2004

Concepts In Sino-American Relations: A Business Guide To Etiquette And Protocol

Scott E. Helfman
Seton Hall University

Follow this and additional works at: http://scholarship.shu.edu/dissertations

Part of the Business Commons

Recommended Citation
http://scholarship.shu.edu/dissertations/1157

By

Scott E. Helfman

Thesis Advisor

Donald N. Lombardi, Ph.D.

Submitted in partial fulfillment of the requirements
For the Masters of Arts in Corporate and Public Communication
Seton Hall University

2004
Acknowledgement

The author wants to take this opportunity to thank those individuals who made it possible to complete this study. To begin, he would like to thank his family and friends for always being supportive and understanding throughout all of his academic endeavors. Special thanks to his advisor Dr. Donald N. Lombardi for his dedicated desire to help him succeed and achieve his personal best. Lastly, the author would like to recognize Alan and Susan Helfman for helping him achieve such success through encouragement and unconditional love.
# Table of Contents

Chapter I  THE NEW EAST  

Introduction .................................................................................. 5  
Research Question ........................................................................ 7  
Subsidiary Question ...................................................................... 7  
Purpose of the Study ...................................................................... 8  
Objectives .................................................................................... 9  
Definition of Terms ...................................................................... 10  
Limitations .................................................................................. 11  

Chapter II  ORIENTATION TO THE NEW ORIENT  

The New China ............................................................................. 13  
A Brief Economic History ........................................................... 17  
Sino-American Relations .............................................................. 20  
The Emerging Chinese Culture and Society ............................... 24  

Chapter III  SURVEY RESULTS  

Description of Survey .................................................................. 28  
Sample ......................................................................................... 28  
Purpose of the Study .................................................................... 29  
Analyzing the Results .................................................................. 29  
Conclusion .................................................................................. 40  

Chapter IV  CONCEPTS IN SINO AMERICAN RELATIONS: A BUSINESS GUIDE TO ETIQUETTE AND PROTOCOL  

The Business Meeting ................................................................. 47  
Dining Basics .............................................................................. 54  
Gift Giving .................................................................................... 60  
General Communication .............................................................. 66  

Chapter V  SUMMARY AND CONCLUSIONS  

Conclusion .................................................................................... 71  
Benefits ....................................................................................... 72  
Feedback ..................................................................................... 74  
From the Author .......................................................................... 75  

Bibliography .................................................................................. 77
Appendices ................................................................. 81

A – Survey ............................................................... 82
B – Analysis of Survey ............................................... 85
Chapter I

THE NEW EAST

"When Mao Tse-Tung proclaimed the People's Republic on October 1, 1949, it marked a watershed in the history of modern China. After a century of suffering because of internal disintegrations and foreign aggression, China made a new beginning under leaders deeply committed to the revolutionary transformation of the nation" (Schirokauer, 1991, p.352). Within months of the proclamation, China's economic depression began a transitional change that in time, would impact the world in its entirety.

Over the past 50 years, especially in the last 20 or so, China has become a lore to western business executives. With an untapped market of over a billion people and an average yearly population growth rate of 1 percent, China offers a huge market to foreign businesses. In addition, China is the fourth largest country in terms of size and has the fastest growing GDP in the nation — with an estimated 1.08 trillion in US dollars and an annual growth rate of 8 percent. "Some economists project China to be the leading world commercial power by the early twenty-first century. Businesses with global ambitions must not ignore it" (Leppert, 1994). According to a World Bank Report, by the year 2025, China's economy will account for 25 percent of the total world economy and will continue to robust for remaining years thereafter.

For six consecutive years, China also has ranked second in the world and first among developing countries in attracting foreign investors — with nearly 400 of the top transnational companies seeking opportunities yearly. Now a member of the World Trade Organization (WTO), china is expected to have a significant impact on both itself and on the global economy. Within the next several years, China plans to significantly lower
tariffs and reduce barriers which in turn, will pose a more viable market to foreign investors and bring forth a new coming of cross-cultural business ventures.

“The tremendous potential offered by China makes it one of the key sourcing locations for companies worldwide. Yet in order to succeed, companies need to understand both the challenges of doing business in China and how to deal with those challenges. By doing so, they may be able to gain a significant economic advantage over their competition” (Elsevier, R, 2001). Undoubtedly, multicultural awareness plays a pivotal role of any global market strategy; failure to do so will inevitably bring about an immediate disadvantage. “Business is business, wherever you go. But businesspeople around the world conduct business in very different ways. Understanding these differences can be the key to building better business relationships” (Brake, T. & Walker, D.T, 1995).

All too often, westerners fail to acknowledge the importance of understanding the cultural dynamics of the East and in doing so, fail to succeed in their business ventures abroad. “The presence of language barriers, cultural misunderstandings and lack of planning and thoroughness of research are all large contributions to the difficulties and frustrations that foreigners face when trying to do business in China. However, while the frustrations may be many, the benefits realized can be great” (Mandarin, 2003).

For years, the ability to respond to the new challenges of globalization has been no easy task for corporate America. In order to effectively succeed abroad, western corporations are forced to redefine the way they do business in order to succeed across cultural and geographical borders. “To be successful in the global business environment, organizations must constantly adjust their focus to the changing realities. Emerging
global business policies and practices will test and change existing paradigms of global business. Key managers must lead the process, fostering new patterns of thinking to position the organization in a world without traditional boundaries and shaped by local environment” (Brake, T. & Walker, D.T, 1995, p.21).

**Research Question**

What are the most critical/practical communlogical elements needed in the interpersonal conduct of business between American and Chinese Protocol? This examination will assess the importance of cross-cultural success and include a practical guide to understanding Chinese business culture.

**Subsidiary Questions**

In an effort to identify the importance of globalization and the critical success factors needed to succeed in the Peoples Republic of China, this study will put much emphasis on answering the following questions:

1. Is practical knowledge of cultural dynamics a significant asset in business?
2. Could a corporation succeed in their home market, but fail abroad?
3. Are etiquette and protocol essential components of business culture?
4. Should businesses diversify their market entry into international waters?
5. Has globalization directly influenced today’s business environment?
6. Do guidebooks aid western corporations in conducting business abroad?
7. Is the Chinese market accessible for multinational corporations?
8. Is China an important market for U.S. business ventures?

9. Do Chinese businesses look favorably upon western corporations that understand and display cultural understandings?

10. Since the World Trade Organization Accessing Agreement in 2001, has China’s potential as a viable market been enhanced?

**Purpose of the Study**

Napoleon Bonaparte once said, “China is a sleeping giant. Let her lie and sleep, for when she awakens she will astonish the world.” Little did Bonaparte know how true his words would come to be” (Mandarin, 2003).

China offers great potential to today’s global market, but “success in the international business arena will not be easy for those who do not take steps to gain the skills necessary to be global players. The language barrier is an obvious problem. Equally important will be negotiation skills, as well an understanding of and adaptation to the social and business etiquette of the foreign country” (Kenna, P. & Lacy, S., 1994, p.6). U.S. business tactics are not universally accepted and while general business considerations are essentially the same, business styles differ greatly from country to country. “To do business in China takes a lot of practice and perseverance. The Chinese are known as tough negotiators and it can take months or even years to arrange an investment or contract” (Kenna, P. & Lacy, S., 1994, p.8).

Often, it takes more than a business mind to succeed in the China market. “Chinese’s negotiators have a reputation for being forceful, determined, and willing to take advantage of any weakness or opening. In order to negotiate successfully in China, western companies should be sensitive to morals, behavior patterns and psychology, as
well as business matters” (Papadimos, 2000). In past years, companies have attempted to enter the China market without prior preparation nor an understanding of the business culture. “The fact is, if you don’t understand the business environment and the cultural differences, and if you can’t commit the management resources, then your chances of success in a place like China are roughly equivalent to winning a Powerball Lottery. Keep in mind, buying a lottery ticket is easier, cheaper and more fun” (Joseph, 2002). With a culture that is diametrically opposed to western thought, the author of this study will examine the value of Sino-American relations and the importance cultural dynamics has on the success of business ventures abroad.

Through his findings, the author will also provide a business guide that will help establish a better understanding of the necessary tools needed to succeed within a China business-like setting. Chapters will consist of step-by-step procedures that will guide you in proper etiquette and ultimately, win respect from Chinese associates and achieve common business goals.

Objectives

The initial objective of this study is to develop strategies that will in turn, build upon cross-cultural skills necessary to scale the Chinese wall. The author will also concentrate on the process of deciding what key concepts hold the most value to China’s cultural understanding of etiquette and protocol.

The second objective will primarily focus on the design and creation of a business guide that companies could in turn, utilize while doing business in China. The guide itself will be formatted to outline and emphasize the essential components needed to succeed
within a Chinese business-like setting and in addition, include all the information necessary to:

- Recognize basic knowledge and skills needed to compete in today's multicultural marketplace
- Understand and identify the cultural dynamics of China
- Adopt key business skills necessary to succeed within China's business arena

Definition of Terms

Business Guide: something that offers basic information or instruction

Culture: the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought

Communiqué: a short, one or two page document, summarizing a number of issues, often in connection with a meeting or conference

Confucius: a religious philosopher of China who believed that things should be based on virtue and not blood

Etiquette: the forms or manners established as acceptable or required by society or a profession

Globalization: the integration of capital, technology, and information across national borders, in a way that is creating a single global market and, to some degree, a global village

Gross Domestic Product (GDP): the market value of all final goods and services produced and purchased within a country during a given time period

Multicultural: of or relating to a social or educational theory that encourages interest in many cultures within a society rather than in only a mainstream culture

Premier: the position of the cabinet minister who is in charge of government affairs

Protocol: forms of ceremony and etiquette observed by diplomats and heads of state

Sino-American Relations: terminology used to describe the relationship between the People's Republic of China and the U.S.
*Westerners*: an inhabitant of a western area; especially of the U.S.

