

Business etiquette and protocol

The following article was written by Madeleine Sturrock for a book she co-authored with Robin Porter called 'The China Business Guide'. It is now out of print but the content still provides a useful aide-memoire for first time visitors to China.

Formal Occasions

It is often said that the Chinese are rather like the British in that they tend to be conservative and somewhat stiff in formal situations. Whilst it is certainly true that the Chinese have a sense of occasion, they are usually friendly and easy to mix with. However, formal situations will be treated quite differently from friendly meetings. The following situations are those which are likely to be encountered most frequently when doing business with the Chinese.

Meeting and Greeting

It is expected that business visitors will be punctual. In a formal meeting visitors are likely to meet several Chinese, possibly from different organisations at the same time. It is usual to be introduced to the most senior person present first; if there are many present the first few may be introduced in order of rank. Like wise, when the Chinese are visiting the UK side, they will probably enter in order of rank with the most senior person first.

Once the introductions are over there will be an exchange of business cards. It is polite to hand and receive each business card with two hands, though in practice this is a little difficult! UK business visitors will need to take ample stocks of business cards, as everyone will want to exchange cards. It goes without saying that business cards should be bilingual. Cards and other documents can be translated and printed in the UK, Hong Kong or China. Everyone will then be seated and refreshment will be served, usually a cup of Chinese tea. This may well be a lidded cup with tea leaves in. To avoid a mouthful of tea leaves, blow gently on the surface of the tea or use the lid to brush the leaves to one side. The cup will be refilled periodically. At this point the host of the meeting will probably take the opportunity for a little light conversation before getting down to business. If he does, it is courteous to respond in a similar vein.

Behaviour at business meetings

There may be people from several organisations present at the business meeting, even as many as a dozen people. It is advisable to consider this before commencing a trip as it always helps to have a colleague who can share the responsibility of a hard negotiating session. If it is not immediately apparent who is the most senior person in the room, it is a good idea to try to discover this by asking

about the relative roles of those present in the organisation and then to address remarks to that person.

Once the substance of the meeting commences it is important for the UK side to be clear about everything that is said. Both sides may be using an interpreter so it is as well to double check anything which does not seem to have been translated properly. For example, if the UK side gives a lengthy explanation of a point but the interpreter translates it into very few Chinese words, it is wise to make sure not only that the interpreter has understood, but that he or she has adequately conveyed the point to the Chinese side.

If the meeting starts to engage passions, it is important for the UK side to appear to remain patient. The Chinese are known to be tough and skilled negotiators. It is not unusual for the Chinese side to try to exploit whatever vulnerabilities may exist, playing competing companies off against one another, sometimes feigning anger or unexpectedly withdrawing from a meeting. The best defence is for the UK side to always enter any meeting adequately prepared, with key points firmly in mind. On these points, it will be necessary to be polite, but firm.

Attending Banquets

Banquets can be very enjoyable and a valuable opportunity to establish a good rapport with the Chinese hosts, but UK business visitors should keep in mind that they are an essential, and not an optional, part of doing business in China. Very senior people may be present at a banquet who have not previously made an appearance. They may be key to the approval of the business in hand, but be too senior to be involved in the actual negotiations. The banquet is an opportunity to impress them and get a feel for how things are going.

A banquet will start punctually. The end of a banquet is usually equally abrupt: the Chinese do not normally sit around with drinks and coffee at the end of a meal as Westerners do. Once the last course has been brought to the table and everyone has had an opportunity to taste it, the UK side, as guests, will be expected to bring things to a close by taking leave of the Chinese hosts. From start to finish, the whole affair may be expected to last around two hours.

