Cross-Cultural Differences in Business Behaviour - Emphasis on Differences between the West and East

Aim of thesis: To Find out the Differences in Business Behaviour/Communication between the West and East Specifically (the Czech Rep., France, G.B. vs. Japan and China)
“I, Petr Staněk, confirm that I have worked on this bachelor thesis by myself and all materials I have used listed in the bibliography and other sources.”

In Žďár nad Sázavou

Petr Staněk
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01 Preface

I am a student at the College of Polytechnics Jihlava in the field of Finance and Management. My specialization is Project Management. This thesis was written in order to accomplish my studies and to show that I have mastered the skills and knowledge acquired during the three and half year bachelor program. For my thesis I have decided to choose a theoretically oriented topic: *Cross-Cultural Differences in Business Behaviour - Emphasis on Differences between the West and East*. I have already gained some experience in dealing with foreigners during my studies, but I have never had the possibility to conclude an important contract in any of the country I am writing about in my thesis. I searched for suitable countries which have the potential to demonstrate those differences in behaviour. After doing some pilot research I concluded that China, Japan, Great Britain, France and the Czech Republic will be very good countries.

Writing this thesis was a challenging task for me. However, it was also a great experience. It was great opportunity to interview and converse with my friends and managers from all over the world. Finally, I would like to thank my supervisor and my parents for the support given.


02 Abstract

This bachelor thesis is intended as a practical guide for the men and women in the front lines of world trade, those who are facing daily the frustrating differences in global business customs and practices. When I was preparing this guide …

Business behaviour is different from country to country and I cannot give you the overview at all countries in the world. I selected five countries to show the important differences in business.

I have chosen China, Japan to represent East Asia and France, Great Britain and the Czech Republic to represent Europe. All these countries are completely different …

03 Key Words

differences, behaviour, culture, the Czech Republic, France, Great Britain, Japan, China, business, background, negotiator, counterpart, business, …
04 Introduction

This thesis could be use for many managers all over the world or business school students who have attended lessons and seminars about business/cultural differences and management lessons.

If you are or will be in the future one of the people/businessmen crossing borders often than the others good source for making deals are books of course, Global Management seminars, workshops but even interviews and conversations with other business travellers in international airport lounges and hotel bars.

This thesis aims to reduce that confusion and introduce some predictability by classifying international business customs and practices into logical patterns.

Don´t try to be ignorant and read those pages carefully – it could change your point of view to some negotiating and can help you with deals in foreign countries 😊
05 Cross Cultural Differences in Business

05.01 Do Cultural Differences Really Exist?

Cross-cultural differences in organizational behavior have always fascinated researchers and practitioners. Hofstede (1991) defined culture as "the collective programming of the mind which distinguishes the members of one group or category of people from those of another." While acknowledging that cultural differences can be found at the regional, national, ethnic, and organizational levels, he suggested that cultural influences on organizations "are most clearly recognizable at the national level". Therefore, he argued that researchers can use the word "culture" when referring to "national culture." This definition has been widely adopted, and will be employed in this bachelor thesis.

Business travellers readily acknowledge that cultural differences exist. It is apparent looking at cities like Shanghai and Sydney that the differences are profound. Yet, within a business context we often think that the differences have faded away to be replaced with a generic international business culture, one-size-fits-all from Sydney to Shanghai to Stockholm.

This perception is often supported by our initial view of business in those cities. Businesspeople dress similarly and seem to behave similarly. While art and decor have some variations, the standard office furniture exists in any of these locations. And yet, a few close observations will reveal the differences that do exist.

The furniture and layout of the offices can provide an indication of the differences. Are the offices open-plan or cubicles? If it is a combination of the two, what positions have offices? How are those offices decorated or furnished? These aspects can give you an indication of how status is viewed, and who deserves respect. Are the doors open or shut? Even the position of the guests' chairs in the office can show you the extent of personal space that people feel comfortable with in this business culture.

From a behavioural perspective there are also many business culture differences. Greetings and meetings are two major examples. Are the greetings simple and casual? A quick handshake; enquire after your flight, and down to business using first names. Or are the greetings more formal and structured - a formal introduction with full titles, careful exchange of business cards, offering of refreshments and general conversation about
the background behind your visit, with a smooth move into talking business much later in the process. And in meetings, do we arrive prior to time, five minutes late or anytime during the meeting? Do we have a structured agenda and take part in open discussion and possibly heated debate or does the meeting follow a general path seeming to raise issues but never openly discussing them.

Management can be a minefield with different expectations about roles and responsibilities. As a manager is it your role to relate with your employees primarily about work performance and work related issues or is your role far wider and to focus only on work related issues would be seen as uncaring and cold?

Many of the differences that exist are below the surface and relate to issues such as a status and hierarchy, respect and honor, community or individual focus. Understanding these and other value differences between cultures can provide a starting point to anticipating and understanding some of the cultural differences that exist between business and preparing to make changes in your own business behaviour and style. [I-01]

Cultural differences affect virtually all aspects of sales and negotiations. [01]

**05.02 Doing Business Globally**

In a “foreign” country you are the foreigner. It is you that is the odd one out. Everything they do is perfectly natural where they live and work. You with your strange ways must adapt to them, not them to you, assuming you want to do business with them. [02]

These are essential information which all business travellers have to take in account.

Following are some differences you have to take account and accommodate them where possible:

- If the Japanese pace of negotiation is slower than yours, then you had better slow down.
- If the American pace is faster, you had better speed up.
- If Arabs are not disciplined by time, then allow for it when negotiating with them.
- If Russians are suspicious, do not behave suspiciously.
- If the Chinese keep asking the same questions and do not appear to take no for an answer, answer patiently with variations on how to say no.

In short, abide by the advice given to travellers that “when in Rome do as the Romans do”. [02]
Two Iron Rules of International Business

Why is a thorough knowledge of international business customs and practices especially important for people involved in international sales and marketing? It’s because of following Iron Rules:
- In International Business, the Seller Adapts to the Buyer.
- In International Business, the Visitor Is Expected to Observe Local Customs [03]

Cultural differences cause four kinds of problems in international business negotiations – at the levels of:
- language
- nonverbal behaviours
- values
- thinking and decision-making processes

The order is important, the problems lower on the list are more serious because they are more subtle. [07]

Negotiating a commercial deal abroad can be significantly different from negotiating at home in many ways. The way people make decisions also varies significantly from country to country. In hierarchical countries, such as India, Russia and France, decisions are made at the top, and people in the middle of the hierarchy tend to follow instructions. [01]

05.03 Difference Among Deal-Focused and Relationship-Focused Countries

By contrast, people in many other parts of the world (including Latin America, the Far East and the Middle East) tend to prefer doing business primarily with people with whom they have a personal relationship. Each business interaction then becomes an opportunity to start a new relationship or build upon an existing one. [01]

Conflicts often arise when deal-focused (DF) marketers who are unaware of this fundamental difference try to do business with prospects in relationship-focused (RF) markets. Many RF people find DF types pushy, aggressive and offensively blunt. In return, DF types sometimes consider their RF counterparts dilatory, vague, inscrutable – even downright dishonest. [03]
The vast majority of the world’s markets are relationship-oriented: the Arab world and most of Africa, Latin America, and the Asia/Pacific region. These are markets where people prefer to avoid doing business with strangers. Instead they are things done through networks of personal contacts. [03]

RF people deal with family, friends and persons or groups well known to them – people who can be trusted. They are uncomfortable doing business with strangers, especially foreigners. Because of this key cultural value, relationship-oriented firms typically want to know their prospective business partners before talking business with them. [03]

In contrast, the deal-focused approach is common in only a small part of the world. Strongly DF cultures are found primarily in northern Europe, North America, Australia and New Zealand, where people are relatively open to doing business with strangers.

