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1. Introduction

Referring to the most important cultural dimensions, this essay tries to give an overview of some basic characteristics of the Chinese culture.

In the first section, the extension of the most important cultural dimensions in China and their effect on cross-cultural business will be analyzed. The second section will summarize the result of this analysis and will give a brief conclusion.

It must be noted that when one deals with Chinese culture it is most probably with the Han culture, the dominant ethnic group in China. 93 percent of the Chinese are Han people. Nevertheless, there are numerous minorities such as the Zhuangs, Mongolians, and Tibetans (cf. Morgenstern 1992: 361).

2. Basic Characteristics of Chinese Culture and their Effect on Business

Before discussing Chinese culture, it must be noted that this essay is referring merely to those cultural dimensions which are the most important for Germans to understand Chinese culture.

2.1 Individualism vs. Collectivism

Individualism-collectivism is one of the major cultural dimensions used to explain cross-cultural differences in behavior (cf. Gudykunst & Nishida 1994). Within the field of cross-cultural studies, the terms “individualism” and “collectivism” are most closely associated with the Dutch researcher Geert Hofstede.

In individualistic cultures emphasis is placed on individuals’ goals. Therefore, self-realization is often viewed as the most important objective (e.g. Maslow’s hierarchy of needs).

Collectivism emphasizes in-group loyalty by providing protection, care, and security to the members of the in-group. In collectivistic cultures individuals “define themselves by referring to their relations to others” (Gudykunst & Nishida 1994: 20). Therefore, “the smallest unit of survival is the collective”(Triandis 1988: 271).

Referring to Trompenaars’ research, Chinese culture ranks very high in terms of collectivism. Although collectivism is a term that more or less applies to many cultures, it is the term used most often by anthropologists and sociologists to describe Chinese culture (cf. Hu & Grove 1991).

The principal cohesive groups in today's China are family, school, work unit and local community (cf. Hu & Grove 1991). The daily life of nearly every Chinese is deeply characterized in his or her relationships with the other people in these in-groups.

For example, the relationships within Chinese families tend to be much deeper than those within German families. Filial piety is at the core of Confucianism. That means "constant obedience and fidelity to family" (Hu & Grove 1991: 6). Thus, Chinese family members will help and support each other in every purpose of their life.

Most Chinese belong to a work unit or "danwei" (In modern China, the number of independent entrepreneurs is increasing, but the majority of urban Chinese workers is still organized in work units.) These work units not only allocate employment and pay wages, but also take care of their workers and their families concerning - for example - accommodation. Sometimes even weekend outings are arranged by the "danwei".

This collective nature of Chinese culture originates mainly in the agrarian economy of ancient Chinese society and in the Confucian doctrines. However, some characteristics of contemporary Chinese collectivism result from China's present political system (e.g. "danwei".)

2.2 High Power Distance vs. Low Power Distance

Another important dimension used in explaining cultural differences is Geert Hofstede's concept of power distance. Power distance is defined as "the extent to which less powerful members of organizations accept an unequal distribution of power" (Hofstede in Adler 1997: 51).

People in high power distance countries accept power as a basic fact in society. Hofstede points out that "in high power distance countries there is considerable dependence of subordinates on bosses" (Hofstede in Gudykunst & Nishida 1994: 32). In contrast, people in low power distance countries see "superiors and subordinates as the same kinds of people, with differences in power being due to the roles they are filling" (Gudykunst & Nishida 1994: 32).

In Chinese culture the high power distance tendency is predominating. Throughout Chinese history, there have been fixed hierarchical relationships concerning age, seniority, rank, maleness, and family background (e.g. Confucius' five cardinal relations "wu lun".) These relationships are constructed in hierarchical patterns (cf. Bond 1986).

For example, there are different age-relative words for siblings and almost every relative. A younger sibling must call an elder one by his or her age-relative title – "gege" for elder

brother and “jiejie” for elder sister. In business meetings the opinion of an older person generally counts more than the opinion of a younger one (cf. Hu & Grove 1991).