Seating will normally be formal. The main guest will be to the right of the chief host, second guest to the host's left and so on with hosts and guests alternating if possible. If there are two important hosts the seating will probably be arranged around them as if in two semi-circles. Place settings will usually consist of a small plate with a small bowl and china spoon, chopsticks and three glasses. The largest glass will be for beer or soft drinks, the wine glass for wine or a sherry-like substance, and the smallest glass for a colourless Chinese grain-based liquor (bai jiu). This latter can be extremely potent (at 140 proof) but may not take effect until much later. The hosts will usually encourage their

guests to drink it, and someone at the table is likely to be a hardened drinker who will 'take on' the guests. The visitor's glass will constantly be refilled. But beware! The visiting side will need their wits about them for the next day's negotiations. Moreover it is as well to bear in mind that public drunkenness is rare in polite circles in China.

Initially then food will be put on the guests plate or into his bowl, but as other dishes arrive clean crockery may be provided for special items. The same set of chopsticks is normally kept throughout. there will frequently be ten or more dishes at a banquet: two or more hors d'oeuvres, followed by meat, fish and vegetables, and often something sweet. The final dish will often be rice, noodles or fruit, depending on the culinary region.

There will probably be communal chopsticks and serving spoons on the table. These will be used by the hosts to put choice morsels on the visitor's plate. If the foreign guest doesn't like the proffered item, he or she should just leave it and it will disappear with the next change of crockery. It is a custom for the host to serve the guest. If the UK side invites the Chinese hosts a return banquet they may wish to do the same.

It is not considered correct in China, but often done, for an enthusiastic host to forget to use the serving chopsticks to help a guest to some food, and to use his own chopsticks instead. In this situation the foreign guest should discreetly avoid eating the item in question; hepatitis is widely transmitted in China in this way.

There will usually be several toasts during the banquet, with the first one being proposed by the main host early on in the proceedings. It is customary for guests to respond to the first speech, and possibly others, depending on how many are in the visiting team. These replies should not be long or detailed responses, but should include some positive and encouraging statements about prospects for business co-operation.

The UK side should be prepared to host and pay for a return banquet, though the timing of it may be determined by business considerations. Good use may be made of the opportunity to resolve a sticking point with senior personnel, or to elicit answers to some outstanding questions. The UK side should remember to place interpreters at appropriate points around the table so that the two sides can converse easily. The UK side will now be expected to initiate the speeches. It is as well to follow the Chinese tradition and give a short speech early on, ending with a toast.

Receiving delegations

British companies should keep watch for Chinese delegations visiting the UK, even if they don't appear to be directly relevant. Contacts are very important in business with China, and there is no telling who may turn out to be a critical link between a UK company and prospective business in China.

If appropriate, British companies should try to encourage delegations to visit them while in the UK. If handled properly, such visits can easily repay the limited costs involved. As indicated elsewhere, if the UK side has specifically been asked to invite a group from China it is customary to cover the delegation's costs whilst in the UK, though the Chinese side will normally pay their international air fares. Hotel expectations are not normally lavish and junior group members may be prepared to share rooms. It is wise to clarify all these points before the group's arrival, though without appearing to labour the point, which might seem in poor taste.

It is necessary to pay careful attention to the detail of the visit, ensuring for example that senior personnel are in the group's programme at an early stage to greet them and perhaps host a meal. The relative status of group members should be carefully considered, and provision made for this in any arrangements.

Most Chinese are not very adventurous as far as food is concerned, and generally prefer to eat Chinese food. Care should be taken to provide Chinese tea for meetings if possible, though many Chinese people now also drink coffee. The occasional night out will be welcomed, but most Chinese visitors will expect an evening meal to finish by 9.00pm. Small souvenirs are often exchanged. Any difference in value should reflect the status of delegation members. It is usual to wrap the gift, and red paper is considered to be the best colour for wrapping presents.

Informal Occasions

An important pre-requisite for the successful conduct of business in China is the establishment of a relationship of personal trust between the UK side and the Chinese side. In practice this means getting to know socially the people with whom UK managers may be dealing over many years to come. Strong friendships may form which over time will influence the lives of those most closely involved, as well as underpinning business ties.