This Great Divide between the world’s cultures affects the way we conduct business from the beginning to the end of any commercial relationship. For starters, the way we make the first approach to potential buyers or partners depends upon whether they are in DF or RF cultures. [03]

Because DF people are relatively open to dealing with strangers, export sales people can normally make direct contact with potential distributors and end-users in these markets. [03]

<table>
<thead>
<tr>
<th>DEAL FOCUSED CULTURES:</th>
<th>MODERATELY DEAL-FOCUSED:</th>
<th>RELATIONSHIP-FOCUSED:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Europe, UK</td>
<td>South Africa</td>
<td>The Arab World</td>
</tr>
<tr>
<td>North America</td>
<td>Latin Europe</td>
<td></td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>Central and Eastern Europe</td>
<td>Most of Africa, Latin America and Asia</td>
</tr>
<tr>
<td></td>
<td>Chile, southern Brazil, northern Mexico</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hong Kong, Singapore</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1.1, page 22 [03]

Remember, RF firms prefer not to do business with strangers. So you should arrange for the right person or organization to introduce you. A third-party introduction bridges the relationship gap between you and the person or company you want to talk to. [03]
The ideal introducer is a high-status person or organization known to both parties. So if you happen to be good friends with a respected retired statesman who just happens to be well acquainted with one of your importer candidates, that’s wonderful.

A good second best might be the commercial section of your country’s embassy in the target market. Embassy officials are accorded high status in relationship-oriented cultures, and of course it is part of their job to promote exports.

Chambers of commerce, trade associations and banks are also potential introducers. [03]

In RF world: It’s who you know that counts. Knowing the right person can be very helpful. In fact, having a proper introduction in Japan is so critical that specialized consulting firms have come into existence there whose main function is to introduce gaijin to Japanese companies. Of course, using a consultant is likely to cost businesspeople more than other ways of obtaining an introduction. [03]

**Implications for Managers and Negotiators**

Considering all the potential problems in cross-cultural negotiations, particularly when you mix managers from relationship-oriented cultures with those from deal-oriented ones, it is a wonder that any international business gets done at all. Obviously, the economic imperatives of global trade make much of it happen despite the potential pitfalls. But an appreciation of cultural differences can lead to even better international commercial transactions—it is not just business deals but creative and highly profitable business relationships that are the real goal of international business negotiations. [09]

In the following paragraphs are shown four points how to look at the cultural differences from the author Edward T. Hall and his book "Silent Language". Those points are: Relationships, Communication, Time and Space. For each point is there global question and then the answer:

**Relationships**

*Is the culture deal focused or relationship focused?*

In deal-focused cultures, relationships grow out of deals; in relationship-focused cultures, deals arise from already developed relationships. [10]

**Communication**
Are communications indirect and "high context" or direct and "low context"?
Do contextual, nonverbal cues play a significant role in negotiations, or is there little reliance on contextual cues?
Do communications require detailed or concise information?
Many North Americans prize concise, to-the-point communications. Many Chinese, by contrast, seem to have an insatiable appetite for detailed data. [10]

Time
Is the culture generally considered to be "monochronic" or "polychronic"?
In Anglo-Saxon cultures, punctuality and schedules are often strictly considered. This monochronic orientation contrasts with a polychronic attitude, in which time is more fluid, deadlines are more flexible, interruptions are common, and interpersonal relationships take precedence over schedules. For example, in contrast to the Western preference for efficient deal making, Chinese managers are usually less concerned with time. [10]

The time horizon of business varies significantly from country to country (from three years in Canada to 10 years in France and Germany, to 30 years in Japan) The time needed to establish trust is accordingly different: it takes significantly more time to build trust with prospective German clients than with Canadian clients, and even more so with Japanese clients. The ability to enter into meaningful long-term business relationships is often a key criterion for Japanese corporations in their supplier selection process. [03]

Space
Do people prefer a lot of personal space or not much?
In many formal cultures, moving too close to a person can produce extreme discomfort. By contrast, a Swiss negotiator who instinctively backs away from his upclose Brazilian counterpart may inadvertently convey disdain. [10]

05.04 Distinctive Negotiation Behaviours of 15 Cultural Groups

Following are further descriptions of the distinctive aspects of each of the 15 cultural groups videotaped. Certainly, conclusions of statistical significant differences
between individual cultures cannot be drawn without larger sample sizes. But, the suggested cultural differences are worthwhile to consider briefly.

Cateora and Graham [08] worked simple way to categorize those cultural variables which cause international deal makers the most problems:

**Verbal and Non-verbal Negotiation Tactics**

<table>
<thead>
<tr>
<th>Cultures (for each group, n=6) Japan, China*, GB, France</th>
<th>7</th>
<th>6</th>
<th>11</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promise. A statement in which the source indicated its intentions to provide the target with a reinforcing consequence, which source anticipates target will evaluate as pleasant, positive, or rewarding.</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Threat. Same as promise, except that the reinforcing consequences are thought to be noxious, unpleasant, or punishing.</td>
<td>7</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Recommendation. A statement in which the source predicts that a pleasant environmental consequence will occur to the target. Its occurrence is not under source’s control.</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Warning. Same as recommendation, except that the consequences are thought to be unpleasant.</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Reward. A statement by the source that is thought to create pleasant consequences for the target.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Punishment. Same as reward, except that the consequences are thought to be unpleasant.</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Positive normative appeal. A statement in which the source indicates that the target’s past, present, or future behaviour was or will be in conformity with social norms.</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Negative normative appeal except that the target’s behaviour is in violation of social norms.</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Commitment. A statement by the source to the effect that its future bids will not go below or above a certain level.</td>
<td>15</td>
<td>10</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Self-disclosure. A statement in which the source reveals information about itself.</td>
<td>34</td>
<td>36</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td>Question. A statement in which the source asks the target to reveal information about itself.</td>
<td>20</td>
<td>34</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Command. A statement in which the source suggests that the target perform a certain behaviour.</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>“No’s”. The number of times the word “no” was used by each negotiator.</td>
<td>1,9</td>
<td>1,5</td>
<td>5,4</td>
<td>11,3</td>
</tr>
<tr>
<td>“You’s”. The number of times the word “you” was used by each negotiator.</td>
<td>31,5</td>
<td>26,8</td>
<td>54,8</td>
<td>70,2</td>
</tr>
<tr>
<td>Silent periods. The number of conversational gaps of 10 seconds of longer.</td>
<td>2,5</td>
<td>2,3</td>
<td>2,5</td>
<td>1,0</td>
</tr>
<tr>
<td>Conversational overlaps. Number of interruptions.</td>
<td>6,2</td>
<td>17,1</td>
<td>5,3</td>
<td>20,7</td>
</tr>
<tr>
<td>Facial gazing. Number of minutes negotiators spent looking at opponent’s face.</td>
<td>3,9</td>
<td>11,1</td>
<td>9,0</td>
<td>16,0</td>
</tr>
</tbody>
</table>

*Table 05.04.01 – Negotiation tactics*

*Northern China (Tianjin and environs)*

Source: Cateora and Graham, 2002 [08]
Japan: Consistent with most descriptions of Japanese negotiation behaviour, the results of this analysis suggest their style of interaction is among the least aggressive (or most polite). Threats, commands, and warnings appear to be deemphasized in favor of the more positive promises, recommendations, and commitments. Particularly indicative of their polite conversational style was their infrequent use of “no” and “you” and facial gazing, as well as more frequent silent periods.

China (northern): The behaviours of the negotiators from northern China (i.e. in and around Tianjin) are most remarkable in the emphasis on asking questions at 34 per cent. Indeed, 70 per cent of the statements made by the Chinese negotiators were classified as information-exchange tactics. Other aspects of their behaviour were quite similar to the Japanese, particularly the use of “no” and “you” and silent periods.

Great Britain: The behaviours of the British negotiators are remarkably similar to those of the Americans in all respects. (Americans figures are not included in this thesis)

France: The style of the French negotiators is perhaps the most aggressive of all the groups. In particular, they used the highest percentage of threats and warnings (together, 8 per cent). They also used interruptions, facial gazing, and “no” and “you” very frequently compared to the other groups.