*World Bank*: a UN affiliate set up to finance projects that further the economic development of its member nations

*World Trade Organization (WTO)*: measure of the United States economy adopted in 1991; the total market values of goods and services by produced by workers and capital within the United States borders during a given period (usually 1 year)

**Limitations**

To a degree, this study is inhibited by its exclusive focus of the China market itself. Certainly, there are many other countries that have seen a significant increase within its economy; however, if viewed on a global perspective, experts imply that this is indeed the ideal time to enter the Chinese business realm — considering the majority of business markets in China that remain unexplored. “Moreover, the business culture of 21st century China is still developing, providing the time and opportunity for American enterprises to develop sophistication in interacting with Chinese counterparts as their business culture evolves. The key to a successful business presence in China is an ongoing involvement with Chinese enterprises leading to a practical understanding of the business culture of China” (USCL, 2003). Due to these circumstances, the author believes that a business guide will in turn, improve upon the success of western business ventures abroad.

Another factor that renders limitations to the study is solely based on the lack of literature encompassing the topic at hand. For the most part, the author had limited success in obtaining documents that demonstrated the failure of western corporations within a China business-like environment. In considering this factoid, the author lacks the basis of comparison from previous U.S.-China business ventures to present-day attempts.
What's more, the failure and/or inability to provide documentation relating to the attitudes and/or values of both U.S. and China businesses alike, hinders the authors ability to show the true nature of their dissatisfaction.

On a final note, because of both time restraints and monetary issues, the author was unable to travel abroad and experience first-hand, the dissimilarities between the two cultures — which seemingly so, vary greatly.
ORIENTATION TO THE NEW ORIENT

The New China

After 100 years of subjugation by foreign powers on China’s soil, “The Chinese people have stood up!” declared Mao Tse-Tung as he formally announced the people’s democratic dictatorship on October 1, 1949. “Mao and his associates were determined to create an egalitarian society and make China strong and prosperous. While the road to these goals was to prove neither smooth nor easy, clearly China was moving in a new direction” (Schirokauer, 1991, p.352).

Within a short while, “China reorganized its science establishment along Soviet lines—a system that remained in force until the late 1970s, when China’s leaders called for major reforms” (1Up Info, 2003). In June of 1949, Mao had publicly announced his course of action of “Leaning to one Side” as a pledge to the Socialist bloc. “In February 1950, after months of hard bargaining, China and the Soviet Union signed the Treaty of Friendship, Alliance, and Mutual Assistance, valid until 1980. The pact also was intended to counter Japan or any power’s joining Japan for the purpose of aggression” (Lance, 2003).

International recognition of the Communist government had increased considerably, but it was slowed by China’s participation in the Korean War — which ended in 1953. “The Korean War did not alter the international power of East Asia, but it did considerably embitter Sino-American relations” (Schirokauer, 1991, p.355). Nevertheless, China went forward in its plans to create the perfect Socialist society. “The first nine years of the People’s Republic began with an initial period (1949-52), during
which the regime consolidated its rule and forged the basic framework of a new sociopolitical order. This was followed by a period of Socialistic Construction (1953-58), initiated by the publication of the first Soviet-style five-year plan — begun in 1953, although not published until 1955" (Schirokauer, 1991, p.355).

Monetary issues were of central concern to the new government right from the beginning. “It had inherited a land ravaged by war and floods, which both agricultural and industrial output badly down from prewar levels and the monetary system wrecked by inflations. Furthermore, the underlying economy had serious structural weaknesses” (Schirokauer, 1991, p.355). In response to poor economic conditions within the China environment itself, Mao launched what has become known as the Hundred Flowers Campaign. “Mao suggested that the party had made some mistakes, primarily bureaucratic, and should not only not be afraid of people’s criticism, but should also welcome it” (UNO, 2003). This in turn, would help establish a sense of Social Democracy towards the people of the country. “Subsequently an ideological crackdown re-imposed Maoist orthodoxy in public expression” (Wikipedia, 2003).

In just five years, there was an increasing indication that the Soviet model was not as successful within the People’s Republic. With increasing efforts to achieve industrialization, collectivization of agriculture, and political centralization, Mao broke with the Soviet model and announced a new economic program in 1958. “China’s Great Leap Forward Campaign of 1958-1960 was an intense and frantic mobilization of an unprecedented magnitude to continue a struggle that was considered to be part of a permanent revolution. While retaining a Socialist base, communism was to be invoked hand-in-hand with modernization, bringing relief to the long suffering of China’s
peasants and ensuring a miraculously immediate millenarian land of plenty. Instead, the judgment of history paints a far different picture” (Dillon, 2003).

In actuality, the Great Leap was a complete disaster. “Rather than a leap forward, it became a lurch sideways. By 1961, China was on the brink of economic ruin and internal collapse. As a result of the loss of fertile farm land and poor management of what farmland remain, the annual harvest declined” (Megastories, 2003). The result of the campaign was hard hit in the People’s Republic — with over 14 million deaths resulting from starvation and famine. Because of this ill fate, Mao Tse-Tung stepped down from his position as chairman of the republic; Liu Shaoqi became China’s new leader.

With Mao on the political sidelines, Shaoqi took over the party and adopted no-nonsense economic policies — which did not coincide with Mao’s communitarian vision. In response, Mao launched a massive political attack, also known as The Great Proletarian Cultural Revolution, on Liu Shaoqi and other pragmatists in the spring of 1966. “This was a radical movement that closed schools, slowed production, and virtually severed China's relations with the outside world. It was proletarian because it was a revolution of the workers against party officials. It was cultural because it meant to alter the values of society in the Communist sense. It was great, because it was on a mammoth scale” (Chinatown Online, 2003). Fearing that China was on the brink of anarchy, Mao ordered the army to desist attacks in 1967, but the campaign itself did not officially end until 1976 following the death of Mao Tse-Tung.

A few years thereafter, Mao’s true successor Deng Xiaoping, would rise to power and become the first Deputy Premiere in 1977. Leading China toward modernization and economic reform, Deng was personified by the slogan ‘The Four Modernizations,’ which
was first introduced by Zhou Enlai in 1975. “These reforms were a reversal of the Mao Tse-Tung policy of economic self-reliance. The People's Republic of China decided to accelerate the modernization process by stepping up the volume of foreign trade, especially the purchase of machinery from Japan and the West. By participating in such export-led growth, China was able to step up the Four Modernizations by attaining certain foreign funds, market, advanced technologies and management experiences, thus accelerating its economic development” (Wikipedia, 2003). However, the reform itself did face some resistance from the opposite end of the political spectrum — calling for more rapid liberalization. “A movement to add democracy as the Fifth Modernization had found expression on Democracy Wall in Beijing. This was a place where, for the first time, people could freely post their views” (Schirokauer, 1991, p.371). Within a short while, protest movements were suppressed and eventually, the wall was torn down.

In December of 1978, Central Committee members of the Communist Party met to discuss foreign matters. The historical meeting coordinated the basic strategy that proceeded economic reform and the Open Door Policy — which allowed foreign access to China’s market. To accelerate the reform, Deng pushed Special Economic Zones (SEZ’s) that offered a host of possibilities for foreign investors. “Establishment of China's first Special Economic Zone (SEZ) in 1980 provided for tax concessions, expanded land use rights, and simplified procedures for foreign investment. Policies for land use, finance, and trade were designed to reduce transaction costs and to provide greater access to the domestic as well as the world market” (WTEC Hyper-Librarian, 2003).
For almost a decade, “Deng successfully orchestrated the pace of change, and in 1987 he had the satisfaction of seeing the Thirteenth Party Congress affirm the general directions of his policies, including the primacy of economic development. This session also marked the retirement of a substantial number of the old guard, who were generally replaced by men more inclined to follow Deng in “seeking truth from facts” (Schirokauer, 1991, p.372). A few years thereafter, Deng stepped down from his position as Deputy Premier.

Currently, “Jiang Zemin, is leading China’s third-generation leaders to uphold and carry on the policy of reform and opening-up initiated by Deng Xiaoping, and as a result, China enjoys a stable political situation, burgeoning economy and active diplomacy, winning the support of the broad masses of the people” (China Internet Information Center, 2003).

**A Brief Economic History**

Experiencing smooth development and severe setbacks, China’s 50-year economic progression has undergone earth-shaking changes — especially in the two decades since the beginning of reform and opening-up. “After the founding of the People’s Republic, China first went through three years of economic rehabilitation. In 1954, the First Five Year Plan for Economic and Social Development was worked out and implemented” (People’s Daily, 2003). During this period, the national income rate reached a yearly high of 8.9 percent. “China established basic industries necessary for full industrialization hitherto non-existent domestically, producing airplanes, automobiles, heavy machinery, precision machinery, power-generating equipment,
metallurgical and mining equipment, high-grade alloy steels and non-ferrous metals” (China Internet Information Center, 2003).

In the decade from 1956 to 1966, China began to thrive on new industries — despite severe setbacks from the Cultural Revolution. “New industries like electronics and petrochemical engineering came into being and the industrial layout was improved. China achieved complete self-sufficiency in oil supply from 1965 onwards” (People’s Daily, 2003). Monetary reconditioning and technological advances also were launched to improve on agricultural production. “However, the Great Leap Forward in 1958 plus the then natural calamities severely affected the development of national economy. In the winter of 1960, a policy of readjusting, consolidating, filling in and raising standards for the national economy was adopted and China’s economic construction was brought back to the right track. The Cultural Revolution, which began in 1966, resulted in a decade of social turmoil and China’s economic development experienced the most severe setback and biggest loss ever since the founding of the People's Republic” (ChinaPT, 2003).

In October of 1976, the Jiang Qing counter-revolutionary was defeated — marking the end of the Cultural Revolution, and the beginning of a new era in Chinese history. With Deng Xiaoping as the new Premier of the Peoples Republic, major initiatives were taken to transition China's economy from a sluggish Soviet-style to a more market-orientated system. “Whereas the system operates within a political framework of strict Communist control, the economic influence of non-state organizations and individual citizens has been steadily increasing. The authorities have switched to a system of household and village responsibility in agriculture in place of the old collectivization, increased the authority of local officials and plant managers in
industry, permitted a wide variety of small-scale enterprise in services and light
manufacturing, and opened the economy to increased foreign trade and investment”
(Neilson, 2003). A few months thereafter, Deng put much emphasis on modernization
and in turn, implemented a guiding policy of reform and opening-up to the outside world.

Since 1978, China's economy has grown more than tenfold. "China's GDP
reached 7.9553 trillion yuan (about 964 billion U.S. dollars) in 1998, 50 times that of
1949 (Industry has increased by 381 times, and agriculture, by 20.6 times). Taking into
account price changes, China's economy has been growing at an annual rate of 7.7
percent, more than doubling the world's average of 3.3 percent" (China-Embassy, 1999).
In addition, China has taken a more forthcoming approach towards foreign direct
investments. "Foreign invested firms, practically none existent in the 1970s, now number
over 300,000 and account for almost 50% of China's exports. Foreign trade has grown
from $38 billion in 1980 to over $325 billion in 1998" (STAT-USA, 2003).

