

Business Etiquette in China

Siyi Liu

PRIME Class of 2011

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Brown University

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The initial approach

- **Chinese business contacts are mostly referrals;** essentially a business relationship is struck based on another business associate recommendation.
- However, it is common today for cold calls and direct contacts, given the availability of the internet and the competitive nature of Chinese businesses. You may source from the internet, trade fairs, catalogues and brochures, advertisements and approach the Chinese companies directly through a call or email.
- **Address a person using his or her family name only,** such as Mr. Chen. Avoid using someone's given name unless you have known him or her for a long period of time. Formality is a sign of respect, and it is advisable to clarify how you will address someone very early in a relationship, generally during your first meeting.
- **Business interactions between men and women are reserved.** After an initial handshake, avoid body contact such as hugging or kissing on the cheek.

Business Relationship in China

- Chinese business relationship inevitably becomes a **social relationship** after a while. Unlike Western business relationship which remains professional and perhaps, aloof, even after a long time, Chinese business relationship becomes a social one.
- The more you share your personal life, including family, hobbies, political views, aspirations, the closer you are in your business relationship. Sometimes, a lot of time is spent discussing matters outside of business, but then a lot of time, the other party is also making up his mind about your deal based on how much he sees your personal relationship with him.

Seniority is important in China

- **Seniority is very important to the Chinese** especially if you are dealing with a State owned or government body. Instead of addressing the other party as Mr or Mrs XX and XX, it is always appropriate to **address the other party by his designation** eg. Chairman XX and XX, Director XX and XX or Manager XX and XX.
- When giving out name cards or brochures, make sure you start with the most senior person before moving down the line. When giving out a name card or receiving one, ensure that you are stretching out with **both hands with the card**. Remember to face the card you are giving out in a manner such that the receiving party gets it facing him correctly.
- *Tips:* In China, it is assumed that the first person that enters the room is the head of the group.

Giving Face or *Gei MianZi*

- Giving face (aka **giving due respect**) is a very important concept in China. You must give the appropriate respect according to rank and seniority. For example, if you are buying gifts for an initial contact, make sure you buy better gifts for the senior managers instead of buying similar gifts across the board.
- Similarly, sitting positions in a meeting room or a dining table is accorded accordingly to rank, importance and seniority. It is good to seek advice before embarking on your first meeting with Chinese business contacts to avoid making the wrong move.

Extension for Giving Face

- **Do not underestimate the concept of losing face.** Arriving late, causing embarrassment, behaving confrontationally, insisting too hard on paying a bill or calling attention to a mistake can all cause loss of face.
- However, **complimenting someone on their business acumen in front of their colleagues is an easy way to win points.**
- If a Chinese person has misunderstood you, or cannot (or does not want to) answer a question, they may laugh to cover their embarrassment. Try not to get agitated. They may come back to you with an answer later once they've had the chance to think it through or find out the answer. If they don't, you'll need to ask again—but it's best not to do this in front of others so as not to cause a loss of face.

Lunch/Dinner in China

- There is no business talk in China without at least one trip to a restaurant. Sometimes, a trip is made to the restaurant even before any business discussion take place! Inevitably, the restaurant will always be a grand one and you are likely to be hosted in a private room.
- There is an elaborate seating arrangement for a **Chinese business meal**. There are fixed seating positions for the host and the guest and then they are seated again according to seniority. This is a very important aspect of a formal dinner and it is important that you follow the rules accordingly. However, it seems that the Northern Chinese are very particular to this **formal seating arrangement** while the Southern Chinese has loosen the formalities somewhat.
- **Try to master chopsticks before you arrive in China.** Chinese food is eaten informally, with everyone serving themselves from several main dishes on a central turntable. You will usually be seated on the right of your Chinese host, who will always serve you first.

Extension for Dinner in China

- **Frequent toasts are not unusual.** *Mao tai* (or *baijiu*), a fiery 60-70 proof liqueur distilled from sorghum, is what you'll typically drink. If you can't keep up (and it's usually better not to), join in the toast with beer or a soft drink. Better yet, bring a partner who can drink on your behalf!
- However, **do not toast to a woman.**
- Drinking a lot (and even drunkenness) may earn you respect or trust, since many Chinese believe that alcohol causes barriers to come down and true intentions to be revealed.
- **During a meal, do not turn a fish over** to get to the flesh on the underside. Superstition holds that turning a fish over will cause a fishing boat to capsize.
- You may be invited to eat at someone's home. **Always bring a gift** (fruit or flowers or something from your own country), and remember to **take your shoes off at the threshold.**

Dress Code

- **Conservative suits** for men with subtle colors are the norm.
- **Women should avoid high heels and short sleeved blouses.** The Chinese frown on women who display too much.
- Subtle, neutral colors should be worn by both men and women.
- Casual dress should be conservative as well.
- Men and women can wear jeans. However, jeans are not acceptable for business meetings.



Controversial Issues in China

- There are some taboo areas in social conversations with the Chinese. Try to avoid these conversational topics as much as possible. I have seen many nasty arguments as a result of these topics:
- Don't mention that Taiwan is an independent state or a country
- Don't praise Shanghai in front of natives of Beijing and similarly vice versa

Survival Tips

- **Bring a large supply of business cards.** You may meet many more people than anticipated.
- Keep in mind that in China, and virtually all other countries, that **3/6/00 means June 3, 2000**. When sending correspondence, avoid confusion by writing your date in full.
- **Compliment** someone in front of their boss and colleagues is an easy way to win points.
- **Do not try too hard to "go Chinese."** Chinese do not expect you to know all of their etiquette, and they make allowances for foreigners. Keep the above guidelines in mind, but above all, be yourself.
- **Do learn a few words of Chinese.** This shows an interest in your host's language and culture. It also is a very good icebreaker. Eg.

Hello

ni hao

Hello (honorific)

nin hao

Thank you

xie xie

Cheers (toast)

ganbei

Always keep in mind

- Smile
- Be Professional
- Giving Face
- Keep learning beyond the “classroom”
- Make friends
you can make friends via SNS online platforms: renren, QQ, sina twitter etc.

Useful Recourses

- Magazines: TimeOut Beijing, Timeout Shanghai
 - lifestyle, cuisine, Cultural events (Biweekly, ¥ 10.00 for each issue)
- Newspaper: Modern Weekly
 - News, Fortune, Cultural, City Life, Fashion (weekly, ¥ 5.00 for each one)
- TV: CCTV9 (China Central Television International Channel)
 - International News, classic Chinese culture, etc.
- ICS (International Channel Shanghai)
 - local news, lifestyle etc.

