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Czech expatriates in China – the factors of success

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D e c l a r a t i o n

I hereby declare that I am the sole author
of the thesis entitled “Czech expatriates
in China – the factors of success”.

I duly marked out all quotations.

The used literature and sources
are stated in the attached list of references.

In Plzeň on May 8th, 2012

.....

Tomáš Mudra

I would like to thank Mgr. Ing. Martin Lukeš, Ph.D.
for all valuable comments while writing this thesis as well as all questioned
experts for their inputs.

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Abstract:

Contributing to the available literature on the cross-cultural management between China and the Czech Republic, this thesis is examining the factors influencing the performance and success of Czechs working and living in China. It firstly defines the cultural settings of China and the Czech Republic, their key aspects and cultural specifics. Secondly, it describes the desired qualities of a successful expatriate – the so called global mindset. Thirdly, the thesis focuses on the specifics of working in China and on the potential culture shock a Czech expatriate is likely to face after relocating there. In the practical part of the thesis, the methods and results of an original primary field research conducted among more than 30 Czech expatriates in China are outlined. Using correlations and content analysis, the final results are drawn and the prior hypotheses either confirmed or disproved. The summary of the thesis offers then a set of recommendations for an expatriate-to-be who is coming to China – an ancient land surrounded by mysteries even in our modern times.

Key words:

China, Czech Republic, cultural dimensions, expatriates, global mindset

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Opening quotes

'The bright future of China makes it necessary and useful to study and understand Chinese culture and its influence on its business leaders. ... Maybe together we can continue the exploration of the cultural undercurrents that shape the thinking and behavior of the people in this ancient land, and gain a good understanding of the traditional values that have lasted for thousands of years. Such an understanding will be beneficial for us all in our endeavor to make this world a better place to live in.'

The Globe Project (Chhokar et al. 2007; page 905)

'Bear in mind that you do not negate or reject your own culture by learning about someone else`s. Nor is it obsequious or fawning to learn about someone else`s values and avoid violating them. True, it would be easier for you if foreigners (meaning Chinese) learned your values and followed them. But it`s not going to happen!'

Chinese Business Etiquette and Culture (Bucknall 1999; page 4)

'... how you learn about values. If you want to do that, you go to a museum or the movies or read a book. Then you reflect on what you have seen or read. You don`t think about values in an abstract way. ... Values are the implications of how you behave: what you do or do not do. They are unconscious until you talk about them or learn to see them in your own behavior.'

Creating the Future (Schein et al. 2011; page 4)

'We only see what is behind our eyes.'

Cross-cultural Management lecture (Pavlica 2009)

1. Thesis goals and structure

Since the Chinese domestic market is becoming more and more important to the world economy, and since China is at the same time a low-cost production base, many international companies including Czech ones are establishing operations there. (Goodall et al. 2006/07) This leads also to an increasing number of Czech expatriates coming to China either on their own or as ambassadors of their in the Czech Republic based companies. Partly therefore, and partly due to my interest in China and in the Chinese culture, I decided to write a paper and to conduct a research focusing on the factors of success of the Czech expatriates in the People's Republic of China. My humble wish is that this paper will serve the current and future Czech expatriates as a piece of reference, enabling them to find possible recommendations to the uncountable number of challenges they are facing in China every day.

I would like to note that only one research has been done in the field of specifically Czech expatriates in China – at my alma mater, a dissertation focusing on the potential cultural misunderstandings between Czech and Chinese negotiators has been written and defended. (Odehnalová 2010) This thesis is focusing not only on the negotiation skills of the Czech expatriates, but on their factors of success in a broad scope – the thesis is focusing among other topics, in addition to the above mentioned research, on the expatriates' global mindset, communication style, perceptions of the Chinese culture and its changes, coping with the potential culture shock, leadership skills, presentation skills, and recommendations for the future. Being thus a kind of pioneer work in this field, this paper is attempting to provide as complete picture as possible of the Chinese culture, of the specifics of working in China, and of the ins and outs of being a Czech expatriate there. The primary field research is then examining what factors do make a Czech expatriate successful in Chinese cultural context. The limitations of the conducted research and the potential for future research are outlined in the respective chapter.

One undisputable fact about working and living abroad is that the local culture affects everything – motivation, satisfaction, effectiveness, rewards, training, or recruitment. It is therefore that a large part of my paper focuses firstly on the Chinese and secondly on the Czech culture, giving thus a picture of the two value-systems that affect the Czech expatriate – the former as an external factor and the latter as an internal one.

My thesis has the three following goals:

1. Analyze the specifics of the Chinese culture relevant for a Czech expatriate willing to relocate to China, particularly the differences of the Chinese and the Czech cultures.
2. Explore the concrete influences of the Chinese culture on daily working life, business negotiations, networking, etc.
3. Provide recommendations for Czech expatriates about how to suitably and successfully behave, act, work and live within the Chinese environment.

Furthermore, the Master thesis structure is as follows:

In *Chapter Two*, following this introductory Chapter, I am answering the questions “Where is the expatriate going?” “What is the culture and the underlying values there?” *Chapter Three* gives answers to the questions of the expatriate’s origin and home culture like “What is his or her cultural background?” “Where is he or she coming from?” *Chapter Four* deals with the general prerequisites of being an expatriate, the questions to be addressed are “What personality does the expatriate have?” “What training has he or she undergone in order to be prepared for the assignment?” *Chapter Five* is about the specific working-life challenges that the country of expatriation – China – poses for the expatriate – it answers questions such as “How is the expatriate going to operate and work there?” *Chapter Six* already answers “How to be successful in China?” based on the secondary research, based on the findings from the literature sources. A more qualified answer to the question of the sixth chapter should give *Chapters Seven and Eight* because they are based on the primary field research among specifically Czech expatriates. Chapter Seven is describing the research methods and Chapter Eight summarizes the very results of the field research. *Chapter Nine* summarizes the findings of this thesis and comes back to its goals.

2. China and Chinese culture

2.1. History¹

China is considered to be the world's oldest continuous civilization. It is because the history of China goes back 5,000 years. The first known dynasty is the Xia dynasty dating back to before 2,000 BC. Following dynasties created a bureaucratic system of government, which allowed the ruler to control large territories. In the course of China's history, there came many cultural influences from several parts of Asia, especially through waves of immigration, expansion, and cultural assimilation.

In 1644, the last Chinese dynasty, the Qing, came to power after the Ming dynasty. During the last days of the Qing dynasty, China experienced civil unrests and foreign invasions that caused millions of deaths. A turning point of these times was the First Opium War (1839-42), after which Britain and the corrupt Qing dynasty signed the Treaty of Nanjing, bartering away China's national sovereignty and making China a semi-colonial country. Therefore, the 19th century is also being called the "century of humiliation" (parts of China were occupied by Russians, Englishmen, Japanese, French, and Germans between 1842 and 1911) and its impact until today is a lower trust of Chinese towards foreigners.

Due to the above described events, people were highly unsatisfied with the ruling Qing dynasty. The most organized revolutionary group against the dynasty was formed around Dr. Sun Yatsen (Sun Yixian 孙逸仙 or Sun Zhongshan 孙中山) who, on January 1st, 1912, was inaugurated in Nanjing to become the first Provisional President of the Republic of China. The revolutionary uprising, which is nowadays celebrated as the beginning of the Republic of China, took place on October 10th, 1911 in Wuchang in Central China.

In 1919, Sun Yatsen established the Nationalist Party, so called Kuomintang (Guomindang 国民党). The Soviet Union supported collaboration between Kuomintang and the Chinese Communist Party (CCP) to establish the First United Front. The CCP had at that time only 300 members, while the Kuomintang had already about 150,000 members. In 1925, Sun Yatsen dies and Chiang Kaishek (Jiang Jieshi 蒋介石) becomes his successor. During a

¹ based on History of China; Wikipedia; en.wikipedia.org & History of the Republic of China; Wikipedia; en.wikipedia.org & History of the People's Republic of China; Wikipedia; en.wikipedia.org & Harper, D. et al.: Lonely Planet China; Lonely Planet Press 2007

Shanghai massacre in 1927, Chiang Kaishek purged communists from the United Front, and thus started a civil war between Kuomintang and CCP. During this time, China was full of social problems such as child slave labor in factories, prostitution and starving in the streets. The communists started to propose a solution to these problems, namely the removal of the Kuomintang. Under the leadership of Mao Zedong (毛泽东), the communists started a rural-based revolt after the massacre of 1927. In this way, the communist army reached a volume of 40,000 men by 1930 and continued to expand its territory. This was a serious threat to Chiang Kaishek, who began to wage extermination campaigns against the communists.

In 1937, Japan invaded nearly the whole area of China during one of the most brutal occupations of the 20th century, part of which were also human experiments in the city of Haerbin in northern China. The Kuomintang was forced to move the capital to the west, to the city of Chongqing. It was then subject of heavy Japanese bombardments, but has never been approached by land due to logistical difficulties. The occupation ended with the defeat of Japan at the end of World War II in 1945.

After the Japan's defeat, the USA tried to negotiate a settlement between CCP and Kuomintang, however unsuccessfully. A new civil war broke out in 1946. During 1948 and 1949, the Kuomintang lost many battles, and finally on 1st October 1949 Mao Zedong proclaimed in Beijing the foundation of the People's Republic of China (PRC, Zhonghua Renmin Gongheguo 中华人民共和国). In the meanwhile, Chiang Kaishek, together with 2 million refugees, and together with all the gold reserves of the country, fled to the island of Taiwan and in December 1949 proclaimed Taipei as the temporary capital of the Republic of China.²

Since the gold reserves were taken to Taiwan, PRC began its history as a bankrupt nation. The communists started a land reform and attempted to restore the economy. Old system of landlord ownership was replaced by a distribution system in favor of peasants. Former landlords were persecuted, some of them even executed. By 1953 inflation was halted, and PRC, according to the Soviet model, started a five-year planning, which was fairly successful

² Until today, PRC claims Taiwan to be one of its provinces and has never recognized the government in Taipei as a legitimate government. On the other hand, Taiwan is called the Republic of China (ROC), it has its own government, and it feels itself as an independent country and not as a part of PRC. This issue is very sensitive and as discussed in subchapter Communication style, it is not advisable to discuss the status of Taiwan with your Chinese business partners. The Chinese see Taiwan (and also Tibet) as their internal issue and not as something that could be discussed with a foreigner.

in lifting the production up. The implementation of Maoist thoughts led to over 70 million deaths during famines between 1958 and 1961 and during the Cultural Revolution. The Cultural Revolution began in 1966 and the goal was to eliminate old customs, old habits, old culture and old thinking. The so called Red Guards rampaged through the country, were shutting down schools, persecuting intellectuals, writers and artists, and destroying all the artifacts of the past. Shouting slogans and reciting Mao quotations were part of the daily life. This brutal campaign lasted practically until Mao's death in 1976. Truth is that Mao's brutal regime achieved to secure unity and sovereignty of the country, something that Sun Yatsen only dreamed of. Back in 1972, Mao Zedong met with US President Richard Nixon in Beijing to establish relations with the United States. PRC was in the same year admitted to the United Nations, thus replacing the Republic of China (Taiwan) in the UN.

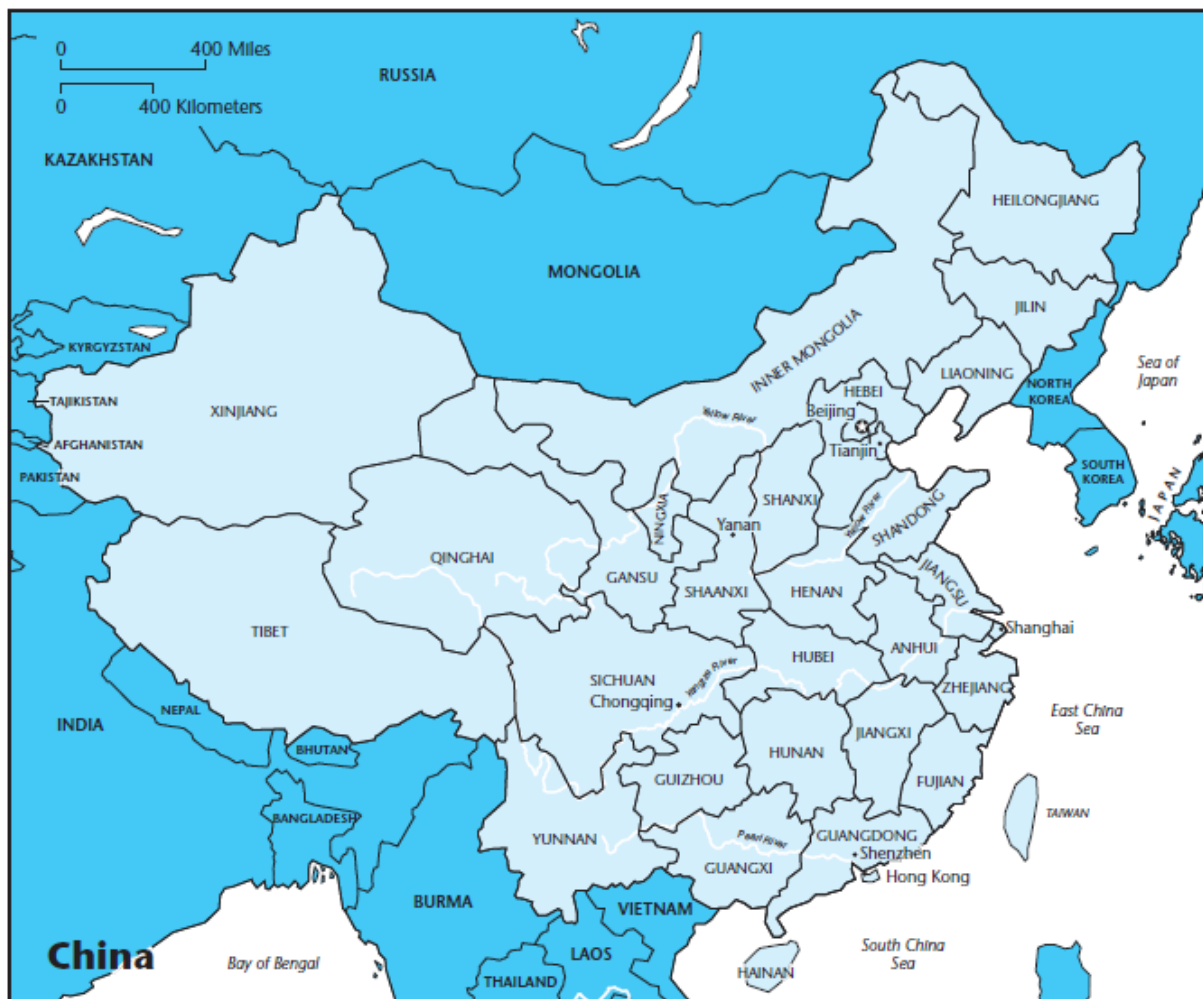
After Mao's death, Deng Xiaoping (邓小平) achieved to maneuver himself in the leadership position of PRC. Deng, educated in France, started economic reforms, opened China to foreign investments and raised the standard of living of hundreds of millions of Chinese. Special Economic Zones were established along Chinese coast, zones where foreign investment would be allowed and which were functioning basically on capitalist basis. Moreover, in the rural China the so called Responsibility System allowed farmers to sell their surpluses on the open market and thus improved their living conditions. Deng named the new system "socialism with Chinese characteristics". However, the government was still very authoritarian and the lack of democracy resulted in protests that peaked with the June 4th, 1989 incident in the Tiananmen (天安门) Square in Beijing. The army suppressed the demonstrations with tanks and hundreds of demonstrators were killed in the surrounding streets. The Tiananmen incident marked the end of Deng's leadership. The third generation of leadership is represented by the president Jiang Zemin (江泽民). One more legacy of Deng's era is the one-child policy first introduced in 1979. Today's effects are rapidly aging population and an estimated 70 million more males than females (Kesselman et al. 2010) in China – that means there are young bachelors unable to find a Chinese wife due to female-specific abortions in the past.

Under Jiang's leadership, the macroeconomic reforms continued and China grew fast (see subchapter Economy) despite the Asian financial crisis in 1997. China also pursued various programs to develop the West of the country. Since 2001, China has been a member of the World Trade Organization. Though, China also saw itself facing new challenges such as

environmental pollution and widening gap between the rich in the cities and the poor in the countryside. This is the cause for a huge rural-urban migration that is now happening: people looking for work in the cities bring more and more pressure to the environment. In 2003, Hu Jintao (胡锦涛) became the President of the PRC. His government witnessed successes in building the country, such as completion of the Three Gorges Dam in 2006 or opening of the high-mountainous railway to Lhasa in Tibet in the same year. In 2008, Beijing hosted the Summer Olympic Games.

What business etiquette concerns, it is unadvisable to mention the sensitive parts of the Chinese history – these are the “century of humiliation” when parts of China were controlled by colonialists and the Japanese invasion during World War II. (Fox 2008)

2.2. Geography



Picture 1: Map of Chinese provinces. Source: Kesselman et al.: Introduction to Comparative Politics; Wadsworth 2010; page 629

The People`s Republic of China is, with its area of 9,640,011 square km, the 3rd largest country in the world³, after Russia and Canada.

China is located in the eastern part of mainland Asia, in one of the world`s strategically important regions. It shares land borders with North Korea, Russia, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar, Laos and Vietnam. An important fact is that China is bounded on all sides of its territory by physical barriers: in the north, there are deserts and dense forests; in the north, west, and south, there are high mountains including the world`s highest mountain Mount Everest; in the south, there are tropical rain forests; and in the east, there is a natural barrier of the East China Sea. These natural barriers contributed to the fact that China used to be isolated a lot in the course of history and has been developing itself and its culture in a unique way. (Kesselman et al. 2010)

China is divided into 22 provinces, 4 centrally administered municipalities (including Beijing as a capital), 5 autonomous regions (including Tibet Autonomous Region) and 2 special administrative regions of Macao and Hong Kong. The 23rd province, which is not administered by PRC, is Taiwan, being administered by the Republic of China (ROC) as discussed in the previous subchapter about History.⁴

The climate of China is diverse, ranging from a semi-tropical south of the country to the north-eastern regions with four seasons in a year ranging from very hot summers to harsh winters. Most of China consists of high plateaus, mountains, and hills, which are broken by river valleys and a few plains and basins. Therefore, only 25% of China is less than 500 meters above sea level (compared to 80% of Europe) (Naughton 2007). Thus, less than 15% of China`s land is usable for agriculture (Kesselman et al. 2010).

China is very rich in natural resources, especially coal and petroleum. At the same time, it has the biggest potential in the world in hydroelectric power. However, bearing in mind the vast number of Chinese population, mineral reserves per capita are typically half or less of the world averages (Naughton 2007).

³ based on List of countries and outlying territories by total area; Wikipedia; en.wikipedia.org

⁴ based on China; Wikipedia; en.wikipedia.org

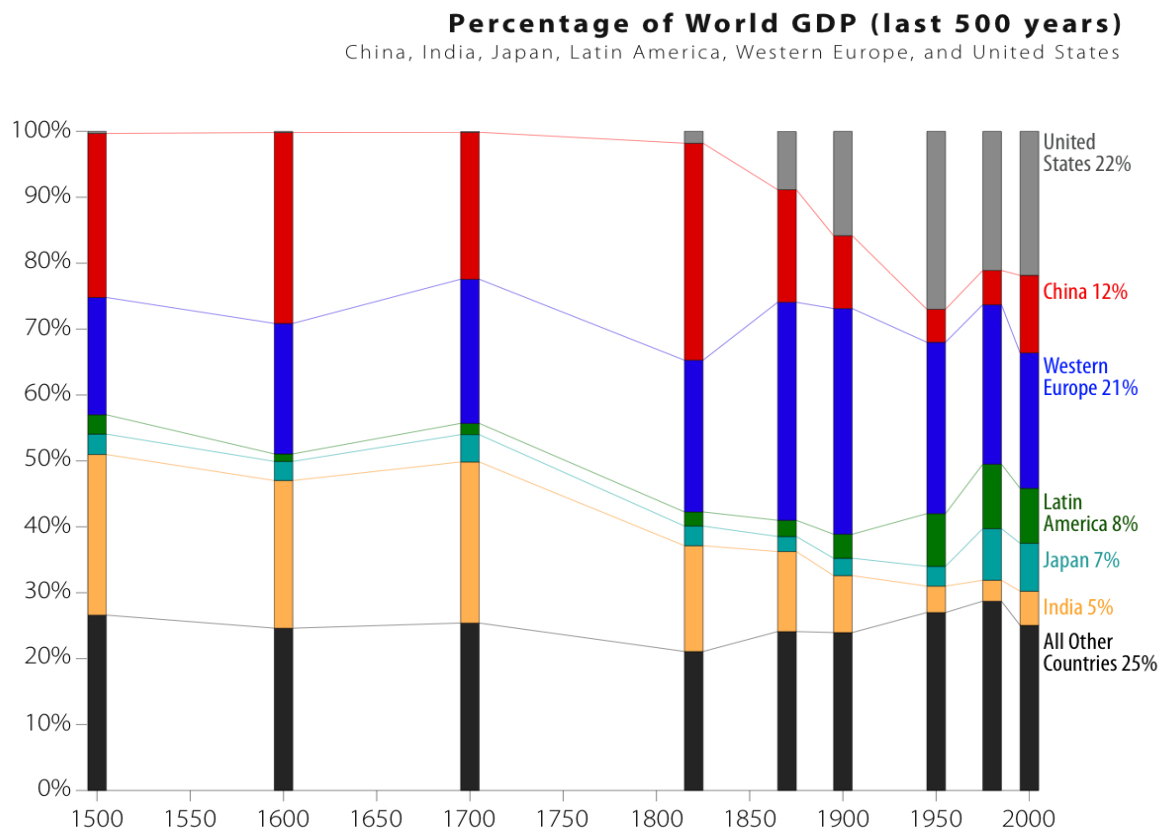
2.3. Economy

Well-known American investor living in Singapore Jim Rogers says: ‘What we all need to understand is the rise of China. Of course, everybody talks about China these days. Most people do not seem to understand what's really happening in China. China is going to be the next great country in the world whether we like it or not. The 19th century was the century of the UK, the 20th century was the century of the US, the 21st century is going to be the century of China. Now I know they call themselves communists in China but let me tell you they are among the best capitalists in the whole world. In fact, in China they save and invest over 35 percent of their income, in America we save and invest 2 or 3 percent of our income, in China they work from dawn to dusk, when they come to work they do not say how many days of holiday do I get they say how many days can I come to work. There are going to be setbacks in China along the way, there are certainly going to be problems just as there were in America as we rose to power and glory. Every country, every individual, every company, every family that rises has problems along the way, they will, too, but when you see problems in China do not think it is the end of the story, try to get more involved and try to understand because this rise in China is going to go on a long time. It's been the most successful country in the past thirty years and they will continue for a long time’⁵

China's economic boom that began after Mao Zedong's death with the implementation of Deng Xiaoping's reforms has been a surprise for many. However, I would like to highlight that China is in fact returning itself to the level of economic development it used to have at the beginning of the 20th century. In the following picture, we can see that China's share on the world GDP was severely harmed by Maoist experiments and that China is now coming back to the position where it was some hundred years ago.

In 1970s, an “open door” policy has been introduced. Since then, China has been undergoing great social and economic transformations, which have lifted millions out of poverty. However, large parts of China do still have a nature of a developing country. China's rapid growth in the past decades is partly thanks to foreign direct investments, making China the biggest FDIs recipient in the world. (Selmer et al. 2009)

⁵ Jim Rogers: China is going to be the next great country in the world whether we like it or not; Global Investor Blog; jimrogers1.blogspot.com



Source: Angus Maddison, University of Groningen

Picture 2: Share of world GDP. Source: Share of GDP: China, India, Japan, Latin America, Western Europe, United States; Visualizing Economics; visualizingeconomics.com

The Chinese economic system and its goals might be described by a speech of the President Jiang Zemin on eightieth anniversary of CCP in July 2001: ‘On the basis of economic growth, efforts should be made to increase income for urban and rural residents, constantly improve their living conditions, including food, clothing, housing, transport and daily necessities, improve the social security system, and medical and health facilities, with a view to bettering their life. When some people and some regions Get Rich First, others will be brought along...’ (Gittings 2006; page 1) It might be seen that equality at any cost promoted by the original communist doctrine is no longer the case in China; quite on the contrary, some can “get rich first”.

