



INTERNATIONAL BUSINESS COMMUNICATIONS

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上海电气
SHANGHAI ELECTRIC

Introduction

- Ashtead Group has been one of the most known companies providing equipment rental services in the UK.
- The company is contemplating a joint venture with Shanghai Electric Group in China.
- This company operates in the industrial equipment manufacturing and rental industry.
- The present study evaluated the cultural consideration needed for both companies in developing the joint venture.



Cultural Challenges between Ahead Group in the UK and Shanghai Electric in China

Establishing a joint venture between Ahead Group in the UK and Shanghai Electric in China can be a great opportunity, but it also comes with several cultural challenges that need to be navigated carefully.

- **Communication Styles and Language:**
Challenge: British and Chinese communication styles differ significantly.

Mandarin is the main language in China (Asia Society, 2023).

Communication Resolution: Clarity in Expression, Active Listening, Seeking Clarification, Respecting Cultural Norms

- **Hierarchical Structure:** Challenge: Chinese companies often have a more formal and hierarchical structure compared to their British counterparts.

Cultural Challenges between British and China

91.1% of people in the UK speak English as their first language as (Statista, 2023).

Building Trust: Challenge: In China, trust and building strong personal relationships are crucial before conducting business. This process may take time, and the British company might find it challenging to gain trust initially.

Negotiation and Face: Challenge: Chinese culture places a strong emphasis on "face" – maintaining dignity and reputation. Public criticism or refusal may cause loss of face, leading to potential conflicts.

Time Orientation: Challenge: British companies often prioritize punctuality and efficiency, while Chinese companies may be more flexible with time and emphasize building long-term relationships

The British culture is more reserved than the Chinese culture for non-verbal interpretation.

The body language in the UK is much more expressive than in China.

