



Image 1. (master-and-more.eu, n.d)

THE IMPACT OF CULTURE ON A BRITISH- CHINESE JOINT VENTURE

Group members

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Image 2. (Mitha, 2018)

Main content

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Image 3. (iStock, n.d)

Introduction to the context

- British – Chinese joint venture
- Pros of Joint ventures: new international markets, grow faster and greater profits.
- Cons of Joint venture: Cultural sensitivities, cross-cultural communication issues.
(Lowen and Pope, 2008; Safina, 2020)
- Decision making criteria



Image 4. (Gottzman, 2017)


Successful Partnership 

Introduction to China

1. Population - 1,447,500,300 (Worldpopulationreview, 2022)
2. Language: Mandarin/Standard Chinese (Worldatlas, 2017)
3. Religion: Buddhism, Taoism, Islam, Christianity (Jiang, 2019)
4. Education: Ranking 22 (Wordlpopulationreview, 2021)
5. Unemployment rate : 5.5% in February 2022 (Du, 2020; Statista, 2022)
6. GDP – 14722.73 billion \$ in 2020- 13.04% of the world economy.
(Trading economics, 2019)
7. Workforce: 746.5 million people (Statista, n.d)



Image 5. (theflagshop, n.d)

Introduction to the Chinese culture

1. According to Hofstede main differences

- Power distance- China-high, UK-low.
 - China – Collectivistic, UK- Individualistic.
 - China – Restrained, UK – Indulgent.
- (Deresky, 2017, pp.119-122; Hofstede Insights, 2022; Zhang, 2020)

2. According to Ed Hall framework main differences

- High Context Culture - China
- Low context culture – UK (Li et al., 2014; Tett, 2014)

3. Negotiation process (Today translations, 2017)

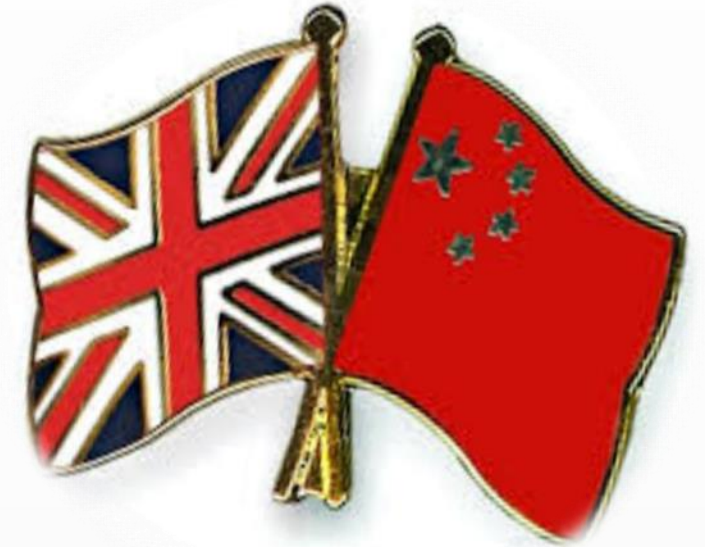


Image 6. (crossedflagpins, n.d)

Success factors of joint ventures

1. Agreement is a key factor for the joint venture and includes common goals investments (Jalalkamali, 2018).
2. Alignment is another important factor for the success of the venture this provides a balanced environment among the parties (Debellis et al, 2020).
3. Development of the joint venture must be dynamic which is the key factor for the success.
4. Flexibility makes the joint process easy and leads to success (Sadegh et al, 2020).



Image 7. (futurecfo.net
DNY59 on Istock)

Failure factors of joint ventures

1. Lack of Proper Joint Venture Agreements or lack of details agreement (Lu *et al*, 2020)
2. Lack of Finance (Debellis *et al*, 2021)
3. Lack of Proper Leadership to operate all the processes strategically.
4. Unrealistic Expectations or unrealistic profit and share can break the structure of the joint venture (Lu *et al*, 2020).
5. Cross cultural communication and cultural sensitivity issues are also failure factor in joint ventures



Image 8.

