

# Understanding Chinese Culture

The background of the slide is a dark blue, semi-transparent image. The top half shows a close-up of a car's wheel and part of the body. The bottom half shows a winding asphalt road through a lush green forest, with a small car visible on the road.

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# Objectives

- **Reinforce what you already know about China**
- **Share historical and cultural context that you don't learn in one book**
- **Do's and Don'ts in China**



# China Overview

- Area: 9,596,960 sq km (US: 9,631,420)

- Population: 1.3 bill. (US: 298 Mill)

- Diversity in culture, economy, education & climate



# Administrative Divisions

- 23 Provinces:
  - Anhui, Fujian, Gansu, Guangdong, Guizhou, Hainan, Hebei, Heilongjiang, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Jilin, Liaoning, Qinghai, Shaanxi, Shandong, Shanxi, Sichuan, Yunnan, Zhejiang
- 5 Autonomous Regions:
  - Guangxi, Inner Mongolia, Ningxia, Xinjiang, Xizang
- 4 Municipalities:
  - Beijing, Chongqing, Shanghai, Tianjin



# Diverse Culture

- **56 Ethnic Groups**

- Han Chinese 91.9%
- Ethnic minority groups 8.1% (Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and other nationalities).
- Multi-languages & multi-dialects

- **Key Characteristics**

- National pride
- Hardworking
- Education highly valued
- Humility is a virtue
- Food culture



# Confused about Languages?

## Spoken languages

- Mandarin
  - Used in government, schools & universities
  - Many regionally-identifiable accents
    - > Middle school education – can speak
- Many local dialects
  - In a European context, Chinese ‘dialects’ would be called ‘languages’
    - Shanghainese::Mandarin as French::Spanish
  - Speaking dialect is a source of local identity and pride - especially in Shanghai and Guangzhou

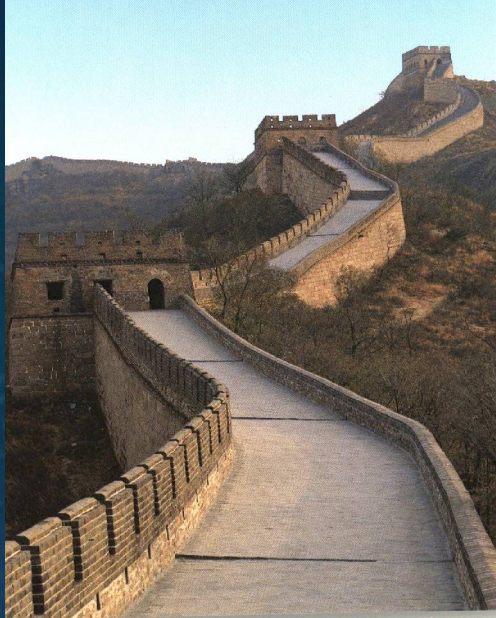
# Confused about Languages?

Written language is Chinese

- Chinese characters are symbol-based, not phonetic –and thus are shared across Chinese dialects
  - Same character/meaning, different pronunciation
- Simplified form (Mainland) vs. traditional form (Taiwan, Hong Kong)



# Economic Background



- Surpassed the western world for centuries
- Turned inward from the Ming Dynasty (early 17<sup>th</sup> century)
- Re-opened to the world, market-oriented development since 1978
- Market economy in non-strategic segments
- Tightly controlled strategic sectors, such as financial, automotive, and other heavy industries
  - Government review of involvement and joint venture partnerships
- Central vs. local gov't control and influence





# Key Cultural Characteristics

- National pride
- Hardworking
- **Education highly valued**
- **Humility is a virtue**
- **Love for Food**



# Confused about Money?

- RenMinBi, 'the Peoples' Currency', is name for the official currency
  - Chinese RMB, US Fed. Reserve Notes\* , Euro
- Yuan is the currency denomination
  - The US, Canada & Australia => dollar
  - China, S. Korea, Japan => yuan (won, yen)
- Foreigners mix the terms, Chinese don't:
  - "I paid 50 RMB for dinner"
  - "What's the dollar:yuan exchange rate today?"

\* See top of any denomination US\$ bill for the official name of our currency



# Urban vs Rural Disparity

Urban per capita  
capita **disposable**  
income is  
9,422 Yuan

vs

Rural per capita **net**  
**income** is  
2,936 Yuan

Less than 10% of the total population (or 123.86 million)  
is covered by basic health insurance programs

# Generations

- Civil War generation (55+)
  - Isolated patriots
- Cultural Revolution generation (45-55)
  - Less educated, more politicized
- Reform generation (30-45)
  - Well-educated beneficiaries of Reform
- Single-child generation (<30)
  - Liberal explorers



An aerial photograph of a winding asphalt road through a lush green valley. A small blue car is visible on the road. The image is overlaid with a semi-transparent blue filter. The text is centered in the upper half of the image.

