

# In China, Good Manners Mean Good Business



By Jane Hu

China, as the world's most populous country, is fast emerging as one of the most important markets for many U.S. agricultural businesses. Home to nearly one-quarter of the world's population, China welcomes

business people seeking new opportunities. Understanding Chinese culture is essential to a successful business experience.

## The Fundamentals

To successfully navigate Chinese culture, visitors must appreciate the essential core values that make the society tick. In an amalgamation of ancient tradition and communist philosophy, these values center around respect for age and hierarchical

position, group rather than individual orientation, the concept of maintaining face and the importance of personal relationships.

For Americans, coming from a society that emphasizes individualism, interacting in such a culture can be difficult.

## Cultivating a Personal Relationship

Personal relations are a bigger factor in getting things done in China than in the United States. In business, these rela-



tionships are crucial because all agreements rely more on trust between parties than on fully articulated, legally enforceable contracts. This has long been a feature of Chinese culture, where one's word and a handshake close a deal, as opposed to cultures which rely on lots of documentation.

To do business with the Chinese, make friends with them first. Small talk about hobbies and families is a good way to break the ice. Meanwhile, it is good to describe yourself before broaching business topics.

### The Business Relationship

It is usually worthwhile to impress Chinese customers with your good character rather than the quality of your product. Character comes first. Tolerance, integrity, honesty, sincerity and humor are essential ingredients for developing a stable and long-term business relationship.

The Chinese like to get to know their prospective business partners at working lunches and dinners, often lasting several hours. Count on attending banquets arranged by your host. In China, people tend to eat early—lunch begins around 11:30 a.m., while dinner is served from 6 p.m. onwards.

Don't feel compelled to eat something you do not like or drink alcoholic beverages. On the other hand, the Chinese are very sensitive about food, so be gracious and discreet about their cuisine.

At the meal, do not drink until your host has made the first toast. Then offer a brief return toast. It is polite to use both hands when offering or receiving anything. Once the meal is over, it is not expected that guests and hosts will linger.

You should return the hospitality, if feasible. Seating arrangements should be

carefully worked out in advance, making sure that the senior figures from each party sit next to one another, with an interpreter if necessary. It is better not to serve alcohol before the meal.

Keep in mind that it is not always easy to pinpoint the most senior official or executive in the company with which you are trying to make a deal. Often the individual with the most impressive title is not

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the one who makes the decisions. Another cause for confusion is that a senior executive may give a Communist party rank rather than a business title.

It is useful, but not absolutely necessary, to give small gifts during meetings or meals with potential Chinese customers. Items that are not excessively expensive and are representative of your company are best.

Gifts should be given or exchanged at the end of the first meeting, or at the end of your stay in their city. Do not expect Chinese to unwrap your gifts in front of you, since they are accustomed to opening them in private.

Business cards are an essential part of doing business in China, and it is a good idea to have a supply with you at all times. It is polite to offer and accept cards with both hands.

When receiving business cards, do not put them in your wallet or pocket. Rather, look at them carefully and, if possible, place them in front of you. After the meeting, collect all the cards you received and put them away.

Chinese hosts appreciate bilingual business cards, so it is best to have cards with English on one side and Chinese on the other. This helps your hosts to address you directly.

Visitors who can speak Chinese will impress their Chinese counterparts. The Chinese equate learning their language with a fondness for China. Even using one or two words will make a good impression. Chinese business people feel more comfortable with those who have taken the time to learn a bit about China.

And your Chinese hosts may surprise you with their knowledge of America. Often they speak English, but may still wish to use an interpreter.

### Do's and Don'ts

When you meet your Chinese counterparts for the first time, pay attention to small details. Generally speaking, shaking hands and exchanging name cards is the common way to begin a first meeting.

Do not be too demonstrative, as this will most likely cause embarrassment. Laughing loudly is considered impolite when meeting people for the first time. Try not to be too talkative, and be sure to demonstrate a genuine interest in what others have to say.

Expect your host to be more reserved in a business setting than is common in the United States. If your prospective Chinese customers keep silent or give vague answers, do not assume that they are rejecting your business proposal.

It is important not to be in too much



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of a hurry. Clearly express your business plan, and give your prospective customers time to respond.

### The Importance of Face

In business negotiations, the Chinese generally prefer a passive to an aggressive demeanor. The Chinese often hide their feelings rather than express them openly. It is important for the Chinese not to feel they are losing face or respect. Even one such occurrence can mean losing business

with that client forever. Senior officials do not want to be embarrassed in front of more junior colleagues.

It is best to avoid raising your voice, losing your composure or criticizing China in any way. It is also a good idea to avoid political discussions until you know your customers fairly well. ■

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*The author is an agricultural marketing assistant at the FAS Agricultural Trade Office, Shanghai, China. For more informa-*

*tion, contact that office at: Tel.: (011-86-21) 6279-8622; Fax: (011-86-21) 6279-8335; E-mail: atos@public.sta.net.cn*

For details on Chinese business etiquette, see FAS Report CH2828. To find it on the Web, start at [www.fas.usda.gov](http://www.fas.usda.gov), select **Attaché Reports** and follow the prompts.