The Chinese leader style tends to be paternalistic. Attempts within Chinese organizations to promote more informal interactions among colleagues – such as encouraging the use of rank-free titles – failed (cf. Hu & Grove 1991). “Promotion is much more likely to be based on seniority than on performance” (Hu & Grove 1991: 7).

Consequently, it is absolutely necessary for foreign business people to show respect for authority and seniority. Titles, seniority, and formality play an important role in Chinese business life. Therefore, when negotiating in China, it might be helpful “to send representatives with titles equivalent to or higher than those of the bargaining partners” (Adler 1997: 51).

2.3 High Context vs. Low Context

Another important aspect in intercultural business is Hall’s low and high context dimension. “Whereas individualism-collectivism defines broad differences between cultures, Hall’s (1976) low and high context dimension focuses upon cultural differences in communication” (Gudykunst & Nishida 1994: 28). Low context cultures tend to use messages in which “the majority of the information is vested in the explicit code” (Hall 1976: 91). In contrast, high context cultures use messages in which “most of the information is either in the physical context or internalized in the person, while very little is in the coded, explicit, transmitted part of the message” (Hall 1976: 91). It appears that high context communication tends to predominate in collectivistic cultures.

Chinese culture tends towards high context communication. Contacts between high and low context cultures can raise several problems: High context people, such as the Chinese, might become impatient when low context people give them information they do not need. Conversely, low context westerners might become very irritated when the Chinese do not provide them with enough explicit information or do not answer directly and in a concrete way (cf. Hall 1990).

For example, western business men often fail in China, because of their attempt to make everything explicit (low context) without taking into account their high context partners’ implicit transmitted information (cf. Hall 1976).

Therefore, one of the most important communication skills in cross-cultural business is to find the appropriate extension of contexting needed in each situation (cf. Hall 1990).

2.4 Universalism vs. Particularism

Whereas in universalistic cultures one focuses more on rules than on relationships, particularistic cultures emphasize unique circumstances and relationships as the most important considerations in determining what is right and good (cf. Trompenaars in Hale 1999). According to Fons Trompenaars' research, Chinese culture shows a tendency towards particularism.

It appears that contracts play a different role in universalistic and particularistic cultures. For example, the Chinese do not share the universalistic view that a contract is a binding set of specifications. The emphasis of the Chinese is more on the long-term possibilities inherent in the partnership and less on the specific transaction (cf. Hu & Grove 1991). Thus, the contract is a commercial agreement on general principles and cannot be the last word in that matter. That means, that "the Chinese see stability not in the power of the law but in the strength of human relationships" (Pye in Hu & Grove 1991: 105). In business friendships, the Chinese expect the type of long-term trust and mutual obligation that they associate with "guanxi" (cf. Hu & Grove 1991). This helps to explain why people having experience in doing business in China are more likely to be favored by the Chinese when new business opportunities arise.

2.5 Further Cultural Dimensions

According to Fons Trompenaars, Chinese culture is characterized as a highly diffuse, affective, and ascription orientated culture. With regard to Geert Hofstede's dimensions, China shows a tendency towards weak uncertainty avoidance and career-success orientation.

3. Conclusion

There are several important characteristics of Chinese culture that foreigners need to recognize in order to interact effectively with the Chinese. The most important are the following:

1. China is a collectivistic culture. That means, emphasis is placed on in-group goals. Individuals define themselves by referring to their relations to others.
2. China is a high power distance culture. This leads to an emphasis on age, seniority, titles, and status.

3. China is a high context culture. Indirect forms of communication are used more frequently than in low context cultures.
4. China is a particularistic culture. Emphasis is placed more on relationships than on rules.

However, for effective cross-cultural interactions everybody has to try to understand his or her counterpart's culture. When both sides are consciously trying to understand and respect the other side's culture, misunderstandings and failure in cross-cultural business can be avoided.

Finally, I want to state that "diversity exists both within and among cultures" (Adler 1997: 17). It is important to recognize that each individual has a unique view of his or her culture depending on his or her education, experience, etc. However, within a culture certain cultural dimensions typically tend to predominate.

(1487 words)

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