Throughout the past decade, China's economic growth rate has continued to
increase steadily — with little signs of slowing down. When China joined the WTO on
December 11, 2001, their economic standing increased considerably. With this in mind,
China agreed to substantially reduce tariffs and eradicate important restrictions on goods
imported by foreign-owned enterprises. "China's accession into the WTO and robust
increases in foreign direct investment are cited as driving factors behind the country's
continued growth. Foreign investment for 2003 is anticipated to be $57 billion, up from
$52 billion in 2002" (China-Fund, 2004). Because of this, China's has seen
improvements on trade volume and an influx on direct foreign investments as well. "GDP
growth for 2004 is expected to continue the upward trend and hit an estimated 8.5
percent, according to analysts with the State Information Center. The government has a goal to double GDP by 2020. To achieve this, China needs an average annual growth rate of 7 percent, which several prominent analysts believe is attainable” (China-Fund, 2004).

With an average yearly growth rate of 6 percent, there is an overwhelming possibility that by 2030, China will be second largest economy in the world — aside from the United States.

**Sino-American Relations**

For the past 50 years or so, Sino-American relations have spiraled in every direction possibly. “During the Communist rise to power, the U.S. supported the Nationalists, which contributed to a breakdown in relations between the U.S. and the soon-to-be Chinese government. When the victorious Communists drove the Nationalist government from Mainland China in 1949, they had no desire to befriend the ally of their enemy. Thus began the three decades of estrangement between the PRC and the U.S” (USPCF, 1999).

The 1950s was the era of McCarthyism, when communism was considered a threat to be contained at all costs. Because of this, the U.S. refused to recognize the communist government and in doing so, kept China out of the United Nations. “The possibility of any immediate reconciliation between the U.S. and China was rendered impossible by the Korean War. Chinese support for North Korea and U.S. support for South Korea was a visible illustration of U.S. and Chinese positions on opposite sides of the ideological spectrum. In supporting North Korea, China expressed its willingness to aid other struggling Communist parties and further increased U.S. fears that China would
indeed, spread communism. This fear in turn deepened the U.S. commitment to stand against communism. As a result of the Korean War, the U.S. imposed a comprehensive embargo on trade with the PRC and banned travel to the PRC by U.S. citizens. This war defined America's policy towards China as one of ideological warfare, and set the tone for many years to come" (USPCF, 1999).

In 1969, Richard M. Nixon was elected as President of the United States and in doing so, fine-tuned the U.S. global strategy and adopted the important policy of improving relations with China. After a border dispute with the Soviets, China responded to American initiatives to institute some level of communication. “One of the first public hints of improved U.S.-China relations came on April 6, 1971, when the American Ping-Pong team, in Japan for the 31st World Table Tennis Championship, received a surprise invitation from their Chinese colleagues for an all-expense paid visit to the People's Republic. Time magazine called it 'The ping heard round the world.' On April 10, nine players, four officials, and two spouses stepped across a bridge from Hong Kong to the Chinese mainland, ushering in an era of Ping-Pong diplomacy. They were the first group of Americans allowed into China since the Communist takeover in 1949" (PBS Online, 1999).

A few days thereafter, the President's National Security Advisor, Henry Kissinger, traveled abroad to negotiate an opening with the Chinese — which eventually lead to Nixon's invite to the summit in Peking. “From February 21 to 28, 1972, President Nixon visited China, the first leader ever to visit from a country that had not yet established diplomatic relations with China. Mao Tse-Tung held historic and significant talks with Nixon. On February 27, China and the US issued their first joint Communiqué
in which both nations pledged to work toward full normalization of diplomatic relations. This was the Joint Communiqué between the People’s Republic of China and the United States of America – also known as the Shanghai Communiqué. It represented the end of an old era and the beginning of a new one in China-US relations” (China Internet Information Center, 2003).

Upon invitation, President Gerald Ford of the United States paid a visit to China in the winter of 1975. Months later, China and the United States issued a second joint communiqué, establishing diplomatic relations at the ambassadorial level. The Communiqué itself was based on an agreement a few years back, in which the U.S. would recognize the People’s Republic as the sole legal government of China and in addition, affiliate Taiwan with China. It was also stated “within this context, the people of the United States will maintain cultural, commercial, and other unofficial relations with the people of Taiwan.” On January 1, 1979, China and the United States formally established diplomatic relations with each other, thus realizing the normalization of their relations” (INCOM, 2003).

That same year, Premier Deng Xiaoping visited the United States at the request of President Jimmy Carter. “The two sides signed China-U.S. Agreement on Cooperation in Science and Technology, the Cultural Agreement, the memoranda of understanding on education, agricultural exchange and cooperation in space technology, the Implementing Accord on Cooperation in the Field of High Energy Physics, and the Agreement on the Mutual Establishment of Consular Relations and the Opening of Consulates General” (INCOM, 2003).
A few years thereafter, U.S. President Ronald Reagan visited China and was greeted with a 21-gun salute in Tiananmen Square. "His visit, which took him to the Great Hall of the People and the Great Wall, resulted in formal agreements, furthering scientific and cultural exchanges and greater cooperation on the development of nuclear projects" (PBS Online, 1998). Shortly following, "Chinese President Li Xiannian paid a state visit to the United States, which was the first visit by head of state of China to the United States. The two sides signed the Agreement for Cooperation Concerning Peaceful Uses of Nuclear Energy, the Implementing Accord for Cultural Exchange in 1986 and 1987 Under the Cultural Agreement, the Protocol for Cooperation in Educational Exchange, and the Agreement Concerning Fisheries off the Coasts of the United States" (INCOM, 2003).

Subsequent to this agreement, President George Bush of the United States paid a working visit to the People's Republic. "Mr. Bush emphasized economic reforms, including more opportunities for trade. He too went to Tiananmen Square and during the visit, praised China's greater acceptance of human rights. Just four months later, Tiananmen Square took on a completely different symbolism for Americans and the rest of world when the Chinese army killed hundreds of democracy demonstrators. President Bush cut off all high-level official exchanges between the two nations but sent a secret delegation to Beijing to persuade the Chinese to open their society" (PBS Online, 2003). After the Tiananmen Square incident on June the 4th, President Bush accused China of violating human rights and in turn, "imposed sanctions on China that included suspending high-level of exchanges between the two-countries and stopping the sale of all military equipment and weapons to China" (China Internet Information Center, 2003).
In effort to rekindle a working relationship, “Chinese President Jiang Zemin met with U.S. President Bill Clinton during the informal Asia-Pacific Economic Cooperation (APEC) summit meeting in Seattle, which was the first formal meeting since February 1989 between leaders of the two countries. It was a turning point in China-U.S. relations” (China Internet Information Center, 2003). A few years thereafter in early 1997, “President Jiang and President Bill Clinton issued a joint communiqué that called for strengthened cooperation toward a constructive strategic partnership in the 21st century. Jiang’s successful visit ushered relations between China and the United States into a new era of development. It greatly promoted exchanges and cooperation between the two countries in such fields as politics, economy, science and technology, culture and education, military affairs, environmental protection, and judiciary” (China Internet Information Center, 2003).

With a few years in passing, President George W. Bush of the United States granted China permanent trade status, otherwise known as the Most-Favored-Nation Treatment. “Bush’s proclamation ended a long history of an annual review in the US Congress of China’s permanent trade status, removing a major obstacle to the development of bilateral economic relations and trade between the US and China” (China Internet Information Center, 2003).

**The Emerging Chinese Culture and Society**

The twentieth century has indeed brought cataclysmic changes for not only China, but its people as well. “In the waning years of the last dynasty, the Chinese could look back at thousands of years of usually stable imperial rule based on Confucian values. But
deep down the tectonic plates were shifting. A series of violent cultural tremors and social upheavals would soon crack the foundations of the great tradition and shift in leadership from ruling gentry to revolutionary guards. The aftershocks continue today” (Leppert, 1994, p.14).

With the shifting of powers some fifty years ago, the cultural perspective can be alienated into two periods, otherwise known as Imperial China and Communist China. “The modern Chinese society can be defined as a combination of centuries of values and Communist propaganda achievements. The Imperial China had a strong class system where 90% of the people were poor and possessed limited resources to develop culturally, socially and personally” (KillerEssays, 2003). Nonetheless, the country shifted away from Imperial China in 1949 and centralized around Communist thoughts and values — which in turn, have blended into modern China.

However, this cultural transition took years before it was socially accepted by the masses. China’s economic state was below the norm in 1965 and military pressure caused China to induce change — ultimately leading to the Cultural Revolution. “It was culture in the broadest meaning of that term, since it sought to remold the entire society and to change the consciousness of the Chinese people” (Schirokauer, 1991, p.365). In simplistic terms, this was a counter attack on those who sought to bring back imperial rule. “Schools were closed, temples and museums destroyed, books burned. Millions had their houses sacked, suffered torture and were exiled to distant rural areas to do hard labor simply because they had educations or skills that set them apart from the masses” (Leppert, 1994, p.14). Others were forced to live in unsanitary conditions and dying as a result. “The Cultural Revolution in its passion for equality abolished workers’ bonuses,
private plots, and free markets. It was the ultimate victory over the individual and it failed miserably. Fortunately in the long sweep of Chinese history, it will be a brief darkness at noon” (Leppert, 1994, p.14).

Nevertheless, much of China’s philosophy and/or way of life were derived from Confucius—whose ideologies are century’s years old. “He stressed obedience and respect for authority. China has had a very strict code of behavior in effect for 2,000 years. Carefully prescribed forms of behavior cover virtually every aspect of conduct. The higher one is on the social scales, the more meticulous and demanding the rules of behavior” (Kenna, P. & Lacy, S., 1994, p.8). Though much has changed since the Cultural Revolution itself, many of the ideas used from the Confucius period are in fact being implemented. “As the veneer of communism rubs-off the underlying Confucian structure, though exhibiting some dry rot, retains sufficient strength to support newer social structures. In 1974 China’s communist government launched a major campaign against the 2500-year-old system of Confucianism. That this was necessary after the more than a generation of Communist ideological inculcation to the tenacity of this ancient tradition” (Leppert, 1994, p.15).