In order to better understand Chinese people, it is necessary to know a little about their attitudes to life.

Social Behaviour

For most Chinese, the family counts above all else. The philosophical justification for this was provided by Confucius (551-479 BC) who maintained that the family unit should be the foundation of all social and political life. Under the dynastic system, which prevailed down to the twentieth century, China was ruled by scholar bureaucrats who in practice sought to advance the interests of their extended families alongside performance of their official duties. Even down to the lowliest peasant, comfort and favours were owed and could be claimed through the extended family. Thus it is that even today Chinese people will usually be very pleased to be asked about their children and their hopes for their family's future.

In social relationships Chinese people will almost always seek to preserve harmony, save face, and avoid conflict. In this too the influence of Confucius is apparent. This is likely to mean that in dealings with foreigners, even when they have become old friends, Chinese will seldom volunteer an unpalatable truth and will stress areas of agreement, going out of their way to avoid causing any possible discomfort to a foreign guest, for example. This can represent problems, as when Chinese hosts may feel a duty to make elaborate arrangements for hospitality or sightseeing for their visitors, when the visitors themselves may much prefer a day off after a week of intensive business meetings. As each side gets the feel of the other, however, there is usually greater sensitivity to the real needs and wishes of the other side, and such situations are less likely to arise.

Some mention should be made of the phenomenon known as 'guanxi', meaning broadly having connections, or a special relationship with important or influential people. Such a relationship may stem from personal friendship, from having attended the same college, from having worked in the same workplace, or having lived as neighbours for example. The relationship strongly implies a willingness to 'help out', and acceptance of the right to ask favours in return for which loyalty will be given. In a society which has always been bureaucratic, both in traditional and in modern times, 'guanxi' is the way most people get around red tape and solve day to day problems, both in their personal and in their professional lives.

Allied to the concept of 'guanxi' is 'houmen', the 'back door'. This term is used to describe a metaphorical, and sometimes literal back door to the corridors of power, and more generally a way of obtaining something which involves circumventing normal procedures. Despite the prevalence of 'guanxi' and of back doors in Chinese society, where foreigners are concerned, if a genuine and positive relationship of trust has been built up through social contact. Chinese people are unlikely to seek special favours from foreigners which the foreigners could not reasonably be expected to grant. However where this does occur, UK business People should be alert to the possible motive of the person asking, and should consider taking a step back.

Finally, in all social and business relationships UK visitors should bear in mind that China is still essentially a one party state, still officially professing Marxism as its ideology, and in which the individual must still be very circumspect in expressing opinions which are contrary to official policy. What may seem like inscrutability in certain social situations, therefore, may in fact be caution based on years of experience of the penalties of speaking out of turn. Frequent visitors from overseas usually soon become aware of this, and learn not to press their hosts on subjects which may be sensitive.

Common Ground

Although Chinese people have developed certain distinct patterns of social behaviour over the past three thousand years of recorded history, they still share the essential human concerns and interests of people everywhere. Moreover, there is an expected affinity with people in the UK; this may be apparent at first in small things.

It is frequently remarked by UK visitors that the sense of humour of Chinese people is similar to that of British people. Both Chinese and British visitors to each others' countries enjoy sightseeing, and often have a strong sense of history. Both sides enjoy taking photographs to record their travels, and to remember new friends.

Once a friendship is formed in China, it is often formed for good. Loyalty is highly valued by Chinese people and is given in return: one of the greatest accolades that can be applied to the frequent visitor is that he or she is an old friend of China.

All in all, therefore, many UK visitors have found that there is much more that unites Chinese and British people than divides them. For those prepared to make the effort, the rewards, both in business and in human terms, can be very great.

The above article is extracted from 'The China Business Guide', published in 1994 by Keele University China Business Centre and the China-Britain Business Council. Co-authors Robin Porter and Madeleine Sturrock (formerly Robinson).