Live and learn. The nature of cultural differences is forever evolving. [06]
06 Business Background in Chosen Countries

If you are planning to go abroad don’t listen those who say “Just be polite wherever you are” … this could be a little bit confusing, because sooner or later you find out that what is polite in one culture can be rude in another. This is surely confusing so for this reason you have to be careful about those cross-cultural differences – not even only in business behaviour – but in behaviour globally. [01]

“Cultural differences frustrate us because they are confusing and seem to be unpredictable.” [03]

06.01 The Czech Republic

Picture 06.01.01 and 06.01.02 – Flag and map
06.01.01 General Background of the Czech Republic:

**Introduction**
- **Czech Republic**
- **Location:** Central Europe, between Germany, Poland, Slovakia, and Austria
- **Geographic coordinates:** 49 45 N, 15 30 E
- **Map references:** Europe
- **Area:** total: 78,866 sq km (land: 77,276 sq km, water: 1,590 sq km)
- **Land boundaries:** total: 1,989 km (border countries: Austria 362 km, Germany 815 km, Poland 615 km, Slovakia 197 km)
- **Terrain:** Bohemia in the west consists of rolling plains, hills, and plateaus surrounded by low mountains; Moravia in the east consists of very hilly country
- **Natural resources:** hard coal, soft coal, kaolin, clay, graphite, timber
- **Population:** 10,211,904 (July 2009 est.)
- **Age structure:** 0-14 years: 13.6% (male 712,045/female 673,657), 15-64 years: 71% (male 3,641,887/female 3,604,044), 65 years and over: 15.5% (male 623,882/female 956,389) (2009 est.)
- **Nationality:** noun: Czech(s), adjective: Czech
- **Ethnic groups:** Czech 90.4%, Moravian 3.7%, Slovak 1.9%, other 4% (2001 census)
- **Religions:** Roman Catholic 26.8%, Protestant 2.1%, other 3.3%, unspecified 8.8%, unaffiliated 59% (2001 census)
- **Languages:** Czech 94.9%, Slovak 2%, other 2.3%, unidentified 0.8% (2001 census)
- **Education expenditures:** 4.4% of GDP (2004)
- **Government type:** parliamentary democracy
- **Capital:** Prague, 50 05 N, 14 28 E
- **Administrative divisions:** 13 regions (kraje, singular - kraj) and 1 capital city* (hlavni mesto); two equal horizontal bands of white (top) and red with a blue isosceles triangle based on the hoist side
- **Flag description:**
- **GDP (purchasing power parity):** $266.3 billion (2008 est.)
- **GDP - real growth rate:** 3.9% (2008 est.)
- **GDP - per capita (PPP):** $26,100 (2008 est.)
- **GDP - composition by sector:** agriculture: 2.6%, industry: 38.7%, services: 58.7% (2008 est.)
- **Unemployment rate:** 6% (2008)

[I-02]

06.01.02 The Czech Negotiator

The Czech Republic is the western-most Slavic country, bordering both Germany and Austria.

So it’s hardly a surprise that the Czechs are the most westernized of the Slavic peoples, often dubbed “the Germans of East Central Europe". The latter comparison however is one not all Czechs find flattering: the Nazi occupation left enduring wounds in this country.

Nevertheless, Czech values, attitudes and beliefs have been influenced by German culture in various ways. First there were centuries of Austro-German Habsburg rule. Second, the presence of German-speaking people living in Bohemia, the western-most province of the Czech lands. And then, between the wars and especially again after 1989, came the flood of German trade, tourism, and investment.

Thus geography and history have combined to make the Czechs the most transaction-oriented business people among East Central Europeans. They are relatively willing to talk business with strangers and usually quick to get down to business. Their
communication style tends to be more reserved than that of their more outgoing, expressive Polish and Hungarian neighbors.

Today the Czechs, along with Poles and Hungarians, are leading East Central Europe back into the modern world. Investment and know-how from Western Europe and other sources is a key factor in stimulating the recovery. [03]

06.01.03 The Czech Business Background

Language of Business.

While the national language is Czech, younger business people are likely to speak English or German, frequently both. Still, wise visitors ask their local counterparts whether an interpreter will be needed because older managers often do not speak foreign languages. French is not as popular as it was between the wars, and Russian is definitely passé.

Deal-Focused Business Behaviour.

Most Czech companies today are relatively open to contact from foreigners. They tend to get down to business without the elaborate preliminaries expected in relationship-oriented cultures. In fact, some Czechs note that even Americans, so famous for their “Let’s get down to business!” approach, at times engage in too much small talk.

Verbal Directness.

Visiting negotiators usually encounter the frank verbal communication characteristic of northern Europe. Urban Czechs are in fact almost as direct as the Germans, Dutch and Swiss-Germans.

Formality, Status and Hierarchies.

Czechs are likely to be more formal than North Americans, Scandinavians or Australians. Business behaviour is more akin to that of the French, Germans and British than that of the informal Danes, for instance. Formality is expressed in meeting-and greeting rituals as well as in the way business people dress. Hierarchical values are evident in the top-down approach to management and in the scarcity of women executives.
Visiting businesswomen encounter rather traditional attitudes towards gender roles. But once a business woman has established her professional credentials she will be taken as seriously as she would be in most of Europe.

**Time Behaviour.**

Visitors are expected to be punctual for meetings and can expect the same of their local counterparts. Business meetings usually run without serious interruptions. On the other hand, negotiations often last longer than they would in markets such as the U.S. or Germany. Wary after decades of semi-isolation from the global market-place, many Czechs take their time in sizing up potential foreign business partners before coming to a decision.

**Reserved Communication.**

Business visitors from expressive cultures must be prepared for a more restrained manner than they may be used to. Czechs tend to avoid open displays of emotion. Negotiators accustomed to dealing with northern Europeans will find few surprises in this regard.

**Czech Paraverbal and Nonverbal Behaviour**

If your local counterparts suddenly become very quiet or avoid eye contact at the negotiating table, you know you have stepped on their toes. To get back on track, make a light-hearted remark, perhaps a self-deprecatory one. Other tips:
- Keep your voice down. Czechs are put off by loud voices, avoid histrionics and table-pounding.
- Maintain an interpersonal distance of 25 to 40 cm (15 to 25 inches).
- Use little touch behaviour. Czechs avoid physical touching except for the handshake
- Expect moderate eye contact. You will encounter a direct gaze across the negotiating table, perhaps less intense than in the Middle East and southern Europe, but more direct than is considered polite in East and Southeast Asia. [03]

*06.01.04 Czech Business Protocol and Etiquette*

**Making Contact**

Request an appointment by telephone or email about two weeks in advance. Corresponding in English is quite acceptable, although taking the trouble to have your letter translated into Czech will really impress your prospective customer or business
partner. Best times for business meetings are between 9:00 AM and noon and from 1:00 to 3:00 PM.

**Dress Code**

Dark suits and ties for men, conservative dresses or suits for women.

**Meeting and Greeting**

In a business situation, say “dobrý den” (“hello”), shake hands, make direct eye contact and state your full name. Formulas such as “How are you?” are unnecessary. Shake hands again when leaving the meeting. In social settings the verbal greeting often suffices, handshakes are unnecessary. Note: Whereas in men cultures men wait for women to extend their hand, in the Czech Republic the man often offers his hand to a woman first.

**Forms of Address:**

When introduced, address your counterparts by their professional or academic title plus family name. Only relatives and close friends address each other by first names.

**Exchanging Cards.**

Your cards should show your organizational title and any advanced degrees.

**Topics of Conversation**

Remember that Czechs consider their country part of Central Europe rather than of Eastern Europe. Referring to the Czech Republic as part of East-Central Europe is acceptable. Avoid references to politics in general and to the Communist era in particular. Good topics are soccer, ice hockey, hiking, biking and all kinds of music.