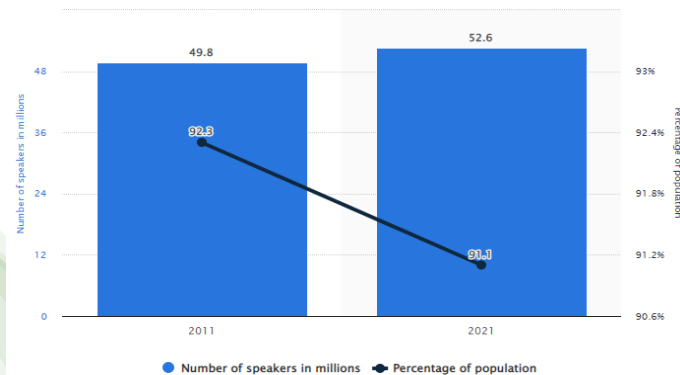


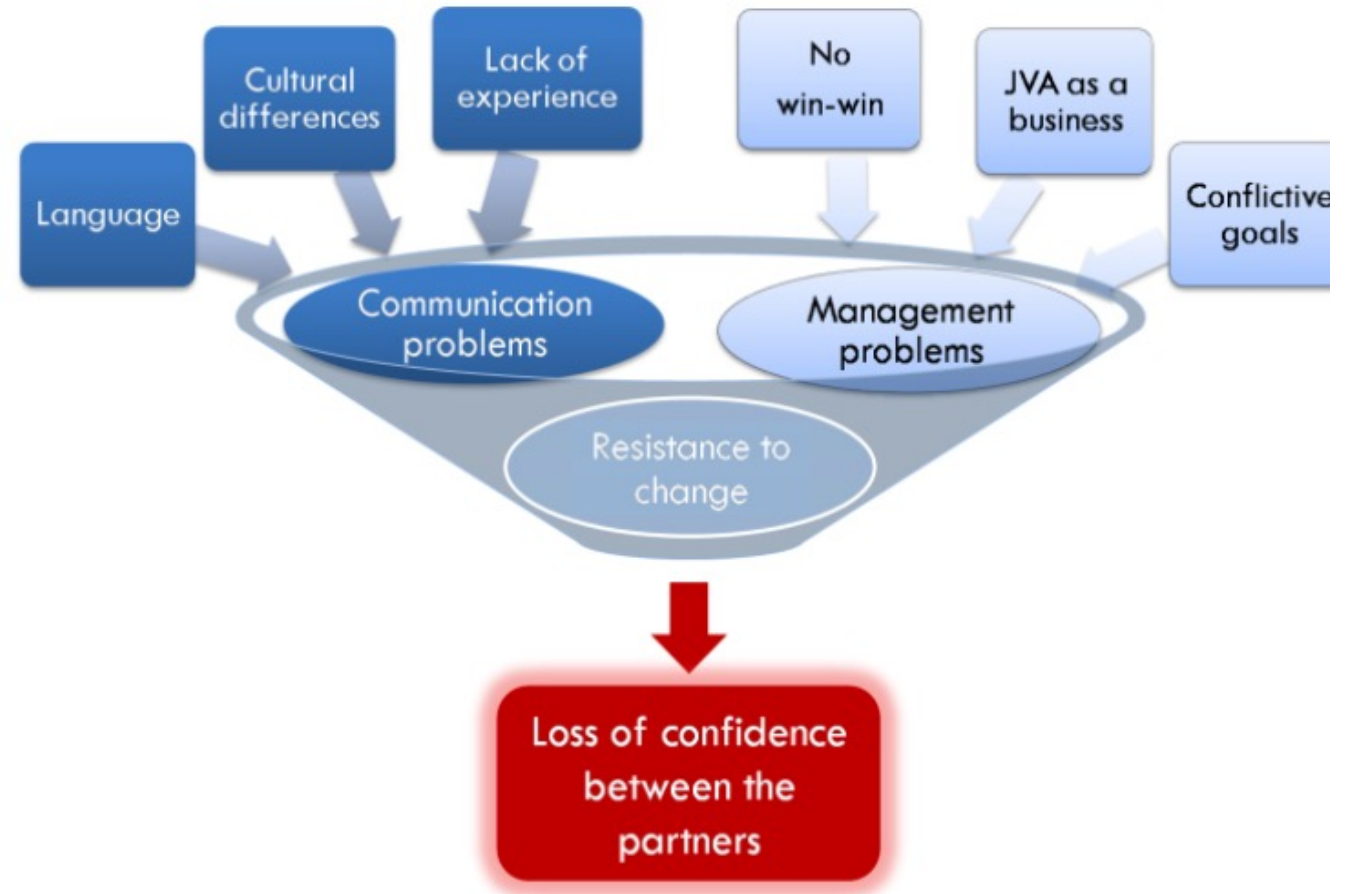
Figure: English speakers in the UK

(Source: Statista, 2023)



Cultural challenges faced by both companies

- To address those cultural challenges it takes open communication, cross-cultural understanding, and respect for one another's traditions and practises (Liu *et al.* 2020).
- Conflicts between joint ventures for communication are a prevalent failure factor for joint ventures (Lu *et al.* 2020).
- It's essential for both companies to be aware of these challenges and adapt their approaches accordingly when engaging in cross-cultural interactions.