In accordance to the values of Confucius, devotion to family and society is still a strong attribute within the Chinese community. “The well being of the family and the state are the main goals for any action in society. If actions taken do not contribute to the family or the society as a whole, then the actions will not be regarded as proper” (KillerEssays, 2003). The philosophical values and beliefs also intertwined with Confucius values. “One of the early acts of the Chinese Communist party after it gained control in 1949 was to officially eliminate organized religion. Previously the dominant
religions in China had been Confucianism, Taoism, and Buddhism. Most temples and school of these four religions were converted to secular purposes. Only with the constitution of 1978 was official support again given for the allowance of formal religion in China. The constitution also stated that the Chinese population had the right to hold religious beliefs.

Moreover, the value of education is still highly regarded among community members. Since its takeover in 1949, the establishment of universal public education has been one of the most ambitious programs of the Communist party to date — though during the Imperial Age, it was strictly for the rich and the privileged.
Chapter III

SURVEY RESULTS

Description of Survey

The survey (see Appendix A) included ten statements that were measured on the basis of the Likert Scale: a multipoint rating scale that measures the strength of a subject’s agreement with a clear statement. The scales itself consisted of five possible answers — ranging from strongly agree, agree, neutral, disagree and strongly agree. The statements themselves were solely based on research findings and general information about China and the impact of globalization in today’s business environment. There was also a separate section for any additional comments, perceptions and/or opinions. In summation, the authors intent was to elicit a positive or negative reaction on China and the importance of understanding cultural dynamics, if any.

The back page of the survey asks participants to answer all, some or none of the following inquiries: gender, age, years in the workplace, industry type and current position. With this information, the author could assess the responses based on years of experience and industry type.

Sample

The intent was to survey and interview at least 75 individuals who would in turn, establish a sufficient means of information that would be relevant to the study at hand. The selected sample included those who were highly educated or well informed about concepts in Sino-American relations. This logic was based solely on the importance of obtaining a qualified pool of individuals who: (a) had some experience or prior
knowledge of China’s business culture and (b) understood the impact of globalization and the influence it has on today’s business environment.

**Purpose of the Study**

The objective of this survey was to assess the need and value of etiquette and protocol within a China business-like setting. Further, the study was designed to provide input on additional information that in turn, would be included in the manual itself. The experience of developing and administering a survey gave the author the freedom to expand on the research of other individuals as well as adding unique insight into the subject matter at hand.

**Analyzing the Results of the Survey**

Within months, the author gathered 75 individuals who were able to respond to the survey. The individuals responded in a variety of ways: via e-mail, over the phone, or by way of personal interview. Each of the respondents answered all 10 of the statements that were included within the survey itself. The results themselves were tabulated on the basis of the scale: strongly agree, agree, neutral, disagree and strongly disagree.
STATEMENT 1

In general, practical knowledge of cultural dynamics can be a significant asset in business.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>51%</td>
<td>44%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
</tr>
</tbody>
</table>

For this statement, 38 respondents (51 percent) strongly agreed that practical knowledge of cultural dynamics could be a significant asset in business. 33 respondents (44 percent) agreed and one respondent (1 percent) took a neutral position. There were 2 respondents (3 percent) who disagreed and 1 responded (1 percent) who strongly disagreed with the statement at hand.

Since the majority (95 percent) strongly agreed or agreed with this statement, it can be determined that the dynamics of culture does exist within a corporate setting. The author believes that this further supports the ideologies that cultural awareness in general, will continue to be a factor as the global market continues to flourish into the 21st century.
STATEMENT 2

Etiquette and protocol are essential components of business culture.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>56%</td>
</tr>
<tr>
<td>Agree</td>
<td>36%</td>
</tr>
<tr>
<td>Neutral</td>
<td>4%</td>
</tr>
<tr>
<td>Disagree</td>
<td>1%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3%</td>
</tr>
</tbody>
</table>

In evaluating this statement, 42 respondents (56 percent) strongly agreed that etiquette and protocol are essential components of business culture. 27 respondents (36 percent) agreed and 3 respondents (1 percent) were neutral. One respondent (1 percent) disagreed — while two respondents (3 percent) strongly disagreed.

The majority of respondents (92 percent) strongly agreed or agreed with this statement — leading the author to conclude that behavioral codes are of importance. In essence, the consensus of this statement is a direct correlation to the author’s theory, which supports the notion that proper protocol is a major contributor to the success of many multi-national corporations.
STATEMENT 3

For the most part, businesses should diversify their market entry into international arenas.

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>31%</td>
</tr>
<tr>
<td>Agree</td>
<td>57%</td>
</tr>
<tr>
<td>Neutral</td>
<td>4%</td>
</tr>
<tr>
<td>Disagree</td>
<td>7%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1%</td>
</tr>
</tbody>
</table>

The overall analysis of responses for this statement went accordingly: 23 respondents (31 percent) strongly agreed that businesses should diversify their market entry into international arenas. 43 respondents (57 percent) agreed with the statement and 3 respondents (4 percent) selected a neutral response. A total of 5 respondents (7 percent) disagreed with the statement and 1 respondent (1 percent) strongly disagreed.

The majority of the respondents (88 percent) either strongly agreed or agreed that businesses should indeed diversify their market entry into international arenas. These results specify and/or indicate that corporations are looking to globalize which seemingly so, is becoming an overwhelming trend among corporate America.
STATEMENT 4

A corporation could succeed in their home markets, but fail abroad.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>65%</td>
</tr>
<tr>
<td>Agree</td>
<td>25%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0%</td>
</tr>
<tr>
<td>Disagree</td>
<td>7%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3%</td>
</tr>
</tbody>
</table>

In evaluating statement four, one finds that 49 respondents (65 percent) replied that they strongly agreed that a corporation could succeed in their home markets, but fail abroad. 19 respondents (25 percent) agreed with the statement and zero respondents selected a neutral position. 5 respondents (7 percent) disagreed with the statement and 2 respondents (3 percent) strongly disagreed.

Overall, 90 percent of the respondents either strongly agreed or agreed that corporations can succeed in their home markets, but fail abroad — clearly indicating that corporate success is not universal among the business-world in its entirety. The author believes that this statement in general, speaks for itself and is a clear indication that, if globalizing, change is inevitable.
The globalization trend has directly influenced today's business environment.

The results for statement five were as follows. 39 respondents (53 percent) strongly agreed that the globalization trend has directly influenced today's business environment. 33 respondents (44 percent) agreed with the statement and 1 respondent (1 percent) identified a neutral position. 1 respondent (1 percent) disagreed with the statement and 1 respondent (1 percent) strongly disagreed.

Overall, the majority of respondents (97 percent) either strongly agreed or agreed when responding to this statement. Under these circumstances, it can be determined, from the opinion and beliefs of those 72 individuals, that the globalization trend has directly influenced today's business environment.
STATEMENT 6

Cross-cultural guidebooks can aid western corporations in conducting business abroad.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>74%</td>
<td>16%</td>
<td>8%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Upon examination of statement six, the results were as follows. 55 Respondents (74 percent) strongly agreed that cross-cultural guidebooks can aid western corporations in conducting business abroad. 12 respondents (16 percent) agreed with the statement and 6 respondents (8 percent) identified a neutral position. 1 respondent (1 percent) disagreed and 1 respondent (1 percent) strongly disagreed.

In general, the majority of respondents (90 percent) either strongly agreed or agreed with the statement at hand. This leads the author to believe that cross-cultural guidebooks can be a useful tool to those who seek business ventures abroad. More than likely, the author believes that such guides will increase in popularity as the concept of globalization continues to mount.
STATEMENT 7

Presently, the Chinese market is accessible for multinational corporations.

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>23%</td>
</tr>
<tr>
<td>Agree</td>
<td>75%</td>
</tr>
<tr>
<td>Neutral</td>
<td>1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>1%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
</tr>
</tbody>
</table>

In evaluating the results for statement seven, 17 respondents (23 percent) strongly agreed that at present, China’s market is accessible for multinational corporations. 56 respondents (75 percent) agreed with the statement and 1 respondent (1 percent) had neutral position. 1 respondent (1 percent) disagreed with the statement and zero respondents strongly disagreed.

The majority of respondents (98 percent) strongly agreed or agreed with this statement. Thus, revealing that present day China is open and willing to accept those who seek to venture into this specified market arena. This helps support the author’s notion that China in general, will become an overwhelming success with multi-national corporations.
STATEMENT 8

China can be an important market for U.S. business ventures.

Strongly Agree  60%
Agree  25%
Neutral  11%
Disagree  1%
Strongly Disagree  3%

Respondents for statement eight were as follows. 45 respondents (60 percent) strongly agreed that China is an important market for U.S. business ventures. 19 respondents (25 percent) agreed with the statement and 8 respondents (11 percent) chose a neutral position. 1 respondent (1 percent) disagreed with the statement and 2 respondents (3 percent) strongly disagreed.

The majority of respondents (85 percent) either strongly agreed or agreed that China can indeed become an important market for U.S. business ventures. This leads the author to believe that China's thriving economic state has the impending probability to develop into a major asset for corporations abroad. This ideology is further supported with an influx of U.S.-China business ventures that have occurred within the past two years.
STATEMENT 9

Chinese businesses probably look to western corporations that understand and display cultural understandings.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>88%</td>
</tr>
<tr>
<td>Agree</td>
<td>11%</td>
</tr>
<tr>
<td>Neutral</td>
<td>1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>0%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0%</td>
</tr>
</tbody>
</table>

In assessing statement nine, 66 respondents (88 percent) strongly agreed that Chinese businesses look to western corporations that understand and display cultural understandings. 8 respondents (11 percent) agreed with the statement and 1 respondent (1 percent) chose a neutral position. There were zero respondents who disagreed with this statement and zero respondents who strongly disagreed.

Since the majority (99 percent) responded with either strongly agree or agree, we can conclude that China’s culture is in essence, valued to the highest regard. The author believes that westerners, who overlook the cultural concept of China, are at a severe disadvantage. However, those who are keenly aware of China and its customs, will more than likely, have a pleasant business experience.
STATEMENT 10

Since the World Trade Organization Accessing Agreement in 2001, China’s potential as a viable market has been enhanced.