**Gift Giving**

While not expected, gifts of moderate value are welcome. Bring a bottle of good Scotch of Cognac or small items such as a quality pen or cigarette lighter. A bottle of imported wine of liquor is the best choice when invited to someone’s home for a meal. In some circles, a bouquet of flower may be considered inappropriate: flowers tend to carry a romantic connotation. [03]
06.01.05 Czech Negotiating Style

Expect slow, methodical progress. Your opening offer should be realistic: the “high-low” tactic common in many business cultures will backfire with the Czechs. Patience and soft-sell approach will get you the best results. [03]
06.02 France

Picture 06.02.01 and 06.02.02 – Flag and map

06.02.01 General Background of France

Introduction
France
Location: metropolitan France: Western Europe, bordering the Bay of Biscay and English Channel, between Belgium and Spain, southeast of the UK; bordering the Mediterranean Sea, between Italy and Spain
Geographic coordinates: metropolitan France: 46 00 N, 2 00 E
Area: total: 547,030 sq km (metropolitan France)
Land boundaries: metropolitan France - total: 2,889 km
Border countries: Andorra 56.6 km, Belgium 620 km, Germany 451 km, Italy 488 km, Luxembourg 73 km, Monaco 4.4 km, Spain 623 km, Switzerland 573 km
Terrain: metropolitan France: mostly flat plains or gently rolling hills in north and west; remainder is mountainous, especially Pyrenees in south, Alps in east
Elevation extremes: lowest point: Rhone River delta -2 m, highest point: Mont Blanc 4,807 m
Natural resources: metropolitan France: coal, iron ore, bauxite, zinc, uranium, antimony, arsenic, potash, feldspar, fluor spar, gypsum, timber, fish
Population: total: 62,150,775 in metropolitan France (July 2009 est.)
Age structure: 0-14 years: 18.6% (male 6,129,729/female 5,838,925), 15-64 years: 65% (male 20,963,124/female 20,929,280)
Nationality: noun: Frenchman(men), Frenchwoman(women), adjective: French
Ethnic groups: Celtic and Latin with Teutonic, Slavic, North African, Indochinese
Religions: Roman Catholic 83%-88%, Protestant 2%, Jewish 1%, Muslim 5%-10%, unaffiliated 4%
Languages: French 100%, rapidly declining regional dialects and languages
(Provencal, Breton, Alsatian, Corsican, Catalan, Basque, Flemish)
Government type: republic
Capital: Paris, 48 52 N, 2 20 E
Flag description: the "Le drapeau tricolore" (French Tricolor), three equal vertical bands of blue (hoist side), white, and red; known as the "Le drapeau tricolore" (French Tricolor).
GDP (purchasing power parity): $2.097 trillion (2008 est.)
GDP - real growth rate: 0.7% (2008 est.)
GDP - per capita (PPP): $32,700 (2008 est.)
GDP - composition by sector: agriculture: 2.2%, industry: 20.3%, services: 77.4% (2008 est.)
06.02.02 The French Negotiator

The French business culture is in a class by itself. In origin a hybrid of Teutonic influences from the north of Europe and Latin infusions from the south, France’s negotiating style is unique.

For example, while the French are relationship-focused they are at the same time a nation of true individualists. Moreover, though they often dislike getting straight to the point and often employ indirect, high-context communication, they are also quick to argue, and will bluntly disagree with counterparts across the bargaining table. And despite the fact that the word “egalitarian” is derived from *egalité*, France remains one of Europe’s most hierarchical societies today.

In other words, French business executives tend to be relationship-focused, high-context, highly status-conscious individualists – and unusual combination of cultural traits. While of course no two Gallic negotiators operate exactly alike, the following profile should help visitors prepare for a business meeting in France.

As many French negotiators do, they seek agreement on general principles, later working through the details. This tendency also manifests itself in thought processes.

06.02.03 The French Business Background

Language of Business

It is definitely French, despite the fact that so many business people there speak English well. While foreign buyers can get by with English or German, export marketers are usually expected to speak French. Written correspondence should likewise be in French and the key parts of your product literature should be translated as well.

Good interpreters are easy to find in Paris or Lyon, but marketers who do not speak the language are likely to find themselves at a disadvantage. Despite the local sensitivity to abuse of their language, do try to use your French even if you make mistakes or have a foreign accent. You will be given credit for trying.

Making the Initial Contact

Connections count heavily in this market. Trade shows and official trade missions are good ways to make initial contact. The alternative is to arrange for a formal
introduction to potential customers, distributors or partners. Ask your country’s embassy to introduce you. Other useful intermediaries are chambers of commerce, trade associations and international banks, law and accounting firms. But don’t overlook that golf buddy or neighbor of yours whose company has a big office in Paris.

Your letter requesting a meeting should be in flawless business French. As in other hierarchical cultures, it is wise to start at the top. Address the letter to the President/Directeur General and if you are a senior person in your company request a meeting with him.

Importance of Relationships

France is a country of personal networks. You get things done more quickly by working through inside contacts than by “going through channels”.

The French want to know a good deal about you before discussing business, but building rapport involves less small talk than in some other relationship-oriented cultures. Displaying knowledge of French history, literature, art and philosophy is a good way to build rapport. Discussing French cuisine and wine over a meal is another good way.

Orientation to Time

Visitors are expected to be roughly on time for business meetings, particularly if they are selling. Outside of Paris and Lyon however, it is not unusual for your local counterpart to appear a few minutes late. Nor do meetings always follow a fixed agenda as they commonly do across the border in Germany. Instead you may experience free-form discussions with everyone present having his or her say.

Hierarchy and Status

Level of education along with family background and wealth determine one’s status in France. Graduates of the very selective Grandes Ecoles hold high positions in government and industry. Three out of four top managers of the 200 largest French companies come from wealthy families, in Germany the figure is one out of four, in the U.S. one out of ten.

French bosses tend to run their companies in an authoritarian style. Managers are expected to be highly competent and to know the answer to virtually every question that arises. They are often reluctant to delegate authority. Fraternization with the rank and file is not common. The traditional French management style contrasts sharply with the Scandinavian model, with its flat structure and egalitarian approach.

Communication Style
The French are emotionally expressive, both verbally and nonverbally. They love to argue, often engaging in spirited debate during business meetings. Negotiators from less confrontational cultures such as East Asia should not mistake this love of debate for hostility.

**Verbal Communication**

While they relish verbal conflict, the French usually dislike getting straight to the point. They tend to favor subtle, indirect language and like to present their point of view with Cartesian logic, elegant phrasing and verbal flourishes. This is one reason Gallic business people prefer to negotiate in French: their verbal pyrotechnics are largely lost when expressed in another language.

**Nonverbal Communication**

Among friends and relatives the French display high-contact behaviour, including in public. A study of comparative touch behaviour at cafes in Paris and London showed that within the space of an hour French couples touch each other over one hundred times, while British couples touch each other not at all.

Always shake hands both when meeting and when leaving someone. The French use many more hand and arm gestures than Asians and Anglo-Saxons. The thumb-and-forefinger circle signifies “zero” in France – when they mean A-OK they flash the thumbs-up sign instead. Nonverbal taboos include standing or speaking with hands in one’s pockets and slapping the palm of one hand over a closed fist. [03]

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**06.02.04 French Business Protocol and Etiquette**

**Dress Code**

As is to be expected in a hierarchical, status-conscious society, the French dress and behave formally in a business setting. And being French they dress with style, panache and elegance. Male business visitors should wear a dark suit, women should choose tasteful, somewhat conservative clothing and accessories.

**Meeting and Greeting**

Handshake with moderate pressure and steady eye contact. Among males the older or higher status person should initiate the handshake. A woman of any rank can decide whether or not to offer her hand.
Forms of Address

Greet your local counterparts with monsieur, madame or mademoiselle without the person’s name, as in “Bonjour, monsieur!” Always use the vous (formal) pronoun rather than the informal tu. As a foreigner, once you have built a relationship it is possible that your French opposite number may suggest using first names. Do wait for the local person to take this step however. And remember to continue using vous even when on a first-name basis unless your counterpart initiates the switch to the familiar pronoun.

Women in Business

Because relatively few women have reached high positions in French companies, female business visitors may occasionally feel somewhat out of place. Businesswomen should dress and act professionally at all times and should avoid negotiating behaviour that could be interpreted as overly aggressive.

Wining and Dining

Entertaining and being entertained is an important way to build rapport. According to a comparative study, two out of three French business people regularly lunch in restaurants while more than eight out of ten of their Dutch and British colleagues wolf a sandwich at their desks. And while almost half of the Brits and Germans surveyed felt business lunches were a waste of time, 70% of the French think they are an important part of doing business.

There is a certain ceremonial aspect to dining in France. Many Western ideas of proper table manners originated in France, so visitors are advised to observe some key rules of table etiquette.

