

Review of Cultural Differences in a British – Chinese JV

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Module : LCBB6001 International Business Communications

- The main content for the agenda of this presentation is to introduce Chinese cultural differences in the context of this presentation.
- The success and failure factors in a joint venture agreement
- Cultural sensitivity of China and the culture of the UK are going to be analysed by applying Hostede cultural dimensions theory in this presentation
- Also, some crucial recommendations are going to be identified in this presentation.

Agenda of the presentation

- UK-based Bakery Chain GREEG'S is trying to start a joint venture agreement with the Bimbo China or Bimbo Food Company Limited in China which manufactures and distributes baking food products (Bimbo expanding in China through Mankattan acquisition, 2022).

Introduction to the context

- The British Bakery Chain Greggs is going to create a joint venture agreement with Chinese Bakery manufacturing company Bimbo Food Company Limited
- For the success of such JV, it is crucial to identify the cultural differences, the economic and social similarities and differences between UK and China.
- Geopolitical, China is a large country with five Geographical time zones and is surrounded by 14 countries' borders. Also, China is the most populous country having 1.4 billion people.

Introduce the Chinese
culture

- In comparison, the UK has an mixed cultural environment. There are different percentages of the population from different cultural backgrounds.
- Culture of the UK is a combination of different nationalities influenced by different traditions while the Chinese people only follow their hundred years old traditions.
- While talking about the culture of China it is very important to mention here that the Chinese culture is one of the oldest cultures in the world which was established about a thousands years ago and followed by the Chinese people till now.
- And it has already been mentioned in the previous section of this record that China is a multi-religious country which also indicates the cultural Complexities in this country.

Introduce the Chinese culture

Some of the significant success factors of joint ventures in the case of Greggs from the UK and Bimbo China from China are the agreement alignment development and flexibility of both parties.

- ❖ Continually align on objectives, strategy and operations;
- ❖ Clarify management roles and structure;
- ❖ Create a unified, stand-alone culture

Success and failure
factors of joint ventures

Some of the crucial failure factors in the joint venture agreement between the two companies doing business in China are compatibility issues as well as funding problems.

- ❖ Compatibility issues
- ❖ Funding
- ❖ Problems with the Joint Venture Agreement
- ❖ Differing profit/outcome expectations
- ❖ Fear of legal action
- ❖ Poor spirit of cooperation
- ❖ Lack of confidence about experience and knowledge

Success and failure
factors of joint ventures

- The business relationship and negotiations in the case of doing business in China mostly depend on the creation of long-term relationships.
- For example, most business deals and meetings in China are held in any restaurant or bar to build up the business relationship informal besides the formal relationship. In a broad sense, Confucianism is a critical belief in the culture of China with an emphasis on loyalty, solidarity, modesty as well as a courtesy in business.
- On the other hand, it has already been mentioned that the culture of the UK is multi-ethnic society based.
- So it can be said that the culture of the UK is the combination of different nationalities influenced by different traditions which is the ultimate cultural sensitivity of the UK.

Cultural sensitivity in China / The differences from the UK

China ×

United Kingdom ×



* estimated

- POWER DISTANCE - UK has a score of 35% and China has 80% which indicates that the UK has a society in which the belief that the inequality among people should be reduced.
- On the other hand, China has a society in which the benefits of inequality among people are acceptable.
- But China is more adaptable and entrepreneurial than the UK.
- LONG-TERM ORIENTATION - China has a culture of pragmatic orientation as well as the tendency of adapting traditions to change the conditions which are absent in the culture of the UK.
- Finally, in the case of INDULGENCE, the culture of the UK has the willingness of emphasizing the tendency of enjoying life and having fun. But the culture of China is not putting that much emphasis on the leisure time of people as well as the fulfillment of their desires.

Hofstede cultural Dimensions: UK and China

- To learn some basic Chinese
- Ok for a gentle handshake in business meetings
- Being attentive to posture and register
- Relying on the indirect communication
- By expressing the tone of voice
- Making sure that all translations are correct in case of avoiding the language-related communication challenges.

Recommendations

- It has been recommended as a business communication solution to enable the business partnership with the Bimbo China, that the UK counterpart can appoint a Chinese employee who is very efficient in the Mandarin language as well as in the English language to deal with all the translation activities of the business area in China.

Recommendations

- In the summarization of this Presentation, it can be said that the British Bakery chain Greggs would face some sensitive situations in case of preparing a joint venture agreement with the Bimbo Bakery Manufacturing Company in China in case of maintaining international business communication. But it would be able to maintain a sustainable business relationship and partnership if both companies will follow strategies and the recommendations suggested in this presentation.

Conclusion

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References

Thank You!