



Prifysgol Cymru

Y Drindod Dewi Sant

University of Wales

Trinity Saint David

Name: Kristian Nash

Student ID: 2130196

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Lecturer: Mr. Afzal Munna

Outline of the Presentation

- What is culture and why it matters
- Theoretical underpinning: Hofstede's Cultural Dimensions
- Key cultural differences in Chinese business context
- Challenges to overcome in negotiations
- Strategies for success
- Importance of cultural awareness and adaptability
- Summary
- References

What Is Culture?

- **Definition:**

Culture refers to the shared values, beliefs, norms, and practices that shape behavior in a society or group.

- **Key Elements:**

- Communication Style
- Power Distance
- Time Orientation
- Individualism vs Collectivism
- Attitudes toward Uncertainty

Why Culture Matters in Business

- Influences expectations, communication, and decision-making
- Shapes trust, authority, and hierarchy perception
- Affects negotiation styles, conflict resolution, and partnership dynamics

Theoretical Underpinning – Hofstede's Cultural Dimensions

- Power Distance – High in China, Lower in UK
- Collectivism vs Individualism – China favors collectivism
- Uncertainty Avoidance – Chinese prefer structured environments
- Long-Term Orientation – China is more long-term oriented
- Context Communication – China = high context, UK = low context

(Hofstede Insights, 2024)

Key Cultural Challenges with Chinese Firms

- Indirect Communication: Ambiguity preferred over confrontation
- Guanxi (Relationships): Business built on trust and personal networks
- Face (Mianzi): Loss of face can break negotiations
- Hierarchy: Decisions often come from top-level executives
- Formality: Protocols and rituals are highly valued

(Kwintessential, 2024)

How These Elements Impact Business

- Misinterpretation of intent in communication
- Slower decision-making processes
- Risk of disrespecting hierarchy
- Over-reliance on contracts may seem impersonal
- Disregard for face-saving may offend counterpart

Negotiation Strategies for Success

- **Build Relationships First:** Invest time in Guanxi development
- **Use Intermediaries:** Employ local agents or partners
- **Be Patient and Respectful:** Don't rush the process
- **Communicate Clearly but Politely:** Avoid being overly direct
- **Show Respect to Hierarchy:** Address senior members appropriately
- **Understand the Unspoken:** Be alert to non-verbal cues and silence
- (HSBC, 2025).

Cultural Awareness & Adaptability

(Drucker, 2006).

Why it's crucial:

- Builds trust
- Avoids misunderstandings
- Enhances collaboration

How to adapt:

- Learn basic etiquette and greetings
- Practice active listening
- Demonstrate flexibility and humility
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Summary

- Culture deeply influences negotiations
- Hofstede's framework helps identify key differences
- Relationship-building and respect are central in Chinese culture
- Adaptability and awareness are vital to securing successful deals

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