<table>
<thead>
<tr>
<th></th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>11%</td>
</tr>
<tr>
<td>Agree</td>
<td>82%</td>
</tr>
<tr>
<td>Neutral</td>
<td>5%</td>
</tr>
<tr>
<td>Disagree</td>
<td>1%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1%</td>
</tr>
</tbody>
</table>

The breakdown for this statement went as follows. 8 respondents (11 percent) strongly agreed that since the World Trade Organization Accessing Agreement in 2001, China’s potential as a viable market has been enhanced. 61 respondents (82 percent) agreed with the statement and 4 respondents (5 percent) chose a neutral position. 1 respondent (1 percent) disagreed with the statement and 1 respondent (1 percent) strongly disagreed.

The majority of respondents (93 percent) either strongly agreed or agreed that since the World Trade Organization Accessing Agreement in 2001, China’s potential as a viable market has been enhanced — leading the author to believe that China is willing and ready to make a commitment to corporations round-the-world.
Conclusion

This survey was well received by a number of individuals and to my surprise, industry professionals were eager to participate. In essence, they were pleased to see a student eager to learn about China and the important role it has on today's global economy. By participating in the study, many of the individuals stressed the need to succeed within a China business-like setting. They in turn, re-emphasized the importance of understanding and valuing cultural dynamics within today's corporate environment — especially in China and other foreign business arenas.

The answers from survey questions six and nine seemingly so, stood out from the reaming eight. In regards to question six, 74% strongly agreed that cross-cultural guidebooks can aid western corporations in conducting business abroad. Regarding question nine, 88% strongly agreed that Chinese businesses probably look to western corporations that understand and display cultural understandings. With the combination of the two statements, respondents strongly supported the notion that guidebooks can help further develop cultural awareness and in turn, increase the probability of a successful business venture abroad. The overall consensus of the respondents themselves, believed that companies would need to redefine the way they do business in order to work effectively across cultural and geographical borders.
**Introduction**

For the past five decades or so, China has undergone tremendous change—which has ultimately led to the prosperity and wealth of the nation itself. Living conditions have improved drastically and since 1949, the quality of life has completely turned-around for the better of the people.

In general, China’s future looks promising as it continues to move forward in its conquest to achieve the pinnacles of success. With statistical representation showing an average annual growth rate of 7.7 percent since 1949, it further illustrate the tremendous success that China’s has had since transitioning from a sluggish, Soviet-style, centrally planned economy to a more market-oriented approach.

Because of this overwhelming economic success and the impact of globalization within today’s corporate environment, company’s round-the-world are seeking to venture into the China business arena. “After all, with a population of 1.2 billion people and a GPD that had quadrupled since 1978, China is now the second largest economy in the world after the Unites States — measured on a purchased power parity basis” (PWC, 2003).

Nonetheless, China is a difficult place for foreign operators. The Chinese in general, are categorized as tough and ruthless negotiators who more often than not, take advantage of those who lack the cultural understanding of its business environment. *Concepts in Sino-American Relations: A Business Guide to Etiquette and Protocol* will provide a fast, easy way to become acquainted with the practices and procedures necessary to better-comprehend the China business matrix.
Quick Facts

Country Name
Conventional long form: People’s Republic of China
Conventional Short form: China
Local Short Form: Zhong Guo
Abbreviation: PRC

Government Type
Communist

Capital
Beijing

Currency
Yuan

Currency Code
CNY

Flag Description
Red with a large yellow five-pointed star and four smaller yellow-five pointed stars (arranged in a vertical arc toward the middle of the flag) in the upper hoist side corner

Location
Eastern Asia, bordering the East China Sea, Korean Bay, Yellow Sea and South China Sea, between North Korea and Vietnam

Geography Coordinates
35 00 N, 105 00 E

Population
1,284,303,705

Population Growth Rate
0.87%

Age structure
0-14 years: 24.3% (male 163,821,082; female 148,855,387)
15-64 years: 68.4% (male 452,354,428; female 426,055,713)
65 years and over: 7.3% (male 43,834,528; female 49,382,568)

Gross Domestic Product (GDP)
$6 trillion
GDP Growth Rate
8%

Exports
$312.8 billion

Imports
$268.6 billion

Population below Poverty Line
10%

Labor Force
706 million

Labor Force by Occupation
Agriculture 50%
Industry 23%
Services 27%

Industries
Iron and steel, coal, machine building, armaments, textiles and apparel, petroleum, cement, chemical fertilizers, footwear, toys food processing, automobiles, consumer electronics and telecommunications
Table of Contents

The Business Meeting
- Appointment Alert
- Meeting and Greeting
- Opening Negotiations
- Using Interpreters
- Concluding a Meeting

- Quick Tips

Dining Basics
- Seating
- Conversational Topics
- Table Etiquette
- Drinking and Toasting

- Quick Tips

Gift-Giving
- Suggested Gifts
- Gift-Giving Taboos
- Presenting Gifts
- The Price of Receiving

- Quick Tips

General Communication
- Business Card Etiquette
- Proper Business Attire
- Social Distance, Touching & Gestures

- Quick Tips
THE BUSINESS MEETING

Often characterized as orderly affairs, the China business meeting is an important tool to discuss issues of concern, share information and new ideas, and make decisions critical to the future. They are in general, a premium display of good manners and noble moral, which to a point, follow a strict code of conduct that is based on the ideologies of Confucius, a religious philosopher of ancient China.

While somewhat conservative and still in certain circumstances, the Chinese’s are manageable if properly understood. Success factors, more often than not, are based on the proper understanding of their methodologies — ultimately leading you to read signals more clearly.

Appointment Alert

Arranging a meeting in the China business realm can be a process in-of-itself. For starters, the Chinese are personable and avoid negotiating with strangers. “Confucius principles stress personal relationships, and in business, the importance of personal relationships cannot be underestimated. It is essential for prospective exporters, importers, or investors to establish and maintain closer personal relations with their Chinese counterparts” (Millet, 2003). Whenever possible, utilize friendships and/or a liaison known by both sides, to make the initial contact. This in turn, will help alleviate the necessary measures needed to establish a working-relationship.

Before a formal discussion is considered, the Chinese often request background information on not only you, but your company as well. It is important to have this prepared in advance and preferably in written format. To build credibility, it is also
advisable to provide a brief synopsis of the subject matter, which gives the Chinese time
to review the request and dismisses the possibility of surprises. This proactive notion in
essence, enables the Chinese to “hammer out their own positions and to approach the
meeting with the confidence that they have the benefit of the collective wisdom of the
‘departments concerned,’ as they like to put it” (Seligman, 1999, p.88).

Nevertheless, it is important to remember that the Chinese are in essence, time
defiant. “A Chinese organization will sometimes agree in principle to a meeting, but will
resist setting a time for it, or specify exactly who will attend” (Seligman, 1999, p.89).
This further supports their ideologies of flexibility and their desire to avoid conflicts that
might arise from commitment. Though prior preparations of a meeting are often last
minute ordeals, the reliability of the Chinese are highly regarded.

Meeting and Greeting

Because the Chinese are often distinguished for their punctuality, it would be
advisable to arrive at the meeting location early. Upon entering the room, it is important
to follow protocol — with the highest ranking individual entering the room first and
others following in descending order. “When you meet a Chinese person for the first
time, don’t Bow! This is a Japanese custom not Chinese. Chinese people shake hands,
much like in the West. Although not originally a Chinese custom, it is popular and
commonly done in China now, so give your colleague a smile and shake his or her hand”
(Mandarin, 2003).

Names and titles are also of great importance when first being introduced. In the
China business realm, it is customary for the surname to comes first, not last. “Chinese
names generally consist of one syllable surnames followed by one or two syllable given names. Do not rely on "Mr." as a substitute for a title. Following introductions, a person is either addressed by a full name or by a title and family name (e.g., "Chang Hung-wen" or "Director Chang"); never "Chang")" (BusinessTravel, 1998). Nevertheless, the Chinese understand and realize that it is often difficult for foreigners to pronounce and remember Chinese names. Because of this, many will choose English names to help institute a sense of comfort and familiarity.

Opening Negotiations

Following formal introductions, “the senior Chinese host will usually seat the senior foreign guest to his right, with members of the foreign party arrayed along one side of the room, and the Chinese party on the other” (BusinessTravel, 1998). Small talk will come first — primarily to break the ice before getting down to business. “The head of the host team will deliver a short welcome speech, then turn the floor over to the visitors. Your senior team member should speak for your company; avoid conflicting statements from other team members” (ChinaBig, 2003).

Once the substance of the meeting commences, it important to speak in short, simple, sentences free of jargon and slang. Pause frequently, so that people will be able to comprehend what you utter. Keep in mind that the Chinese in general, prefer to hear a proposal as a broad overview, and then respond to specific issues or questions point by point. “Chinese listeners will often punctuate the remarks of other speakers with nods or affirmative grunts. These may come as often as every sentence or two. What they mean is, “I have heard you,” or “I have understood what you are saying” (Seligman, 1999,
p.97). However, this type of communication does not mean that the Chinese necessarily agree and/or disagree with the statement at hand.

Because it is considered rude to interrupt a speaker, it is important to know who has the floor at any given time. “An occasional short intervention is acceptable — it is fine, for example, to fill in a relevant piece of information that may not be known to the speaker. But you must not break in and speak so long that you effectively reclaim the floor” (Seligman, 1999, p.99). Keep in mind that these meetings are not free exchanges, but rather structured conversations. “Another cardinal rule of conduct during meetings is never to put anyone on the spot, at least not in person. This means, for example, never placing someone in the position of having to divulge information he or she seems unwilling to discuss, or to challenge someone on a particular point” (Seligman, 1999, p.99). In other words, causing awkwardness or loss of composure, even by mistake, can be catastrophic for business negotiations.

Using Interpreters

Though not necessarily used for protocol purposes, it can be quite beneficial to bring your own interpreter. For complicated negotiations, “the use of an interpreter should ideally lead to the empowerment of all parties in a given situation by ensuring access to information for all” (Vass, 2003). Though the interpreters’ job is primarily communication, he or she can also provide a sense of security — ensuring that you are not deceived and/or mislead.