‘Between 1978 and 2005, China’s real GDP grew at an average annual rate of 9.5 per cent.’ (Roberts 2011; page 310) In 2010, the total China’s GDP amounted 10,242 billion US dollars.

The GDP per capita was 7,804 US dollars (both numbers are calculated according to purchasing power parity). Between the years 2006 and 2010, the average real GDP growth was as high as 11.2%, the inflation 3% and the FDIs inflow made 4.5% of GDP. As far as taxation concerns, the standard corporate income tax is 25% for both domestic and foreign companies; however, there exist preferential tax rates in case of investing in favored regions or industries.⁶ Real growth of GDP in 2010 and 2011 was 10.4% and 9.2% respectively.⁷

In the foreign trade, China enjoys a lasting surplus in the balance-of-payments. There was a 254.2 billion US dollars surplus in 2010. Total exports were 1.6 trillion US dollars, total imports 1.3 trillion US dollars. Following table shows that the major export industry was machinery and transport equipment, whereas the major import article crude materials. Main foreign trade partner are the United States.⁸

Major exports 2010	% of total	Major imports 2010	% of total
Machinery & transport equipment	49.4	Crude materials	51.1
Miscellaneous manufactured goods	23.9	Machinery & transport equipment	39.5
Material-based manufactured goods	15.7	Mineral fuels	13.5
Chemicals & derived products	5.6	Chemicals & derived products	10.8
Leading markets 2010	% of total	Leading suppliers 2010	% of total
US	18.4	Japan	13.0
Hong Kong	13.8	South Korea	10.2
Japan	8.1	Taiwan	8.5
South Korea	4.5	US	7.7

Picture 3: Chinese exports and imports. Source: China Fact sheet; Economist Intelligence Unit; country.eiu.com

The Chinese government is attempting to reorient the economy from excessive reliance on investment towards a private consumption. The increase in domestic demand is also helping to sustain a solid growth in GDP, despite the slowdown in external trade growth – GDP is expected to grow by 8.2% in 2012.⁹ When one looks at the long-term economic outlook of China (table below), one can see that with the rising nominal GDP, the relative growth figures are becoming inevitably lower. ‘In terms of nominal GDP (at market exchange rates), China

⁶ based on China Fact sheet; Economist Intelligence Unit; country.eiu.com

⁷ based on China – Economy – Recent developments; Economist Intelligence Unit; country.eiu.com

⁸ based on China Fact sheet; Economist Intelligence Unit; country.eiu.com

⁹ based on China At a glance; Economist Intelligence Unit; country.eiu.com

is expected to overtake the US to become the largest economy in the world by 2021.’¹⁰ Currently, China is the world’s second largest economy.¹¹

	2011–20	2021–30	2011–30
Growth and productivity (% change; annual av)			
Growth in real GDP per head	6.6	3.7	5.2
Growth in real GDP	7.3	4.1	5.7
Labour productivity growth	7.0	4.2	5.6

Picture 4: Chinese GDP long-term outlook. Source: China - Economy - Long-term outlook; Economist Intelligence Unit; country.eiu.com

The country economic risk of China is relatively small due to strong GDP, low budget deficit and small public debt. The political risk of a potential conflict with Taiwan is also low, because Taiwan’s president Ma Yingjiu (马英九), who puts importance on maintaining good relationships with China, was reelected in January 2012.¹² Previously, ‘in June 2010 China and Taiwan signed a long-anticipated pact, the Economic Co-operation Framework Agreement’¹³.

The current economic challenges of China include widening gap between rich and poor (both within the cities as well as between coastal areas and hinterland) (however, in a large power distance society, a theme discussed in the subchapter Cultural dimensions according to Hofstede, such differences might be perceived as natural), the lack of a social safety net, unemployment, and also corruption – foreign investors need to calculate corruption fees to authorities into their budget calculations, which makes doing business less transparent and less efficient.¹⁴

The economic inequality as well as the rising unemployment are problems that have been put on the agenda of the CCP and are already being addressed. Despite the many problems of today’s China, it is also a country full of hope: year by year, people are getting out of poverty, the environmental challenges are being dealt with, China is helping the poor countries in Africa to be better off. (Chhokar et al. 2007)

¹⁰ China - Economy - Long-term outlook; Economist Intelligence Unit; country.eiu.com

¹¹ based on List of countries by GDP (PPP); Wikipedia; en.wikipedia.org

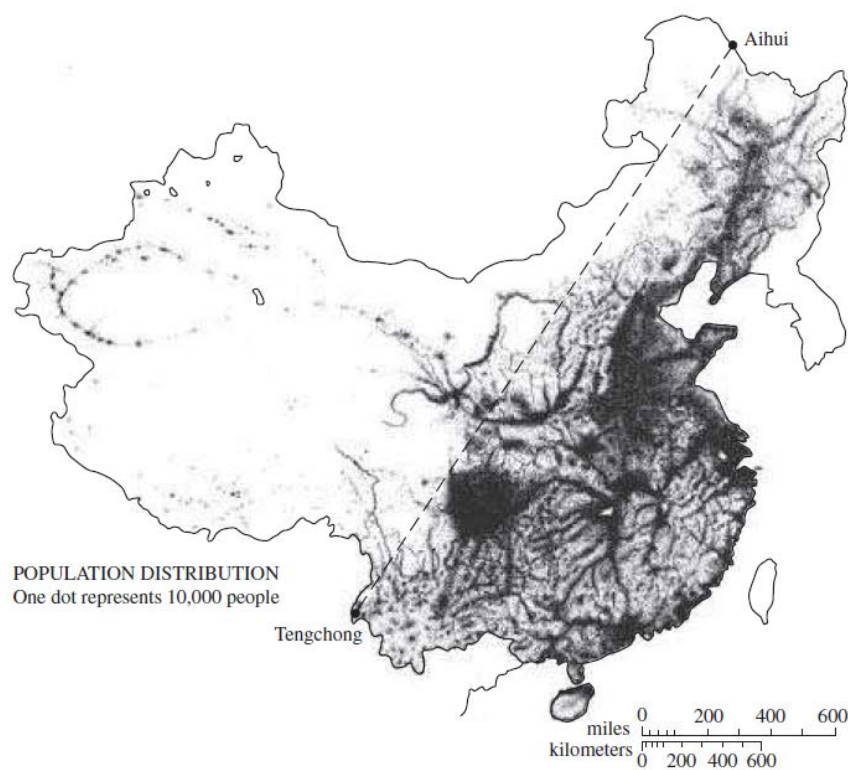
¹² based on China – Risk – Credit risk; Economist Intelligence Unit; country.eiu.com

¹³ China – Regulation – Regulatory/market assessment; Economist Intelligence Unit; country.eiu.com

¹⁴ based on China sounds alarm over fast-growing gap between rich and poor; Mindfully.org; www.mindfully.org

2.4. Demographics

Being inhabited by more than 1.3 billion people, the People's Republic of China has the largest population among all the countries in the world. 'With 20% of the world's population, China occupies 7% of the world's land area.' (Naughton 2007; page 28) As mentioned in the subchapter Geography, less than 15% of the area of China is usable for agriculture. All in all, China experiences abundance in labor force and scarcity in arable land. China is also short of forests and water compared to its enormous population – this all means that China's environmental problems are going to be big; China will therefore experience a sort of permanent environmental crisis in the coming 50 years (Naughton 2007). The population of China is unevenly distributed across the country. 'Only 6% of the population lives in the dry, mountainous west; 94% of the population lives in the eastern half of the country' (Naughton 2007; page 19), as it can be seen in the following map. People live mostly in the agriculturally fertile areas surrounding the three great rivers: the Yellow River (Huang He 黄河) in the north, the Yangtze River (Chang Jiang 长江) in central part of China, and the Pearl River (Zhu Jiang 珠江) in the south of the country (Kesselman et al. 2010). These rivers can be seen in Picture 1: Map of Chinese provinces.



Picture 5: Population density of China. Source: Naughton, B.: The Chinese Economy, Transitions and Growth; MIT Press 2007; page 19

We should also bear in mind that China is not a country of one language and one culture. There are 56 ethnic groups that have learned to live together. The ethnic minorities differ from the Han Chinese in at least one factor, such as race, language, culture, or religion. The biggest nationality are Han Chinese, making out 91.9% of the population. Other nationalities include Zhuang, Uyghur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, and Korean. (Kesselman et al. 2010) Usually, the members of different language groups can read the meaning of the Chinese characters, but they pronounce the characters in a different way. For example, they understand the meaning, but they do not know how to pronounce the character in Mandarin Chinese. Since culture is primarily linguistically based and transmitted, each language group has a different culture bias. One should be aware of these differences and pay close attention to where exactly in China he or she will be based. (Gertmenian 1998)

There are over 140 more-than-a-million-inhabitants cities in China, compared to 35 of them in Europe. ‘The three largest are Shanghai (18.5 million), Beijing (17.4 million), and Tianjin (10.4 million)’ (page 629). Despite the great number of big cities in China, about 55% of the population still lives in the rural areas. (Kesselman et al. 2010) The countryside was especially important, as mentioned in the subchapter History, during the Maoist revolution, and continues to be important for the Chinese politics at the present time, as well.

The structure of the Chinese population is as follows: 14 years old and younger make out 21% of the population; 71% of people are between 15 and 64 years old; and the ratio of 65 years old and older is 8%; the growth rate of the population was 0.6% in 2006.¹⁵ As mentioned in the subchapter History, there are many Chinese bachelors unable to find a Chinese wife nowadays due to the one-child policy. However, the government has relaxed the implementation of this policy after international pressure and rural resistance. The couples in the countryside are often allowed to have two children, because they need labor force in the fields. Therefore, forced abortions are now infrequent. (Kesselman et al. 2010) Additionally, ‘all non-Han minorities are exempt from the one-child policy’ (Harper et al. 2007; page 62). According to experts, China may achieve a zero population growth within the next 30 years; that would of course mean that the population will be aging a lot. (Harper et al. 2007) By 2030, there will be less than 2 workers per a retired person (Selmer et al. 2009).

¹⁵ based on China; Wikipedia; en.wikipedia.org

2.5. Influence of religion

Among the Chinese religions and philosophies (Buddhism, Confucianism, Taoism), the biggest influence on the Chinese culture has Confucianism. It is not only a religion; it is more of an ethical and philosophical system. The teachings of Confucius place primary importance on the relationships between ruler and subject, husband and wife, parent and child, and siblings and friends. The personal characteristics valued by Confucianism are duty, sincerity, loyalty, courtesy, diligence and respect for elders. A crucial point is maintaining harmony in the society. Therefore, the Chinese will often put aside their own personal needs for the sake of greater good of the group/society. Under these influences, the Chinese society is extremely collectivistic, not individualistic. It places great importance to belonging to a group, e.g. family, political organization or ethnic group. (Thompson 2006)

‘Same as a son obeys and honors his father should a subject and a subordinate obey and honor his ruler or superior, and at the same time in a double-way relationship the ruler and superior should love and protect his subject and subordinate like a father does his son.’ (Confucius 2006; page 346) We can see that a paternalistic love and care even within companies is something proposed and valued by the Confucian philosophy. The society is seen as a big family and the relationships within society and within family are alike; subject obeys ruler, son obeys father, woman obeys man, younger (brother) obeys elder, an equal relationship exists only between friends. (Obuchová 1999) ‘If everyone behaved properly one to another, then government would be stable, society would be well run, general harmony would prevail, and the nation would be prosperous and at peace.’ (Bucknall 1999; page 11)

Confucius also placed value on education, hard work, integrity, modesty, patience and perseverance. He taught that unequal relations between people are needed for stability in the society. Therefore, children are taught to restrain their individuality in order to maintain harmony in the family. Confucianism teaches respect and obedience towards authorities. Everyone has his or her place in the hierarchy of the society and their rights and duties are firmly set. (Gertmenian 1998) Confucius also taught that what one does not wish for oneself should not dare to do to others. (Confucius 2006) (This is called “the golden rule” and it resonates throughout the world religions including Christianity.) Christianity puts individuals in reference to God, whereas Confucianism puts them in relation to their significant others, namely father in the family or teacher in one`s career (Hutchings and Murray 2002).

As well, true loyalty in Confucianism is not pursued by a total obedience to masters, but by standing firm for righteousness. Avoiding extremes, also called doctrine of the mean, is the way Confucius proposed to solve conflicts if they occur. He urged people to keep their emotions under control no matter how severe the situation. (Chhokar et al. 2007) This is the reason Chinese will not openly show their emotions, either positive or negative, in public.

The Chinese are able to hold seemingly contradicting philosophies at the same time. ‘80 percent claim to be Buddhist and 75 percent would additionally consider themselves Taoists’ (Gertmenian 1998). At the same time, the Chinese society holds the socialistic doctrine, which is opposing the values of Confucianism (e.g. the by socialism proclaimed equality of all). Yet, the Chinese are able to synthesize those incompatible philosophies in their behavior.

Buddhism came to China from India. This religious philosophy emphasizes that life is suffering, especially the birth, sickness, decrepitude, and death, and that one should try to escape the suffering by searching for enlightenment. The enlightened one is then not reborn back onto Earth into a human body. (Harper et. al 2007) Buddhism is now the most widespread religion among Chinese (if we count Confucianism as a philosophy). It has developed into a religion supplementing Confucianism by things like attention to inner human feelings or religious feel. Buddhism requests, in the sake of future blissfulness, to honor the church and obey superiors, even to bear suppression. (Obuchová 1999) Therefore, in combination with Confucian philosophy, Buddhism shows another reason, why the Chinese prefer greater good or interests of a group to their personal needs and desires.

Taoism is based on Dao De Jing (道德经) – The Book of the Way written supposedly by Laozi (“old master”). The central concept is the concept of Tao (Dao): ‘It is the way of the universe, the driving power in nature, the order behind all life and the spirit that cannot be exhausted. Tao is the way people should order their lives to keep in harmony with the natural order of the universe.’ (Harper et. al 2007; page 66) Taoism, therefore, teaches to maintain harmony, to be humble and soft – those characteristics reflect themselves in the Chinese business etiquette, as I am describing in the subchapter Business negotiation.

Islam and Christianity are minority religions in China and do not have a large influence on the prevailing Chinese culture. Just in case the expatriate should be located in the Xinjiang region, there lives a large community of Muslims – Uyghurs.

2.6. Cuisine and dining¹⁶

The Chinese cuisine is greatly influenced by the dominant cultural value of balance/harmony: in a dish, the ingredients must be properly balanced. A dish should thus contain equal amounts of meat, vegetables and grains. A harmony of colors and aroma of a dish is important, as well. Popular aromas are ginger root, garlic, chili peppers, star anise, cinnamon, sesame oil and dried black mushrooms.

There are many rules and habits connected with dining: Chopsticks should not be placed pointing into a bowl of rice, since it resembles incense offerings to the dead; rather they should be put in a horizontal way on the chopstick rest. Slurping and belching during eating are acceptable, as these are considered tributes to the meal. An empty plate means hunger and one will be served more food, so if one does not wish to eat more, a bit of food should be left on the plate. However, 'it is considered a cardinal sin to take more rice than you need and then leave some in your bowl at the end of the meal. This is the result of centuries of poverty: the rulers were aware that they had to feed a large population and families had to feed all their children.' (Bucknall 1999; page 139) One should taste all the dishes one is offered, since it is considered polite to the host.

Traditionally, Chinese sit in a restaurant at a round table with a turning platform in the middle. The meals are put onto this platform and everybody serves to his or her bowl using their chopsticks. A soup, unlike in the West, is usually served after the main dish and before dessert.

If a foreign business person is hosting a Chinese guest in a restaurant, he or she should sit facing the door with the guest of honor on the right-hand side. Other guests are seated according to their age, with the most senior person closest to the host and guest of honor, and the most junior person facing the door with his or her back. Traditionally, the host offers food to the guests and then he eats first. Since no one will leave before the guest of honor, he or she should leave shortly after the last course.

2.7. Communication style

The standard greeting in China is a light handshake. In some cities, a nod is also often used to greet. Chinese are typically modest and humble. A reaction to praise is often its denial, as a

¹⁶ based on Thompson, M. A.: Country Guides: China; Goinglobal; Going Global, Inc. 2006; www.goinglobal.com

sign of humbleness. Humility is considered to be a virtue. Out of these reasons, one is expected to keep good posture and quiet voice while talking. Excessive hand gestures and facial expressions are seen as impolite. Also, exaggerated or over-stated claims are regarded with suspicion. Chinese consider a use of body language to be a weakness. Some Chinese will even not look directly in the eyes, since they consider lowering their eyes as a sign of respect. The foreigners should not dare to clap the shoulders of their Chinese partners, because the Chinese do not like being touched by strangers. (Thompson 2006)

While holding a conversation, frequent moments of silence are common. They are being used for contemplating a response, or such moments may be used as a way of disagreement. Saying “no” directly is considered to be impolite; because the person being refused would lose their face. One will therefore receive usually a positive answer which, however, does not necessarily mean “agree”. “Yes” does not mean the person understands you nor agrees with you, it means merely that he or she heard you; therefore, one can hardly expect open and frank discussions with Chinese employees; they will simply try to be polite and please the Czech expatriate. (Sergeant and Frenkel 1998)

Appropriate topics for a non-business conversation (which is of the same or even higher importance as the business conversation itself; a casual talk is the way to build trust between business partners) with your Chinese business partner are weather, geography of China, travelling inside and outside China, Chinese art and culture and positive experiences in China. While in China, one will be often asked personal questions such as about age, family, marital status, religion and income. However, one ought not to return these questions to one's Chinese partner. A topic, which is advisable not to discuss, is politics, especially referring to the situation in Tibet or Taiwan or using a term “communist China”. (Thompson 2006)

2.7.1. Face concept

The concept of face (mianzi 面子) is of extreme importance in the Chinese business culture. The face stands for reputation, social standing, honor and respect, and it is very important to keep this one's face and also not to make anybody lose his or her face. Someone who causes embarrassment or loss of composure of the other party loses immediately his or her face and thus their reputation within a community. As mentioned, the membership in any community is of crucial importance in the Chinese collectivistic society. Occasions where there can occur a loss of face are many. E.g. receiving a high-ranking guest by someone of a lower status, or seating somebody of a high rank inappropriately at a banquet. Both these situations can harm

the guest's honor and dignity, and thus face. On the contrary, an event especially planned for the guest of honor, which can later be even reciprocated, makes both host and guest gain face. (Fox 2008) One loses face not only when one makes a mistake, but also when one causes somebody else to make a mistake (Obuchová 1999).

The face incorporates the concept of trust. In China, to be a trustworthy person means that one will protect the business partner's feelings with his or her family and friends whom one will not even meet. One may not do or say anything that would cause any indirect embarrassment to them. (Gertmenian 1998) Loss of face is a serious issue, because even if people are not performing well, it is hard to reprimand them (Hutchings 2003). After interviewing expatriates, Hutchings and Murray (2002) claim the face concept of being of a crucial importance in the Chinese business culture. It is something that one does not encounter in other parts of the world. Not to make anyone lose their face (and thus losing one's own face) is the key. As a result of keeping face, the process (e.g. of a business negotiation) is much more important than the end.

'Tips to save face:

- treat your elders and those who outrank you with respect
- try not to show anger, and try to avoid confrontations
- try to convey a negative answer in an indirect, gentle manner
- do not criticize someone in public or single anyone out in a group situation; if a criticism is necessary, pull the person aside and speak privately
- when reciprocating an invitation, be sure it equals the prior engagement in value' (Fox 2008; page 50)

And when criticizing, one should not say to the Chinese he or she is bad at something, but rather propose solutions and show ways how the things could be done differently and the performance improved. (Bucknall 1999) 'In China it is always safer not to say something that should be said, than actually to say something that should not be said. Secrecy, rather than communication, is really the norm.' (page 160)

2.7.2. *Guanxi*

Guanxi (关系) means relations, connections or networking. It is a network of trustworthy contacts that provides mutual benefits. The members of this network are helping each other,

pulling the strings and exchanging favors. Those who receive help are “in debt” and are expected to reciprocate their favor when the suitable opportunity to return favor arises. Chinese make clear distinctions between friends from a close friends` group and people standing outside this group (Shi 2011). ‘Guanxi can be seen as who you know and what they perceive to be their obligation to you.’¹⁷

Guanxi does not mean simply giving gifts. What really counts in building guanxi is the symbolism of gifts to show deep respect and honor. The parties of a business relationship are mutually committed by the ties of guanxi. There are opinions that guanxi originated as a result of traditional Chinese philosophies, mainly Confucianism, as a manifestation of interpersonal sentiments and mutual obligations. The Chinese culture places large value on building long-term personal relationships. Guanxi can be also understood as a set of social ties between two or usually more individuals. An important element of guanxi is the role of third parties in the process – they do give recommendations, facilitate contacts. ‘The methods (of guanxi) are so many that even Heaven is unable to count them.’ (Nojonen 2007; page 2) There is a saying that ‘one more (guanxi) connection offers one more road to take’ (Hutchings and Murray 2002; page 376). Quality guanxi network can help you achieve almost anything.

Another factor of guanxi is that it is a completely personal relationship. Guanxi can hardly exist between two institutions, it always exists between individuals. Guanxi is also much more long-term oriented than networks in the west – guanxi relationship is being built and sustained for the whole life (this relates to the long-term orientation of the Chinese culture described in the next subchapter). Importantly, the importance of guanxi has not declined with the opening up of China in the past decades. (Fang 2011) Hutchings and Murray (2002) suggest that a guanxi network is vital to build for small and medium enterprises; that large enterprises do have guanxi thanks to the connections of their very senior managers; and that the shorter the length of stay of an expatriate, the more effort he or she has to put into building guanxi. Fox (2008) argues that younger Chinese under the age of 35 living in modern Chinese cities have been exposed to Western culture (e.g. during their educational training) and are more likely to pursue their personal goals instead of maintaining group harmony, to rely on their skills instead on a guanxi network, and to speak directly instead of worrying about losing their face. My opinion would be that a young Chinese influenced by the West still carries much more of the cultural heritage of China in comparison to a Czech expatriate.

