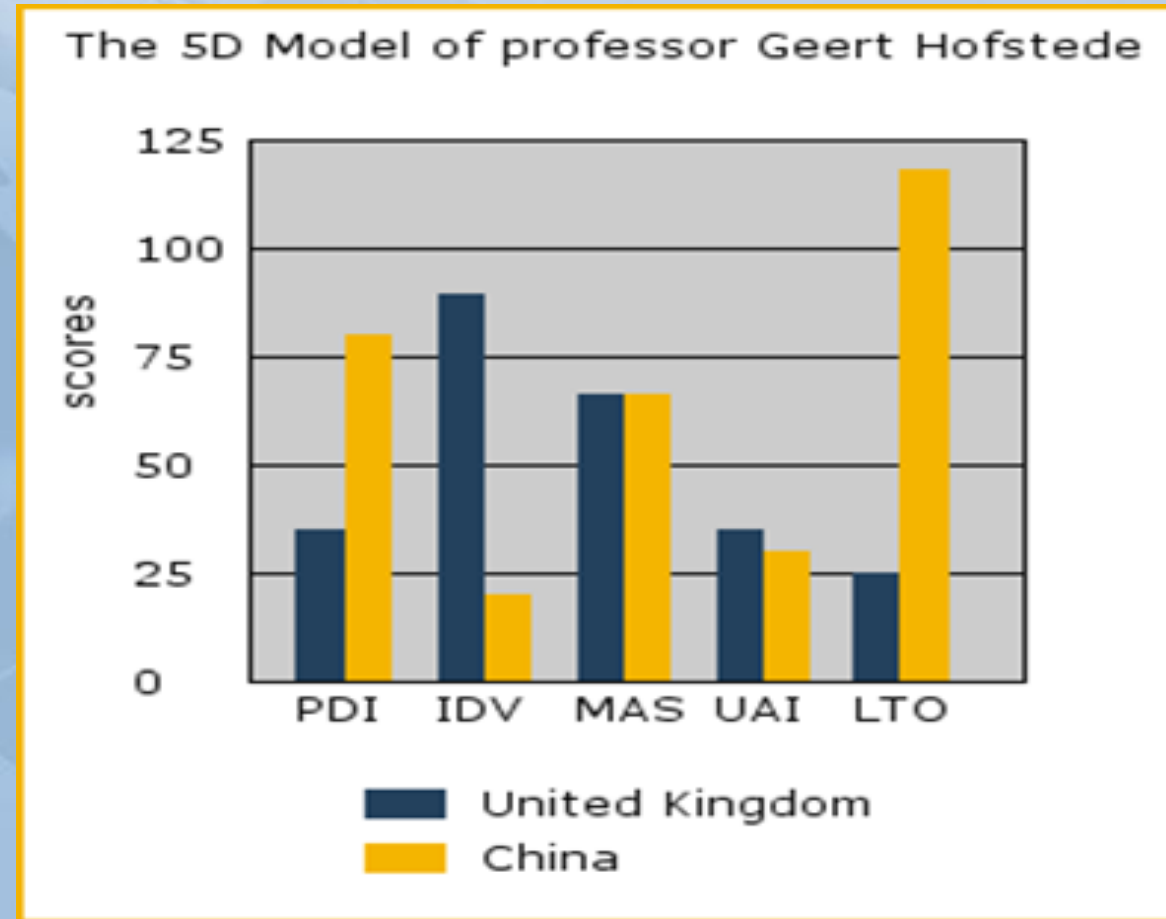
# Hofstede Cultural Dimensions

- **Hofstede's Cultural Dimension Theory** is a framework for understanding cultural differences between countries and is used to assess the impact of cultural differences on business (Team, 2020).



# Hofstede cultural Dimensions: UK and China

- Power Distance Index
- Individualism Vs. Collectivism
- Masculinity Vs. Femininity
- Uncertainty avoidance
- Long-Term Vs. Short-Term Orientation
- Indulgence Vs. Restraint



# Recommendations

- Find bilingual employees and a good translator.
- Do research about business regulations and legal frameworks.
- Explore the local market and competitors.
- Visit the country before doing business there.



# Conclusion

The differences in culture between The United Kingdom and the Republic of China are visible, and for a partnership to be successful, both parties should be familiar with each other's traditions and values. Also, managers should explore their partner's cultural sensitivity and conduct research based on Hofstede cultural dimensions theory, otherwise, the partnership may be doomed to failure.

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**THANK YOU!**