Cultural sensitivity in China

- Chinese cultural aspects need to be understood by organizations for starting their operations in the country.
- The cultural sensitivity in China is quite high and this has an impact on the strategies that are being implemented by international organizations. (De Kloet et al. 2019).



Image 9.

Cultural sensitivity in China

- The culture of China is mainly related to “mianzi” concept which is connected to prestige and dignity.
- The idea related to deeply ingrained within the Chinese culture and can this lead to success of the organization (Zhao, Teng and Wu 2018).



Image 10.

Cultural sensitivity in China

- China is one of the oldest civilizations on the Earth.
- Chinese culture is different from the cultural aspects of various countries.
- The reduction of culture shocks that can be faced by the international organizations will be based on different aspects Chinese culture that include greetings, table manners, giving and receiving gifts and many more (Chinahighlights.com, 2022).



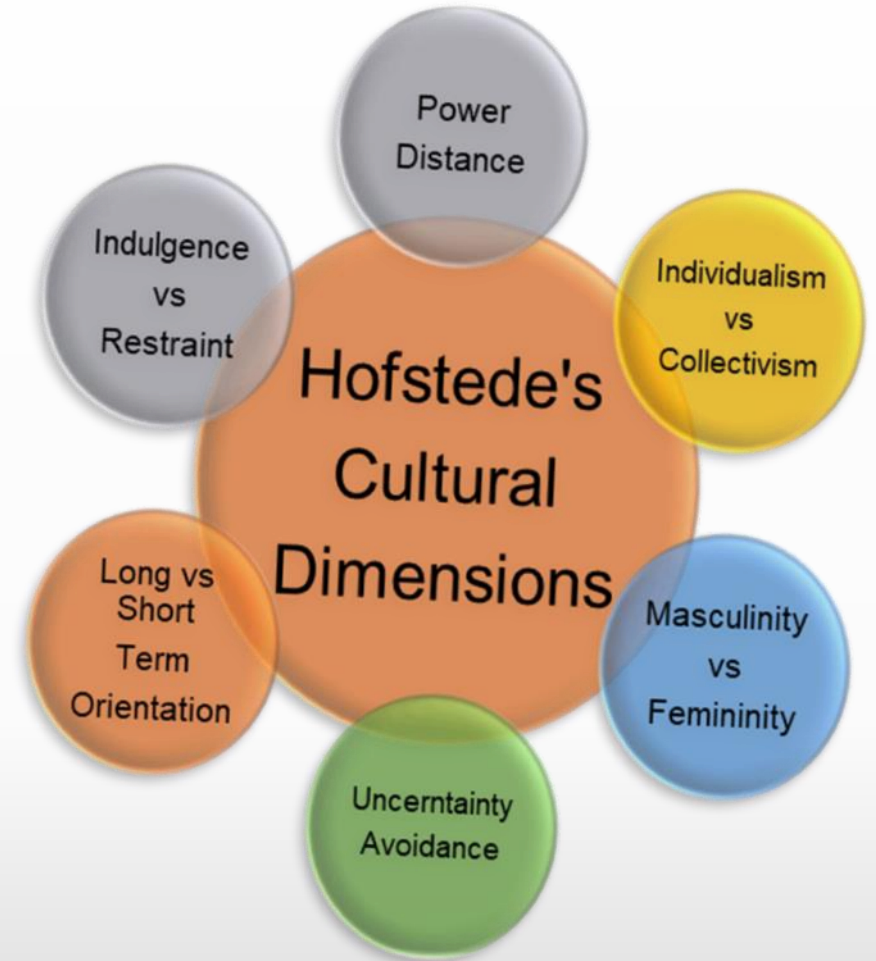
Image 11.

Hofstede Cultural Dimensions



Professor Geert Hofstede, Image Courtesy:
(Ngo, 2020)

- *Geert Hofstede* created the Hofstede's cultural dimension theory, a valuable framework for cross-cultural communication. (Hofstede-insights.com, 2022).