¹⁷ Harmony in Chinese Culture; Chinesehour Blog; blog.chinesehour.com

‘Tips to build and manage a guanxi network:

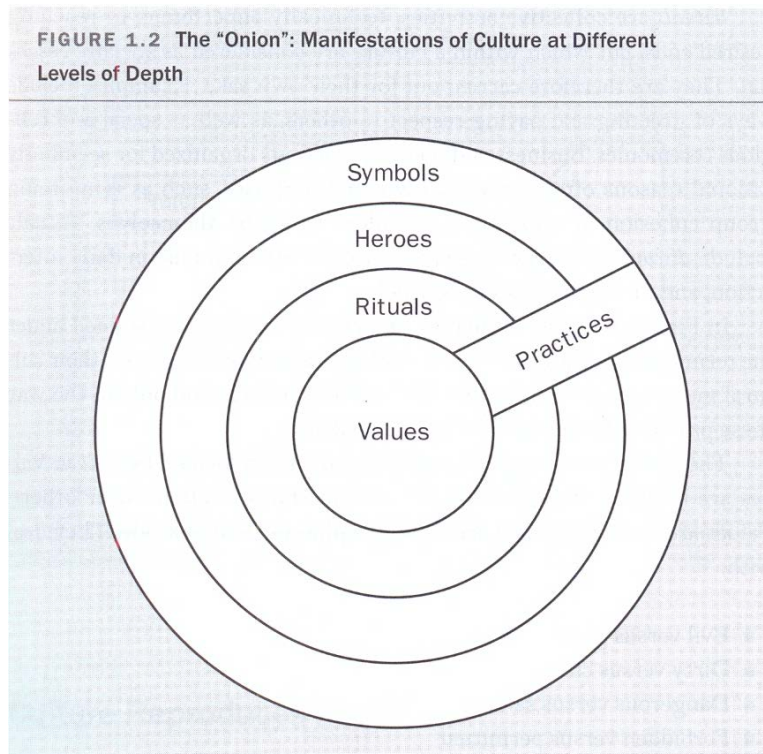
- the best way to strengthen a guanxi network is to stay connected
- send small gifts or ask for small favors to keep a relationship active
- host an occasional get-together
- remember the major Chinese holidays and send greetings
- get to know your colleagues’ outside interests and find ways to support them, like getting tickets to a sporting event or concert’ (Fox 2008; page 50)

2.8. Cultural dimensions according to Hofstede¹⁸

Culture can be defined as ‘collective programming of the mind, which distinguishes the members of one category of people from another’ (Hofstede 1980). Cultural programming of an individual starts in the family where he or she grows up, and continues at school. These are the two main institutions that form our values, which are at the core of culture. Values are also largely taught by religion. ‘Culture ... encompasses the norms and values of a society, including appropriate ways to treat one another. It defines the natural world and human nature. It establishes our assumptions and creates the world “taken for granted”.’ (Gertmenian 1998)

Culture is learned, relatively stable and shared by a group (entire nation). It reflects itself in tradition, social structure, and thought patterns of the group. The elements of culture are many: values, rituals, heroes, and symbols. *Values* are being learned in childhood and are relatively stable throughout life. It is the priorities of these values that make the differences among cultures. *Rituals* mean the patterns of behavior that are learned and repeated; they are connected to occasions like e.g. wedding and graduation and also day-to-day rituals like meeting a friend or a business partner. Rituals coordinate people’s lives and let us know what to expect. The most visible expressions of culture are *symbols*: these are language; aesthetic symbols (music, dance, folklore, colors, images, myths, metaphors that help to identify personal and national identities and help to orientate in society and relationships); beliefs like lucky numbers; and thought processes. (Lhotáková 2011)

¹⁸ based on (if not other source quoted) Hofstede, G. and Hofstede, G.J.: Cultures and organizations: software of the mind; McGraw Hill, New York 2005



Picture 6: The "culture onion". Source: Hofstede, G. and Hofstede, G.J.: Cultures and organizations: software of the mind; McGraw Hill, New York 2005; page 7

Geert Hofstede conducted surveys of more than 60,000 IBM employees in more than 70 countries. The results of his surveys are five basic dimensions of culture:

- Power Distance Index (PDI), which focuses on authority orientation
- Individualism/Collectivism Index (IDV), which focuses on self-orientation
- Masculinity/Femininity Index (MAS), which focuses on assertiveness and achievement
- Uncertainty Avoidance Index (UAI), which focuses on risk orientation
- Long-Term Orientation (LTO) is a fifth dimension added later to Hofstede's research

Power Distance Index measures the degree of inequality in a society. China, with the value of PDI equaling 80 (compared to the world average of 56.5), ranks among the countries with large power distance. This means that there exists a high level of inequalities in power and wealth within the Chinese society. Societies with large power distance also perceive inequalities as natural and useful; inequalities are expected and required. Chinese accept the differences as their cultural heritage, as something natural. The boundaries between social classes are solid, respected and hard to come through. The organizations are hierarchically built. Children are raised to respect elderly, parents, and teachers. The individual representing

the authority in any organization will be highly respected. He or she has the power of decision making. Decision making is then usually very centralized. This is connected with the above mentioned fact that the Chinese society is very hierarchical; therefore, there is a strong differentiation of roles and competences. The impacts of a large power distance in the workplace are following:

- 'hierarchy in organizations reflects existential inequality between higher and lower levels
- centralization is popular
- there are more supervisory personnel
- there is a wide salary range between the top and bottom of the organization
- managers rely on superiors and on formal rules
- subordinates expect to be told what to do
- the ideal boss is a benevolent autocrat, or "good father"
- subordinate-superior relations are emotional
- privileges and status symbols are normal and popular
- white-collar jobs are valued more than blue-collar jobs' (page 59)

Tips for large power distance societies are following: always greeting the eldest member of a group first; using the person's title like Dr. or Prof. is important; senior staff members should communicate and make announcements to general staff.¹⁹

Individualism/Collectivism Index's value for China is 20 (compared to the world average of 40), which means that China is a very collectivistic society. The public interest is thus always above the interest of an individual. Collectivistic societies share various characteristics in the workplace:

- 'employees are members of in-groups who will pursue their in-group's interest
- hiring and promotion decisions take an employee's in-group into account
- the employer-employee relationship is basically moral, like a family link
- management is management of groups
- direct appraisal of subordinates spoils harmony
- in-group customers get better treatment

¹⁹ based on Cultural Dimensions in China; Crown Relocations; www.crownrelo.com

- relationship prevails over task' (page 104)

Tips how to behave in collectivistic cultures are following: building lasting relationships, being introduced formally and thus working with somebody one knows, not expecting decisions to be made during meetings as meetings serve mainly the purpose of exchanging information.²⁰

Despite being a very collectivistic society, Goodall et al. (2006/07) point to the fact that Chinese managers living in regions exposed to foreign influence (mainly coastal areas) showed individualistic attitudes in their behavior, e.g. openness to change. Their research also underlines that despite the influence of a Western lifestyle, Chinese managers tend to keep three Confucian values: benevolence, harmony, and persistence (which includes adaptation, perseverance and patience). Furthermore, 'we must be careful not to polarize cultures on the basis of Hofstede's dimensions of difference. Collectivist Chinese still have to work out how to behave as individuals, just as representatives of individualist cultures have to be part of groups.' (page 60) Another aspect of collectivism stressed by their research is the distinction of "in-group" and "out-group" people. "In-group" are members of one's social (guanxi) network, "out-group" are everyone else. And the Chinese tend to have much higher confidence and trust towards the "in-group" members and therefore to collaborate with those.

Masculinity's index value for China is 66, which means that China's society emphasizes masculine values to a certain extend. Masculine societies' norms in the workplace include:

- 'management as decisive and aggressive
- resolution of conflicts by letting the strongest win
- rewards are based on equity
- preference for larger organizations
- people live in order to work
- more money is preferred over more leisure time
- careers are compulsory for men, optional for women
- there is a lower share of working women in professional jobs
- humanization of work by job content enrichment' (page 147)

²⁰ based on Cultural Dimensions in China; Crown Relocations; www.crownrelo.com

Foreign businesswomen can expect to be treated with great respect and courtesy. However, they may still find that the Chinese are more likely to turn to a male colleague and to assume that the male is naturally the decision maker. (Thompson 2006)

Uncertainty avoidance's score for China is 40²¹ (world average 65), which means rather weak uncertainty avoidance. The society rather accepts uncertainty. In the workplace, weak uncertainty avoidance has following impacts:

- 'more changes of employer, shorter service
- there should be no more rules than strictly necessary
- hard-working only when needed
- time is a framework for orientation
- there is tolerance for ambiguity and chaos
- belief in generalists and common sense
- top managers are concerned with strategy
- more new trademarks
- focus on decision process
- intrapreneurs are relatively free from rules
- there are fewer self-employed people
- better at invention, worse at implementation
- motivation by achievement and esteem or belonging' (page 189)

In a low-uncertainty-avoidance workplace, it is advisable to present the bottom-line and the objective and then to build the project around questions. Frequent rescheduling of meetings can be also expected.²²

Long-term orientation

This dimension was later developed by Geert Hofstede and Michael Bond specifically as a result of research in China and it is also called Confucian dynamism: it means a tendency towards ethic of hard work, long-term viewing of time, and thrift. (Goodall et al. 2006/07)

China scores the highest number in this index by far. It even exceeds the common score 100, since it scores 118. China is thus a country with a very strong long-term orientation. This

²¹ according to geert-hofstede.com; other sources say 30

²² based on Cultural Dimensions in China; Crown Relocations; www.crownrelo.com

feature is reflected in building relationships, for the case of this paper in building business relationships, where the focus is on the long-term building of trust between the two parties. The trust is represented by the relationship itself, not by some formal treaty or agreement. China's long-term orientation is also connected with the pride of the Chinese on their long history and traditional culture as well as with the traditional worshipping of ancestors (as mentioned in the subchapter Chinese cultural specifics). The characteristics typical for long-term orientation workplace follow:

- 'main work values include learning, honesty, adaptiveness, accountability, and self-discipline
- leisure time is not important
- focus is on market position
- importance of profits 10 years from now
- owner-managers and workers share the same aspirations
- wide social and economic differences are undesirable (this contradicts the perceived natural character of social differences mentioned during the power distance index explanation)
- investment in lifelong personal networks, guanxi
- large savings quote, funds available for investment' (page 225)

2.9. Cultural dimensions according to Globe project²³

More up-to-date than Hofstede's work, the Globe project, being one of the most ambitious efforts to study cultural dimensions, focused mainly on understanding the influence of cultural differences on leadership process. The international team of researchers was led by Robert House. Therefore, I am focusing on the findings of the Globe project in the subchapter Leading subordinates - leadership in China according to Globe project. In this subchapter, I would like to briefly explain the nine cultural dimensions identified by the Globe project for the case of China²⁴.

²³ based on Chhokar, J.S. et al.: Culture and leadership across the world: the GLOBE book of in-depth studies of 25 societies; Mahwah: Lawrence Erlbaum Associates, London 2007; pages 877 – 907 & Bhagat, R.S. and Steers, R.M.: Cambridge Handbook of Culture, Organizations and Work; Cambridge University Press, Cambridge 2009; pages 3 – 22

²⁴ the possible limitations of China's dimensions is the fact that the data were collected solely in Shanghai; the researchers themselves admit that the situation in other parts of the country might be somewhat different

Performance orientation

It describes the degree to which the society rewards its members for performance improvement. China scores high in this dimension, which is in line with the Confucian tradition where hard work and diligence are praised. This dimension also values assertiveness, competitiveness, and materialism. Performance is valued over people. The Chinese will place value on objectives, feedback, and success (Javidan et al. 2010).

Future orientation

This dimension captures the extent to which people engage in planning, investing, or delayed gratification. It does not capture the notion on saving and thriftiness, traditional virtues in agricultural societies (hence the traditional model of agricultural society still has a big impact on the Chinese culture), and therefore China scores rather low on future orientation (this dimension is different to Hofstede's and Bond's long-term orientation dimension; it focuses more on the working life; the Chinese admit that it is hard for them to plan where they will be in say next 5 years; whereas Hofstede's long-term orientation is about how the Chinese view relationships). The low score means e.g. that organizations tend to be bureaucratic and inflexible. The ambiguous character of this cultural dimension can be also explained by the difference of Confucianism and Taoism – the former encourages to be thrifty, the latter to let things take their natural course.

Assertiveness

Assertiveness measures the degree to which people are assertive, confrontational, and aggressive in social relationships. The Chinese respondents did not think Chinese society encouraged persons to be assertive, nevertheless, they think society should value assertiveness. This possible contradiction can be explained by the fact that on one hand, China has always been a male dominant society with masculine values of assertiveness and dominance, on the other hand, cultural concepts such as face, guanxi (see subchapter Communication style), and renqing (see following subchapter) discourage people from behaving assertively or even confrontationally.

Institutional collectivism

This dimension measures the degree to which society encourages collective action, integration into extended family or firm. China, as we might expect, scores high on institutional

collectivism. Chinese think of themselves more as a part of a group. Societal goals are often more important than individual ones. The Globe research stresses the fact that collectivistic orientation is being challenged by the rapid changes in China of the past decades. Individual contributions are also being rewarded. But still, the Chinese society can be seen as very collectivistic.

In-Group Collectivism

It measures the extent to which persons express pride and loyalty in membership in small groups such as their family, circle of close friends, or organizations; or guanxi network. The values the children are brought to in China are altruism and loyalty towards parents and bosses. China scores high in this dimension, meaning that there occur long-term employee-employer relationships, and that important decisions are made by groups. This dimension is, however, also slightly changing over time, as the young people move away from their large families into bigger cities, and as there is less loyalty towards employers (the young talented Chinese are willing to switch to a more advantageous deal).

Gender egalitarianism

Gender egalitarianism refers to the degree to which gender differences are minimized. China scores low, which means there are generally fewer women positions of authority and that there are stereotypes towards equal status of women in the society. The salaries of Chinese women are lower. This non-egalitarianism exists to a large extent due to the still rural nature of the majority of Chinese society. 'Until the majority of the population is liberated from the land and women become more independent, the bias in favor of men will remain.' (Chhokar et al. 2007; page 891)

Uncertainty avoidance

This dimension expresses the extent to which people rely on rules, norms, and procedures. By seeking orderliness and structure, they try to avoid uncertain and ambiguous situations. China's score is high, which is in line with Confucian philosophy placing high value on order. I would like to note that Hofstede's research showed weak uncertainty avoidance, but I would rather identify myself with the Globe's results: they even showed that the Chinese long for more order in the society, that they fear the rapid changes of the present times might cause a loss of order. High uncertainty avoidance means a tendency to formalize social interactions and also to rely on rules and formal policies.

Power distance

This dimension depicts the level to which a culture accepts inequalities between various groups such as social classes or hierarchies in organizations. Despite scoring high on power distance, the research also showed two forces: the traditional values are pulling the Chinese leaders from becoming competitive, while the external pressures of the fierce competition are forcing them to become competitive. The young Chinese (having possibly acquired Western education) break away from the norms such as absolute respect for seniors and obedience. They do have new possibilities – they can switch jobs, can look for the jobs themselves instead of being assigned by the government, and they can even start to work abroad. However, there is still a high respect to official titles in China, especially among middle managers. One's status is closely tied to social rights and privileges. So, I can conclude that the behavior on the surface might have changed, but the underlying cultural values of strict societal order are still present.

Humane orientation

Humane orientation is the extent to which society rewards altruism, fairness, and generosity. China scores high on this dimension. For the Chinese, it is more important to maintain harmony than to get the job done in time and at any cost. The interests of others are important. However, the current fierce competition in China forces people to be sometimes aggressive in order to survive and the notion of harmony is thus not as important as it used to be.

2.10. Chinese cultural specifics

‘Chinese culture could pose a serious challenge for Western expatriate managers as it is radically different from what they are used to and China itself could be seen as the most foreign of all foreign places. Its culture, institutions and people appear completely baffling – a matter of absolute difference, not of degree.’ (Selmer et al. 2009; page 136)

‘The Chinese worship the ruler of peasant life – the dragon. Dragon's totem, that means beating with one's forehead against the ground, being afraid of one's supervisor, bearing disrespectable handling.’ (Jiang 2010; page 42)

There are many specifics of the Chinese culture, which I have not yet discussed throughout this paper. Therefore, let me now take a closer look at them one by one:

Cultural specifics according to Hall (Hall 1959)

Edward T. Hall conducted a survey focusing on the “silent language” that characterizes each culture. He developed four categories of underlying cultural variables:

China belongs to the group of *relationship-focused cultures* (as opposed to deal-focused cultures), meaning that deals arise from already existing relationships. Foreigners coming to China are perceived as outsiders of the group; therefore, to be successful, they have to put great effort into establishing relationships with local people. Locals are insiders of the group and can help an expatriate to become trusted insider, as well. Therefore, China is not a country of fast business deals because to build good relationships takes time. Building relationships is closely connected with building trust. It takes much longer to build trust with the Chinese than in Western countries, but once a trustworthy relationship is built, the Chinese tend to be very loyal. ‘In the West people do business and then maybe people do become friends. In China, people need to feel that they have a relationship and know you, before they will progress to doing business.’ (Hutchings and Murray 2002; page 382) ‘Trust in China comes from being introduced, when an “insider” vouches for someone and brings that person into the fold, and does not arise automatically from the position occupied. Respect on the other hand can come with the position, and often does not have to be earned.’ (Bucknall 1999; page 149)

Second category of Hall’s research is communication – China being a *high-context communication* country. This means a high importance of nonverbal cues, and it can be sometimes very difficult for an expatriate to fully understand what is going on because a lot of communication is implicit. The Chinese will want to create a relationship, part of which is that not every single detail has to be discussed.

The meaning of the message is not being explicitly said, but quite on the contrary, it is embedded in the way the message is presented. For instance, one does not receive a direct answer to a direct “either-or” question. The Chinese answer rather holistically, saying in a general way a kind of concluding statement, and one has to read the answer “between the lines”. (Brett et al. 2006)

Third category of Hall’s is the perception of time. Chinese culture takes a *polychronic* attitude, which means time is more fluid, deadlines are more flexible, interruptions are common, work time is not clearly separated from personal time, and interpersonal

relationships take precedence over schedules. As Sergeant and Frenkel (1998) put it, in China, time is perceived as synchronic (polychronic) (means merging of past, present and future – this is partly due to the fact that Mandarin Chinese has neither past nor future tense; past and future are expressed with helping characters), subordinate to personal relations and in abundance. On the contrary, the Western culture sees time as short in supply and sequential with strict limits of time that can be devoted to personal relations. Therefore, the Chinese will be likely to see a Czech expatriate as being in a permanent hassle.

Last but not least, Hall researched *place and physical contact* as a cultural category. Chinese will stand closer than European would stand, they will ask questions which we would not ask (about personal facts, salary, etc.), but on the other hand, they will usually not shake their hands when meeting business partners; they will rather bow down a little. This is the case especially of older people; younger businessmen will usually shake hands like in the Western countries.

The national psyche (Harper et. al 2007)

As already mentioned, the largest influence on the Chinese culture has the Confucian philosophy. It forms the very core of the Chinese identity. The important values are family, morality and self-restraint; emphasized are also hard work and achievement. Next to those traditional values, China is opening itself a lot to the world, and the Chinese citizens want to be seen as progressive and open to new ideas. Therefore, some worry that Western values may destroy what creates the traditional Chinese culture. However, I personally feel that the very roots of the culture are deep enough and that the traditional values will survive this totally new period in the whole history of China.

Patriotism

‘There is a deep and unquestioned belief in China’s historical and cultural greatness and the name for China, “Middle Kingdom”, indicates that the world revolves around China. All Chinese are proud of their nation-race, and regard others as definite unfortunates.’ (Bucknall 1999; page 20)

Ambiguous attitude towards foreigners (Bucknall 1999)

On one hand, the Chinese greatly respect foreigners for their achievements and advanced technology, which they believe might be of value to China, on the other, they feel foreigners

are lacking in culture and manners and may even be nationals of a country that “humiliated” China in the past (see subchapter History).

Respect to age & Lifestyle

Within the Chinese society, aged persons are seen as representatives of accumulated knowledge; they will be highly respected and also involved in child rearing. These notions are connected with a moral value of Confucianism called filial piety: it means that one should practice respect, material provision, loyalty, and physical care for elderly family members. Nevertheless, the traditional perceptions of age in China are changing, because young people are moving from the countryside to big cities and the multi-generational family lives no longer together. (Selmer et al. 2009)

With the changes in the life of a large family come also changes in attitudes towards sex and marriage. Many young Chinese want to first graduate, find a good job, have enough money to cover their needs, and only then start thinking about having their own family. There are also more divorces and there are young couples living together without getting married, something hardly imaginable years before. (Harper et. al 2007)

Renqing 人情

Another cultural specific of China is the virtue of renqing introduced by Confucius. It means being kind, righteous, benevolent, and respectful to the feelings of other people. Its notion is reciprocal: it is believed that one is treated the same way he or she treats others. Under renqing, two kinds of social behavior are expected: (1) one should keep in touch with friends of guanxi network, i.e. exchanging gifts, greetings and visits; (2) one should offer help or at least sympathize in case that a friend gets into a difficult situation. (Chhokar et al. 2007) Renqing can be translated as human sentiment and it means that ‘if you have received a drop of beneficence from other people, you should return to them a fountain of beneficence’²⁵.

Political morality (Chhokar et al. 2007)

‘Unlike in the West, where the source of morality is the individual conscience, in China morality fixes social norms as well as individual codes of behavior, and in doing so it plays the role that religion does in the West’ (page 885) Morality and government are, as already

²⁵ Harmony in Chinese Culture; Chinesehour Blog; blog.chinesehour.com

Confucius proposed, inseparable – he advised the ruler to lead the people with virtue in addition to leading with laws and punishment. Weekly meetings to discuss moral issues are a routine in all types of organizations in China (CCP organs, firms, municipalities). Then, often the director of the organization is expected to act like a father in a church or like a clinical psychologist, to listen to people`s problems and to give advice where possible.

Attitudes towards hierarchy and authority

In China, hierarchy uses to be obeyed to and respected. One is supposed to report directly and only to his or her closest superior. It is considered inappropriate to skip the levels and report directly to the higher boss, since it makes both the subordinate and his or her closest superior lose their faces. (Brett et al. 2006)

Norms for decision making

In Chinese business culture, decision makers largely rely on subjective feelings and personal experiences in forming their opinions and solving problems. Empirical evidence will be more acceptable if it does not contradict these feelings. (Thompson 2006) Chinese also prefer consensus to majority rule when making a decision. This is because of an unwillingness of the majority to cause a loss of face to the minority. (Chhokar et al. 2007)

Solving problems²⁶

The Chinese generally like a roundabout way to solve problems; they do not want to dig in the problem directly. Unlike the Western expatriate who wants to deal with the problem right on, the Chinese will be trying to find ways how to circumvent it.

Chinese and Western cultures are trendy²⁷

Western culture is trendy in China, for example eating in Italian or French restaurants, while Chinese culture is becoming more and more attractive in the West, where the people are interested in Chinese arts, cuisine, horoscope, etc.

²⁶ based on 图文趣解：中西文化差异 [Diagrams of interest: Chinese-Western cultural differences]; Shinyway Education; www.igo.cn

²⁷ based on 图文趣解：中西文化差异 [Diagrams of interest: Chinese-Western cultural differences]; Shinyway Education; www.igo.cn

Traits of character of the Chinese (Obuchová 1999)

As already mentioned between the lines, the most typical traits are the spirit of collectivism and the family cohesiveness. Other typical traits are feeling of duty, perseverance, patience, hard-work, thriftiness, practical approach, discipline, loyalty towards authorities, politeness towards others including foreigners, and clinging to traditions. The Chinese are proud on their long history and cultural heritage, and therefore tend to be patriotic. However, or apart from that, the Chinese are typically curious and they do like to accept new things and eventually reshape them (for example, they accepted Buddhism from India and remade it into a Chinese way of Buddhism). Rural life, since many of Chinese come from rural areas, has created feelings of firm connection to the land and of readiness to provide mutual help (to poorer regions, to compatriots in other countries). Another typical trait is the notion to explore everything to the roots and to ask questions about seemingly unimportant details – no detail is unimportant for the Chinese. Typical is also humbleness, Chinese will not boast about their own successes, they will rather talk about the successes of the collective or of friends.

Cult of ancestors (Obuchová 1999)

Worshipping of ancestors is an old Chinese tradition that originated even before Confucius' times. Confucian philosophy then adopted this cult and made it into the above mentioned "filial piety". According to traditional believes, the ancestors live together with the Highest Ruler in Heaven and if they are content with their children and grandchildren, they protect them. The living are obliged to take care of the tomb and to bring sacrifices in order for the ancestors' spirits to be satisfied.

One important think that I would like to note is that a Czech expatriate or expatriate-to-be 'should beware of treating all Chinese as stereotypes who will always behave as described (above). People are individuals and should be seen as such, even though they operate within the confines of their culture. You will find that not everyone you meet in China conforms exactly to the prevailing culture, just as not all people do in your hometown. Some people do not know how to behave and others simply do not care.' (Bucknall 1999; page 6)

3. Czech Republic and Czech culture

3.1. History²⁸

Celtic tribes settled in the area of the today`s Czech Republic in the 5th century BC. In the 5th century AD, there came the first Slav tribes, who in the 9th century first formed the Great Moravian Empire (Velká Morava), and then the Přemyslid dynasty came to power creating the Kingdom of Bohemia, soon to be part of the Holy Roman Empire. After several dynasties, wars including Hussite Wars and 30-years-war, foreign invasions, epidemics of plague, and Czech National Revival that saved Czech language and culture in the 18th century, there was established the so called First Republic in 1918 after the end of World War I and the collapse of the Habsburg Empire. It was the republic of Czechoslovakia and the first president was Tomáš Garrigue Masaryk.