Breakfast usually consists of coffee and a roll, but the American custom of the “power breakfast” is being adopted by an increasing number of Frenchmen. Business lunches often last two to three hours over at least that many glasses of wine. In some Asian cultures it is a sign of generosity to fill a wine glass to the brim, but in France, as elsewhere in Europe and in North America, when pouring wine for your neighbor at table remember to fill the glass only two-thirds full. And do avoid discussing business at least until dessert is served unless your host broaches the subject earlier.

Invitations to Dinner at Home are more common in the provinces than in Paris. Always accept such an invitation, and plan to arrive within about 15 minutes after the appointed time.

What should you bring the hostess? Flowers may not be the best choice: Your hostess may not appreciate having to search for the right size vase in the midst of all her other duties. And then you would have to remember to bring an uneven number (but
never 13!), to avoid chrysanthemums (funerals only), red roses (they signify you are having an affair with your hostess) and yellow flowers (they imply your host is having an affair with someone else).

Nor is wine necessarily a better choice. A bottle of undistinguished plonk brands you as ignorant or cheap while with the good stuff you run the risk of insulting your host by insinuating that his cellar is inadequate. The best solution therefore is usually a box of the very best chocolates you can find.

Wait at the door until the host or hostess invites you in. Men should not take off their jacket unless invited to do so by the host. Wait for your host or hostess to start eating. If you come from a culture where people are taught to keep one hand in their lap while dining, leave this custom behind. Your dinner companions are liable to roll their eyes and ask each other what you are doing under the table.

When the salad arrives, do not cut your lettuce with a knife. Instead fold it into small pieces with your fork. Peel the fruit with a knife and eat it with a fork. It is impolite to take two servings of cheese, and extremely gauche to slice the tip from a wedge of cheese. [03]

06.02.05 French Negotiating Style

Your Presentation

Avoid hard-sell tactics, hyperbole and flippant humor. Prepare a sober presentation with a logical sequence of arguments. If you encounter forceful disagreement on some points be prepared to respond with factual counter-arguments. Vigorous disagreement with specific issues does not necessarily signal lack of interest in your overall proposal

Bargaining Style

Be prepared for long, relatively unstructured negotiating sessions punctuated frequently with verbal confrontation. Your counterpart may also attack the thought process behind your bargaining position. The French pride themselves on their logical thinking and often relish finding fault in the logic of others.

Decision Making

Although the senior member of the French team is likely to make most of the decisions, that does not mean those decisions will be made quickly. Expect decision-making to take longer than in northern European and Anglo-Saxon countries. [03]
06.03 United Kingdom

06.03.01 General Background of Great Britain

Introduction: Great Britain
Location: Western Europe, islands including the northern one-sixth of the island of Ireland between the North Atlantic Ocean and the North Sea, northwest of France
Geographic coordinates: 54 00 N, 2 00 W
Area: total: 244,820 sq km (land: 241,590 sq km, water: 3,230 sq km)
Land boundaries: total: 360 km (border countries: Ireland 360 km, Coastline:12,429 km)  
Terrain: mostly rugged hills and low mountains; level to rolling plains in east and southeast  
Elevation extremes: lowest point: The Fens -4 m, highest point: Ben Nevis 1,343 m  
Natural resources: coal, petroleum, natural gas, iron ore, lead, zinc, gold, tin, limestone, salt, clay, chalk, gypsum, potash, silica sand, slate, arable land  
Population: 61,113,205 (July 2009 est.)  
Age structure: 0-14 years: 16.7% (male 5,233,756/female 4,986,131), 15-64 years: 67.1% (male 20,774,192/female 20,246,519) 65 years and over: 16.2% (male 4,259,654/female 5,612,953) (2009 est.)  
Nationality: noun: Briton(s), British (collective plural), adjective: British  
Ethnic groups: white (of which English 83.6%, Scottish 8.6%, Welsh 4.9%, Northern Irish 2.9%) 92.1%, black 2%, Indian 1.8%, Pakistani 1.3%, mixed 1.2%, other 1.6% (2001 census)  
Religions: Christian (Anglican, Roman Catholic, Presbyterian, Methodist) 71.6%, Muslim 2.7%, Hindu 1%, other 1.6%, unspecified or none 23.1% (2001 census)  
Languages: English, Welsh (about 26% of the population of Wales), Scottish form of Gaelic (about 60,000 in Scotland)  
Education expenditures: 5.6% of GDP (2005)  
Government type: constitutional monarchy and Commonwealth realm  
Capital: London  
Administrative divisions: England: 34 two-tier counties, 32 London boroughs and 1 City of London or Greater London, 36 metropolitan counties, 46 unitary authorities  
Flag description: blue field with the red cross of Saint George (patron saint of England) edged in white superimposed on the diagonal red cross of Saint Patrick (patron saint of Ireland), which is superimposed on the diagonal white cross of Saint Andrew (patron saint of Scotland); properly known as the Union Flag, but commonly called the Union Jack; the design and colors (especially the Blue Ensign) have been the basis for a number of other flags including other Commonwealth countries and their constituent states or provinces, and British overseas territories  
GDP (purchasing power parity): $2.231 trillion (2008 est.)  
GDP - real growth rate: 0.7% (2008 est.)  
GDP - per capita (PPP): $36,600 (2008 est.)  
GDP - composition by sector: agriculture: 0.9%, industry: 22.8%, services: 76.2% (2008 est.)  
Unemployment rate: 5.5% (2008 est.)  

06.03.02 The British Negotiator

The United Kingdom of Great Britain and Northern Ireland, very loosely called Britain, is a diverse culture. Visitors note differences between the English, the Scots, the Welsh and the Irish, but also between people of the north and south of England. Nonetheless for international negotiators there is a mainstream British business culture – though of course visitors from different parts of the globe see that culture differently.

For example, business people from Asia, the Mediterranean region, Africa and Latin America find their British counterparts deal-focused, individualistic, direct, reserved and monochromatic. In contrast, German, Swiss and Scandinavian visitors see Britons as moderately relationship-focused, indirect, hierarchical and mildly polychromic. Meanwhile for U.S. business people the Brits are reserved, formal, class-conscious and often just a bit relaxed about time and scheduling.

In fact, all of these conflicting descriptions are correct. Human beings are quite naturally ethnocentric, viewing people’s behaviour through the lens of their own culture. So British negotiators do seem to be direct, deal-focused and time-obsessed compared...
with most Latins, Arabs and Asians. At the same time however, they are also more indirect, relationship-oriented and relaxed about time than northern Europeans, as well as more formal and reserved than Americans. [03]

**06.03.03 The British Business Background**

**Language of Business**

Few Brits speak another language well enough to handle a serious business negotiation. Visitors not fluent in English should consider hiring an interpreter.

**Making Contact**

Famously a land of “old school ties” and the “old boy’s network”, Britain is a market where referrals, recommendations and testimonials are extremely useful. If you do not have such connections, address your letter to the owner of a small company or to the Chairman or Managing Director of a larger firm. It is wise to phone that executive’s secretary before writing to get the correct name and exact title of the addressee. Trade shows, trade missions and chamber of commerce introductions are good ways to get in touch with potential customers and partners.

Write in English with basic information about your company and your product, adding that you will contact them soon to set up an appointment. Follow this with a phone call requesting a meeting two or three weeks hence. Your British counterpart will suggest the time and place.

**Moderately Deal-Focused**

Brits usually want to chat with a new business contact for some time before getting down to business. Visitors are well advised to wait for their local counterpart to initiate the business part of the meeting. The English need to get to know their overseas counterparts a bit before talking business. Some Germans, Swiss, Danes and Americans become impatient with what they regard as unnecessarily long preliminary conversations.

**Orientation to Time**

The pace of business life in London is somewhat leisurely relative to that of Hong Kong or New York. And while visitors are expected to be on time, locals may be a few minutes late for meetings. Still, the British are definitely clock-obsessed compared with most Latins, Arabs and Africans as well as the majority of South and Southeast Asians.
Formality, Hierarchies and Status Differences

Status in England is largely determined by one’s regional origin, social class, family background and accent. This contrasts with the situation in Australia and the Nordic countries, where people are uncomfortable with obvious status differences.