As a general rule of thumb, no team member should serve as a substantive contributor to the discussion and an interpreter. “To use someone as a translator is for all
practical purposes to lose that person’s service as a negotiator, since interpreting is hard
d work and takes a good deal of quick thought and concentration” (Seligman, 1999, P.103).
Bear in mind that your interpreter only translates your own remarks and the one supplied
by the Chinese side, translates the remarks of the Chinese counterpart. If there is only one
interpreter present, he or she will serve as the primary voice of both the principal host and
the principal guest.

However, it is critical that under no circumstances, do you address your remarks
directly to the translator. “It is natural to study the face of the translator to be certain that
he or she, at least, understands the nuances of your remarks. But you should fight the
impulse. Focusing on the interpreter is impolite because it fails to accord proper respect
to the Chinese host or guest” (Seligman, 1999, P.103).

Concluding a Meeting

As the meeting comes to a close, it is important to be patient, show little emotion,
and calmly accept that delays will occur. To gain an advantage, the Chinese will more
than likely, extend negotiations well beyond the official deadline. “You may have to
make several trips to China to achieve your objectives. Chinese businesspeople prefer to
establish a strong relationship before closing a deal” (LALC, 2003). Even after a contract
is signed, there is a high possibility that the Chinese will persist — primarily for a better
deal.

However, it is advisable to reiterate your understanding of exactly what was
accomplished and/or agreed upon, prior to your departure. “This is an obvious but very
worthwhile strategy for making sure that both sides agree on what happened and on what
the next steps will be” (Seligman, 1999, p.105). It would also be beneficial to delegate a contact person and/or number for future dealings. This will in a sense, establish continuity, eliminating the process of communicating with unknowns that more than likely, lack the knowledge necessary to assist in any business transaction.

As far as protocol is concerned, either side can end a meeting. However, in the China business realm, it is expected for you and other team members to depart the meeting ahead of your Chinese counterparts. In most cases, the host will send someone to escort the guests to their cars, though on occasion, he or she will do the honors.
QUICK TIPS

- To alleviate the necessary measures needed to establish a working-relationship, utilize friendships and/or a liaison known by both sides, to make the initial contact.

- Before a formal discussion is considered, it is advisable to provide a brief synopsis of the subject matter, which gives the Chinese time to review the request and dismisses the possibility of surprises.

- Because the Chinese are often distinguished for their punctuality, it would be advisable to arrive at the meeting location early.

- Upon entering the room, it is important to follow protocol — with the highest ranking individual entering the room first and others following in descending order.

- When you meet a Chinese person for the first time, don’t Bow! This is a Japanese custom not Chinese. Chinese people shake hands, much like in the West.

- In the China business realm, it is customary for the surname to come first, not last.

- Once the substance of the meeting commences, it important to speak in short, simple, sentences free of jargon and slang.

- Because it is considered rude to interrupt a speaker, it is important to know who has the floor at any given time.

- Keep in mind that these meetings are not free exchanges, but rather structured conversations.

- Though the interpreters’ job is primarily communication, he or she can also provide a sense of security — ensuring that you are not deceived and/or mislead.

- It is critical that under no circumstances, do you address your remarks directly to the translator.

- As the meeting comes to a close, it is important to be patient, show little emotion, and calmly accept that delays will occur.

- It is advisable to reiterate your understanding of exactly what was accomplished and/or agreed upon, prior to your departure.
DINING BASICS

Though considered a norm in most settings, the concept of dining is becoming ever-so popular — especially in today's corporate arena. "For the Chinese, it is a chance to get to know potential business partners better and to share a moment of sincere hospitality over a generous and appealing meal. Foreign visitors should welcome these invitations as opportunities to cultivate a quality relationship with their hosts and to experience the many wonders of Chinese cuisine" (Kleingartner, 2003).

Nevertheless, the Chinese continuously observe the manner in which we conduct ourselves — often reflecting on one's respect for others as well as the tradition of dining. While the rules of fine or even casual dining may appear overwhelming and complex at first, they can in fact make an event more attractive, pleasant, and meaningful when correctly executed.

Seating

Typically, Chinese banquet rooms include groupings of comfortable, overstuffed chairs — directly neighboring the main table and/or tables. "As a guest, you will be received in these seating areas when you arrive, unless the gathering is too large; in such cases only the principal guests will be so received" (Seligman, 1999, p.135). Though, there is a high possibility that cards will be placed at each setting — indicating who is to sit where.

Banquets usually take place around round tables that seat between a dozen or so people. The table furthest from the door is more often then not, designated as the main table. "Generally, the seat between the middle of the table, facing the door, is reserved for
the host. The most senior guest of honor seats directly to the left and everyone else is seated in descending order of status” (ExecutivePlanet, 2003). However, if an interpreter is present, he or she might be seated within the immediate vicinity — usually to the right of the guest.

Keep in mind, seating at formal banquets are more than likely, determined in advance. “It is not uncommon for the Chinese to change the seating plan a number of times before the event as R.S.V.P.s are received, and there is sometimes a flurry of activities at the last minute when a high ranking person who was supposed to attend fails to show up” (Seligman, 1999, p.135). These proceedings are not taken lightly and in essence, follow a fairly rigid protocol that dictates a high regard to senior and/or high level executives.

**Conversational Topics**

Though conversational topics are not limited, it is not recommended to discuss any type of business, while dining. “Even if a delegation is in China for lengthy and complicated negotiations, the Chinese will not necessarily choose to continue those discussions over a meal. They may try to use the time to get to know their counterparts a little better and break the tension by engaging in some light hearted conversation and fun” (Seligman, 1999, p.148).

Although it is not required to fill every moment with witty conversation, long-drawn-out silences should be avoided. Prior to the initial engagement, it would be highly advisable to prepare yourself for potential conversational topics. Examining aspects of Chinese culture, history and landscape will be a good area of study. If possible, make an
effort to learn and use at least a few words in Chinese. More than likely, your initiatives will be noticed and appreciated by your Chinese counterparts. On the other hand, make sure you know the meaning and appropriate occasions for what you say.

Though cross-cultural small talk can be hard to sustain over a period of time, it is highly recommended to put forth much effort to do so. Fail-safe topics of conversation that come to rescue include Chinese art, scenery, landmarks, weather, climate and geography. You may also make inquiries about the health of another’s family or express enthusiasm about the food you are eating.

**Table Etiquette**

For the most part, no one should sample any dishes until the principal host has broken into it first. More than likely, he or she will then serve those within reach, with the restaurant staff eventually taking over — dividing the remaining food among all the guests. “During a meal, as many as 20-30 courses can be served, so try not to eat too much at once, The best policy is to lightly sample, particularly if the food is spicy” (ExecutivePlanet, 2003).

Guest in general, should sample all of the dishes and leave something on the plate at the end of a meal. If need be, peek at the menu that is often placed on the table, even though it may be written solely in Chinese, counting the number of lines will give you a rough approximation of what is in store and will help you pace yourself accordingly. Keep in mind, “leaving a clean plate is perceived to mean that you were not given enough food — a terrible insult here. On the other hand, leaving a food offering untouched will
also give offense; even if you find a dish unappealing, try a small portion for the sake of politeness” (ChinaBig, 2003).

Most importantly, dishes are not to be passed around the table; they are positioned at the center and should remain in an orderly fashion. If handling food, use a chopstick and/or porcelain spoon, not your hands. “If you should happen to drop a piece of food on the floor or the table, don’t pick it up; just leave it there. If you drop a chopstick, pick it up and give it to a service person, who will replace it” (Seligman, 1999, p.152). If you break for a moment while eating, position the chopsticks on the chopstick rest, which is often situated aside the place setting. The chopsticks themselves should never touch the table, nor should they ever be stuck straight up into a bowl of rice — which resembles the joss sticks that are used in religious rituals.

**Drinking and Toasting**

Toasting, usually with beer or wine, is an important part of Chinese entertainment — primarily because of their strong drinking culture. Drinking in general, officially begins after the host offers a short toast to the group. “If you prefer not to drink alcohol, it’s perfectly acceptable to toast with a soft drink, glass of juice, or mineral water” (Millet, 2003). Keep in mind, the Chinese understand if you are unable to drink alcohol, but it would be recommended to make a medical excuse to avoid conflict.

Toasts will be proposed throughout the meals entirety and out of respect, it is always a good idea for the guest to return the toast either right away or after a few courses have been served. The remarks should be somewhat brief and resemble similar characteristics to that of the primary host. In most instances, speaking from the heart will
more than likely, evoke the best results. “Sharing hopes for the successful conclusion of some business or warm feelings about your counterparts is a tired-and-truth path. Also well trodden — but safe — are toast to friendship among the people gathered in the room and their respective countrymen, pledges of cooperation, testaments to the principles of equality and mutual benefit, and offers of reciprocal hospitality when your counterparts visit your own country” (Seligman, 1999, p.153).

In China, it is considered impolite to pour one’s own drink; someone else at the table, ideally that of the host, should notice that your glass is empty and take the initiative. “If no one seems to notice that your glass is dry, pick up the decanter and fill someone else’s glass; this generally results in the same being done for you” (Seligman, 1999, p.156). Nevertheless, China lacks the appreciation of a tipsy guest; it would be wise to state your being, if you feel you had enough.
QUICK TIPS

- Banquets usually take place around round tables that seat between a dozen or so people.

- Generally, the seat between the middle of the table, facing the door, is reserved for the host. The most senior guest of honor seats directly to the left and everyone else is seated in descending order of status.

- Though conversational topics are not limited, it is not recommended to discuss any type of business, while dining.

- Although it is not required to fill every moment with witty conversation, long-drawn-out silences should be avoided.

- Prior to the initial engagement, it would be highly advisable to prepare yourself for potential conversational topics.

- For the most part, no one should sample any dishes until the principal host has broken into it first.

- Guest in general, should sample all of the dishes and leave something on the plate at the end of a meal.

- Dishes are not to be passed around the table; they are positioned at the center and should remain in an orderly fashion.

- The chopsticks themselves should never touch the table, nor should they ever be stuck straight up into a bowl of rice.

- Toasting, usually with beer or wine, is an important part of Chinese entertainment — primarily because of its strong drinking culture.

- Toasts will be proposed throughout the meals entirety and out of respect, it is always a good idea for the guest to return the toast either right away or after a few courses have been served.

- In China, it is considered impolite to pour one's own drink; someone else at the table, ideally that of the host, should notice that your glass is empty and take the initiative.