The republic was developing itself, but it was soon to become a victim of the fragile balance of powers in Europe between the World Wars. Adolf Hitler called Czechoslovakia “an ulcer in the heart of Europe” and after the Treaty of Munich (which is by the Czech historians called a treaty “about us without us”) in 1938, the Nazi Germany started to occupy Sudetenland (border regions of the today`s Czech Republic). In March 1939, the Germans occupied the whole area creating a Protectorate of Bohemia and Moravia (Slovaks set up their own puppet Nazi government and were not part of the Protectorate), which remained until the end of World War II in 1945. As part of the post-war agreements, the German inhabitants were moved out of the again established Czechoslovakia.

In the general elections in 1946, the Communist Party won, and in February 1948 staged a coup d'état under the leadership of Klement Gottwald and with backing from the Soviet Union. The constitution was rewritten – it established the Communist Party`s dominance, and 41 years of communist rule were to come. In 1968, the Party general secretary Alexander Dubček was standing in the head of the “Prague Spring” movement, trying to introduce “communism with human face”. Nevertheless, the Soviet invasion in August that year ended any reformation processes within the Party and marked the beginning of 21 years of normalization.

²⁸ based on Czech Republic; Wikipedia; en.wikipedia.org & Dunford, L. et al.: Lonely Planet Czech & Slovak Republics; Lonely Planet Press 2007

Those ended only in November 1989, when a peaceful demonstration of students was suppressed by the state police, which meant an outbreak of a peaceful Velvet Revolution. At the end of it, Czechoslovakia returned to democracy, with former dissident and writer Václav Havel being a newly elected president of the country. Later on, on 1st January 1993 Czechoslovakia peacefully split up into Czech Republic and Slovakia. Both countries returned among the nations of the developed world, Czech Republic entering OECD in 1995, NATO in 1999 and the European Union in 2004.

3.2. Geography²⁹

The Czech Republic stretches in the area of 78,864 square km and is situated in the heart of Central Europe, bordering Poland in the north, Germany in the west, Austria in the south and Slovakia in the east. Along all the borders, except for those of southern and northern parts of Moravia, there rise low mountains that create a natural barrier. Historically, there existed three lands within the area of the Czech Republic: Bohemia, Moravia, and Silesia. As of today, the Czech Republic is divided into 13 administrative regions and the capital city of Prague. This division can be seen in the following map.



Picture 7: Map of the Czech Republic with historic regions and current administrative regions. Source: Czech Republic; Wikipedia; en.wikipedia.org

The Czech Republic enjoys a continental climate with relatively hot summers and cold and snowy winters. The temperatures vary greatly, depending on the elevation – mountainous

²⁹ based on Czech Republic; Wikipedia; en.wikipedia.org & Dunford, L. et al.: Lonely Planet Czech & Slovak Republics; Lonely Planet Press 2007

regions being on average more cold and wet. A typical feature of the Czech Republic is the unique countryside landscape – there can be seen small villages, meadows, fields and forests living in a natural coexistence. The country is rich in water resources, being home to many rivers and dams. On the other hand, strategic natural resources like gas and oil have to be imported. Coal is mined in the northern regions of the country.

3.3. Economy

After 1989, the Czech Republic underwent a successful transformation from a centrally planned economy to a market economy. Nowadays, the country ‘possesses a developed, high-income economy with a GDP per capita of 80% of the European Union average’³⁰. In 2010, the total GDP of the country was as high as 262.8 billion US dollars (according to PPP), making the GDP per capita 24,952 US dollars (which is more than three times higher than China`s); in the years 2006-10, the average real GDP growth was 2.7%, the average inflation 2.8% and the FDIs inflow 3.5% of GDP (by 1 percent point lower than China`s).³¹ The foreign trade of the country is oriented mainly on the EU countries, as can be seen in the following table.

Major exports 2010	% of total	Major imports 2010	% of total
Machinery & transport equipment	54.2	Machinery & transport equipment	43.3
Intermediate manufactured goods	17.4	Intermediate manufactured goods	17.9
Raw materials & fuels	6.8	Raw materials & fuels	12.3
Chemicals	6.5	Chemicals	10.6
Leading markets 2010	% of total	Leading suppliers 2010	% of total
Germany	32.4	Germany	29.6
Slovakia	8.6	China	7.2
Poland	6.1	Poland	6.9
France	5.3	Slovakia	6.4
UK	4.9	Netherlands	6.1
EU27	86.1	EU27	67.5

Picture 8: Export and import of the Czech Republic. Source: Czech Republic Fact sheet; Economist Intelligence Unit; country.eiu.com

³⁰ Czech Republic; Wikipedia; en.wikipedia.org

³¹ based on Czech Republic Fact sheet; Economist Intelligence Unit; country.eiu.com

As the demand in key export markets of the Euro zone (Germany in particular) goes down, the Czech GDP is expected to grow by only 0.5% in 2012; and to return to a higher growth of 2.5% on average in the years 2013-16.³²

A burning issue is the rising state budget deficit and public debt. The current government is trying to get public finances back under control, however, the economy is rather stagnating as mentioned above, and therefore the tax revenues are also not rising, which makes keeping the budget deficit low difficult. Big inefficiencies are embedded in the high level of corruption and bureaucracy of the country, tackling those issues might thus be one of the solutions to the public finance debt. Other ways out of the problems are the implementations of healthcare and pension reforms, which shall deal with the aging population issue and thus ensure long-run fiscal stability. The developments and projections of both the deficit and debt can be seen in the following table.

(% of GDP; ESA 95 basis)

	2010	2011	2012	2013	2014
General government deficit	4.8	3.7	3.5	2.9	1.9
General government debt	37.6	40.5	42.9	43.3	41.9

Source: Czech Finance Ministry.

Picture 9: Czech deficit and debt. Source: Czech Republic – Economy – The state budget deficit narrows in 2011; Economist Intelligence Unit; country.eiu.com

The Czech Republic is one of the member states of the EU that have not adopted Euro as their currency. It is one of the goals of the government to adopt Euro in the long-run, however, there are two factors speaking against it. Firstly, it is the instability of Euro caused by the debt crisis in Greece, and secondly, it is the unwillingness of the Czech people to abandon their Czech crown – fears are that the prices will rise once Euro is introduced. As far as the structure of the Czech economy concerns, agriculture has 2.2% ratio, industry 38.7%, and services 59%.³³ An important industry is the car-making industry, a rising significance in the services sector gains tourism.

3.4. Demographics

As of 2011, there live about 10,560,000 inhabitants in the Czech Republic. Compared to China, very diverse in the composition of its population, the Czech Republic is very

³² based on Czech Republic At a glance; Economist Intelligence Unit; country.eiu.com

³³ based on Czech Republic; The World Factbook; www.cia.gov

homogenous. The vast majority of population is made by Czechs, followed by Slovaks (1.4%), Poles (0.4%) and Germans (0.2%). It is also estimated that there live about 250,000 Romani people in the country. There also live about 430,000 foreigners in the Czech Republic, the biggest minority being Ukrainians, followed by Slovaks and Vietnamese (roughly 60,000). The number of the Chinese minority reaches some 5,000 people.³⁴

Population density is 130 people per square km; and a little more than a quarter of the population lives in the major cities; the average life span is 77.2 years for women and 69.9 years for men (Dunford et al. 2007). There is a low birth rate (1.5 children born per woman), and the aging of the population is already the case in the Czech Republic. The country will have to rely on further immigration in the following years in order to satiate its need for work force.

3.5. Influence of religion

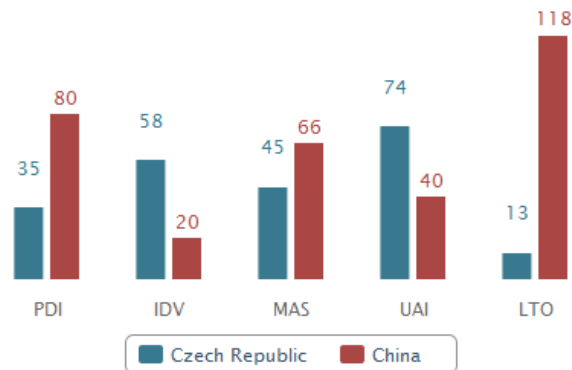
The Czech Republic is one of the least religious countries whatsoever. According to the census surveyed in 2011, 38% of the population considers themselves atheist, 10% Roman Catholic, and 3% Protestant; the others have not answered the question. Somewhat more precise results might give the Eurobarometer Poll in 2005, during which ‘19% of Czech citizens responded that “they believe there is a God”, whereas 50% answered that “they believe there is some sort of spirit or life force” and 30% said that “they do not believe there is any sort of spirit, God or life force”’³⁵.

Still, from the Chinese point of view, one can see the Czech Republic as a Western Christian country. Definitely neither Buddhist nor Confucian. However, whether a Czech expatriate will be Christian or not depends on his or her personal beliefs; and I dare to say that we cannot trace out a clear influence of religion upon Czech expatriates` behavior in China.

³⁴ based on Czech Republic; Wikipedia; en.wikipedia.org

³⁵ paragraph and quotation based on Czech Republic; Wikipedia; en.wikipedia.org

3.6. Cultural dimensions according to Hofstede³⁶



Picture 10: Hofstede's dimensions for the Czech Republic and China. Source: Czech Republic; Geert Hofstede; geert-hofstede.com

In Hofstede's dimensions, the Czech Republic's scores mostly greatly differ to those of China.

Power distance

Czech score is 35 compared to China's 80 and world average 56.5, which means the Czech Republic is a low power distance society. Czechs value to be independent, do not place high importance on hierarchy, and strive for equal rights. The superiors are accessible, the power in organizations is decentralized and managers count on the experience of their team members. The employees want to be rather consulted than controlled. The communication is rather direct.

Bearing these characteristics in mind, a Czech expatriate might feel him or herself alien in the strictly hierarchical Chinese environment. He or she might find it difficult that the superiors are not so accessible in China.

Individualism/Collectivism

The Czech Republic scores 58 (China 20 and world average 40). Therefore, the Czech Republic is a rather individualistic society. This means that individuals are expected to take care of themselves and their immediate families only. The employer-employee relationship is a contract which is based on mutual advantages; when hiring and promoting, decisions are only merit-based; when managing, leaders are managing individuals, not "in-groups".

³⁶ based on Czech Republic; Geert Hofstede; geert-hofstede.com

For a Czech expatriate, who is likely to have been raised to individualism, it might be difficult to grasp the very system of functioning of the Chinese collectivistic society and not to feel lost in the myriad of guanxi relationships surrounding him or her.

Masculinity/Femininity

In contrast to relatively masculine China, the Czech Republic with a score 45 is considered relatively feminine. The focus is thus on “working in order to live”; people value equality, solidarity and quality in their working lives. Conflicts are being resolved by negotiation and compromise. Well-being is more important than status.

What might be uneasy to cope with for a Czech expatriate in this respect is that in China, the focus is on “living in order to work”. The Czech person might prefer a deal of leisure time to enjoy with friends or family to working day in day out.

Uncertainty avoidance

Czech score is 74 compared to Chinese 40 and the world's 65. Czech culture shows a high preference for avoiding uncertainty, which leads to maintaining rigid codes of belief and behavior and to an emotional need for rules. Since the time is money, people have an inner urge to be busy and work hard and to be precise and punctual. An important element in individual motivation is security.

Bearing in mind that in the Globe project, China also scored as a society that prefers avoiding uncertainty, a Czech expatriate might be a good fit in this respect. What might be holding him or her back is the attitude towards time, which is much more relaxed in China – this fact deserves a lot of patience and thorough preparation for the Czech expatriate.

Long-term orientation

The Czech score is 13, the Chinese 118. It is clear that there are huge differences in this aspect of culture. Cultures with a short-term orientation exhibit great respect for traditions and a relatively small tendency to save. Short-term oriented society will be also impatient to achieve quick results. There is a strong concern with establishing the normative truth.

As opposed to the Czech culture, in the Chinese culture there is no absolute truth and a long-term (for example 20 years from now) focus is the norm. These different perceptions might pose a considerable challenge for a Czech expatriate living and working in China.

3.7. Czech cultural specifics³⁷

No matter how different the Czech and Chinese cultures seemed after examining Hofstede's research, there are potential similarities of the two cultures in terms of the specifics which I am describing below, e.g. the ability to learn, the orientation on social relationships, the tendency to avoid conflicts, or the high context.

Improvisation and flexibility

One of the typical Czech traits of character is the ability to improvise. Czechs are resourceful and adaptable even in difficult, unstructured and unpredictable situations, and see these characteristics as a competitive advantage of theirs. Creativity is seen as an inner freedom. Another feature of flexibility is the mistrust towards formalized procedures. Czechs believe that there is more than one way that leads to the desired destination. To handle a seemingly undoable task, they make use of informal relationships, help of friends, and personal engagement. A Czech will be most likely to search for a solution that is smart and will take him or her to the desired goal.

Ability to learn

Czechs are capable of quick learning of new things and of adjusting to new circumstances. In this respect, they are similar to the curious Chinese, who also want to copy and even overtake his or her master.

Tendency to survive

When choosing between survival and pride, the Czech will choose survival. This feature is well demonstrated by the famous literature figure "Švejk" – he was always trying to search for side-ways, to demonstrate obedience on the surface and in fact to behave differently, to avoid direct conflict in every situation, to search for excuses, to look for sarcasm, self-criticism and even black humor in very serious situations. Those were his ways to survive and to adapt himself. When interacting with authorities, Švejk told them what they wanted to hear, or talked about different topics. He did not like exactness and discipline, rather preferred immediate inspiration, intuition, and common sense.

³⁷ based on Nový, I. and Schroll-Machl, S.: Interkulturní komunikace v řízení a podnikání [Intercultural communication in management and entrepreneurship]; Management Press, Prague 2001

Orientation on social relationships

Positive social relationship and climate is usually preferred to the business deal. Emotions thus come in front of purely rational behavior. Friends are viewed as very important and can expect a special treatment.

Low ability to convey negative information

Saying “no” is sometimes seen as a disruption to communication, a failure and an end to existing relationships. Therefore, it is often avoided by saying “maybe”, “perhaps”, “should do”. To tell somebody something negative is inherently seen as a personal message aimed at the person, and not as a matter of merit.

Ways to solve social conflicts

In general, Czechs want to avoid any conflicts. In case a conflict really occurs, an informal way to solve it is preferred – for example discussing the problem above a cup of coffee. An informal unofficial way is seen as using common sense and human attitude.

High context communication

In the Czech culture, a high role plays the nonverbal communication and the context of the situation. The typical Czech communication is full of hints, cues, having-multiple-meanings statements, references to wider chain of events. It is also partly because the Czech language is rather decorative. Czech people admire those who can communicate in this way, with a scent of humor and irony in their words, making the listener “read between the lines”.

Oscillating self-esteem

Depending on the situation, the Czechs may show very low self-esteem, undervaluing themselves in comparison to others, and on the other hand, in a different setting, they may tend to overvalue their capabilities and skills. It can be the same person showing those characteristics under different conditions.

Approach to time

Problems are often solved only when the deadline is coming, not earlier, and then worked on day in day out. In the end, the problem is usually successfully solved and the work handed in on time.

National pride

Czechs are proud on their sovereignty, because they were often in the past occupied or managed by foreign empires.

Tendency to modesty

There is a general tendency to rather underestimate own qualities. Somebody who is boasting about his or her successes and skills, is in the Czech environment viewed with mistrust.

4. Prerequisites of being an expatriate

4.1. Personal characteristics and values

Apart from high level of professional and technical expertise, there are several personal characteristics that an expatriate to China should ideally have – he or she should be mature, flexible and likely to fit into China with understanding. Essentialities are patience and gentle stubbornness. (Bucknall 1999) In general, it is expected from an expatriate to be open-minded and tolerant, emotionally stable, without extreme political views, and able to suppress one's ego. Next to these soft factors come personal characteristics, which are either permanent like age, gender, and race, or temporary like skills and personal experiences including language capabilities and intercultural knowledge. If the expatriate is not going abroad alone, it should be also clear whether the family as a whole is the right fit for the expatriation.

Javidan et al. (2010) propose that a success in foreign cultures depends on the so called *global mindset*, which is composed of three parts:

1. intellectual capital: knowledge about how the business is done globally and the capability to learn
2. psychological capital: openness towards foreign cultures and the capability to adapt oneself
3. social capital: capability to build trustful relationships, to bring people together and to win the stakeholders to be interested in one's projects

Those three parts consist each of three subparts, which all nine in total indicate the preparedness to become globally successful manager/leader. Intellectual capital consists of (1) knowledge of the business sphere as such (different behavior of different customers in different regions, competitive environment, etc.), (2) cognitive complexity (capability to create and understand complex scenarios), and (3) cosmopolite approach (active interest in the culture, history, geography and politics of the destination country). Psychological capital is formed by (1) passion for diversity (new cultures, new ways and new things that the expatriate will try), (2) adventurousness (ability to do a good job in an unpredictable environment), and (3) self-confidence (sense of humor and high level of energy in order to react with zest and vigor in new situations). Thirdly, social capital can be divided into (1) intercultural empathy (to emotionally adjust oneself to build relationships with people of different cultures), (2) impact on relationships (ability to find consensus and also to build

broad networks of contacts), and (3) diplomacy (the skill to listen and to ask, and to enjoy interactions with people whose mindset is different than mine).

In the Chinese culture, it is believed that one becomes wiser with age. Therefore elders are highly respected and obeyed, and are sought after for guidance and advice. Quite on the contrary, younger people are seen as not experienced and not capable of doing well in business within the Chinese cultural context. This might have implications for expatriates, too: research has proven that there is a positive correlation between the age and the job performance of an expatriate in China. (Selmer et al. 2009)

Stereotypical attitudes towards women may limit the success of women expatriates in China. The aspects that contribute to negative stereotypes about women as managers include limited access to CCP membership, supposedly lower level of education, or job segregation. However, preliminary training allows female expatriate managers to respond in an appropriate way to a potential gender-biased behavior of Chinese managers. (Owen et al. 2007) The level of tolerance towards women also depends upon education – the more educated men are likely to be more tolerant (Bucknall 1999).

4.2. Cultural training

4.2.1. Global mindset training

In the previous subchapter, I introduced the concepts of intellectual, psychological, and social capital. Now I will describe what are according to Javidan et al. (2010) the ways to make improvements of oneself in the respective fields:

1. intellectual capital: going to eat regularly with colleagues from other departments or with business partners who are of a Chinese nationality; visiting relevant international trade fairs; brainstorming about what are the false presumptions of our solutions (which means looking at problems from other perspectives); visiting interesting and relevant lectures at the universities in my surroundings
2. psychological capital (being the most difficult to develop, because it is not easy to change one's personality): watching movies of your host country; self-analysis how am I feeling in contact with foreign people or places (do I need to change those feelings in any way? why? what is in it for me?); spending some time working for a nonprofit organization (that for example cares about foreigners); going to restaurants that offer yet unknown cuisine

3. social capital: inviting an international student for a dinner and discussing with him or her about his or her culture; employing a foreign intern; being active in international teams; creating a network of international contacts (e.g. through Facebook or LinkedIn); discussing with friends about their experiences with foreign cultures

Helpful activities to learn about foreign culture are reading about the country, watching Chinese movies, discussing with other Czechs who have been to China to do business there, getting in touch with Chinese people living in the Czech Republic. Learning about geography, history, customs, do's and don'ts is the first part of a cultural training, and an expatriate-to-be can do his or her homework and learn this by himself or herself. Best source of information is usually the expatriate community in China. (Sergeant and Frenkel 1998)

4.2.2. Institutionalized intercultural training

Apart from the improvements of the so called global mindset proposed above, which one can do on his or her own, it is very valuable to undergo a systematic intercultural training. 'At least three months before departure, the manager and family should be involved in a familiarization and training program. Anyone going to live and work in China can expect to suffer from some degree of culture shock.' (Bucknall 1999; page 147)

Part of the cultural training is the learning of *intercultural communication*. This has three phases: awareness, knowledge, and skills. Awareness means the fact that the expatriate realizes that he or she carries different values than the people in the host culture and then awareness training focuses on the expatriate's own values and on where they may differ from the country of expatriation. Knowledge means learning the symbols, heroes, and rituals of the foreign culture. And finally skills refer to the fact that awareness and knowledge is being put into practice, that one actually experiences the foreign environment. (Hofstede and Hofstede 2005)

According to Fox (2008), there are four factors important for a success in Chinese environment:

- basic knowledge of the Chinese history and the social, economic, and political challenges of China;
- understanding differences in verbal and nonverbal communication styles;
- learning about the concepts of face and guanxi;

- knowing the basics of Chinese business etiquette (banquet behavior, gifts, exchanging business cards).

Your Chinese business partners will be most likely pleased and enthusiastic when you show even a small understanding of the Chinese history and customs (Fox 2008).

Another part of the training is *learning the local language*. Learning Chinese from zero to a business level might take two years full-time studying or more. Much better is to be in China during this time and to have the full exposure to the language and culture. On average, women learn languages faster than men (Hofstede and Hofstede 2005). As Javidan et al. (2010) put into light, many expatriates-to-be underestimate how much time they do need in order to prepare themselves for a management position abroad.

In order to avoid expatriate failure (described in subchapter Accepting Chinese culture – a potential culture shock), comprehensive, strategic, and China-specific programs of preparation are necessary. It is believed that better selection techniques and cross-cultural training can largely contribute to the expatriate's success in foreign culture. However, cross-cultural preparation is often being neglected or handled poorly by organizations. They are not ready to invest resources into their expatriates or to acknowledge that functioning abroad is much more demanding than at home. The key to achieving intercultural effectiveness is pre-departure and post-arrival cross-cultural training. The rationale behind providing cross-cultural training is the belief that existing managerial skills need to be combined with cross-cultural skills. The parts of the training are the above mentioned intercultural training and language training, and additionally *practical training* (assistance with relocation, short visit to China prior to posting) and *executive briefing* (on organization's operations in China, on history, economy, and political situation). An important factor is also the notice of posting, i.e. how much in advance the expatriate-to-be is informed about relocation. (Hutchings 2003)

4.2.3. Impact of training

Nevertheless, nothing can replace a hands-on experience and exposure to the culture. Talking about culture is like teaching somebody to swim without putting him into water. The experience of being there is simply irreplaceable. Research has proven that there exists a *70/20/10 rule* of how big impact things have on a person's learning: 10% impact do have trainings and formal education (they mostly prevent the initial shock); 20% impact can be

ascribed to peers, coaches, and bosses (those are people around the expatriate); and 70% impact on the expatriate's learning has the very on-the-job experience in China (Čorba 2011).

4.3. Situational factors

Someone with a previous overseas experience, Asian experience in particular, is preferable to be assigned to China. He or she should know how it is to live amid poor and tiring circumstances. In terms of the success of the assignment, it is desirable that the expatriate is given clear goals to be achieved (volume of sales, total revenues, projected market share, etc.). What the length of stay concerns, it used to be around 2 years; however, in order to allow the expatriate to function at full capacity, many companies are switching to 3 till 5 years assignments. (Bucknall 1999)

Many companies wrongly assume that a successful career at home automatically means a success in the international environment and that promising leaders develop themselves automatically into efficient global managers/leaders through international assignments. But this is not the case. There are many more important factors than just a success in the home country (in the subchapter Personal characteristics and values I am trying to name the most visible ones). (Javidan et al. 2010)

Selmer et al. (2009) point out, that an expatriate performance in China does not seem to improve over time. Hutchings (2003) explains that expatriates who have been to China for 3 or more years (and usually do speak Mandarin) agree on the fact that the length of time increases adjustment and gives deeper understanding of the local culture, which helps to avoid cultural faux pas.