The existence of these status distinctions explains the formality in social interaction noted by Australian, American and Scandinavian visitors. While Americans, for example, like to switch almost immediately to the use of given names in business meetings, older Britons usually prefer to stay with Mr. or Mrs. until at least the second or third meeting. Younger business people are becoming less formal. Today it is increasingly common to hear Brits introduce themselves as “Bob” or “Mary” in a telephone conversation. And, as elsewhere, the use of email acts to “informalize” the communication process.

Communication Style

In common with their German, Dutch and Scandinavian neighbors, the British are reserved rather than demonstrative in the way they communicate, their use of understatement, large space bubble, low-contact body language, restrained gestures, and in their preference for always keeping a “stiff upper lip”.

The British may appear expressive and extroverted to the Japanese, but they are reserved and introverted compared with the Latins of Europe and the Americas.

Verbal Communication

Negotiators from the high-context cultures of East Asia, the Arab world, and Latin America are sometimes offended by what they regard as overly direct language, especially in northern England. But on the other hand, Dutch, German and Danish visitors may be puzzled by the vague, indirect, roundabout language they encounter. That’s because the British occupy an intermediate position among the world’s cultures when it comes to verbal directness.

Part of visitors’ confusion stems from class differences. Many upper-class Brits seem to value vague, oblique language, while others speak more directly. So visitors should be prepared to encounter either verbal style.

Paraverbal Communication

Britons rarely interrupt their counterparts across the bargaining table. They are also less likely to raise their voice than are negotiators from more expressive societies such as those in southern Europe and Latin America.
The Handshake

When meeting and greeting, a light to moderate handshake is common. Brits do not normally shake hands with colleagues upon meeting in the morning and again when leaving the office, as is common practice in some Continental cultures.

Spatial Behaviour

The normal interpersonal distance in a business context is about an arm’s length. The British tend to stand and sit further apart than the Arabs and Latins. Moreover, two Englishmen in conversation will often stand at a 90-degree angle to each other, rather than facing each other directly as two Italians or two Arabs usually do.

Direct, face-to-face conversation seems to make some Brits uncomfortable.

Gaze Behaviour

Eye contact tends to be less direct than in emotionally expressive cultures such as Italy and Brazil. A very direct gaze may be interpreted as rude and intrusive.

Touch Behaviour

This is a low-contact culture. Except for the handshake, most British people avoid touching others in public. For example, the American custom of back-slapping, elbow-grabbing and arm-around-the-shoulder is considered slightly vulgar.

Gestures

As is the case with other reserved cultures, the British use relatively few hand and arm gestures. When flashing the two-finger “peace” sign, make sure your palm is facing outward, with palm inward this is an obscene gesture. Avoid pointing with your index finger, instead indicate direction with a nod of your head. [03]

06.03.04 British Business Protocol and Etiquette

Dress Code

Men wear a dark suit, plain shirt, conservative tie and polished black shoes. Avoid striped ties, they can be seen as imitating prestigious British regimental ties. The black shoes should be of the laced type rather than loafers, which are considered too casual. Natural fibers are considered more acceptable than synthetics. Women should likewise dress conservatively, avoiding garish colors and too much jewelry.
Meeting and Greeting

While men exchange light handshakes, some women chose not to offer their hand. Men should always wait for the woman to extend her hand.

Forms of Address

Use Mr., Mrs., Miss or Ms. until your counterpart suggests switching to given names. Medical doctors, dentists and clergy expect to be addressed with their titles, but a male surgeon is plan Mister. Visitors accustomed to saying “Yes sir” and “No sir” as a sign of respect to older or senior people should avoid this practice in Britain.

Business Gifts

This is not a gift-giving culture – it’s better to invite your counterparts to dinner.

Hostess Gifts

If invited to an English home, bring chocolates, liquor, champagne or flowers. Avoid white lilies (only for funerals) and red roses (unless you wish to signal a romantic interest). Be sure to send along a handwritten thank-you note the next day. During the meal keep both hands on the table, both elbows off the table.

Wining and Dining

Pub lunches are customary for business entertainment while dinners tend to be more of a social event. Avoid talking business unless your British counterpart clearly initiates such a discussion.

Pub Etiquette

Patrons take turn ordering drinks. When ordering drinks at the bar, catch the publican’s eye and say, “Another pint, please!” rather than shouting or silently holding up your glass for a refill. In fact, “please” and “thank you” are very important words throughout Britain. [03]

06.03.05 British Negotiating Style

Your Presentation

Accustomed to understatement, British buyers are turned off by hype and exaggerated claims. Presentations should be straight-forward and factual. Humor is
acceptable, but visitors from abroad should remember that it rarely translates well. The safest humor is of the self-deprecatory variety.

**Bargaining Range**

The British have been doing business all over the world for hundreds of year. They may put a wide safety margin in their opening position so as to leave room for substantial concessions during the bargaining process. This practice may put off negotiators from Germany and Sweden, where the “high-low” tactic is frowned upon.

**Decision-Making**

Some “time is money” Americans find the British process too time-consuming, but for the rest of the world’s business cultures it is quite normal.

**Role of the Contract**

Expect emphasis on legal aspects and the fine points of the written agreement. Should a dispute or disagreement arise later the British tend to rely on the terms of the contract and could become suspicious if their counterpart invokes non-contract issues such as the importance of the long-term relationship. [03]
06.04 Japan

Picture 06.04.01 and 06.04.02 – Flag and map

06.04.01 General Background of Japan

Introduction

Japan

Location: Eastern Asia, island chain between the North Pacific Ocean and the Sea of Japan, east of the Korean Peninsula

Geographic coordinates: 36 00 N, 138 00 E

Map references: Asia

Area: total: 377,835 sq km (land: 374,744 sq km, water: 3,091 sq km)

Land boundaries: 0 km (Coastline:29,751 km)

Terrain: mostly rugged and mountainous

Elevation extremes: lowest point: Hachiro-gata -4 m, highest point: Mount Fuji 3,776 m

Natural resources: negligible mineral resources, fish

Population: 127,078,679 (July 2009 est.)

Age structure: 0-14 years: 13.5% (male 8,804,465/female 8,344,800), 15-64 years: 64.3% (male 41,187,425/female 40,533,876), 65 years and over: 22.2% (male 11,964,694/female 16,243,419) (2009 est.)

Nationality: noun: Japanese (singular and plural), adjective: Japanese

Ethnic groups: Japanese 98.5%, Koreans 0.5%, Chinese 0.4%, other 0.6%

Religions: Shintoism 83.9%, Buddhism 71.4%, Christianity 2%, other 7.8%

Languages: Japanese

Education expenditures: 3.5% of GDP (2005)

Government type: a parliamentary government with a constitutional monarchy

Capital: Tokyo, 35 41 N, 139 45 E

Administrative divisions: 47 prefectures

Flag description: white with a large red disk (representing the sun without rays) in the center

GDP (purchasing power parity): $4.348 trillion (2008 est.)

GDP - real growth rate: -0.4% (2008 est.)

GDP - composition by sector: agriculture: 1.4%, industry: 26.4%, services: 72.1% (2008 est.)

Unemployment rate: 4.2% (2008 est.)

[I-05]
06.04.02 The Japanese Negotiator

Japan boasts a unique and very successful business culture. While the national culture continues to undergo change, Japanese business behaviour continues to reflect relationship orientation, hierarchical attitudes in interpersonal interaction, expectations of punctuality, and an emotionally reserved communication style. [03]

06.04.03 Japanese Business Background

Relationship Orientation

Developing interpersonal rapport is a very important and often time-consuming component of the business process. Get to know your counterparts before discussing business by means of small talk and by socializing over drinks, meals, karaoke and golf.

Time

Although Edward T. Hall classified Japan as a polychromic culture, visitors will find that Japanese business people expect strict punctuality in meetings and close adherence to schedules.

Hierarchy, Status, and Respect

Younger individuals defer to older, higher-ranking persons. Since relatively few women have reached positions of authority in Japanese companies, many Japanese men are not yet used to dealing with females on the basis of equality in a business context. That said, data show a steady increase in the number of women managers.

In Japan the customer enjoys higher status than the seller in a commercial transaction. (While “the customer is king” all over the world today, one could say that in Japan the customer is God.) Because of this buyer-seller status difference, Japanese prospects and customers expect to be treated with great respect. Hence young foreigners – especially women – face cultural obstacles when trying to sell to Japanese companies.