- China lacks the appreciation of a tipsy guest; it would be wise to state your being, if you feel you had enough.
GIFT GIVING

When correctly done, corporate gift giving can be an extremely productive way to fabricate and/or maintain a partnership with esteemed associates. The objective, after all, is to spawn an ongoing business with your clientele. “The gift you select will speak loudly about you as a long-term business contact, reliable friend and colleague. You want to choose something unique that will make a lasting impression on your colleague. The gift should also represent the corporate identity of your business” (Atalink, 2003).

Nonetheless, gift giving can be tricky when you don’t know the culture and/or customs of the intended recipient’s homeland. “To avoid any potential errors in judgment when it comes to giving gifts, it helps to know the business protocol surrounding professional gift-giving” (GiftTree, 2003).

Suggested Gifts

Because gift giving has become such an ethical issue in China, it is highly recommended to provide a gift with high sentimental and/or low monetary value. If you are giving a gift to the organization as a whole, try to give something creative — reflective of your homeland. “Steuben glass, Revere silver, Wedgwood, or Hummel figurines, for example, would all be accepted” (Seligman, 1999, p.172). Gifts of food are also widely accepted, but not at dinner parties or other occasions where appetizers and/or meals will be served. Candy and fruit baskets, on the other hand, are acceptable as thank-you gifts sent after these events.
Typically, the best gift for a client is one that reflects the taste of the person receiving the gift and is still appropriate for a business environment. It might be a book about the history of your firm, or perhaps a representation or sample of one of your products. "Foreign Liquor and cigarettes are also highly appreciated; increasingly sophisticated Chinese businesspeople who have spend time in airport duty-free shops are well aware of the brands and prices of cognacs, brandies, and whiskies as well as foreign-made cigarettes" (Seligman, 1999, p.173).

Kitchen gadgets, battery-powered consumer electronics and/or other useful items are also in essence, gifts of choice. "If you are visiting the local harbor officials in a given city, for example, providing a book on port planning or one covering the latest techniques in the movement of container cargo would be a very practical present" (Seligman, 1999, p.173).

Gift-Giving Taboos

What seems like an appropriate gift in your culture can more than likely, be considered dreadfully wrong in another. One traditional prohibition in particular, revolves around clocks. "This has long been regarded as a gift giving faux pas. The word for "clock" in Chinese is similar to the word for "death." China's younger generation is not as superstitious about this, so this will eventually no longer hold true. Unless you are certain your Chinese colleague will not be offended by receiving a clock, this gift idea is better avoided" (Kurth, 2003). In similar regards, cut flowers, handkerchiefs and straw sandals are to be avoided as well, as these are reminiscent of Chinese funerals.
You should also avoid giving gifts of a high monetary value, which more often than not, is interpreted as a sign of corruption and/or buy-off. “Extravagant gift giving was an important part of Chinese culture in the past. Today, however, official policy in Chinese business culture forbids giving gifts; it is considered bribery, an illegal act in this country. Therefore, your gift may be declined” (ExecutivePlanet, 2003). By no means should you give a gift that would make it impossible for the Chinese to reciprocate, this would cause a loss of face and place them in an uneasy situation.

Take into account; scissors, penknives and/or other sharp objects can be interpreted as the severing of a friendship or other bond. If you want to give these items as a gift, you must offer a coin in return to assure that the knife doesn’t cut your friendship with the giver.

**Presenting Gifts**

China in particular, has a habitual tradition of when and how gifts are to be presented. In the main, you should wait for all business negotiations to be finished — prior to gift giving. “The Chinese will most likely decline a gift three times before finally accepting it, so they do not appear greedy. You will have to continue to insist. Once the gift is accepted, express gratitude. They will expect you to go through the same routine if you are offered a gift” (Kurth, 2003).

Gifts of value should be given to an individual in private and strictly as a gesture of friendship. “Have your gifts wrapped in red paper, which is considered a lucky color. Plain red paper is one of the few "safe" choices since a variety of meanings, many of which are negative, are attributed to colors in Chinese culture” (Kurth, 2003). As a sign
of courtesy, gifts should be presented with both hands. "Individual gifts presented at a banquet may be left at place settings, but organizational gifts must be presented formally, so remember the two-handed method" (Seligman, 1999, p.176).

Keep in mind; gifts are not opened in the presence of the gift-giver, but in private. "There is something to be said for opening personal gifts at home, however. It does avoid ludicrous scenes of people oohing and aahing over gifts they never really wanted and do not really need" (Seligman, 1999, p.176). For the most part, the Chinese are non-selective in the gift giving process and more often than not, consider the thought to be of greater importance.

The Price of Receiving

Though well received the world over, gift giving can and often is, a sophisticated method of presenting one with a hidden agenda. The Chinese in particular, are known for this deception — often presenting gifts that correlate with favors. "This can be extremely unsubtle: An acquaintance whom you have been out of touch for years may suddenly show up bearing a gift — a sure sign that you are about to be asked for a favor of some kind" (Seligman, 1999, p.177).

In some instances, the favor comes first, followed by a gift of equal or greater value. If someone obtains contact information for business purposes and/or helps other family members with employment opportunities, or even helps with travel or hotel accommodations, a tangible and/or intangible token of appreciation is expected. Bear in mind, the value of the gift should be in keeping with the service provided and under no circumstances, should you do otherwise.
However, it is also acceptable to decline a gift — especially if you sense immoral and/or unethical reasoning behind the gesture. Typically, drawing the line between permissible and impermissible actions are difficult to rationale, but in most instances, life is much less complex if avoided.
Quick Tips

- Because gift giving has become such an ethical issue in China, it is highly recommended to provide a gift with high sentimental and/or low monetary value.

- Gifts of food are widely accepted, but not at dinner parties or other occasions where appetizers and/or meals will be served.

- The best gift for a client is one that reflects the taste of the person receiving the gift and is still appropriate for a business environment.

- What seems like an appropriate gift in your culture can more than likely, be considered dreadfully wrong in another.

- Take into account; scissors, penknives and/or other sharp objects can be interpreted as the severing of a friendship or other bond.

- By no means should you give a gift that would make it impossible for the Chinese to reciprocate, this would cause a loss of face and place them in an uneasy situation.

- China in particular, has a habitual tradition of when and how gifts are to be presented.

- Gifts of value should be given to an individual in private and strictly as a gesture of friendship.

- As a sign of courtesy, gifts should be presented with both hands.

- Keep in mind; gifts are not opened in the presence of the gift-giver, but in private.

- For the most part, the Chinese are non-selective in the gift giving process and more often than not, consider the thought to be of greater importance.

- Though well received the world over, gift giving can and often is, a sophisticated method of presenting one with a hidden agenda.

- In some instances, the favor comes first, followed by a gift of equal or greater value.

- The value of the gift should be in keeping with the service provided and under no circumstances, should you do otherwise.

- It is acceptable to decline a gift — especially if you sense immoral and/or unethical reasoning behind the gesture.
**GENERAL COMMUNICATION**

Although seemingly simple, the basic functions of communications are often difficult to render — especially if the circumstances are unfamiliar to the everyday norm. China in particular, has a unique culture that is vastly different than that of the west, which often causes much confusion and frustration amongst foreign investors. Though this may seem insignificant at first, it can often cause a delayed business transaction or even the termination of a business agreement.

While this may seem troublesome, it is quite beneficial to do so. Understanding the culture and communicating effectively is very important — especially if you want to convince the people living there of something. Remember, general communication can be the key to a successful business venture and ultimately, make the experience pleasurable for both you and your Chinese counterparts.

**Business Card Etiquette**

For the most part, business cards are highly regarded in the China business realm and are often exchanged in the early stages of the negotiation process. It would be a good idea to have a supply of them on hand and make certain that one side is in English and the other is in Chinese — preferably in the local dialect. Include your professional title on your business card as well, especially if you have the seniority to make decisions. “If your company is the oldest or largest in your country, or has another prestigious distinction, ensure that this is stated on the card” (ExecutivePlanet, 2003).

When presenting a business card, use two hands, and ensure that the Chinese side is facing the recipient. “When receiving a business card, make a show of examining it
carefully for a few moments; then, carefully place it into your card case or on the table, if you are seated at one” (ExecutivePlanet, 2003). Take into account, not reading a business card that has been presented to you, then stuffing it directly into your back pocket, will be a breach of protocol and considered inappropriate.

If possible, be selective in allocating business cards; don’t give them out as if you were dealing out a bunch of cards. Provide them to people who communicate an interest in yours or who offer you theirs. If somebody offers you his or her card, don’t turn it down. If you don’t want it, you can always dispose of it afterwards.

Proper Business Attire

The significance of being properly dressed for an occasion cannot be stressed enough. Though often a sign of prestige, the Chinese follow a strict guideline of traditional business apparel, which includes suits and ties for men and dresses or business suits for women. “By dressing-up for an occasion, you express your respect not only for the occasion, but also for the other guests, the surroundings, and especially the host or hostess” (Schaupp, G. & Graff, J., 2003).

In the China business culture, it is important to dress in traditional colors such as black, white, beige, or brown, as bright colors are considered inappropriate. Foreigners in general, should dress formal and in a conservative manner — showing respect for both you and your Chinese counterparts. Women in particular should avoid low necklines and hemlines that rise above the knee. “Because of the emphasis on conservative, modest, dress in the Chinese business culture, flat shoes or very low heels are the main footwear
options for women. This is true especially if you are relatively much taller than your host” (ExecutivePlanet, 2003).

Generally speaking, both men and women are encouraged to wear jewelry — preferably modest gold and a quality watch. Consider that your Chinese counterparts will more than likely; notice any type of decorative pieces. Because of this, avoid overly expensive jewelry or showy ornaments; this may be overwhelming for their conservative lifestyle.

Social Distance, Touching & Gestures

In most instances, the Chinese’s are much more personable than that of its western counterparts. “Every culture defines proper distance. Westerners, particularly Americans, find that the Chinese comfort zone regarding distance is a bit to close for comfort” (Millet, 2003). While most Americans instinctively back away, do no be surprised to find that the Chinese will simply step closer. Keep in mind, this is a social norm and under no circumstances, should you show signs of discomfort and/or uneasiness.