Where the mother company is from largely influences the organizational culture and therefore the success of the expatriate, as well. A Czech culture is not the exact fit with the Chinese one as explained in chapters 2 and 3; however, one of the things that might play a positive role is the Czech general sense of adaptability and improvisation. Those are the factors that are able to suitably influence the organizational culture of the Chinese subsidiary (in case that the mother company is from the Czech Republic) and contribute to the Czech expatriate's success in China.

5. Specifics of working in China

‘China was once an unattractive place to work, other than for dedicated Sino-philes or young people who felt a sort of cult need to gain “the China experience”. It is now much improved and some have begun to suggest that it should no longer be considered a hardship post.’ (Bucknall 1999; page 188)

5.1. Language skills

‘To establish a more fundamental intercultural understanding, the foreign partner must acquire the host culture language. ... It is doubtful whether one can be bicultural without also being bilingual.’ (Hofstede and Hofstede 2005; page 328) It is because language and culture are inseparable – the language that we speak affects our view of the world. (Selmer 2006) Language is also closely interlinked with humor, and knowing the language enables to understand more of the humor of the host country.

Although English is spoken and written in the business community, particularly within MNCs, it is unlikely to do business in China without knowing some Mandarin Chinese or without having assistance of a translator. ‘Although a business conversation may be conducted in a second language, English, participants certainly think in their own language according to their own cultural norms, which may not be fully comprehended. Instead of being an efficient vehicle of communication, the “common” language of English becomes an obstacle for true understanding. Chinese communication is situated in and influenced by the premises of its culture.’ (Selmer 2006; page 348)

Selmer (2006) concludes that the language ability in Mandarin has a positive association with the socio-cultural adjustment of the expatriate. Learning the host country language clearly permits a cultural understanding not otherwise possible. At the same time, it is not necessary to master Mandarin perfectly; even basic survival language shows to the Chinese business partner that the expatriate makes the effort to understand the basics of their cultural norms and habits and the expatriate will be praised for it. Not knowing Mandarin can contribute to a feeling of exclusion of an expatriate, since he cannot understand the small talk the Chinese colleagues are having among themselves (Goodall et al. 2006/07). In general, ‘the ability to speak Chinese is useful but is less important than possessing normal business skills and having a genuine interest in China and its culture’ (Bucknall 1999; page 146)

5.2. Daily work

A usual office is an open space without the employees having their separate rooms. They usually work at long tables or in cubicles. Only employees in higher positions have their offices equipped with doors, which are usually open. Open space prevents to some extent the employees from unproductive activity such as playing cards, sleeping, etc. (Bucknall 1999).

In China, dress should be formal and conservative. Dark business suits are recommended for men, suits or formal dresses for women. It is common to exchange business cards in China. When being given a business card, one should accept it with both hands and thoroughly examine it before putting it in one's pocket or card case. Putting it immediately in the pocket without reading it is considered impolite, since the business card represents the person on it. A business card should state one's professional title and should be translated into Chinese, preferably with gold ink since gold is considered to be a favorable color. One should give a business card with both hands, Chinese side up. Also, never write on a business card, since this is considered disrespectful to the card's owner. People should be addressed with their title, or Mr., Madam, or Miss if there is no title, and their last name. In Chinese names, the last name comes first. For example, in the name Li Xiaolong (李小龙), the last name is Li. (Thompson 2006)

Under the influence of Confucianism on Chinese culture, Chinese organizations tend to be very hierarchical. Subordinates show deference to seniors and seniors often show paternalistic concerns to subordinates. Management style is then often directive, decisions are made in a top down way, with the senior giving instructions to subordinates. These will not question the senior's decision openly; it would lead to a loss of face of the parties. A good subordinate follows his boss's lead; therefore contradicting the boss in any circumstance must be done with great diplomacy and tact. (Thompson 2006)

Bucknall (1999) proposes that an expatriate eases his or her way in. It means that instead of showing great zeal and going straight to problems, the Chinese expect one to start slowly – spend the first days talking to people, getting to know their ideas, making it clear that nothing is set up front. In this way, things might develop even more smoothly and quickly than if rushing into solutions. If an expatriate wants to make changes in how things are done, he or she should be particularly careful. The Chinese usually do have a reason why they do it in their own way. If changes are however necessary, they should be carefully communicated and the mutual benefits explained. Only then a change might really occur. An expatriate 'might

find Chinese managers are reluctant to make decisions and sign documents. Patience and training is needed to allow Chinese managers to overcome fear, develop a feeling of responsibility, and become willing to take decisions.’ (page 170)

Sergeant and Frenkel (1998) suggest that cultural norms such as keeping one`s face may lead to low initiative (unwillingness to innovate where there exists a possibility of failure) and low information-sharing of the Chinese employees. Public recognition for accomplishments and effective reward system are recommended to overcome these lacks in efficiency. In case of reward system, a large complexity of nonwage benefits is expected by the Chinese (being a legacy of the taking-good-care-of-everything state-owned enterprises of the past). But, it is of crucial importance that the variations in earnings of employees at the same level do not disrupt the overall harmony in the enterprise.

Meetings

People will enter meeting rooms in hierarchical order. Often, the Chinese employees will not voice their opinion until the opinion of the superior is known. (Thompson 2006)

Expatriate managers may feel frustrated by the lack of open communication during meetings. Some Chinese prefer to remain silent and not to voice their opinion and to smile politely. It is due to the fear of losing face and damaging guanxi (both concepts explained in the subchapter Communication style). The Chinese also do not want to give a naive quick answer during a meeting, rather to think their opinion well through. (Goodall et al. 2006/07)

The Chinese managers should be told by the expatriate that he or she wants to hear their views including criticisms and suggestions. Otherwise the Chinese will remain silent instead of giving a good suggestion which in their eyes seems like an indirect criticism causing a loss of face to the expatriate-leader. Despite the general long-term orientation of the Chinese, meetings are not agreed upon in a long-term. They are rather booked one week or one day in advance, especially when meeting a high ranking official. That means that keeping one`s business calendar flexible is essential. (Bucknall 1999)

Presentations (Thompson 2006)

When holding a presentation, it should be well-prepared and presented in a simple way. Details can be left to questions and back-up material. Ideally, the materials presented should be handed out in advance. It is advisable to make some extra copies of the materials, since

often more people than expected will attend the presentation. Sometimes the Chinese will applaud after hearing a presentation, sometimes they stay passive and do not even dare to ask additional questions. This should not discourage the presenter, since some Chinese prefer to ask their question in writing instead of asking openly in front of all the listeners.

Team work

One opinion is that the Chinese are consensus-oriented and good team members; the good of the group will always win out over individual needs. (Thompson 2006) Another opinion says, according to Goodall et al. (2006/07), that the influence of Chinese culture on team work is ambiguous. On one hand, the importance of relationships and tendency towards harmony might facilitate team work, on the other, the Confucian emphasis on a rigid hierarchy might create barriers to efficient team work – the members simply do not feel being at the same level of hierarchy, there is always somebody older or in higher rank within the company. The team is likely to function more smoothly if the Chinese feel they can trust their bosses and develop a personal relationship with them.

5.3. Leading subordinates – leadership in China according to Globe project³⁸

A respected leader should be *hard-working, knowledgeable, honest, trustworthy*, and show *integrity* – thanks to which he or she can establish credibility. The results of the Globe project research show these further demands on successful leaders:

Keeping balance between being conservative and aggressive

A good leader should be both bold and assertive in his or her actions; and conservative at the same time, which means showing respect to the subordinates by discussing his or her actions and explaining why something is being done. This twofold characteristic of a leader is the result of the fact that there is no precedence for most of the things happening in China now.

Having a vision, looking far ahead

He or she should look beyond what the workers can see and know where the company is heading. Only in this way they can remain competitive. Visionary leadership is something new to China, something previously unseen in the planned economy.

³⁸ based on (if not other source quoted) Chhokar, J.S. et al.: Culture and leadership across the world: the GLOBE book of in-depth studies of 25 societies; Mahwah: Lawrence Erlbaum Associates, London 2007; pages 877 – 907

Being open to new ideas and constantly working on self-improvement

Leaders who constantly improve themselves will also encourage their subordinates to undertake further development, be it a language training, job rotation, assignment overseas, or MBA courses.

Initiator of change who also carries out the change

Good leaders not only come up with fresh ideas how to change things, but also put these ideas into action.

Being humane

It means that the leader shows concern not only for the daily business related issues of the company, but also for the personal and family events that are worth being cared about. Such leader would for example not fire anybody without further concern whether he or she can find a new suitable job.

Knowing what works for the Chinese while learning from the West

‘Westerners use job descriptions to tell workers what they are expected to do and reward people accordingly, but those kinds of things don’t work well here (in China)’ (page 899) The Chinese expect the leader to take more personal approach, to be caring, to show sentiment (renqing) (see subchapter Chinese cultural specifics).

Team-oriented leadership, which means engaging others into the leadership process, is also highly valued in China.

Paternalism

The Chinese expect the leader to be paternalistic. The cultural root for this is the virtue of obedience emphasized by Confucianism. Subordinates, in exchange for obedience and loyalty, expect good protection and care (like in a family, an approach which is in line with the Confucian model of a society). Leadership in China is therefore also being called “headship”.

All in all, the Globe project proposes the good leader to be able to combine the traditional Confucian values together with the new “brought from the West” qualities. For an expatriate, it means to incorporate and to try to understand Confucian values and not to employ only his or her in-the-West-learned leadership style.

5.3.1. Leadership in China according to other authors

Apart from the Globe project's research, Hofstede and Hofstede (2005; page 263) list the six relatively most important perceived goals of a successful leader in China:

- 'respecting ethical norms
- patriotism, national pride
- honor, face, reputation
- power
- responsibility toward society
- profits ten years from now'

In Sergeant and Frenkel's (1998; page 25) research, manager of a joint venture with a Chinese enterprise commented on the challenge of the working morale of the Chinese employees: 'The work culture and work ethic are different – until you developed personal relationships with the employees they did not see any responsibility to get the work done on time. They have no concept of deadlines until you show them it is important.' The above mentioned research has also shown that training and supervision do improve productivity. Another manager noted (page 26): 'There is a great need for patience – the (Chinese) people are very competent, and as long as you are clear about what you want, they will deliver. If you are trying to manage them you need to tell them what to do rather than rely on their initiative, and you need to be very clear about what you want out of them.'

Using an appropriate management style in China is a challenge. 'Responsibility and decision-making are, for them (the Chinese), to be avoided at all costs. They don't think about the rewards of doing a good job; they contemplate, with horror, the possible punishments they may suffer for making a mistake. So, you just can't operate with a management style that focuses on delegation and individual autonomy, at least not for some time.' (Goodall et al. 2006/07; page 70) This very research proposes a few things that help:

- making a check-list for the Chinese employees
- leading visibly, i.e. walking around and keeping an eye on how the things are going
- being available to give the Chinese employees guidance and not leaving them totally on their own; on the other hand, the expatriate should not do everything by himself or herself
- always setting deadlines so that the task is done at some point of time

- praising the people for good job and thus building their self-confidence
- being patient and persistent

5.3.2. *“A culture where the boss is boss”*

‘Chinese managers seem to like leaders who are fraternal and friendly with their subordinates and who have an indirect approach to communication, using metaphors and parables to communicate their point.’ (Javidan et al. 2006; page 82) The Chinese will expect maintaining harmony and indirect communication from a leader. Moreover, a leader is expected to be good at establishing relationships (guanxi) both with business partners and employees (e.g. showing high respect to their families), practice benevolence towards subordinates, be dignified but sympathetic and put his or her interests behind the interests of employees.

Praising the employees can further support the leader in his leadership effort. ‘Just as face can be lost, it can also be given by praising someone for good work before their colleagues. Giving face earns respect and loyalty, but praise should be used sparingly. Over-use suggests insincerity on the part of the giver.’³⁹

‘It would be a mistake to try to establish an egalitarian system in your company in China or treat the workers as equals. If you do, it will be a source of scandal and resentment when you mix together workers of different grades or skill, and could easily demoralize the Chinese management.’ (Bucknall 1999; page 166) It is also important to lead with attention to detail: ‘Anything that is not clearly laid down in their job description is often ignored. Rule following and obeying orders is far more prevalent than creativity or lateral thinking. It is therefore essential to specify everything carefully and watch to see if work practices can be improved.’ (page 171) ‘It is important to lay emphasis on people taking responsibility, thinking creatively ... You will probably find that certain traditional attitudes persist, such as waiting for orders to be issued and then following them unthinkingly, deferring to higher authority uncritically, and refusing to co-operate laterally.’ (page 183) ‘In a culture where the boss is the boss, people tend to do what they are asked to do, seeing anything beyond that as possible insubordination.’⁴⁰

³⁹ Golden Hints for Doing Business in China from the British Embassy in Beijing; Chinese Business Culture; chinese-school.net/firms.com

⁴⁰ Chinese Teams; World Business Culture; www.worldbusinessculture.com

5.4. Business negotiation⁴¹

An important factor when making business is the size of the company. The larger the better. Since size impresses the Chinese, a big company has often open doors and access to high-ranking politicians. (Hutchings and Murray 2002)

One important difference in the approach towards negotiation is this one: ‘Western thought is dominated by linear logic whereas Chinese thinking is influenced by early philosophers, who saw a paradoxical balance of opposites in all things. Where Westerners tend to look for clear alternatives (option A instead of option B), Easterners may examine ways to combine both option A and option B. This difference in approach may make a Westerner think that a Chinese negotiator is being illogical, evasive or devious, when he believes he is being quite straightforward.’⁴²

5.4.1. First meeting

First of all, to find a suitable partner and to arrange a meeting is needed. Business contacts are usually found through personal relations. One needs to tell to his or her Chinese friends about one`s plan and they tell their friends and thus one can find a partner. For foreigners, it is advisable to use a Chinese mediator. Using cold emails for the first contact is not recommended; it is much better to go through personal relations (through *guanxi*); when doing this, all the mediators in between are giving recommendations about the business partners, and thus ensuring a quality business contract to be agreed on. Good recommendation makes a large difference.

The first business contact is in a vast majority of cases a dinner during which the negotiating parties ought to get to know each other better. It is important to know that the dominant party of the whole negotiation process is the buyer – they are deciding if they buy or not, for there is generally an over-production in the whole China – and the seller (the Chinese side) is responsible for paying for the dinner. In terms of the high-context culture, we may say that everybody knows about this and this thing is never discussed. If one should dare to ask about this, it would be probably regarded as impolite and the buyer would be risking losing his or her face.

⁴¹ based on (if not other source quoted) Thompson, M. A.: Country Guides: China; Goinglobal; Going Global, Inc. 2006; www.goinglobal.com

⁴² Golden Hints for Doing Business in China from the British Embassy in Beijing; Chinese Business Culture; chinese-school.netfirms.com

The dinner is very important, and there will not be a one single dinner. There will be a multiple amount of dinners throughout the negotiation process. The purpose of these informal parts of negotiation is that the negotiating parties get to know each other better. Chinese people have generally low trust to the unknown, and building trust means knowing each other better. During the dinner, no business topics are usually talked. Topics like family, studies, personal life are being discussed instead. Very often, the parties challenge themselves in drinking alcohol, for in China it is believed that after drinking, the person tells what he or she really thinks. Refusing to drink more and more would be therefore regarded as cowardice to tell or to reveal something. Being able to drink a lot during these dinners means reliability and trust. For the Chinese, spending the time together in a good restaurant or in a karaoke bar is one of the most important parts of the negotiations.

While drinking together, the Chinese observe the moral quality of the other party. When one tosses to his or her Chinese host and says ganbei 干杯 (meaning cheers!; literally dry cup) and the host agrees, then it is a deal and one has to drink bottom-up without hesitating. The Chinese philosophy is that if one should cheat on drinking, he or she will cheat on business and anything else. Since it is considered impolite to toast to one person and neglect others, one should be prepared for a night of drinking; however, toasting with soda is appropriate if one is an abstinent (Fox 2008). ‘One other way out is to reply sui yi (随意) when they try to ganbei you; this means “Let’s please ourselves on that”, and allows people to take a sip rather than empty the glass.’ (Bucknall 1999; page 134) Another solution is to return toast of liquor by a toast of lighter wine; but one should make clear at the outset of the dinner if he or she will be drinking alcohol or not. If yes, one cannot refuse alcohol later.

After the first dinner, one is often invited to visit the factory where the products are being made, and the business negotiation itself begins in the facilities of the company. This negotiation will be lasting more days, and it is usual that after the negotiation, the seller will invite the buyer for dinner where again non-business topics will be discussed.

Business meetings start on time and one should arrive early; arriving late is seen as an insult. The participants of the negotiation are introduced in the order of their age, from the most senior to the youngest. It is recommended that an agenda in Chinese is sent to the participants before the negotiation starts. Business cards should be exchanged and small talk is expected at the start of the negotiation. Throughout the negotiation, one should always show respect to those who are to be respected: seniors in terms of age and hierarchy.

The purpose of the whole negotiation process from the Chinese point of view is to build relationship and thus to build trust between the two parties. Only a trustworthy relationship is a guarantee of a long-lasting business partnership. Therefore, the first business meeting in the company facilities serves the purpose of initial getting acquainted between the partners and of beginning of the fostering of a relationship. The first meeting is very formal; the Chinese party is assessing the other party and organization. No decisions will be made, only large amounts of information about the organization must be provided.

It is improbable that a problem will be openly solved or a decision made during one meeting. This is connected with the hierarchical structure of the Chinese organizations. More probably, one will have to share information about one's organization with different individuals in the course of the negotiation. This is a way of building a business relationship, a way of going up the hierarchical organization through different levels and door-keepers. Only at a certain stage, an issue can be resolved or a decision made. Presenting the same set of information again and again means that the people before have given approval and have sent one closer to those who actually make decisions. One should thus patiently keep presenting until one receives a positive answer at the end of the negotiation.

5.4.2. Negotiation team and tactics

Since hierarchy plays a crucial role in Chinese business culture, it is advisable to have a senior member of one's company lead the negotiations. The foreign negotiation team must be well organized and roles well thought out. In front of the Chinese negotiating team, the team members must never disagree with each other, or appear uncertain or unsure. As well, subordinates should never interrupt senior members of the team. All these above mentioned actions would lead to a loss of face of the members of the foreign negotiating team.

One should be talking only to the senior manager on the Chinese side. Any open conversation with the rest of their team would lead to embarrassment in the Chinese team. One should also try to find out who is the real decision maker. He or she does not have to take part in the actual negotiations.⁴³

During the negotiations, the Chinese are very good at bargaining. They want to get the best deal possible but they also value a win-win result. One often-used tactic by the Chinese is to

⁴³ based on How to succeed doing business in China; Fili's World; www.filiation.com

approach negotiations with deference and humility to present themselves as disadvantaged. The “wealthy and powerful” foreign partner will then be asked to make concessions. Since unequal relationships are in a Confucian society viewed as appropriate, it is possible that the Chinese party will have excessive demands while offering to give up only some meaningless part. Another popular tactic is then stalling and delaying. Delays can also indicate a lack of urgency or confidence, or that negotiations with competitors are taking place. The best solution for the foreigner is to stick to win-win negotiating based on equal relationship.

During the business negotiation, the goal is to set an agreement mainly about the price, and also about the other conditions of the contract. The foreign buyer is of course trying to set the price as low as possible; however, one has to be very careful with this. One has to estimate very well where the price limit of the Chinese seller is. Once the limit is crossed, the seller will not say “no”; instead they will simply start sending goods of a terrible quality. In China, the price is the measure of quality and the quality is set according to the price.

It would be impolite for the seller to say no (it would mean a loss of face); therefore, when talking about the price, he rather starts using multiple excuses that the costs are high, that the conditions are difficult and so on and so forth. And the buyer has to be aware that this stage of negotiation will come and must try to estimate where the price limit of the seller is. When one of the party notices that the other is obviously lying, for example about costs, they cannot turn to them and tell directly “you are lying”. That would be regarded as very impolite; it would be a loss of face of the negotiating parties. On the other hand, what is expected is that a potential lie is turned back in a smart and gentle way, showing that we know about the potential lie and that the seller must try some other direction of negotiating.

In order to negotiate the best possible deal, the foreign business person should negotiate with multiple partners and let the partners know that there are more of them in the game for the business. This practice is common in China and not doing it would give the Chinese the impression of not being a business savvy person.

Both drinking alcohol during the dinner and negotiating the price is a sort of fight of negotiation skills and fight of patience and persistence. The Chinese would negotiate the last RMB⁴⁴ and the foreigner is expected to do so, as well. And again, it is not advisable to cross

⁴⁴ Renminbi 人民币 (means people's currency), it is the official currency of the People's Republic of China

their limit. They will say yes, but it will be worse than hearing no, because one will be in the contract but receiving very poor quality.

5.4.3. Closing a deal

Once a contract is agreed on, a treaty is signed. The written treaty is from the Chinese point of view seen as only a beginning of long-term business collaboration; it is not seen as a kind of definite unchangeable agreement. There are various reasons for that from the Chinese point of view. First of all, the Chinese language is a very flexible one compared to other languages (e.g. one character can serve as noun, verb, or conjunction, depending upon context). Secondly, the Chinese are searching for an overall harmony; everything can be thus reviewed, renegotiated and discussed continually. The Chinese will be always searching for a new way to harmony; no contract is set once for good.

On the other hand, a signed treaty is an expression of trust. The trust is embedded in the treaty. The treaty is the beginning of the relationship between the firms, and this relationship is then continually built and sustained. The partners are expected to stop over for a visit when visiting their countries, to send greetings and gifts in time of festivals, etc. Deals are often formalized by celebrating over a meal or drinks. The signing of a contract may take place on a “lucky date”, which may cause a delay.

As a part of the negotiation, or more as a kind of concluding ceremony, the foreign guest might be asked to pose for a picture with his or her host. Chinese companies like to keep records of foreign visits to their company sites. Therefore, the guest may be also invited to see the album of previous foreign guests to the company or high-ranking Chinese government officials. The company is trying to demonstrate its significance in this way.

Potential not agreeing on a contract is inherently a loss of face for both sides, and that is something nobody wants to experience. When the contract is not agreed on, the managers involved in the negotiation process are losing faces in front of their firm and employees, also the recommenders from the guanxi network are losing their faces because they had not given a good recommendation. Everyone wants to avoid such situation; therefore both the buyer and the seller are trying to agree on the contract.

5.4.4. Gifts culture

Exchanging of gifts is expected to be done from both sides and gifts are not regarded to be any kind of bribery. Giving gifts is a way of showing mutual goodwill and appreciation. It is important not to insult your business partner by giving a gift. For example, a pen with a company logo would be regarded as highly impolite, since it is a sort of a cheap gift. A gift is expected to be special, showing that we value our business partner a lot. It is common to give a gift with a price tag left on it so that the gifted might see how expensive it was and how high he or she stands in our eyes. Of course, the more expensive the better. It is also valued if you bring gifts for the parents of your business partner, he or she will have higher joy, because parents as more aged people are more important than him or her.

It is recommended to give a gift privately, always in the context of friendship, not business. Never give a gift to only one person in a group. A gift can be given to an entire company, as well. Such gift should be given at a time when negotiations are concluded, and presented to the leader of the Chinese negotiating team. It is common, that the Chinese refuse the gift several times (usually three times) before accepting it to show their humility and not to appear greedy. The foreigners should do the same. Gifts should not be opened in front of the giver (What if the gift were of less value than expected? That would mean a loss of face on both sides (Fox 2008)) and should be always given using both hands. Gifts bearing company logos are acceptable. It is good to wrap the gifts in red paper, since red color is considered to be a symbol of luck and fortune.

Some things are not recommended as gifts since they have negative connotations: knives or any other cutting utensils represent the severing of a relationship; flowers, clocks, handkerchiefs or straw sandals represent funerals and death. Anything in a set of four is not recommended since the number four (si 四) is pronounced in the same way as death (si 死) and is therefore considered unlucky. The colors red, gold and yellow have positive associations. Avoid black and white since both are associated with funerals. The number eight is lucky and anything associated with it means good luck, wealth, health and happiness (eight is pronounced ba 八 which sounds similar to fa in the word facai 发财 meaning to get rich). The number six in Mandarin is pronounced liu 六 similar in sound to the Mandarin word for fluent (liuli 流利) and is therefore considered good for business.