Here are four ways to overcome age and gender barriers:
- Get introduced by the most senior male colleague available. Status in transferable.
- Learn how to show proper respect. Showing respect to others gains you respect.
- Establish your credentials, taking care not to appear boastful. Expertise confers status.
- Learn to read body language. Japanese rely heavily on nonverbal communication.
Maintaining Harmony

Japanese regard open displays of anger or impatience as infantile and offensive. They lose respect for people who cannot stay cool under stress, so visitors are advised to avoid open confrontation during negotiations.

Formality and Rituals

To maintain surface harmony and prevent loss of face, Japanese rely on ritualized codes of behaviour. A good example is the formalized exchange of business cards: the ritual of the *meishi*. Japanese business men also tend to dress and behave formally and are comfortable with visitors who do likewise.

Communication Style

Most Japanese tend to be somewhat reserved and formal while they are getting to know you. They rely more on face-to-face meetings than on email and telephone communication.

Indirect Verbal Communication

Especially when they have something unpleasant, unwelcome or negative to say, Japanese negotiators may employ indirect, vague, oblique language. The message in such situations may be ambiguous rather than clear and explicit.

Indirect language is meant to avoid offending the other party. For instance, many Japanese consider it unpleasant and offensive to reply to a request with a blunt “no”. So a negotiator might answer “We will do our best”, or “That will be difficult” instead. This politeness may confuse some foreigners, but surface harmony has been maintained.

Japanese tend to rely heavily on *tatemae* or surface communication, sometimes telling you what they think you want to hear. Moreover, distrusting glibness and wordiness, they tend to use fewer words than people from more expressive cultures, relying more on nonverbal language.

Paraverbal Communication

Japanese business people generally speak softly with frequent silences, pausing at length before answering a question or responding to a request. They try to avoid interrupting the other party, conversational overlap is rude. Visitors should avoid loud talking and wait until their Japanese counterpart has finished talking before starting to speak.
With Japanese people, a laugh or a giggle sometimes signals nervousness or embarrassment rather than amusement.

**Nonverbal Communication**

Expect a soft handshake. A visitor’s strong, direct eye contact may be misinterpreted as anger or hostility. A Japanese person’s smile may mask disapproval or anger.

Body language is restrained, formal, with very few gestures. Avoid arm-waving and other vigorous gestures. Japan is a low-contact culture, expect very little touching except for the handshake. Arm-grabbing and backslapping are offensive.

**Making a Presentation**

Opening your presentation with a joke or humorous anecdote shows lack of respect both for the topic and the audience. Speak clearly and simply, avoiding double negatives and convoluted sentences, jargon, slang or unusual words.

Take care not to over-praise your product or your company. Instead use testimonials or articles written about your firm. Visual aids are helpful – especially for numbers – as are copies of your presentation.

**Decision-Making Behaviour**

Many larger Japanese companies still make decisions by consensus – often a time-consuming process. [03]

**06.04.04 Japanese Business Protocol and Etiquette**

**Dress Code**

Dark suit, white shirt, conservative tie for men. Conservative suit or dress for women.

**Meeting and Greeting**

Offer your business card using both hands, holding it between thumb and forefinger with the side showing the Japanese printing facing up. Shake hands with a slight bow and state your name and your company’s name. Receive your counterpart’s card with both hands, study it for several seconds and then place it respectfully on the conference table in front of you or in your card wallet.
Expect a bow and a soft handshake. Avoid an excessively firm handshake or overly direct eye contact.

**Forms of Address**

Address your counterpart with his or her family name plus the suffix san, as in Watanabe-san. In Japan the family name comes first, followed by given names. But on business cards meant for foreigners the order may be reversed, if in doubt ask which is the family name.

**Gift Giving and Receiving**

Exchanging gifts is an important part of the business culture because it contributes to relationship-building. Be prepared with appropriate gifts for your Japanese counterparts such as expensive cognacs or whiskies, or a tasteful item typical of your city, region or country.

The wrapping and the presentation of the gift are important. Consider having your gifts wrapped in Japan or by someone knowledgeable of Japanese customs. Present the gift to your counterpart with both hands. Expect the recipient to set it aside and open it later. You should also receive a gift with both hands and open it later.

**Wining and Dining**

Entertaining and being entertained are essential parts of building a relationship with your counterparts. For male visitors, ritual drinking is a traditional way to get to know your counterparts. It is sometimes appropriate to drink heavily, even to get drunk.

For some Japanese businessmen, alcohol seems to dissolve the stiffness and formality often encountered during business meetings. After a few drinks they may let their hair down and indulge in honne communication, telling you what they really think. So alcohol can be a good lubricant to rapport-building and problem-solving.

Be wary of sake, which has an alcoholic strength of 16 to 18 percent. Cheers of “kampai” may encourage you to overindulge. Remember that you should never fill your own glass – that is your neighbor’s job. Always make eye contact with your table mates while taking a drink, it is impolite to imbibe alone.

Women are not expected to drink much, and are certainly not expected to get drunk. Not being able to join in the male drinking ritual could represent a slight handicap for women trying to do business with the Japanese.

Males who prefer not to drink alcohol can legitimately excuse themselves on grounds of illness or religious rules, thereby missing out on opportunities to deepen relationships and to learn more about their Japanese partners.
Maintaining the Relationship

It is important to stay in close contact with your Japanese business partners between visits by email, telephone, fax or letter. [03]
06.05 China

Introduction
Location: China is located in Eastern Asia, bordering the East China Sea, Korea Bay, Yellow Sea, and South China Sea, between North Korea and Vietnam.

Geographic coordinates: 35 00 N, 105 00 E
Map references: Asia
Area: total: 9,596,960 sq km (land: 9,326,410 sq km, water: 270,550 sq km)
Land boundaries: total: 22,117 km
Border countries: Afghanistan 76 km, Bhutan 470 km, Burma 2,185 km, India 3,380 km, Kazakhstan 1,533 km, North Korea 1,416 km, Kyrgyzstan 858 km, Laos 423 km, Mongolia 4,677 km, Nepal 1,236 km, Pakistan 523 km, Russia (northeast) 3,605 km, Russia (northwest) 40 km, Tajikistan 414 km, Vietnam 1,281 km, Coastline: 14,500 km
Terrain: mostly mountains, high plateaus, deserts in west; plains, deltas, and hills in east
Elevation extremes: lowest point: Turpan Pendi -154 m, highest point: Mount Everest 8,850 m
Natural resources: coal, iron ore, petroleum, natural gas, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminum, lead, zinc, uranium, hydropower potential
Population: 1,338,612,968 (July 2009 est.)
Age structure: 0-14 years: 19.8% (male 140,877,745/female 124,290,090), 15-64 years: 72.1% (male 495,724,889/female 469,182,087), 65 years and over: 8.1% (male 51,774,115/female 56,764,042) (2009 est.)
Nationality: noun: Chinese (singular and plural), adjective: Chinese
Ethnic groups: Han Chinese 91.5%, Zhuang, Manchu, Hui, Miao, Uyghur, Tu, Yi, Mongol, Tibetan, Buyi, Dong, Yao, Korean, and other nationalities 8.5% (2000 census)
Religions: Daoist (Taoist), Buddhist, Christian 3%-4%, Muslim 1%-2%
Languages: Standard Chinese or Mandarin (Putonghua, based on the Beijing dialect), Yue (Cantonese), Wu (Shanghainese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gan, Hakka dialects, minority languages (see Ethnic groups entry)
Education expenditures: 1.9% of GDP (1999)
Government type: Communist state
Capital: Beijing, 39 55 N, 116 23 E
Administrative divisions: 23 provinces (sheng, singular and plural), 5 autonomous regions (zizhiqu, singular and plural), and 4 municipalities (shi, singular and plural)
Flag description: red with a large yellow five-pointed star and four smaller yellow five-pointed stars (arranged in a vertical arc toward the middle of the flag) in the upper hoist-side corner

GDP (purchasing power parity): $7.8 trillion (2008 est.)
GDP - real growth rate: 9.8% (2008 est.)
GDP - per capita (PPP): $6,000 (2008 est.)
GDP - composition by sector: agriculture: 10.6%, industry: 49.2%, services: 40.2% (2008 est.)
Unemployment rate: 4% officially in urban areas, but including migrants may be as high as 9%; substantial unemployment and underemployment in rural areas (2008 est.)

