

Understanding Asian and European Business Culture

Our responses to other cultures are influenced by the attitudes, beliefs, values, assumptions and biases that shape our own life.

The purpose of engaging with other cultures is not to study them, but to learn from people of those cultures and receive the gifts of diverse cultures.

1. Understanding the cultural differences between the Asian and European markets.

Learning about other cultures will necessitate learning new concepts of time and space, as well as new values and attitudes. The different business etiquettes employed by the European and Chinese can be attributed to the differences in their historical and cultural development.

Within Europe, a common cultural heritage is generally acknowledged to exist, but there are still some differences between individual nations.

2. What does it takes to make or break that business deal? How do you rate your cultural intelligence (CQ)?

a) Meeting Etiquettes

Build a successful relationship with your business partners through appropriate greetings and meetings. Leave a good and right impression with your business associate, especially on your first meeting. Learn greeting gestures, and understand the culture and etiquettes of delivering meetings in different countries.

- i. In most European countries it is very important to be on time, (Germany and Britain), but due to increased traffic on the roads, it is common for people to be delayed. Arriving late at a meeting can be regarded as an insult especially to the Chinese and Germans. In France, it is recommended to confirm appointments to be sure that the French business partners will be present.
- ii. When European business people meet for the first time, they shake hands firmly. Titles, first names and last names are mentioned. In most European countries such as Germany, France and Belgium, using courtesy titles and last names during meetings is a norm; for example, Monsieur Miguel; Mdm Ute etc. In the UK and in the Netherlands, it is not unusual to act on a first-name basis after the first introduction.
- iii. The Chinese will sometimes nod as an initial greeting. Bowing is seldom used. Handshakes are also popular; wait, however, for your Chinese counterpart to initiate the gesture.
- iv. Exchanging business cards is one of the most internationally common ways of providing contact details. In Europe, business cards are not

handed over with both hands, but it is regarded as impolite if one does that in China, and in Asia.

- v. Business lunches are growing in popularity in most cultures. However, business breakfasts are not a part of the Chinese business culture, except in Guangdong, Hangzhou and Fujian province where 'Morning Tea' is very popular. 'Yum Zhou Cha'.
- vi. Seating etiquette in China is based on hierarchy in Chinese business culture. The seat in the middle of the table, facing the door, is reserved for the host. The most senior guest of honor sits directly to the left. Everyone else is seated in descending order of status. The most senior member sits in the center seat. This is the case for both businesses and social reasons, even in your residence.

b) Social Etiquette

- i. Most Europeans enjoy dining sumptuously. Several courses and significant amount of time may pass before business topics are brought up. For Chinese banquets, it not uncommon to be served between 20-30 courses.
- ii. At European business lunches and dinners, strict table manners are required. For instance, making noises while eating is considered very impolite.
- iii. In China, a clean plate is perceived to mean that you were not given enough food. Leaving the food offering untouched will also give offense. Be polite; try a small portion even if the food is unappealing.
- iv. The Tea-drinking ritual is used to establish rapport before a meeting or during meals. If you do not want a 'refill' of tea, leave some in your cup. Tap your pointer and centre finger on the table when you are served tea, to thank the host/or person who served you.
- v. Seeds and bones are placed on the table or in a specially reserved dish, never place these objects in your bowl.
- vi. Try to use chopsticks if you can. That will be appreciated. When you finish eating, place your chopsticks on the table or a chopstick rest. DO NOT drop your chopsticks as this is considered a sign of bad luck.
- vii. When eating rice, follow the Chinese custom by holding the bowl close to your mouth.
- viii. When using toothpick, which is usually offered between courses and at the end of a meal, ensure that you cover your mouth with your palm for concealment.
- ix. Before smoking, it's polite to offer cigarettes to those in your company.

- x. Guests should make preparations to leave after the desert (usually fruit) and hot towels are presented. In accordance with Chinese business culture, the host will not initiate the guests' departure.
- xi. If you are hosting a meal, you should arrive at least 30 minutes before your guests.
- xii. If you have been invited to a Chinese home, you will probably be asked to remove your shoes before entering the home. Arrive on time, but not too early. Normally, a small present is brought along. This is similar for most cultures internationally. It is also polite to send a letter of thanks the day after the dinner, especially in the European context.
- xiii. Members of the same sex may hold hands in public in order to show friendliness.
- xiv. Public displays of affection between the sexes are frowned upon.
- xv. Do not put your hands in your mouth, as it is considered vulgar. Consequently, when in public, avoid biting your nails, removing food from your teeth.
- xvi. Pushing and cutting ahead are common in lineups among Chinese, but they do not appreciate being cut in front of themselves.

c) Building Rapport

- i. Part of building rapport (guan xi) in your business dealings involves participating in the strong drinking culture that exists in China. It is usually during these social occasions that most negotiating breakthroughs are made. Prepare some medical excuses for yourself to avoid drinking heavily. Such excuses are readily accepted.
- ii. It is important to recognize that the host of a banquet offers the first toast.
- iii. In Chinese business protocol - reciprocate with a banquet of the same value; never surpass your host by arranging a more lavish gathering.
- iv. The typical Chinese business person does not like Western food.

d) Agreements/Contracts.

In most western nations, including those in North America, agreements are determined by literal meanings of words and specific provisions of a contract. In many cultures, it is the meaning and spirit of an agreement and one's commitment to the agreement that is more important. These realities may be operative as you plan with another culture for this experience. You should always consider the implications of conceptual differences for others and yourself.

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