5.5. Networking

There is a clear distinction between a business and a social event. Serious business discussions and negotiations should not be led during a social event. Such event consists usually of an evening meal and possibly of a visit to a cultural event (theater performance etc.). These events are meant to build relationship between the potential business partners, to establish mutual trust, and can thus facilitate the following business negotiation between the two sides. A popular form of business entertainment is a banquet. It is often held to welcome visitors or to celebrate a successful concluding of negotiations. At the end-of-negotiations banquet, very senior Chinese executives may appear. In such case, one should strive to make a good impression, since those senior executives might be the key door-keepers who decide about approving or rejecting a proposal; despite the fact they were not directly involved in the negotiations per se. (Thompson 2006)

Guests are usually not invited to the home of a Chinese person. To be invited to someone's home is considered to be an especially great honor.

When receiving an invitation to go for lunch, dinner, or some outing, an expatriate ought to accept it. Refusing confuses the Chinese and they do not know how to proceed further. 'Banquets play a unique part in doing business in China. They are a means of introducing new people to you, they help to develop your relationship, and they celebrate an event, such as the conclusion of a deal.' (Bucknall 1999; page 132) Business topics should not be discussed during banquets. If the Chinese try to raise a business topic, they are likely to take advantage of the relaxed atmosphere to make the foreigner make concessions. Therefore, an expatriate should try to stick to non-business topics. During a banquet, 'be prepared to make a gracious speech referring to matters such as the warm and continuing relationship between the two sides, the intention of both to do business together, China's excellent economic progress, your hopes for China's future, the past and present friendship between your two nations, the mutual benefits of the project, future friendship and harmony between the two companies, and the like.' (page 136) After one has attended a banquet, one must find a suitable occasion to reciprocate it.

6. Ways to success in China as a Czech expatriate

6.1. Accepting Chinese culture – a potential culture shock

‘China is quite different from most countries, even other Asian ones. There is much that will delight and fascinate but there is more that will surprise, and might even shock. The first few months can be a trying time, especially if this is your first time living abroad.’ (Bucknall 1999; page 150)

A foreigner in a foreign environment often makes the effort to learn the rituals and symbols of the foreign (in our case Chinese) culture, i.e. which words to use, how to greet, but he or she is unlikely to learn or understand the underlying values. This might lead to distress, helplessness, and hostility towards the foreign environment, something which is being named *culture shock*. The development of feelings, either positive or negative, can be captured by an *acculturation curve* (see subchapter Acculturation curve). The first phase of staying in a new country is honeymoon or *euphoria*. One is taken away by the fact that everything is new, different, exciting. Then, after some 5-6 months, comes the phase of culture shock when feelings are on the lowest level. The next two phases, which will be discussed in the next two subchapters, are acculturation (approximately 1-2 years after arrival) and the last phase is a stable state. The duration of the phases that I have mentioned is only arbitrary. Experiences show that expatriates on short assignments experience all the phases within a shorter period. Expatriates on longer assignments experience the phases of acculturation approximately in the way that I have stated. (Hofstede and Hofstede 2005)

The severity of the culture shock is higher if the expatriate is alone without a family or spouse and if he or she is located in the Chinese hinterland and thus cut off from any Western friends who live in the big coastal cities. (Bucknall 1999) During a culture shock, one starts to miss and praise his home country and culture, consider nearly everything of the host country's culture alien and strange – and it is all because one has not yet grasped the underlying values of the host culture.

Hutchings (2003) notes that the main challenges causing potential culture shock are two-fold: firstly, knowing where to find food and services the expatriate is used to at home; secondly, differing business etiquette practices.

As Javidan et al. (2010) point out, the symptoms of a culture shock are many: it all starts with an unsuccessful event in the working life, and then it goes all the way down: excitement from

the foreign culture changes into a frustration and loss of interest in that culture, the expatriate starts to refuse local food and look for Western-like restaurants and clubs, he or she starts to put in question his or her own skills and capabilities – and if one cannot or is not able to overcome this phase, the expatriation ends earlier than planned.

An expatriate failure is being estimated to cost organizations from US\$250,000 to US\$1,000,000. It is not just the case of an early return of an expatriate, but also the case of costs caused by an expatriate who completes his or her international assignment and at the same time damages the image of the company and relations to host country nationals by committing cross-cultural faux pas. (Hutchings 2003) According to Goodall et al. (2006/07), 16 to 40 per cent of expatriates leave their foreign assignment early due to a poor performance or inability to suitably adjust to the host country's culture; moreover, about a half of all expatriates perform in a not satisfactory way and still stay in the host country. Expatriate failure according to the above mentioned authors however costs “only” between US\$65,000 and US\$300,000 (much less than Hutchings' research proposes).

6.2. Adjustment

‘You could see the outside effects of the culture – they might eat differently and they might shake hands differently, but until you understand the root of their value system it is very difficult to establish an effective managing environment.’ (Sergeant and Frenkel 1998)

In tackling the culture shock, it is recommended to relieve the frustration in an active way, to do physical exercise, and to focus the mind on the good things of the new experience (Bucknall 1999).

In the phase of adjustment, or *acculturation*, the foreigner has slowly learned to function within the new environment, has adopted some of the local values, finds increased self-confidence, and has become part of a new social network. (Hofstede and Hofstede 2005)

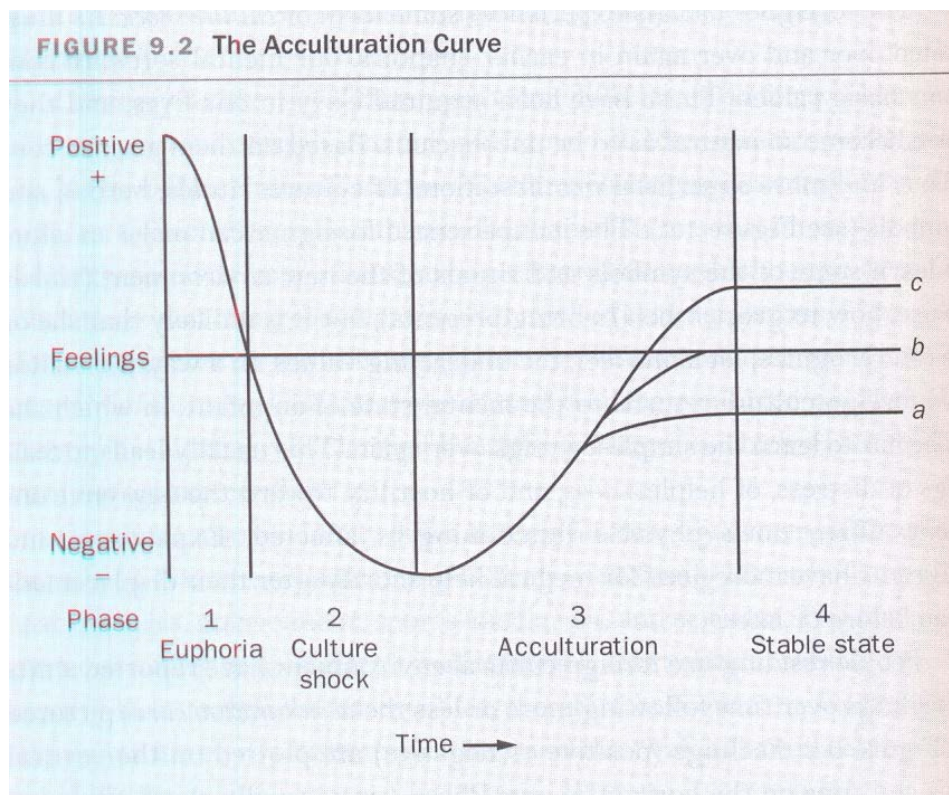
Hutchings (2003) suggests that acculturation and adaptation, i.e. the need to understand Chinese culture and the need to adapt managerial styles is essential in order to start to successfully function in the foreign environment. There is even greater need to develop cross-cultural skills if the cultures are fairly different (like in the case of this paper).

6.3. Successful functioning within the Chinese environment

6.3.1. Acculturation curve

Hofstede and Hofstede (2005) describe the last phase of acculturation as a *stable state*. There are basically three options:

- feelings remain negative compared to those at home before expatriation
- feelings return to a level as good as before
- third and most favorable option is that feelings even improve compared to those at home, i.e. the expatriate has found his or her second home



Picture 11: Acculturation curve. Source: Hofstede, G. and Hofstede, G.J.: Cultures and organizations: software of the mind; McGraw Hill, New York 2005; page 324

6.3.2. Success strategies towards a stable state

Owen et al. (2007) propose success strategies for expatriates who want to reach the stable state of the acculturation process:

- building trust: it is recommended to take time to building trust with the Chinese business partners; to be aware of the fact that a long-term relationship is valued a lot and thus to try to build it; to develop a common understanding of the assignment in its

early stage; and to demonstrate a commitment to the project; Javidan et al. (2010) add the recommendation to communicate with local experts inside and outside the company

- differing business practices: it is advisable to provide a pre-departure training to the expatriate focusing on the business etiquette of China
- cross-cultural negotiation: not to rush to negotiate a deal, rather to try to learn the negotiation process and style; listen to the advice of those who have already negotiated with the Chinese; carefully observe verbal and non-verbal communication of your Chinese business partner
- hands-on knowledge: try to share experience with former successful expatriates, e.g. during informal gatherings; try to go on a short visit to China prior to the expatriate assignment to get a feeling about what it will be like to live there

Joining expatriate groups helps not to feel alone and to develop a social network. (Bucknall 1999) 'If you are going to be in China for more than a year, consider taking regular Rest and Relaxation breaks in another country, once or twice a year.' (page 156) However, it is also very helpful to make friends with the local people instead of just living in the community of foreigners; learning the local language will open the door to the locals (Lhotáková 2011).

6.3.3. “When in Rome...”

Since ‘there will be innumerable, unforeseen challenges, even when there is an honest effort to learn about and understand China and its people’ (Gertmenian 1998), the expatriate might go with the saying “when in Rome, do as Romans do”. The very characteristics that Chinese people worship and value are: being gentle, honest, uncomplicated to the people, loyal, selfless, open and straightforward, modest and prudent to colleagues (Chhokar et al. 2007).

‘Factors directly relevant to expatriate`s success include:

- thorough pre-departure training
- effective use of Chinese intermediaries
- patience and persistence
- winning trust from Chinese officials, managers, and employees’ (Owen et al. 2007; page 27)

Furthermore, the Chinese understand that a foreigner is not totally familiar with their way of doing business. Therefore, they will be pleased with every effort the expatriate makes to understand their culture.⁴⁵

One of the possible ways to success can be summarized into three words: understand, respect, adjust. Understanding means learning as much as one can about the host culture, respecting is about appreciating the different norms of behavior and values, and adjusting means modifying one's own words and behaviors to be in congruence with the Chinese norms. A degree of open-mindedness is needed to fulfill these three advices.

Thompson (2006) gives a few purely practical down-to-earth recommendations: It is considered very rude to snap one's fingers, whistle or place one's feet up on a desk or chair. Blowing one's nose into a handkerchief and then returning the handkerchief to a pocket is considered vulgar. One should never point with the index finger and should instead use an open hand. When one is introduced to a group of Chinese, they may applaud. One should respond with applause, too.

Hutchings (2003) turns our attention to one other important factor of success: an expatriate should be aware of the fact (and adjust his or her own behavior accordingly) that a word of a Chinese person is seen as more valuable than a document.

⁴⁵ based on About tips on doing business with China; Fili's World; www.filination.com

7. Research methods

In order to confirm or disprove the findings of the available literature review, i.e. of the first part of this paper, I have conducted my own original primary research, during which I have asked Czech expatriates who have been working in China about their experiences and possible recommendations for fellow or future expatriates. In this chapter, the methods and suppositions of the research are described, in the following chapter the very results of my research come to light.

7.1. Research sample and process

During March and April 2012, I have contacted a number of Czechs who are currently working or have been working in China. The majority of contacted expatriates agreed to share their experiences either face-to-face, or via Skype interview, or by replying to my questions through email. The research has been conducted in the Czech language, due to the fact that this language is a mother tongue for both researcher and expatriates, and the communication misunderstandings could thus be minimized or at least brought to a low level.

The research sample has the following characteristics:

- in total, 32 expatriates have been questioned, 3 face-to-face, 18 via Skype, and 11 have replied by email (16 expatriates rejected to participate)
- there are 24 men and 8 women in the sample
- the age of the expatriates ranges from 23 to 66 years, being 34 on average
- the expatriates have been working in China from 2.5 months to 15 years, 2 years and 6 months on average
- 10 expatriates have been working for a Czech firm, 7 for a Chinese firm and 15 for other firm
- the expatriates have found their job in China either through an Internet advertisement (9 expatriates), as an offer by their employer for a career growth (8), through their network (7), by being a sole owner or a part of a venture (3), by directly contacting their new employer (2), or in some other way (3)

The research method has been a structured interview, which took from 35 minutes to 1 hour and 20 minutes, on average about 45 minutes to conduct. The interviews have been recorded by directly writing notes into an Excel sheet; they have not been recorded as an audio

recording. The interview has consisted of three basic parts. In the first part, opening questions about the expatriate's age, how he or she had found his or her job in China, being accompanied by a spouse or not, how long he or she has been working in China, the employer's country of origin, knowledge of Mandarin Chinese, being it a first experience abroad, had or had not been to China prior to the posting, the motivation to work in China, and undergoing a cross-cultural training or not have been posed. The second part has consisted of closed questions, where the expatriates were asked to give marks from 1 till 5 (1 being the best mark and 5 the worst). The first set of closed questions have been four questions focusing on the expatriate's own evaluation of his or her success, the second set seven questions examining the level of the expatriate's global mindset (refer to subchapter Personal characteristics and values). The third and largest part of the questionnaire has comprised of 31 open questions focusing on the following subtopics in the following order:

1. communication style – direct and indirect communication
2. concepts of face keeping and guanxi
3. building of trust
4. perception of time
5. circumventing problems by the Chinese
6. changing of the Chinese culture
7. role of women in business
8. culture shock and its overcoming
9. skills and competencies of a successful Czech leader in China
10. managing subordinates
11. relationship to superiors and bosses
12. presentation
13. negotiation
14. biggest success and failure/faux pas
15. things that have been learned from the Chinese
16. further difficulties to deal with in China
17. recommendations to future Czech expatriates
18. further comments

The questions have been based on the results of the theoretical part of this paper and have focused on the spots that showed potential ambiguity and space for further research.

7.2. Research questions and hypotheses

The questions of the questionnaire have been also based on four broad *research questions* and *hypotheses* connected to them. The outcomes of the research have been gained through methods of statistics, particularly correlations in case of research questions number 1 and 2, and content analysis in case of research questions number 3 and 4.

The method of the content analysis has been the following: In case of “yes” or “no” questions (e.g. Have you experienced a situation when...?), a priori coding has been utilized (i.e. coding yes, no, and n/a and then assigning the answers to those categories and counting the frequency of the answers). In case of open questions, emergent coding has been utilized (i.e. creating the categories simultaneously when analyzing the data, ascribing the answers to the categories, and counting the most frequent answers). (Stemler 2001) The outcome of the emergent coding has been a list of frequencies of the given answers. A simplification to the emergent coding method has been made: the frequency of answers has not been statistically tested for its reliability; the most frequent answers are considered to be the main results. However, in the results summary in the following chapter, I am also mentioning the minority answers that are of particular interest or significance, because I believe that every unique experience of an expatriate has its value and may contribute to the overall results of the research.

The formulation of the questions (they can be found in the appendix) upon which the emergent coding method has been used has enabled that the received answers form a list of characteristics or qualities; they do not form a list of contradictory answers. (In case of a few questions, e.g. concerning face concept and guanxi, some expatriates were of different opinion than the majority and these contradictory answers are then mentioned in the summary of results in the following chapter.)

The four research questions and the hypotheses connected to them have been as follows:

1. What is the level of the expatriate`s global mindset?
Hypotheses:
 - *Higher level of global mindset is positively interlinked with the expatriate`s success.*
 - *Undergoing cross-cultural training is positively interlinked with the level of expatriate`s global mindset and subsequently with his or her success.*
2. Which personal and situational factors do have impact on the expatriate`s performance and success?

Hypothesis:

- *The expatriate`s success positively correlates with these factors: age; having a spouse around; length of stay; knowledge of Chinese; previous experience abroad; experience with a visit to China prior to the assignment.*
3. Knowledge and understanding of which specifics of the Chinese culture is helping the expatriate to succeed?

Hypotheses:

- *Being mild and non-expressive in communication style helps.*
 - *Building guanxi network and intentionally working on gaining face helps.*
 - *An expatriate needs to understand that a lot of patience is needed.*
 - *Trying to find not only foreign friends helps particularly when coping with the potential culture shock.*
4. What are the recommendations for a Czech expatriate who is acting as a (1) leader, (2) presenter, (3) negotiator in the Chinese environment?

Hypothesis:

- *Recommendations are in line with those presented in chapters 5. Specifics of working in China (which deals with recommendations concerning leadership, presentation and negotiation skills) and 6. Ways to success in China as a Czech expatriate (which deals with a few other general recommendations).*

8. Results

8.1. Global mindset and success

This subchapter is trying to answer the first research question *What is the level of the expatriate's global mindset?* As already mentioned, the global mindset level was measured by seven closed questions (mark 1 being the highest/best and mark 5 the lowest/worst) and the average result is considered to be the level of the expatriate's global mindset.⁴⁶

The hypothesis number one was *higher level of global mindset is positively interlinked with the expatriate's success*. It is important to once again highlight that the so called success of the expatriates was measured by four closed questions focusing on overall success, success in comparison to own goals, success in comparison to company goals and success in comparison to other Czech expatriates. Therefore, the picture of the success is somewhat limited; however, I am working with the levels of success that have been measured during my research.

Most expatriates consider themselves to be successful, with the **level of success averaging on the value of 1.858**, which means very good (the Cronbach's alpha coefficient of scale reliability is 0.881, which means that this scale is reliable and valid). The global mindset original scale average value is 2.165, but the Cronbach's alpha for this value is 0.659, which is less than 0.7, and therefore some questions have to be removed from the data; after removing 2 questions (marked with * in the appendix), the Cronbach's alpha value is 0.687, very close to 0.7, and the new scale **average value of the global mindset is 2.413**, which means very good to good. The correlation⁴⁷ coefficient between global mindset and success is then 0.412, showing a **medium positive correlation of these two values**. The hypothesis is thus confirmed, which means that an expatriate should intentionally work on expanding his or her global mindset by doing the things proposed in the subchapter Global mindset training.

⁴⁶ The original research of global mindset performed by Javidan et al. (2010) contained 76 closed questions. Such a scope of a research would have not allowed me to focus on any other factors of the expatriates' success and other specifics of working in China. Therefore, I have examined global mindset in a condensed version and understandably the results might be somewhat biased.

⁴⁷ For the purpose of correlations, the marks 1 to 5 were tweaked into marks 5 to 1 (5 being the highest). In this way, it is easier to observe and interpret positive correlations between the values being examined. Another thing worth highlighting is the small size of the sample (only 32 respondents). In order for the correlations to be more accurate, at least 100 respondents would have had to be questioned, which would have meant questioning practically all of the Czech expatriates in China.

The hypothesis number two of this research question sounded *undergoing cross-cultural training is positively interlinked with the level of expatriate's global mindset and subsequently with his or her success*. A half (16) of the expatriates underwent some sort of intercultural training, nevertheless, only 4 went through an institutionalized training led by an expert (other methods of training that the expatriates mentioned were previous studies and living in China (4), interviewing previous expatriates (4), and lectures at universities in the Czech Republic (4)). The correlation coefficient between undergoing training and the level of global mindset is 0.163 and between training and success it is 0.223. There exists therefore a very weak positive correlation and I can conclude that the hypothesis is confirmed to a very small extend. The crucial importance of an institutionalized intercultural training (consisting predominantly of intercultural communication training, practical training and executive briefing) that I have been mentioning in the subchapter Cultural training has eventually not been confirmed by the research due to the small number of respondents undergoing this type of training.

8.2. Personal and situational factors and success

My research question is *Which personal and situational factors do have impact on the expatriate's performance and success?* The multifaceted hypothesis is then *the expatriate's success positively correlates with these factors: age; having a spouse around; length of stay; knowledge of Chinese; previous experience abroad; experience with a visit to China prior to the assignment*. Let me examine these factors one by one:

- age – the coefficient between success and age is -0.031, there is practically no correlation
- presence of a spouse – coefficient 0.067 shows no significant correlation
- length of stay – coefficient 0.335 shows a weak interdependence between the length of stay and success – the longer in China the better
- knowledge of Chinese – coefficient 0.203 shows very weak correlation – purely statistically taken, it is better to know Chinese at some level of knowledge, but it is not the deciding factor
- previous experience abroad – coefficient 0.274 correlates with the answer “yes” to the question “Is your stay in China your first experience working abroad?” – this means that the people with no previous experience abroad are even more successful than those who have been working elsewhere before coming to China, a result completely opposite to my hypothesis

- previous visit to China – coefficient 0.041 shows practically no interdependence between this factor and success in China

The hypothesis is thus confirmed in only 2 points out of 6. There are **weak correlations between length of stay and success and between knowledge of Chinese and success**. Based on the research, it is also advisable not to have a previous working experience abroad before coming to China. Other personal and situational factors do not play a significant role.

One of the reasons for this might be the relatively small number of survey participants for correlations as mentioned above. There might be other reasons connected to the respective factors: The fact that the age of the expatriate is not interlinked with success might be ascribed to the fact that a Caucasian expatriate of any age is generally respected in China (as mentioned further in the paper). The fact that the presence of a spouse does not play a role in the expatriate's success might be also caused by the fact that some expatriates departed the Czech Republic as singles and later on found a partner in China – having a spouse around is thus not a permanent characteristic of the expatriate. The reason for a negative correlation of previous stay abroad in other country and success in China might be the big difference and many specifics of China – an expatriate might expect that his stay in China will be similar to the previous stay abroad and this can cause complications to his or her successful functioning in China (however, it is just a hypothesis that would have to be confirmed by a new research). A prior visit to China does not play a significant role for the expatriate's success, either – I would like to note that it is hard to measure an influence of a prior visit when we do not know whether the visit was a short- or a long-term one and how much exposure to the culture the expatriate actually had.

A future research can try to bring more clarity to these contradictory findings, and may build on hypotheses such as “the age of an expatriate is interlinked with his or her success depending on the concrete situation and setting where the age might play a role”, “the time of the actual presence of a spouse has a positive impact of the expatriate's performance and success”, or “a prior visit to China with an extensive exposure to the culture is positively interlinked with the expatriate's success”.

8.3. Understanding Chinese cultural specifics and success

The third research question was *Knowledge and understanding of which specifics of the Chinese culture is helping the expatriate to succeed?*

8.3.1. *Non-expressive communication*

The first hypothesis connected to this research question went *being mild and non-expressive in communication style helps*.

Question #23: During a stay in China, is it better not to speak too expressively and not to use too much of body talk? If yes, please describe why:

More than two thirds (23)⁴⁸ of the questioned expatriates answered that **it is better to be non-expressive and not to use too much of body language**. Such behavior is part of the Chinese culture and it is better to adjust, be more conservative, and calm down when speaking. Handshaking is not so often and touching somebody is a taboo. However, after some 2 years of observation, knowledge of the environment and better assimilation, one can use the proper body language for better understanding and creating a feeling of togetherness. It is also important not to lose control, not to push too much, and not to make conflict – all these things disturb the overall harmony.

The expressivity of communication and use of body language of course depend on the situation. It remains important to capture the communication partner's attention by your arguments. One expatriate shared an interesting experience, saying that being expressive can actually help when dealing with officials, since Chinese love and are curious about drama and about being loud (in the era of Mao Zedong, "the one who was whispering could easily be a spy"⁴⁹). The hypothesis about mild communication was thus confirmed by the majority opinion.

