

Chinese Business Etiquette 101

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There is a Chinese saying: "Ru Xiang Sui Su"; translated into English, it simply means "When in Rome, do as the Romans do". Both East and West realize the importance of following local custom, etiquette, and protocol in travel and business. Over its more than 5000 years of history and long period of isolation, China formed a unique culture that today impacts both everyday life and business practices. This unique way of doing business is quite difficult for the rest of the world to understand.

With its fast economic growth, huge market and membership in the WTO, China has become more attractive than ever to foreign businesses. However, frequently, foreigners unprepared in "doing as the Chinese do" are lost in the big cultural maze and find they are facing numerous barriers. All too often, successful companies in North America have failed in the Chinese market not because of technical incompetence, but because of their lack of sensitivity to a different way of thinking and inability to adapt to new ways of doing business.

This two part series prepares business people with knowledge and understanding to conduct business successfully in China. The first is a primer on "how to do business with the Chinese". Essential cultural context is provided to help to understand "why the Chinese do what they do".

What is in a name in a collectivist society?
Let's start from the beginning: greeting protocol, titles, and exchanging business cards

China is a collective-oriented society. People identify themselves as members of a big family, a motherland. The fundamental difference between China and North America with regards to collectivism and individualism can best be illustrated by the order in which an address is written. Opposite to the North American way, a Chinese write the biggest unit first, which is the country name, then the province, city, town, street number, house number, the family name, and at last the person's given name - the smallest unit!

North America

"I" (capital I)
privacy
space
unique/individuality

China

"we"
public
closeness
conformity

The Chinese dislike criticism of their country from foreigners. Therefore, Taiwan and Tibetan issues are not the best topics to use as an icebreaker. On the other hand, the Chinese may ask you about your age, marital status, income, and other questions considered "off limits" in North America. Don't feel offended, as they often ask each

other those questions due to "closeness", and out of sheer curiosity. You don't have to give a direct answer. Try to say it nicely and playfully, with a smile: "sorry, but I cannot tell you. It is my little secret", then change the topic. (More on communication will be covered on the second part of the series on the next issue of Asianwave).

The Chinese traditionally use their family name first followed by given name. Zhang Hong Guo, for example, is addressed as Mr. Zhang. A married woman usually keeps her family name instead of changing to her husband's, except in areas much influenced by the West such as Hong Kong, where some women adopt their husband's last name. The use of Mr., Madam, Miss, and Ms. (in Chinese) is getting popular in big cities. Use Mrs. with care. As a rule of thumb, do not call people by their first names in business.

The Chinese pay great attention to rank and title, and associate them with success. The office hierarchy is first determined by position, then by age. A director can be called "Director", "Mr. Director", or "Director Zhu". Among colleagues, people like to call each other by full name, or "Lao Zhang" (old Zhang) when he or she is a senior, or "Xiao Wong" (Little Wong) if he or she is young. Here "Old" and "little" don't have any negative connotation. As a matter of fact, "old" is a desirable word in the Chinese culture as it is associated with wisdom and respect. In public places, one is expected to open a door for a senior, or to give a seat to him/her in a crowded bus.

In a business setting, the Chinese way of greeting is very much like that of North America; you don't have to trouble yourself with the intricate Japanese art of bowing. A nod of the head, shaking hands, and/or saying "Ni Hao" will suffice. "Ni Hao" is used more like "Hello" and "How do you do". The other person says "Ni Hao" as well and does not expect an answer like "I am fine, I feel terrific" even when he feels terrible!

In dealing further with behavioral protocol in a business setting, remember that a business card represents a person, so treat it with respect. It is a good idea to print one side in Chinese and the other side in English. When giving a business card, a Chinese uses both hands, with Chinese side up. Use both hands to receive a business card, too. Take time to read it. This is important not only to show respect, but also to help you to remember the person's name, position, and other information. At a negotiation meeting with a group, this helps you to know each person's role and who will be the decision maker. After reading it, you can put it in your pocket or place it on a table for later reference, but never use it to take notes.

In the next issue, Part Two will cover:
Guan Xi (relations)--How do Chinese relate to each other;
"Where do I go from here?"--negotiation;
Verbal and non-verbal business communication.

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