On the other hand, the Chinese do not like to be physically touched — especially by strangers or visitors whom they are unfamiliar with. Because of this, it is imperative that you avoid hugging, backslapping, or putting your arm around someone’s shoulder. This is considered to be rude and highly inappropriate for any business setting. For the most part, a smile is preferred over a pat on the back or a similar gesture. Handshakes are also accepted and widely appreciated. Yet, you should avoid shaking hands when the
other person has his or her hands full — putting everything down to shake your hand can be somewhat of an inconvenience.

If at all possible, verbally communicate without using your hands, this is found to be offensive and downright annoying. If you want to summon attention, turn your palm down, waving your fingers towards yourself. While directly addressing someone, use your entire hand rather than an index finger. This is considered a polite method and is often highly effective in the China business realm.
Quick Tips

- Business cards are highly regarded in the China business realm and are often exchanged in the early stages of the negotiation process.

- When presenting a business card, use two hands, and ensure that the Chinese side is facing the recipient.

- If possible, be selective in allocating business cards; don't give them out as if you were dealing out a bunch of cards.

- The significance of being properly dressed for an occasion cannot be stressed enough.

- The Chinese follow a strict guideline of traditional business apparel, which includes suits and ties for men and dresses or business suits for women.

- In the China business culture, it is important to dress in traditional colors such as black, white, beige, or brown, as bright colors are considered inappropriate.

- Generally speaking, both men and women are encouraged to wear jewelry — preferably modest gold and a quality watch.

- Avoid overly expensive jewelry or showy ornaments; this may be overwhelming for their conservative lifestyle.

- In most instances, the Chinese's are much more personable than that of its western counterparts.

- The Chinese do not like to be physically touched — especially by strangers or visitors whom they are unfamiliar with.

- For the most part, a smile is preferred over a pat on the back or a similar gesture. Handshakes are also accepted and well appreciated.

- If at all possible, verbally communicate without using your hands, this is found to be offensive and downright annoying.

- If you want to summon attention, turn your palm down, waving your fingers towards yourself.

- While directly addressing someone, use your entire hand rather than an index finger.
Chapter V

SUMMARY AND CONCLUSIONS

Conclusion

Throughout the papers entirety, the author stresses the importance of globalization and its impact on modern business, whether exporting, importing or sourcing abroad. As was highlighted, China's economy has grown more than tenfold since the late 70's and according to the World Bank; it will overtake the United States in the long term to become the world's leading economy. Furthermore, “China's ascension to the World Trade Organization (WTO) in December 2001 brought significant market liberalization. Notably, retail, wholesale and distribution sectors were formerly closed to foreign investors and are now being opened” (PWC, 2003).

It is evident that China offers a slue of possibilities for foreign investors — especially with an untapped market and an annual population growth rate of 8 percent. What's more, China's business culture is continuing to flourish — providing an on-going opportunity to develop the communication skills needed to effectively interact with Chinese counterparts. Typically, the key to a successful business transaction is often affiliated with the continuous involvement of you and the foreign enterprise, ultimately leading to a practical understanding of China and its business culture.

Concepts in Sino-American Relations: A Business Guide to Etiquette and protocol should serve as a useful tool to those who seek to venture abroad — especially in China. The guide itself contains an in-depth overview of China's unique and distinctive business culture. Nonetheless, it is the author's intent to build upon the necessary skills needed to make a good impression. Figuratively speaking, the manual
helps formulate not only a smooth, but problem-free transition into the Chinese business environment.

Though the manual has a complete overview of China’s business culture, it will need to be updated yearly — due to the changes of our ever-growing global business environment. The author aims to eventually include several additional chapters, which will transition away from the business culture and emphasize on society in general. Nevertheless, the future of this project relies on the impact China has on corporate America.

Throughout the compilation of this project, the author found that a bulk of the problems lied within the corporations themselves. More often than not, they failed to acknowledge the importance of cultural dynamics within a foreign business-like setting. Logically, if you never attempted to negotiate abroad, you wouldn’t know how to proceed. The manual in turn, acts as a mentor for this purpose.

**Benefits**

Results from the survey clearly indicate that cultural guidebooks can indeed benefit those who venture abroad. This guidebook in general, explores the dynamics within the China business arena and in addition, helps establish an appreciation of the culture itself. Fundamentally, it is a practical way to win the confidence of Chinese colleagues and achieve common business goals.

Corporations round-the-world will have the opportunity to understand behavior patters of the China business man, avoid the unintentional error of judgment, and make the best impression — while closing million dollar deals and forming priceless
friendship’s. “It is important to remember that successful international companies are able to adapt to the business styles acceptable in other countries and by other nationalities, based on their knowledge and awareness of key cultural differences” (Brake, T. & Walker, D.T, 1995). Ignoring these differences and/or failing to address them can interfere in successful communication and in turn, adversely affect the success of expanding abroad.

The tips provided in the manual itself, offers a smooth and problem-free transition into the China business matrix. Quintessentially, it is intended to alleviate the stresses that more often than not, occur while attempting to understand the behavior patterns of the China businessman. For instance, individuals outside the China business realm might not understand the notion of gift giving nor the importance of business card etiquette. The guide will build upon the necessary skills and provide the proper information needed to decide what gift to give, business card etiquette and other essential components needed to successfully succeed abroad.

Though the manual is solely based on the cultural aspects of Chinese business behaviors, it can be also be used for non-business purposes. In other words, China’s cultural beliefs, behaviors and values are similar to that of its business environment. For example, dining etiquette and conversational tactics have no dissimilarities in non-business arenas. For that reason, the manual can aid those who venture outside the China business realm as well.

Intrinsically, the guide provides an ample amount of information that focuses on both the behavior aspects of China’s business environment and their distinctive thought process as well. The chapters themselves provide information on key areas, including the
actual meeting, dining basics, gift-giving and general communication. In addition, each chapter is summed-up with several Quick-Tips that provide a faster and easier way to learn the culture in its entirety.

Feedback

While compiling information for the project, the author received both negative and positive feedback. A majority of the respondents reacted positively—strongly supporting the need for cross-cultural guidebooks and stressing their importance. These individuals in turn, welcomed the opportunity to share information that the author might have otherwise overlooked. In addition, they provided the resources and know-how needed to help better understand the topic at hand.

Though it is evident that many respondents supported this study, there were a select few that might have thought otherwise. Negative feedback, though limited, was supported by those who lacked an understanding of culture and the importance it has within a foreign business-like setting. These individuals believed that in a sense, business tactics and/or styles were universally accepted.

In his research, the author found that those individuals who were reluctant to change were more than likely, those who felt negatively about the topic at hand. More so, these individuals admitted to having no practical business experience within a foreign setting, such as China. Nonetheless, the author has provided an abundance of information to support his methodology and educate his reader.
From the Author

Because of the overwhelming popularity of globalization, the author strongly urges those—especially corporate America—to not only better understand, but also appreciate other cultures outside their domestic arena. After much research and hours of work, the author strongly supports the notion that “The prosperity of modern business is contingent upon successful globalization. Reject the opportunities of foreign markets and you reject the very future of your business” (Morrison, 2003).

Nonetheless, it is evident that much of today’s business tactics are no longer universally accepted and in some circumstances, change is inevitable. While the business guide is designed to help build upon communication style and business etiquette, it will also help establish a sense of cultural appreciation that seemingly so, plaques corporate America. Though the author believes that these changes will help establish a healthy work environment, he also realizes that such changes will not be immediate and may not be visible for some years to come. In the meantime, it is important to fully comprehend the importance of change and the pivotal role globalization has and will continue to have on our economy.

Despite the fact that it is in its infancy stages, the author has plenty of reason to be optimistic about globalization, its future and the demand for cultural guidebooks. This assumption is further supported by statistical analysis, which signifies a rise in global interest among western corporations. According to USA Today, relationships between nations will continue to develop in the next few decades, to the benefit of most of the world. With this said, there is much reason to believe that globalization will indeed, dominate the 21st century and continue to flourish at an alarming rate.
Though there is margin for change, the author believes that cultural guidebooks like so, will play a pivotal role in the future of globalization and cross-cultural communication. With much change in the near future, it is always important to remember that no cultures are alike and under no circumstances, should you attempt to conduct business without having an understanding and/or awareness of their business behaviors, values and beliefs.
BIBLIOGRAPHY


APPENDIX A

Survey
Using the scale below, indicate your assessment to the following statements.

1. In general, practical knowledge of cultural dynamics can be a significant asset in business.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

2. Etiquette and protocol are essential components of business culture.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

3. For the most part, businesses should diversify their market entry into international areas.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

4. A corporation could succeed in their home markets, but fail abroad.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

5. The globalization trend has directly influenced today’s business environment.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

6. Cross-cultural guidebooks can aid western corporations in conducting business abroad.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

7. Presently, the Chinese market is accessible for multinational corporations.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

8. China can be an important market for U.S. business ventures.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

9. Chinese businesses probably look to western corporations that understand and display cultural understandings.
   Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

10. Since the World Trade Organization Accessing Agreement in 2001, China’s potential as a viable market has been enhanced.
    Strongly Agree □  Agree □  Neutral □  Disagree □  Strongly Disagree □

Other comments, perceptions and opinions:
GENERAL INFORMATION

Please answer all, some, or none of the following questions.

1. Gender........................................... Male Female

2. Age............................................... Under 21 21-30 31-40 41-50 51-60+

3. Years in the workplace...................... 0-5 6-10 11-15 16-20 21-25+

4. In what industry are you currently employed?

5. What is your current position at the company?
APPENDIX B

Analysis of the Survey
# Survey Tabulation

**75 TOTAL RESPONSES**

<table>
<thead>
<tr>
<th>Q</th>
<th>Response</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>38</td>
<td>33</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>51%</td>
<td>44%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>42</td>
<td>27</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>56%</td>
<td>36%</td>
<td>4%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>23</td>
<td>43</td>
<td>3</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>31%</td>
<td>57%</td>
<td>4%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>49</td>
<td>19</td>
<td>0</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>65%</td>
<td>25%</td>
<td>0%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>39</td>
<td>33</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>53%</td>
<td>44%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>55</td>
<td>12</td>
<td>6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>74%</td>
<td>16%</td>
<td>8%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>17</td>
<td>56</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>23%</td>
<td>75%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>45</td>
<td>19</td>
<td>8</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>60%</td>
<td>25%</td>
<td>11%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>66</td>
<td>8</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>88%</td>
<td>11%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>8</td>
<td>61</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>11%</td>
<td>82%</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>