Question #24: Have you experienced a situation when your Chinese business partners have been offended by your direct way of communication (e.g. pointing at a problem too directly distorts the overall harmony of relationships in the organization)? If yes, please describe:

Small majority (17) of the expatriates experienced a situation when the Chinese were to smaller or greater extend offended by the expatriate's direct way of communication. E.g. an expatriate admitted a mistake and it was not accepted, wrote brief minutes from a meeting that were seen as too direct and impolite, or proposed that somewhere it is functioning better but

⁴⁸ Starting from this number, the numbers of answers that are provided throughout the paper have been gained while properly using the method of content analysis described in the chapter Research methods.

⁴⁹ When using quotations, it is either approximate quotation (since the interviews were unrecorded as an audio) or quotation from an expatriate who answered the questions in writing.

this was not accepted. Chinese sometimes create a conflict on purpose to show that somewhere exists a problem. One expatriate explains that “to get a concrete information, e.g. a date of delivery, creates a binding situation for the one who gave the information; if the desired outcome does not happen, there appears an unpleasant situation – disharmony or conflict where the one who has not met his promise is losing face. That is why the Chinese will often supply not exact information; pushing to get exact and binding information is something that creates an open conflict; which can even lead to the fact that your colleagues will be avoiding you and you will lose social connections”.

Partly therefore, some expatriates think that more direct communication would contribute to a better business. The expatriates who have not had issues with too direct communication argue that a foreigner who is being honest and direct is welcomed by the Chinese (Europeans are seen as a good potential by some Chinese businessmen and treated with great respect) and that some Chinese are already used to the Western direct style. “One must know how to convey a message to the Chinese to get the desired answer.” As with other cultural differences, it is a question of time to learn the proper ratio of direct or indirect communication.

Question #25: Has it happened to you that your Chinese business partner has answered “yes” and this “yes” has not meant agreement? If it has happened, please describe:

A vast majority (28) of expatriates admit that they experienced a situation when **the “yes” from the Chinese side had not actually meant “yes”**. When there is a goal of negotiation, the Chinese can promise anything at first and then not keep it. They can even shake hands or sign a contract and then change it after a couple of days; “salami tactics” is also quite often (they are saying that the date of delivery is always two days later from now); or there is a nod that they understand and it is a mere politeness; saying “yes” and starting to postponing further negotiations means actually “no”, as well as phrases like “maybe”, “should be” or “we will discuss it later”.

A foreigner needs to understand that not saying bad news is a cultural heritage (in the past, a courier of bad news was beheaded in China). It is therefore important to understand the Chinese hints when something is going wrong (or to have a reliable Chinese colleague who can translate those hints) and then not to push too much, to learn the Chinese style and customs, because they will be keeping their face. On the other hand, sometimes it is the Chinese themselves who push too much during negotiations. One expatriate brings more

clarity to this issue saying that “they do not say “no” at a proposal at first, but later in the course of negotiations “yes” starts to be “yes””.

8.3.2. *Face and guanxi*

The second hypothesis of this part went *building guanxi network and intentionally working on gaining face helps*.

Question #26: What is your perception of the concept of face in the Chinese culture? Could you please describe a situation when you gained or, on the hand, lost face?

Let me first focus on the concept of keeping face. Expatriates agree on the fact that this concept is of crucial importance to the Chinese culture. However, a few (4) expatriates view this concept negatively (face is slowing down the Chinese; it is about money and playing status; it is about having a good car, pretty spouse and influential friends; e.g. the Chinese will smoke different cigarettes at home than in public), and a few (5) are the opinion that “foreigners are exempt from the game for face”. The importance of face can be also seen in public life – high number of suicides, advertisements for plastic surgeons. Face means social credentials, honor, dignity, reputation, politeness, respectfulness, having character, being trustworthy and reliable; face is also about not changing opinions, about the reputation of the Czech Republic as a whole, or about good educational background.

An expatriate can gain face most importantly by **not making the Chinese business partner lose face**, then by appreciating the work or products of the Chinese, by speaking Chinese, letting the Chinese pay for them, by demanding respect and not openly criticizing, by being uncompromising, or by helping them with something. Not losing face whatever is happening is very important; a loss of face can happen while screaming on a colleague, pointing on their mistake, showing weakness (e.g. generosity), or not keeping promise. In an embarrassing situation for a foreigner, the Chinese will do as if nothing is happening. Face is about respecting their culture and about giving them space to keep their dignity (“the more you want to be polite, the more space you should give to the other party so that they can refuse; refusing of favor does not mean something is wrong, it is about keeping face”). “You are not gaining face purely by trustworthiness, but rather by the fact that you are able to help somebody to a better situation and not to put him in a worse or unpleasant situation.”

Face is a principle one can rely on while negotiating with the Chinese – they will act to avoid a loss of face on both sides, and therefore when the business partners know each other well,

they will do everything to please the partner – the relationship becomes personal, honest, and free of cheating. “Face is a self-regulation instrument to the publicly acknowledged way of behavior; the one who has lost face has been expelled from the society.” “Relationship in Western cultures is based on honesty; on the other hand, in the Chinese culture, it is based on keeping harmony, on avoiding conflict at any cost.” Based on my research, I would rephrase the second half of the hypothesis into a concluding statement: *intentionally working on not losing face helps to succeed.*

Question #27: What do you understand under the word guanxi? How important is it to have built a network of guanxi contacts? How are you using/keeping/broadening this network?

Majority (18) of the expatriates agree on the fact that having **a guanxi network is very important in the Chinese business** – having contacts may help you to get a job, to free tickets to various events, to get into “higher” society. Guanxi means personal connections and relationships (within both family and business), it is a guarantee to overcome mistrust, and it is a network of contacts with people with whom you have face. For a few (3) expatriates guanxi means protection and corruption, for a few (2) the term guanxi is a myth since having contacts is important everywhere. Guanxi can also be about friendship, not only about exchanging favors.

Guanxi is built by being friendly and respecting the Chinese, it takes more time than in the West to gain trust, the Chinese have more long-term view on relationships, it is more difficult for a foreigner to build guanxi, and guanxi is also of higher importance to the Chinese themselves. In the international business, there are more rules and competition is based on quality, guanxi is thus less important. On the hand, for small and medium enterprises, when doing business with the state, or in remote provinces, intermediaries and guanxi are of crucial importance. The communication with officials must be done by a Chinese native, and sometimes companies hire special people for building “unscrupulous guanxi” with many intrigues and with a lot of drinking. For an expatriate, it is important to know that when the Chinese start to trust him or her, he or she becomes part of a family and nothing is problem (“you know somebody who knows somebody”); they will offer the best solution from their network. It is therefore ideal to have a network of Chinese friends. “When we are not in guanxi, we cannot negotiate with the Chinese at any level.” “Without guanxi, you cannot sell even a rusted nail in China.”

Keeping guanxi is pursued by regular contact, exchanging gifts and favors and experiences, by being generous or by inviting for eating out and paying for somebody. When somebody is willing to give you a favor, he or she gains face and you have an obligation to return the favor. One expatriate highlights that “face and guanxi is some kind of personal bank, in which you keep your credit; you can gain the credit and later use it when needed”. First part of the hypothesis above *building guanxi network helps to succeed* was confirmed.

Question #28: How important is it to be personally introduced by a Chinese friend and thus to become an insider in a group/a working collective? Please describe on example:

Furthermore, for 10 questioned expatriates, it is very important and for 14 of them important to be personally introduced by a Chinese (colleague or business partner) and thus to become an insider in a group (however, 3 expatriates think that introducing does not lead to the fact that you become insider; you will be always seen as a foreigner/expatriate). Being introduced by a local contact can save months and years of work, the local contact supplies trustworthiness, gains face and the same time you gain part of the credit of his or her face. “With one who is not someone’s friend will not be talked a lot.” One expatriate aptly concludes that “they (the Chinese) **need to see the chain between you and someone whom they already know**; in this way, they can learn your position, otherwise they will not know how to negotiate with you”. Moreover, recommendations for a supplier/customer are also often the case and can be charged for.

8.3.3. Patience

The third hypothesis about Chinese cultural specifics was *an expatriate needs to understand that a lot of patience is needed*.

Question #30: In the Chinese environment, have you ever felt like somebody who should slow the pace and be more patient? Is the perception of time different among Chinese and Czechs? Please describe on example:

The majority (23) of expatriates agree on this fact that **more patience is needed**. It is because the perception of time is different between the two cultures. “Sometimes you give a task and think that the processing will take two weeks and the Chinese make it until the next day, sometimes you are awaiting the fulfilling of a task in two hours and it takes three days.” Expatriates mention that there is no punctuality (it is required from foreigners though) and no meeting of deadlines in China – the Chinese badly plan their time and organize their work –

they are willing to work a lot, sacrifice their free time, but the working process is not so efficient.

The Czechs have a feeling that they plan things and they will happen in that way; the Chinese on the hand take things as they are and do not think they can influence them by force. They work quickly if they have motivation. “It is not important until when but how.” One needs intuition when to be patient and when not, sometimes to follow the crowd is needed. During negotiations, the pace is changing, there is a lot of time for eating, and a strong business partner needs time to be persuaded – they have to make a consensus, which takes time. Hypothesis that *a lot of patience is needed* was confirmed.

8.3.4. Culture shock

The hypothesis number four of this part was connected to the potential culture shock and its formulation was *trying to find not only foreign friends helps particularly when coping with the potential culture shock*.

Question #35: Have you experienced a culture shock (feeling of inconvenience in the Chinese environment, nostalgia for home, inner feeling of overestimating of the advantages of the Czech culture)? If yes, what have been its manifestations?

Question #37: While in China, have there been rather other expatriates in your social surroundings or have you searched for Chinese friends, as well? Evaluate please by percentages:

25 expatriates report to have experienced a culture shock. The percentage of Chinese friends is practically the same for those who have or have not experienced a culture shock (44% of Chinese friends). Therefore, the hypothesis was not confirmed. It also takes more time to find Chinese friends and to cross the cultural difference – it helps to know the language, the history, or to adjust to their ways of spending of free-time.

The **manifestations of a culture shock** are many: missing food, language barrier, low hygiene, smog, or being asked about personal things were the most frequent answers; other manifestations of a culture shock include skipping in the lines, smoking in elevators, crowds in the underground, cockroaches, bad hotel, edginess about the Chinese, demonizing of the host culture connected with overestimating our own culture and personality, low flexibility of the Chinese at work, perceived inability to learn Chinese, high consumption of alcohol,

spitting around, low care about public places, different customs, opinions, behaviors, values, the thing that the Chinese do not say directly whether one can do something, no heating in winter, “better to be in the Czech Republic” feeling, hiding into oneself, restricting contacts with the Chinese, loss of patience. Some expatriates talk about positive culture shock, caused e.g. by hospitality, respecting elders and teachers, will to understand each other.

Question #36: Who/What has helped you overcome this shock and gradually get used to the new environment?

It was mainly **time, friends, community of expatriates with the same experiences**, previous experience from abroad, Chinese colleagues, or a Chinese spouse. Other things that helped were patience, perceiving positive values such as diligence, humility, optimism, non-violence, better understanding of the host culture, night-life, caring for oneself (massages), meditation, living far enough from work and thus having friends who are not colleagues at the same time, selfless help from others, trips and exploring beautiful places in China, trips outside of China. Expatriates also say that it helps telling to oneself: “nothing is ever perfect”; “do not look for an European culture in China, you will not find it and you will lose time, get used to the Chinese way”; “I am not at home in China, I am a guest, so I either accept similar things or I can go back home”.

8.4. Leader, presenter, negotiator

In this subchapter, I will be trying to give answers on the fourth research question *What are the recommendations for a Czech expatriate who is acting as a (1) leader, (2) presenter, (3) negotiator in the Chinese environment?* and to compare the recommendations discovered in the research with those listed in the theoretical part of this paper.

8.4.1. Leader in China

Question #39: What are the qualities of a successful Czech leader in the Chinese environment?

Qualities of a successful Czech leader are, according to the questioned expatriates, the following: **patience** (mentioned by 11 expatriates), **empathy** (8) (into the role of the Chinese, intuition what is the right thing to do in a given situation, empathy is seen as a sign of intelligence, understand what was unsaid because that might be the problem), **consistency** (7) (insist on agreements, do reporting, do unambiguous steps to avoid loss of face, clear plans, guidelines, processes, roles), **charisma** (6) (authority what you know and are able to consult),

ability to understand (6) (the values, history, and culture), learning at least some Chinese (4) (otherwise you will not win their heart), creativity in finding compromises (4) (not mistakes; “focus on goals, not means”), being good at decision making (4) (since it is hard to delegate), being open-minded with broad outlook (4) (understanding that they do it right but are not capable of communicating it; Czechs have good prerequisites in this aspect), being a good negotiator (4) (tough and fair), being careful in communication (3), ability to listen (3), being friendly and outgoing (2), tolerant (2), able to adjust and learn (2), diligent (2), having respect thanks to track record (2), showing that there are better results under your leadership (2) (that they can gain something), double-checking contracts, finding balance between traditional and new ways, having 5+ years experience in China, purposefulness, assessing what is going on based on own experience, accessibility, being good at building contacts, finding good relationship to people (able to organize and motivate, to persuade them that the firm is them and thus winning loyalty).

The theoretical part of this paper pointed out some additional qualities of a leader: having a vision, being humane, being paternalistic, praising employees openly before staff, being honest.

Question #41: How should giving of a task to a Chinese subordinate look like, so that it does not come in vain but so that the task is duly fulfilled by the subordinate?

When giving a task to Chinese subordinates, a leader should pay attention to these things: **exactly explain and define** what you want (17 expatriates agree on this point) (focus on details of the task, give manual how to do it, use simple English to give the task, specify what? where? when? how? why? because the Chinese will probably not creatively come up with a solution), **make a checklist** and conduct control and status checks every 3 days (5), **specify a deadline** that they accept (4), let the Chinese repeat what you want (3) (so that they show they understand the task), give task both orally and in writing (2), specify a goal that should be achieved and leave the methods on them (2), give one task at a time (2), emphasize that if they need help they should contact you (2), ask yourself questions that they should ask but will not, be prepared that they will not admit making a mistake.

To motivate the Chinese employees, it is advisable to explain them what they can gain by doing the task, to explain the importance of their personal contribution, to explain where their personal responsibility lies and the speed and ways can be left upon them. By gradual rising of the tasks complexity, they can learn to be more independent while working on those tasks.

Question #42: How can a Chinese subordinate be reproached, so that neither he or she nor you lose their faces?

Sometimes, there occurs a situation when a subordinate must be reproached for something. It is important to handle this sensitive issue in a way that none of the parties lose their face. The questioned expatriates recommend to reproach every time only in a one on one setting (5), to use formulation “how would I do it” (5) (i.e. to provide tips and help how to do the task), to make a small hint (2) (which makes the Chinese usually react), to use a roundabout way of reproaching (2) (seeing reproaching as a process where you follow their reaction), to let know the subordinate via email (2), to use open communication in the firm (2), to emphasize and appreciate why their work is important, to use a story to reproach, and to reproach respectfully to the subordinate.

A decision must always look like a collective decision, since only democratic leadership and looking for consensus may earn employees` loyalty. “If it is a case of a reliable employee who made a mistake, it is good to give him a small present and to ask him to think more about his or her work next time; the mistake will never ever happen again.” “Reproaching assertively, expressing confidence in his or her work, offering a solution and without spectators.” “Make the whole issue not such a big deal, admit eventually your own share of guilt, but stay clear about the fact that a correction must be made.”

Question #43: Do you agree that it is difficult to make Chinese subordinates be more independent and initiative, communicate more with the superior (you) and not require directive leadership style? If you agree, how are you trying to overcome this situation?

Out of the 22 expatriates who have had Chinese subordinates, 20 agree on the fact that it is difficult to make the Chinese be more independent and creative and communicate more with the superior. Expatriates note that it is not natural to the Chinese, that their value system is “first family, then state, and individual in the third place”, that it is due to the education which is not teaching them to think independently. However, it will be changing with more influence from the West. “Czechs are able to work hard, but they want to know what they are doing and why and will try if they can improve it; Chinese do not show much of their own initiative, rather follow the orders of management; own initiative could show that they think that their boss is not giving them the right direction; moreover, if their proposal did not lead to success, they would lose their face.”

But the questioned expatriates are trying to **overcome this low level of independency** in various ways: controlling and asking the Chinese, giving them responsibilities for small steps which gradually increases and forces them to independence, making communication a task, appreciating often and keeping the door open for their questions, finding a loyal Chinese who has studied abroad and can inspire others, sending the Chinese for assignments abroad, holding meetings to explain and talk about these things, understanding the subordinates and being friends and asking them what they are thinking.

Question #45: Have you experienced a situation when you have skipped the hierarchy of your organization, have gone directly to a higher boss and have been shown that it has not been the right way to do things? If yes, please describe:

Question #46: Have you ever disagreed with the decision of your superior? How have you dealt with such a situation (directly confronting him or her or other less direct and more diplomatic way)? Please describe:

Only 10 expatriates have had Chinese superiors. And only 2 of them have experienced a situation when they skipped the hierarchy and went directly to a higher boss. It was then explained to them that it had not been the right way. One expatriate explains that such situation can be forgiven to a Westerner, but it is something unimaginable for the Chinese. “In the first place, there is not how you work, but with whom you are friend.” On the hand, 8 out of 10 expatriates have experienced a situation when they did not agree with their Chinese superior`s decision. Half of these expatriates consider direct confrontation meaningless, they say that “you are not going to break a wall using your forehead”, other expatriates tried to e.g. prepare a bunch of persuasive materials for the boss, lead a win-win discussion, systematically ask the boss or make a direct confrontation.

8.4.2. Presenter

Question #47: Have you presented in front of a Chinese audience? Was it similar/different to presenting in front of a Czech audience? Please describe:

22 expatriates have made a **business presentation in front of a Chinese audience**. Most of them (8) agree on the fact that the reactions of audience are lower, the audience does not make comments, does not want to drag attention on themselves, does not challenge the presenter and if yes, it is only superiors who do challenge. For 4 expatriates, presentations are the same or similar to those made in the Czech Republic. Some (2) say there is lots of text and

reading in China, some (2) say there are more pictures and charts. Preparation with Chinese colleagues is important, they can advise on the structure of the presentation, which details to stress based on their values and traditions, because the Chinese might react on different places than one expects. Presentation can be shorter and its distinctiveness is important. Some Chinese audience is better prepared and more curious. Theoretical part of this paper adds a recommendation that a presentation should be well-prepared and presented in a simple way.

8.4.3. Negotiator

Question #48: Have you negotiated with a Chinese business partner about a contract? Please describe your experiences (length and number of negotiations, structure of the negotiating team, common dinners, giving of gifts, etc.):

What **negotiations** concerns, 22 expatriates do have experience with a business negotiation with a Chinese partner. Usually, gifts are part of negotiation (12 expatriates said so; 3 said that there was no exchange of gifts) plus they are given to partners during the Chinese festivals (e.g. Chinese New Year) – valued gifts are Czech crystal or products of Apple with a sign “Made in China”. Very important part of negotiations is the informal part, i.e. lunches, dinners, going to spas or to massages – this informal part helps to build trust – the topics discussed are therefore family, interests, our country. A lunch may take 2-3 hours and during the last half an hour or last 10 minutes, it can be actually spoken to the topic of negotiation – patience and time are thus very important. You have to let the Chinese pay for you, otherwise they would lose face. The length of negotiations is fairly different. It can be 2 to 7 meetings, but bigger contracts are lengthy and may take half a year or up to 3 years. “A European who would strive for fast deal will be laughed at.”

Usually faster negotiations occur with firms that are used to making business with the West, such as firms from bigger cities like Beijing, Shanghai, or Guangzhou, or from Hong Kong or Taiwan. Negotiations are also faster with private enterprises; “negotiations in state-owned firms are very different; a bunch of people who actually have little to do with the business take part in the negotiations, everyone says something, but nobody wants to make a decision and actually cannot make it; and everything takes longer”.

During negotiations, the atmosphere is usually strained, because everyone is waiting for the next move of the other party. Advantage can be a better knowledge of English. The Chinese have generally low trust to contracts provided by the other party. “When it comes to money, it

gets tough; it is the end of harmonious negotiations.” The longer negotiations take, the better price can be achieved. “Serious negotiation is a never-ending story, they negotiate until your plane departs, they can talk 2 weeks about the same thing.” Chinese are therefore good at using time stress. To change every detail of a contract requires well-prepared arguments, it also takes longer time to explain the advantages of a contract to a new business partner. “What is being said is important, signed paper has no value.” Chinese firms are often better prepared for the negotiation. And the negotiation itself might be very tiring. The Chinese will be coming back to already closed parts of the contract.

Question #49: How important is it, based on your experience, to keep pace with the Chinese while drinking alcohol during banquets?

As mentioned in the theoretical part of the paper, alcohol culture is an important part of the Chinese business. 24 expatriates do have experience with banquets where they were more or less challenged in drinking alcohol. The frequency of occurrence of such situations depends on where the business is taking place (there is more drinking in the countryside – over there you cannot build guanxi without drinking; there is less or no drinking in Beijing and Shanghai and in Taiwan; there is more drinking in the north of China than in the south) and on the field of business (traditional business more drinking; international business less drinking). Also, a woman is not challenged and required to drink so much. Drinking becomes more important with the higher position – being able to drink gives you credit, face, respect. One gets into a closer contact with the Chinese and can make better friends with them.

There are ways to avoid the drinking game – one expatriate said “I prefer to drink beer instead of maotai”, another adds “the only important moment is to toast with the main partner; if you then excuse yourself from drinking because of health and drink tea, nobody is offended”. Other expatriates admit that “toast cannot be refused, or it is at least difficult” and that “for the Chinese, the concept of hospitality is important, part of which is that the guest will drink to the full; it is a little bit like in the motto the one who is not vomiting is drinking under his or her capabilities”. One expatriate adds that “you can cheat like them”. The ways the Chinese will try to make you drunk are e.g. that they drink fruit juice and offer wine to the guest, or that the person competing with you will make pauses, go to the bathroom to vomit there and then continue drinking with you. Apart from the alcohol culture, there is a smoking culture and if you smoke you are expected to offer cigarettes to all the people around you at the table.

There is also a culture of karaoke bars where you can be taken to sing songs and where there can be women to care about you.

8.5. Further results

In this subchapter, I am listing the answers to further questions of my research. The complete list of questions can be found in the appendix of the paper.

8.5.1. *Motivation, trust, solving of problems*

Question #10: What was your motivation to work in China?

The **motivation** of the expatriates to work and live in China is various: to see China on own eyes, to get to know the Chinese miracle in a country with boundless opportunities, to understand how they work in a country that will be world`s number one, to have opportunity to work in a perspective market, to enrich oneself socially, adventurousness, to acquire a broader view, to get to know something new, to get new experiences, to get to know the country which was a topic of a thesis of an expatriate, to work in a top-firm in the expatriate`s field, to discover new culture, to work in a fantastic cultural and social environment that motivates and is extremely harmonious, to make use of the knowledge of Chinese, to do interesting work, not to refuse a great offer, to get to know the way of working and capabilities of Chinese firms, interest in Chinese history, politics, and culture, to learn the language and to gain an experience abroad, other personal and family reasons, and in some cases better earnings.

Question #29: How are you building trust in relationship to your Chinese business partners?

The expatriates mention various ways how they do build **trust** in relationship with their Chinese business partners. Most expatriates (8) agree on the fact that trust is built by **keeping one`s word and promises**, by long-term consistency (“it is not an easy task, but I am trying to keep what has been agreed on despite the fact that the Chinese partners keep changing agreements”). Trust is also built by spending time with the Chinese (6), by mutual dinners where you can eventually invite them (5), by showing that we respect their rules, customs, that we want to get to know their culture (4), by mutual help with and support to their problems (4), by showing that you care for them as humans by talking about their family, free time (3), by making friends with them (3), and by not pushing too much in order to keep harmony (3) (everything has time). Other recommendations to build trust are: listen to them

(2), be yourself, do not lie, do not change your requests (2), be polite (2), understand how they are thinking, talk about their culture, adjust, do not be provoked by their tough game, be well-prepared for negotiation, learn Chinese, be open, reliable, punctual, accessible, return favors, know well your job, be transparent and patient, strive for consensus.