Hofstede Cultural Dimensions: UK vs. China

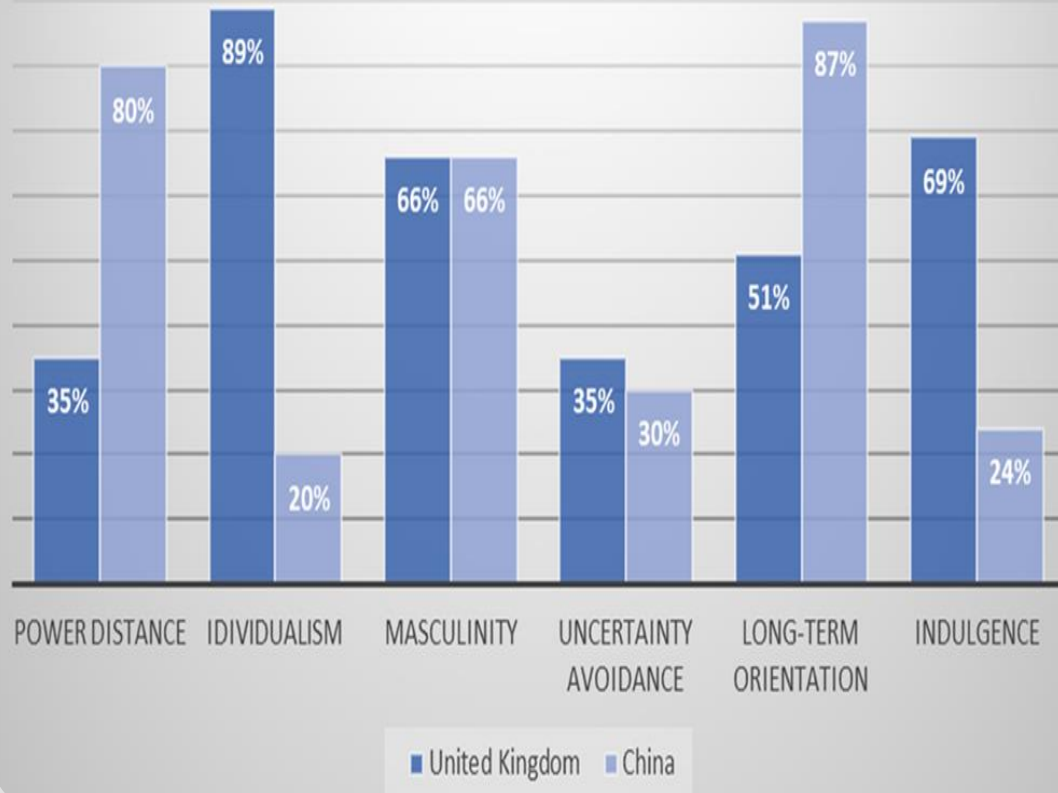


Chart Data Courtesy: (Hofstede-insights.com, 2022)

➤ **Power distance**

UK - intolerant to inequalities.

China- inequalities amongst people are acceptable (Han, 2014)

➤ **Individualism**

UK – individualistic culture.

China – collectivist culture (McAdam, et al., 2012)

➤ **Masculinity**

Both countries are success-oriented cultures. (Chiang, 2005).

➤ **Uncertainty avoidance**

Both countries are tolerant to ambiguous situations. (Matusitz & Musambira, 2013).

➤ **Long-term orientation**

UK - no clear preferences

China- adapt traditions to changed conditions (Buck, et al., 2010)

➤ **Indulgence**

UK – indulgent culture

China – restrained culture (Balicante, et al., 2018)

Recommendations for solutions to enable the Partnership

- Cross-cultural Training (Zhang, 2020)
- Communication and Negotiation (Deresky, 2017)
- Acknowledging host country's traditions and customs (Zhang, 2020)



Image Courtesy: (Asiauk.co, 2022)

Conclusion

The research exposed the cultural challenges for a joint venture, which is to be formed between China and the UK, by using theoretical models such as Hall and Hofstede. Furthermore, the recommendations are provided for solving potential problems and overcoming the barriers they might face, so the future enterprise to be successful.

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***THANK
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