Hofstede Cultural Dimensions: UK and China

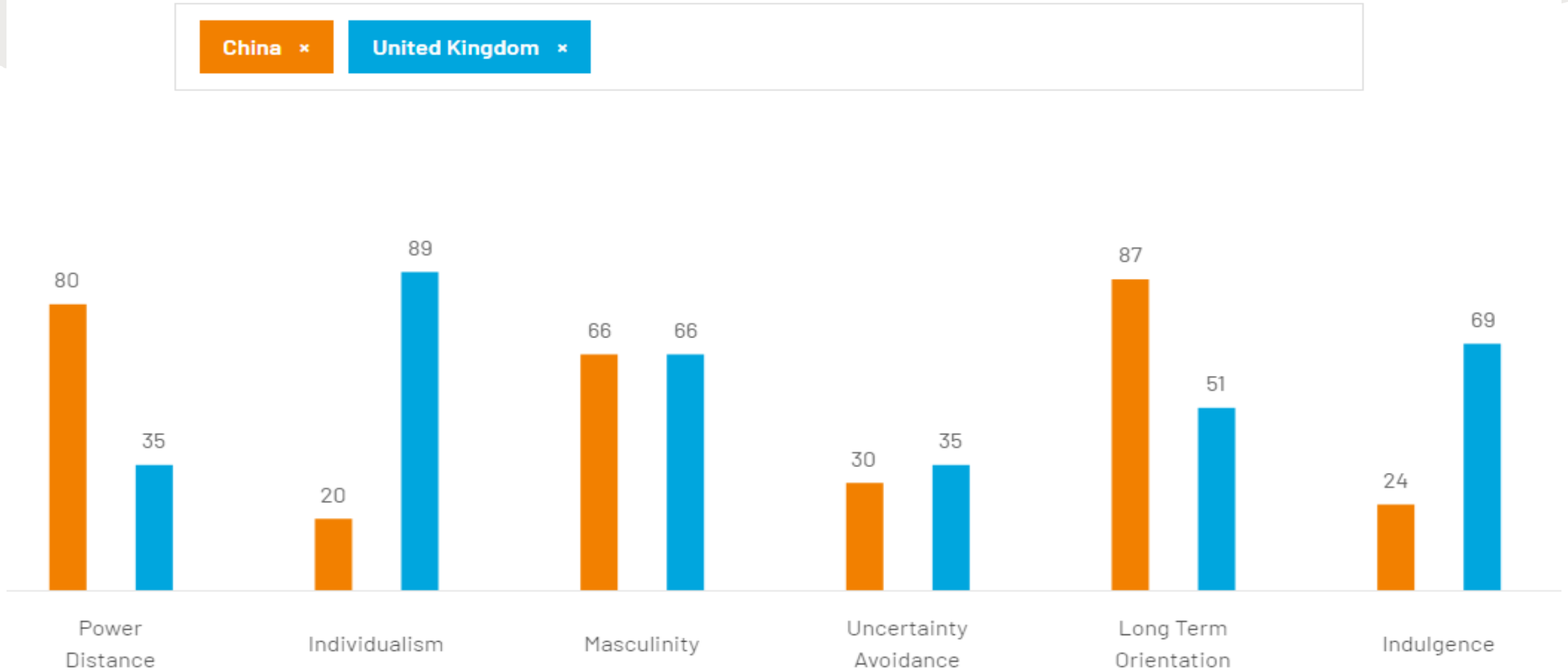


Figure: Hofstede insights for China and the UK
(Source: Hofstede-insights, 2023)

Hofstede Cultural Dimensions: UK and China

- China scored 80 in power distance, whereas the UK scored 35 (Hofstede-insights, 2023).
- The UK attained a score of 89 in individualism, whereas China attained 20 in this context (Hofstede-insights, 2023).
- China and the UK scored 30 and 35 respectively in uncertainty avoidance (Hofstede-insights, 2023)

China and the UK both scored 66 in masculinity (Hofstede-insights, 2023).

The UK scored 51 in long-term orientation, whereas China scored 87 in this dimension (Hofstede-insights, 2023).

The UK and China scored 69 and 24 in the dimension of indulgence (Hofstede-insights, 2023).



Cultural sensitivity of China and the UK

Here are some examples of cultural sensitivity between British and Chinese cultures:

- Greetings and Addressing
- Business Card Exchange
- Decision-making Process
- Hierarchical Respect: The British culture has no such power hierarchy for employees as compared to China (Lei *et al.* 2023).
- Dining Etiquette
- British culture focuses on constructive criticism for employee performance growth (Leung *et al.* 2019).



Recommendations

- **Cultural Sensitivity Training:** Provide key employees from both firms with cultural sensitivity training, this serve to increase awareness of cultural differences.(Aman *et al.* 2022).
- **Use Local Interpreters and Translators** Reduction of language barriers in business communications can help in raising diversity in business activities (Martin *et al.* 2020).
- **Develop Personal Relationships:** Encourage regular face-to-face meetings and social interactions to build personal relationships
- **Focus on Long-Term Goals:** Align the joint venture's objectives and milestones with the Chinese company's view of business by framing them in terms of long-term benefits.
- **Regular Communication**
- **Adopt Flexible Communication Styles**



Conclusion

- The presentation identified the cultural differences between the UK and China.
- It aided in the analysis of the cultural considerations for a joint venture between Shanghai Electric Group and Ashtead Group in the Chinese market.
- The study also evaluated the Hofstede dimensions for both nations.
- It helped in the evaluation of the cultural differences of the nations chosen in the study.



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Thank You

The text "Thank You" is rendered in a dark blue, elegant script font. Each letter is outlined with a thin gold line, giving it a three-dimensional appearance. The word "Thank" is underlined with a long, sweeping gold line that extends to the right. The word "You" is also underlined with a similar gold line. To the left of the "T" and to the right of the "u", there are clusters of small gold dots and four-pointed stars, adding a festive or celebratory touch to the design.