Question #31: Have you experienced a situation when your Chinese colleagues were trying to avoid solving a problem or to somehow circumvent a problem? How have you dealt with such a situation?

23 of the questioned expatriates experienced a situation when the Chinese were trying to avoid solving a problem or **circumvent** it in some way. It happens actually quite often, because the Chinese have a different style of working – e.g. they are looking for more ways, they cooperate well only when they are friends, “they nod and if they do not know how to do it, they just do it somehow to have the problem off the table and are not interested whether they did it right”, they do not admit they cannot do something (it would lead to a loss of face), and they do not want to communicate problems.

Luckily enough, the concerned expatriates mention many kinds of solutions to this issue: talking about the problem again and again, asking for a result on and on, explaining them how to do it or fixing it yourself, trying to find out what is going on, assigning concrete people to concrete tasks and putting superior in a copy of email, making a small meeting to explain the ways and results and collectively deciding which way we choose, wanting evidence that the Chinese did it, helping them to solve the problem, promising reward and thus making them personally interested in solving, openly talking about the problem and finding a solution that keeps face of both sides, not showing own weakness (one expatriate reports “coming to a factory and being prepared to sleep there until the expedition happens, which actually helped to speed up the expedition”).

8.5.2. Changes of the Chinese culture

Question #32: Have you experienced a situation when the Chinese did not behave according to the usual Chinese cultural stereotypes but differently? Please describe on example:

Two thirds (21) of expatriates have encountered a Chinese who behaved culturally untypically in comparison to other Chinese. Expatriates report that those are still rather exceptions to encounter. It is usually (5) the Chinese who have studied in Europe or America and thus lived abroad or who have worked in a non-Chinese environment – those Chinese are proud of the

fact they can behave differently. It is also (2) people coming from Hong Kong, Taiwan, or American-born Chinese. Differences are also between those coming from the city and countryside. Sometimes, the Chinese want to show something from the Western culture and it appears to be comical.

Some behavior patterns prevail for most of the Chinese – family values, great respect towards authority, keeping of face, not complaining because of low salary or because of being sick. However, there are about 50 nationalities in China and thus 50 cultures (“the Chinese are not universally the same”). “The behavior of a Chinese depends on the situation; there is a huge number of models; **forever lasts only profit.**”

Question #33: Is the Chinese culture changing? Is the younger and older generation of Chinese different? Please describe on example:

All the expatriates agree on the fact that the Chinese culture is changing, that the **older and younger generations differ**, and many expatriates say that they do differ greatly or radically. The younger generation focuses more on going to discotheques, music, fashion, fast foods, consumerism, and enjoying of life. They have greater opportunities to go abroad – they do become more open-minded and extrovert; they spend the highest time of all the countries on the Internet, the virtual communication thus plays a big role; they know foreign languages and are more direct in communication (though, many ordinary young people still do not know languages). There is an influence of the West mainly in the big cities; the Chinese hinterland is still much less open-minded. The generation of children without siblings is sometimes a little bit spoiled. Some of the young people are nationalistic, without admiration to the West, and do not want to work for international firms.

However, the deeper cultural habits do not change (see 2 paragraphs above). “The older generation is stereotypical, humble, not assertive, in-the-box, the coming generation is curious, looking for the information on the Internet, not fearful, going abroad, out-of-the-box.” “The generation before was feudal, chauvinistic, masculine; now, there is an emancipation of women in politics and management; there is a mutual respect between the generations but they do not understand each other very much.” “Older generation is thinking on their feet, younger one has often unrealistic expectations.”

8.5.3. *Women in the Chinese business*

Question #34: Question for women: Are you as a woman perceived as an equal business partner? If not, please describe why:

Out of the 8 women in the sample, 6 of them agree on the fact that **a woman is perceived as an equal business partner** in China; 2 are of the opposite opinion. Sometimes, a woman has even better status than a man; she also has a higher authority with age. Women in high positions are respected; it is a question of their knowledge and skills not of gender. The one disadvantage for women is that they are not able to fully take part in the alcohol banquets (see subchapter Negotiator) (“a woman will not be a priori perceived as unequal business partner, but there is a problem to build the relationship while drinking; there is also a fear of the women tactics being used”).

8.5.4. *Communicating in Chinese*

Question #38: Have you attempted to communicate with the Chinese business partners in Chinese? If yes, how has it worked?

Those expatriates who can speak Chinese answered the question about **how the communication in Chinese works**. Those who speak fluently refer that there is no problem while communicating in Chinese with the Chinese. An expatriate who speaks advanced Chinese reports that understanding what has been said between the lines might be difficult and a Chinese assistant is then needed. Expatriates with intermediate Chinese knowledge say that using Chinese helps the relationship, helps ice-breaking, but also makes the Chinese more careful. Expatriates with survival language cause sometimes the Chinese to laugh.

“The Chinese feel honored if you know Chinese; on the hand, they are able to misuse your not-hundred-percent knowledge during negotiations (advanced speaker).” “They really appreciate that you know Chinese; they try to communicate clearly; sometimes they forget about it and talk fast and negotiate with you as if with an equal partner; when a Chinese sees you can speak Chinese, he or she will not switch to English; there is a higher chance you will be seen as one of them if you know the language (advanced speaker).” “There are two types of the Chinese – for some, they like that I can speak Chinese, the trust rises, for the others, they will always turn to my Chinese assistant (fluent speaker).” “You should choose a language in which you feel yourself stronger; you can be excellent in Chinese but for them it is still a mother tongue (fluent speaker).”

8.5.5. *Successes and faux pas*

Question #50: What do you consider your biggest success achieved in the Chinese cultural environment?

The expatriates regard various things as their **biggest success** in China: building a great relationship with Chinese businessmen and winning their trust (4 expatriates), learning to speak Chinese (3), learning empathy (3) (understanding the unsaid Chinese motivation; feeling comfortable there and not fighting against the culture), surviving (3), understanding the culture and their behavior (2), gaining respect (2), receiving an offer to stay longer, being seen as one of them, creating something, being willing to return, being able to guide Chinese business partners to for them unknown places of Beijing, being able to independently travel around China, being able to motivate the Chinese colleagues, achieving goals, receiving an invitation to a wedding, and also various professional successes – success in projects guaranteed by the Chinese government, starting of a serial manufacturing, negotiating sponsorship contracts, new suppliers, closing big contract after half a year of negotiations.

Question #51: What do you consider your biggest mistake/faux pas made in the Chinese cultural environment?

There are also a few things that expatriates see as their biggest **mistake or faux pas** in China: not being enough patient (3), giving tasks to colleague outside own competency, many little things due to little knowledge, wrongly interpreting an invitation which was nothing but politeness, not contacting superior when it was needed, not paying attention who is one of the negotiators which would change the course of negotiating, wrongly interpreting the reactions of the Chinese, communication mistakes (e.g. raising voice), inconsistency when dealing with employees, different sense of humor, losing a business partner due to impetuousness, telling too much information to the Chinese, not bottoming up a drink despite having proposed a toast (ganbei = “dry cup”).

8.5.6. *What can we learn from the Chinese?*

Question #52: What have you learned from your Chinese colleagues and business partners?

There are quite a few things that the Czech expatriates have **learned from the Chinese colleagues and business partners**: patience (6), diligence (3), not showing emotions (2), optimism and will to improve even if the work does not go well (2), not complaining (2), way

of thinking and creating contacts (2), communicating carefully (2), gifts culture (2), not showing big gestures by hands, ability to learn, modesty, drinking green tea, respect to authority and hierarchy, ability to admit mistakes, keeping face, tough and fair negotiating, deeper perceiving of the people around, motto “do not believe anybody”, pragmatism, purposefulness, appreciating positive things, not going head to wall, smile is a good mask for negotiating, ability to listen, the thing that a problem can be solved in an untraditional way, things are never as they appear, being open to anything that happens, thinking out-of-the-box, being ready for anything, importance to get to know the personality of a business partner, reconciliation that things will happen somehow (“everything is good for something”), and elimination of stress.

8.5.7. Further difficulties

Question #53: What other difficulties do you encounter as a Czech working in China? What do you think is the reason for these difficulties?

There are **various further difficulties** the expatriates meet with while working in China: not knowing the language (9) (“it is more needed than everyone will say”), smog (3), complicated transport (2), food (2), problem to be accepted in the collective (2), tendency to cheat on foreigners (2), expecting open communication at work which will not be the case (2), dealing with officials (2) (visa, driving license), low trust to foreigners (but some Chinese will hold you in esteem), long working time, having somebody to help you sign a contract to rent a flat, having printed out the address where you want to go in Chinese, tiredness because of climate and travelling, complicated transfers of money abroad, nationalism of the Chinese, IT applications at work only in Chinese, inconvenience, missing a brochure how to behave from the Czech embassy, the thing that Chinese do not know Czech Republic as a country, missing of customer relationship approach, high prices without any obvious reason, “you never know where is the truth or whether the Chinese is meaning it well for the good of the company or for the good of his or her own”, “tendency to unseeingly change what has been agreed on – the Chinese underestimate problems, are not well prepared, they agree on things and then are not able to fulfill them so they are trying to change the conditions ex post”.

8.5.8. *Recommendations for expatriates-to-be*

Question #54: What would you recommend to a Czech expatriate, who is coming to work to China for the first time, in order to be successful there?

The questioned expatriates provide the following **recommendations for any future Czech expatriate in China**: be patient and give everything time (11), prepare – read something about the Chinese culture and history (10), learn the Chinese language (8), be open-minded (6), get in touch with other Czechs who have worked there (6) (talk with more people, “the things they will tell you are not to find in books”), set realistic goals and expectations and do not expect too much (4), be tolerant (3), surround yourself with Chinese who can help you (3) (reliable assistant), do not criticize (2), realize that it is a different environment (2), think positively (2), listen (2), learn ways of communicating with people (2), be understanding, do not see something bad in other things, equip yourself with strength, do not get bothered because of small things, take it easy, find out information about the food and accommodation, contact the embassy, control the Chinese so that they slowly learn how to handle more complex tasks, keep yourself in a good physical condition – healthy living, getting out of the city whenever possible, be polite, be careful, go there for a trip before, realize that you are a guest, adjust, act without prejudice, be consistent, gain experience with living in a less developed country, be persistent, expect a culture shock, do not push the Chinese, do not show emotions, “learn the language during the first two years and then start working (there will not be time to learn language then), during the first year of working only learn and observe and keep your European scope of thinking – learning and making friends will help you gain face, build guanxi and learn how to present your ideas without creating a conflict – alternative way of thinking will at the same time help you think out-of-the-box”.

Question #55: Would you like to add anything that is in your opinion important for success in China and that we have not mentioned during our interview?

Further comments that the expatriates give are the following: expect the unexpected, “try to become friends with the Chinese, everything has its reason, the Chinese are the way they are and it is neither right nor wrong, it simply is and it has its reasons”, “do not make the mistakes many Westerners make – they are coming to China and thinking that they know everything and can solve all problems, but in China there exists no pattern how to solve problems, there is not a one solution, there can be other solutions that move you forward”, think positively about the land and culture and be resistant to the culture shock, forsake the Czech pride,

realize that in China “an individual means nothing, everybody is fighting for China”, “do not be closed in a community of expatriates, keep in touch with the Chinese outside of work, as well, do not look at China as if looking at a zoological garden, try to be part of the environment, you are not somebody different than the China around you”, be prepared that in some firms the Chinese colleagues are not friends at the same time, learn something new with humbleness, carefully consider the life decision to work in China, esp. if having a family, then go there with your family for monthly trips and observe whether it will be the right step in your life, tell yourself “I want to communicate with the Chinese out of my own will and therefore I have to do something for it”, do not think in a way that “we do it better”, “do not be afraid to use the services of Czech Trade if you are representing a Czech firm”.

8.6. Research limitations and potential for future research

45 minutes to 1 hour interview (which has been the main method of the research) cannot of course uncover all the aspects and complexities of the expatriate`s working life in China. The research I have conducted provides some more or less accurate picture of “the factors of success” of Czech expatriates.

To name a few of the possible limitations of the research, I would like to highlight *the single-source bias* (all data have been collected through a self-report questionnaire) and *the individuality of every individual* (which makes it difficult to make generalizations about culture as a whole).

There limitations may be also seen as opportunities how to improve any future research in this field. The Chinese colleagues and business partners of the Czech expatriates could be asked to evaluate the Czechs` performance, which would give a sort of 360-degree feedback of the expatriates` success. Another way to conduct a future research might be a longitudinal study, which would after certain periods of time research the improvements and successes of the expatriates – then the phases of the potential culture shock described in chapter Ways to success in China as a Czech expatriate and the coping with that shock could be well captured and case studies about the expatriates could be written. As a third potential field of future research, I see the chance for a deeper focus on one or a few aspects that I have been researching (focusing during the whole time of the interview only on one or a few specific topics).

9. Summary

During my research, one thing could be perceived as a red line going through all the answers – it is the will to understand China and the Chinese culture more, to learn more about this unique land, and to find the right ways how to do business there. China, during its nowadays rebirth from a developing into a developed country, undergoing a vast number of changes in terms of cultural patterns and models, is both a great challenge and a great opportunity for a Czech expatriate who is relocating there. If going to China, one can be at the beginning of great projects, whose impact on the society can be directly seen, which gives a feeling of reward to those standing behind the projects.

Let me now return to the goals I have set at the beginning of my work on this paper and to summarize the findings I came to:

The first goal of the thesis was to *analyze the specifics of the Chinese culture relevant for a Czech expatriate willing to relocate to China, particularly the differences of the Chinese and the Czech cultures*. The Chinese culture is greatly influenced by the Confucian values, esp. duty, sincerity, loyalty, courtesy, diligence and respect to elders and authorities. The society is strictly hierarchical and to maintain harmony is the crucial point – one should therefore keep one's emotions under control. Praises are usually humbly refused; they are taken with a pinch of salt so to say. The communication in China tends to be indirect and full of high-context cues. Two important aspects of the Chinese culture are the concepts of face and guanxi. Face stands for reputation, honor, and respect and it ought not to be lost under any circumstances. Guanxi means relations, connections, and networking; it is the reflection of a relationship-focused Chinese culture, where the building of trust takes time and needs a deal of patience.

Chinese and Czech cultures are different in many aspects: China is a large power distance society putting importance on inequality and hierarchy, whereas the Czechs value independence and equal rights. China is mostly collectivistic (management of groups, relationship over task, employer-employee relationship is moral), the Czech Republic mostly individualistic (employer-employee relationship based on mutual advantages). The Chinese “live in order to work”, the Czechs “work in order to live”. China is a way more long-term oriented country than the Czech Republic, which makes requirements for the already

mentioned patience of any Czech expatriate. Similarities of the two cultures are e.g. the ability to learn, the orientation on social relationships, and the tendency to avoid conflicts.

To explore the concrete influences of the Chinese culture on daily working life, business negotiations, networking, etc. was the second aim of the thesis. The organizations tend to be hierarchical. The face concept influences the daily working life e.g. by the fact that the Chinese are rather unwilling to openly communicate during meetings and presentations and are rather less creative in fulfilling their tasks – they simply do what they are told to do and not more. In the daily work, formal and conservative dress is important, as well as a proper way of exchanging business cards. Leadership in China is a challenge: a respected leader should be hard-working, knowledgeable, honest and trustworthy; at the same time, he or she should have a vision, be able to carry out change, be team-oriented, be paternalistic and use an indirect approach to communication. The whole story of the business negotiation plays a big role in the Chinese business – the first meeting is usually arranged through guanxi network, dinners to get to know each other then follow. The Chinese are good and tough at bargaining, and the expatriate should pay attention to the culture of exchanging gifts to show mutual goodwill. Networking is carried out largely during banquets, where very senior executives (the real decision-makers) who have not been involved in the actual negotiations can appear.

Third goal of my thesis, based on an original research, was to *provide recommendations for Czech expatriates about how to suitably and successfully behave, act, work and live within the Chinese environment*. In order to succeed in China, an expatriate(-to-be) should intentionally raise his or her global mindset, i.e. intellectual capital (knowledge about how the business is done globally and the capability to learn), psychological capital (openness towards foreign cultures and the capability to adapt oneself) and social capital (capability to build trustful relationships, to bring people together and to win the stakeholders to be interested in one's projects). It is also advisable to learn to speak Chinese and to stay longer in China. An expatriate is further advised to be more conservative and non-expressive in communication, to learn empathy to sense when “yes” does not mean “agree”, to pay attention not to lose face and not to make the Chinese business partner lose face, to build and keep a guanxi network of contacts, to let a Chinese introduce him or her to a group of Chinese (the expatriate will thus gain part of the insider's face), and to have intuition when to be patient and when not while generally more patience is needed. He or she is likely to face a culture shock, something which time, friends, and community of expatriates with the same experiences might help to cope with.

A respected Czech leader in the Chinese environment should be patient, empathetic, consistent, charismatic, and able to understand the Chinese. While giving a task, he or she is more likely to succeed if the task is exactly explained and defined, a checklist is made, and a deadline is set. If presenting in front of the Chinese, prepare a distinctive presentation and be prepared for a lower reaction of the audience. If negotiating with the Chinese, be prepared for the importance of gifts and the importance of the informal part of negotiations. The speed of negotiations will depend upon the region and the type of ownership of your business partner (private or state enterprise). The trust in the relationship with the Chinese business partner is built mainly by keeping one's word and promises, by long-term consistency. Although the deeper cultural values change very slowly or not at all, on the surface there are undergoing rapid changes in the behavior of the Chinese younger generation. The emancipation is high, a woman is largely perceived as an equal business partner in China. The Czechs may learn mostly patience, diligence, optimism and not showing emotions from the Chinese. The expatriates recommend to be patient and to give everything time, to prepare oneself by reading something about the Chinese culture and history, to learn the Chinese language (it is the biggest perceived difficulty in China), to be open-minded, and to get in touch with other Czechs who have worked there. When relocating to China, expect the unexpected and try to become friends with the Chinese, because everything has its reason, the Chinese are the way they are and it is neither right nor wrong, it simply is and it has its reasons.

There is of course a huge number of other factors influencing an expatriate's success in China, there is enough of them to write books on this topic. This thesis was trying to capture and mention the most important and most visible ones and if there is any future Czech expatriate who can make a good use of my findings, it will make me truly happy. I must also note that I wrote the theoretical part and conducted the research based on my best effort and knowledge of the subject. However, I cannot accept any responsibility for losses or undesirable results that may occur after following some or each of the recommendations of this paper.

Since China, the Chinese culture, and the Chinese world are continuing to be my fields of interest, I will be really grateful for any comments, suggestions, or improvements that you might think can be made to this paper. They will be beneficial for my future work wherever it is going to be. Therefore, please do not hesitate to get in touch with me at tomasmudra@gmail.com.

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12. Appendix

The research questionnaire

1. Gender? male/female
2. Age?
3. How did you find your job in China? OPEN
4. Did you go to China alone or with a partner? alone/with a partner
5. For how long have you been employed in China? number of months/years
6. Is (Was) your employer a Czech/a Chinese/other firm? Czech/Chinese/other
7. Now (at the end of your stay in China), can you speak Mandarin Chinese? not at all/survival language/intermediate/advanced/fluent
8. Is (Was) your working stay in China a first experience with working abroad? yes/no
9. Have you been to China for anyhow short period prior to the assignment? yes/no
10. What was your motivation to work in China? OPEN
11. Have you undergone a cross-cultural training before your assignment in China? How did it look like? Has its effect been positive or negative? OPEN

Marks 1 till 5 (1 being the best (very well), 5 the worst (very badly))

12. How do you on overall evaluate your own success in the Chinese environment?
13. How do you evaluate your success in China in comparison to the goals you have set for yourself?
14. How do you evaluate your success in China in comparison to the goals your employer has set for you?
15. How do you evaluate your success in China in comparison to other Czech expatriates?
16. How well do you know geography, history, and culturally and economically significant personalities of China?
17. (*) To which extend do you want to get to know other cultures and their customs?
18. (*) How much do you face challenges, which are new and different from those from your home environment?
19. How well do you feel in situations, in which you do not have supremacy?
20. How effectively do you collaborate with people who are (culturally) different than yourself?
21. How well can you motivate people of different origin so that they achieve a goal together?

22. How well do you understand nonverbal communication of people coming from different cultures?

Open questions

23. During a stay in China, is it better not to speak too expressively and not to use too much of body talk? If yes, please describe why:
24. Have you experienced a situation when your Chinese business partners have been offended by your direct way of communication (e.g. pointing at a problem too directly distorts the overall harmony of relationships in the organization)? If yes, please describe:
25. Has it happened to you that your Chinese business partner has answered “yes” and this “yes” has not meant agreement? If it has happened, please describe:
26. What is your perception of the concept of face in the Chinese culture? Could you please describe a situation when you gained or, on the hand, lost face?
27. What do you understand under the word guanxi? How important is it to have built a network of guanxi contacts? How are you using/keeping/broadening this network?
28. How important is it to be personally introduced by a Chinese friend and thus to become an insider in a group/a working collective? Please describe on example:
29. How are you building trust in relationship to your Chinese business partners?
30. In the Chinese environment, have you ever felt like somebody who should slow the pace and be more patient? Is the perception of time different among Chinese and Czechs? Please describe on example:
31. Have you experienced a situation when your Chinese colleagues were trying to avoid solving a problem or to somehow circumvent a problem? How have you dealt with such a situation?
32. Have you experienced a situation when the Chinese did not behave according to the usual Chinese cultural stereotypes but differently? Please describe on example:
33. Is the Chinese culture changing? Is the younger and older generation of Chinese different? Please describe on example:
34. Question for women: Are you as a woman perceived as an equal business partner? If not, please describe why:
35. Have you experienced a culture shock (feeling of inconvenience in the Chinese environment, nostalgia for home, inner feeling of overestimating of the advantages of the Czech culture)? If yes, what have been its manifestations?

36. Who/What has helped you overcome this shock and gradually get used to the new environment?
37. While in China, have there been rather other expatriates in your social surroundings or have you searched for Chinese friends, as well? Evaluate please by percentages:
38. Have you attempted to communicate with the Chinese business partners in Chinese? If yes, how has it worked?
39. What are the qualities of a successful Czech leader in the Chinese environment?
40. Have you had Chinese subordinates? If yes, ask the 3 following questions:
41. How should giving of a task to a Chinese subordinate look like, so that it does not come in vain but so that the task is duly fulfilled by the subordinate?
42. How can a Chinese subordinate be reproached, so that neither he or she nor you lose their faces?
43. Do you agree that it is difficult to make Chinese subordinates be more independent and initiative, communicate more with the superior (you) and not require directive leadership style? If you agree, how are you trying to overcome this situation?
44. Have you had Chinese superiors? If yes, ask the 2 following questions:
45. Have you experienced a situation when you have skipped the hierarchy of your organization, have gone directly to a higher boss and have been shown that it has not been the right way to do things? If yes, please describe:
46. Have you ever disagreed with the decision of your superior? How have you dealt with such a situation (directly confronting him or her or other less direct and more diplomatic way)? Please describe:
47. Have you presented in front of a Chinese audience? Was it similar/different to presenting in front of a Czech audience? Please describe:
48. Have you negotiated with a Chinese business partner about a contract? Please describe your experiences (length and number of negotiations, structure of the negotiating team, common dinners, giving of gifts, etc.):
49. How important is it, based on your experience, to keep pace with the Chinese while drinking alcohol during banquets?
50. What do you consider your biggest success achieved in the Chinese cultural environment?
51. What do you consider your biggest mistake/faux pas made in the Chinese cultural environment?
52. What have you learned from your Chinese colleagues and business partners?

53. What other difficulties do you encounter as a Czech working in China? What do you think is the reason for these difficulties?
54. What would you recommend to a Czech expatriate, who is coming to work to China for the first time, in order to be successful there?
55. Would you like to add anything that is in your opinion important for success in China and that we have not mentioned during our interview?

Thank you!