How many of you have been to China?

What is your impression of China?

The image is a composite with a blue color cast. The top portion shows the underside of a car, including a wheel and suspension components. The bottom portion shows a winding asphalt road through a dense, green forest. A small blue car is visible on the road. The text 'Only in China...' is centered in white with a black outline.

Only in China...





**Resourcefulness**



**Capacity Maximization**





**Resilience**



**Creativity**



Relationship is everything



# Guan-Xi = Relationship Webs



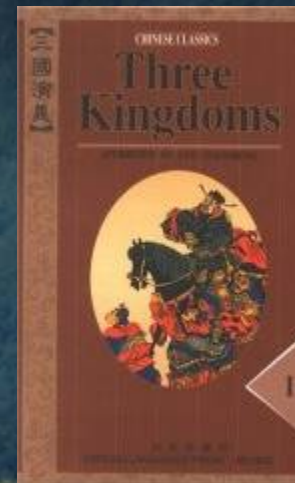
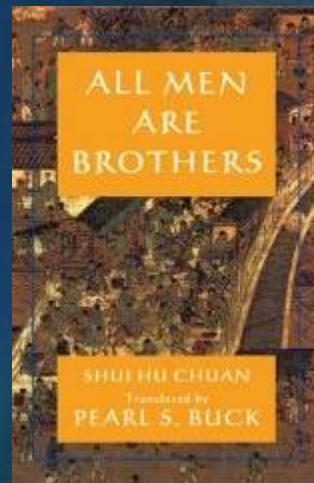
# Why Is Guan-Xi Important?

- In a business context, Guan-xi is:
  - A long-term relationship and mutual understanding that can evolve over time
  - Built on shared experience and trust
- When things don't work out, Guan-Xi is what you fall back on
  - No history of "rule of law"
  - Guan-xi is usually more relevant in determining outcomes than contracts
- Guan-Xi is NOT about "kick-backs"

Two classical novels that provide context for how  
Chinese think about “Guan-Xi”\*

The Three Kingdoms

All Men Are Brothers



\* Every Chinese learns these stories from birth; they are part of the fabric.



# “Mian Zi” (Face)

- Most people understand the concept of face
- In China, it plays a much more prominent and visible role than is common in most Western societies
- Be conscious of the impact your actions and body language have
  - Especially when dealing with people in positions of responsibility or authority

# Eating Together – Essential to Relationship Building

- China is a food culture, impossible to build relationships without shared meals
- Share your personal stories over food
- Learn to use chopsticks
- Be prepared to eat things you would never think of

# Negotiation Tips

- Use negotiation to build a relationship
- Chinese decision maker(s) likely don't appear at the bargaining table
- Decision makers often consult with the representative throughout the process
- Be patient - this extended negotiation can create the impression of a partner with murky objectives
  - The flip side: once reached, the deal is likely to have broad internal support



# 8 DO's

- Address people with proper title
- Speak at least a few Chinese words
- Use intermediary in establishing relationships
- Learn to build and strengthen relationships outside the office and share personal side of your life
- Know what "Mian Zi" and "Guan Xi" mean
- Exchange business cards with respect (both hands, eye-contact, read the title aloud)
- Pour tea to 70% full for people sitting next to you before refill for yourself
- Know why there are 8 items, not 4, in this list

# 8 DON'Ts

- Don't comment negatively on China's policy of Taiwan, Tibet, 1989, FaLun Gong, or 1-child
- Don't criticize somebody in front of others
- Don't bypass any stakeholder to save time
- Don't give shoes, clocks, knives, scissors, or umbrellas as gifts (or green hats for men)
- Don't do or say anything that can be perceived as "arrogant" or "bullying"
- Don't show up late - it's not just professionalism, it's "Mian Zi"
- Don't assume that "YES" or "nodding" means "I Agree"
- Don't assume the negotiator is the decision-maker

# Phrase Practice

1. Hello!
2. How are you?
3. I am John Smith.
4. Thank you!
5. Good-bye!
6. I don't want it. Thank you!
7. How much is it?
8. Too expensive!

Listen to the Chinese translation?

Open [translation.wav](#)



# References: 1 Link, 8 Books

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