[I-06]

06.05.02 The Chinese Negotiator

China is a relatively homogeneous culture. Visitors will observe some differences in business behaviour between north and south, between the coastal and interior provinces, and between Hong Kong and the mainland. However, the following description basically holds true for the whole country. [03]

Many Chinese tend to reason about the whole while Westerners often proceed by breaking the whole into parts and reasoning incrementally. [04]

06.05.03 Chinese Business Background

The Language of Business

Though more Chinese business people speak English these days, it is wise to ask whether you will need and interpreter. When working on a major deal you may want to hire your own interpreter rather than relying on one supplied by the Chinese side.

Use Guanxi

Chinese are generally uncomfortable doing business with strangers, so it is wise to make initial contact via an introduction or at a trade show, or on an official trade mission. You may ask your government trade representatives, chamber of commerce, bank or trade association to introduce you.

Relationship Orientation

Building rapport is a key part of the negotiating process. Get to know your counterparts before trying to discuss business. Socializing over drinks and dinner is a good way to build rapport. Chinese business people say, "First you make a friend, then you make a deal".

Hierarchy, Formality, Status and Respect
Younger people are expected to defer to older, higher-ranking persons. Young sales people must be especially careful to show respect to older, more senior Chinese buyers.

**Maintaining Harmony**

Chinese regard open displays of anger or impatience as rude. They lose respect for people who cannot retain a calm exterior. Visitors should stay cool and avoid open confrontation during meetings.

**Verbal Communication**

Especially in the north, Chinese are reserved and formal compared to people from more informal and expressive people such as northern Europeans and Americans. When discussing major issues or difficult problems they rely much more on face-to-face meetings than on written communication or phone calls. At times Chinese negotiators may employ indirect, oblique language wherein the meaning is deliberately ambiguous.

The use of indirect language is intended to avoid offending people and to avoid losing face. For example, your Chinese counterparts may think it offensive to reply to a request with a blunt “no”. They may offer a polite evasion such as, “That will require further study” or “That will be difficult”. This kind of indirect discourse confuses some negotiators from cultures accustomed to more direct language.

Chinese tend to speak rather softly, especially those from the northern part of the country. They also avoid interrupting other people, which would be rude. A laugh or giggle may signal stress, nervousness or embarrassment rather than amusement.

**Chinese Nonverbal Communication**

- **Eye Contact:** A strong, direct gaze may be misinterpreted as an attempt to intimidate or an indication of hostility
- **Touch Behaviour:** Very little touching in this low-contact culture.
- **Gestures:** The Chinese may be startled and confused when visitors employ frequent, wide hand and arm gestures. Striking the palm of one hand with the fist of the other is considered a vulgar gesture.

**Orientation to Time**

While the national culture is polychromatic in many respects, Chinese business people are usually punctual and try to adhere to schedules. They expect the same of their foreign counterparts – especially potential suppliers.
Dress Code
At the first meeting, conservative suit, white shirt and tie for men. After that observe how your counterparts dress. For women, suit or dress.

Meeting and Greeting
Expect a soft handshake and moderate eye contact

Names and Titles
Use the person’s family name and organizational title. On business cards printed in Chinese the family name comes first, followed by two given names

Business Cards
Have the text of your card printed in Chinese characters on one side. The exchange of cards is done using both hands while bowing slightly. Take a moment to read your counterpart’s card and then put it away in a card case or place it on the conference table in front of you, across from the individual who gave it to you. Do not write on someone’s name card in the presence of the giver.

Gift Giving
Exchanging gifts is a key part of the business culture, contributing to the development of guanxi. Be prepared with gifts for your counterparts. Expensive cognac is a good choice, others are items typical of your country or region, and tasteful logo gifts. Present the gift with both hands. The recipient will probably put it aside and open it after the meeting.

Wining and Dining
In China you may be invited to formal banquets. Have your local contact or your hotel help you reciprocate with an appropriate banquet before you leave China. Women are not expected to keep up with the rounds of banquet toasts and are not expected to get drunk. Males who prefer not to drink alcohol can excuse themselves on the grounds of religion or health.

Hosting Chinese Visitors
A restaurant offering local specialties in your country is usually a good choice. However, business visitors from China very often prefer a good Chinese meal.

**Adapting Your Sales Presentation**

Opening with a joke or humorous anecdote shows inappropriate informality. Take care not to over-praise your product or company. Instead, offer testimonials or articles written about your firm. Let others praise your product and your firm. Likewise, avoid making negative comments about your competitors. Rather, pass along critical comments about your competitors made by respected third parties. It’s better to let others criticize your competitors and their products. [03]

**06.05.05 Chinese Negotiating Style**

**Bargaining Range**

Chinese negotiators may bargain vigorously and often expect their counterparts to grant major concessions on price and terms during the course of the negotiation. Some measure their success at the bargaining table by how far they are able to move you away from your opening offer. So wise negotiators always build enough margin into their opening offer to leave room for bargaining.

**Bargaining Style**

Make any concession with great reluctance, and only on a strict “if…then” conditional basis, always demanding an equivalent concession in return.

Important or difficult issues are best negotiated face-to-face – whether in China, your country or in a third country.

**Ploys and Counter-ploys**

Although Chinese negotiators generally mask negative emotions, they may on occasion display anger as a tactic. Public-sector negotiators sometimes plead the poverty of their country to obtain a lower price. They may also flatter you as an “old friend”. “Friend” are expected to help China by offering better terms.

**Duration**

Negotiating in China tends to be a time-consuming process requiring patience and a calm disposition, especially when doing business with a government entity or public-sector company. Decisions take time.
Role of the Contract

Many Chinese negotiators regard the final written agreement as less important than the strength of the relationship with you and your company. They often expect to renegotiate the contract if circumstances change. If that happens, remember that renegotiation can work for both sides. If the Chinese want to reinterpret a certain clause in their favor, you may agree on condition they agree to amend another important clause in your favor.

Maintaining the Relationship

Between personal visits, stay in regular contact with your counterparts by phone and correspondence. Do not overlook this vital step in enhancing the business relationship.
07 Practical Part

In the Enclosure 10.01 is the Questionnaire concerning data needed for my survey. Most of the respondents were my former classmates from the College of Polytechnics and from the Niels Brock Copenhagen Business College.

I received needed answers for my practical part of this thesis from 50 people who have relation to business studies and practice.

Split of countries of origin to which my recipients belong can be seen in the following pie graph 07.01.

Graph 07.01 Country of Origin

Split between gender is 68% girls/women and 32% men.

07.01 Answers to the Questions

Q.01 How often do you travel to a foreign country?

44% of respondents answered that they go abroad 2-3 times a year, 30% once a year, 20% 4 times and more a year and others once a year or less.
Q.02 Have you met any businessmen/women in a foreign country?
64% answered that they met businesspeople, 30% have not and 6% are not sure about it.

Q.03 To what extent can travelling worldwide influence your life perspective?
Half of the respondents are familiar with the influence on their lives, another half is almost equally split to those who think they are influenced a lot and those who do not care about this fact.

Q.04 Do you think that business travellers have to know anything about country they are coming to?
92% think that business travellers should absolutely or partly know something about country they are coming to. The rest thinks that it is not that important.

Q.05 What role do business cards play?
52% respondents suppose that business cards are just for orientation and almost everybody else that they are very important.

Q.06 If you are going to make a deal in a foreign country do you expect others to dress and interact formally or informally?
86% think that if they will go on business they will dress and interact formally or that it depends on situation. The others think that they will be dealing sometimes formally or always informally.

Q.07 Do businesspeople exchange gifts? If so, please specify what gifts are appropriate?
68% expect that businesspeople exchange gifts sometimes and others mean that they mostly do. Among all those gifts belong company’s gifts, typical presents from their countries (in Czech it would be Becherovka, etc.), wine, electronic gadgets, chocolate, flowers.

Q.08 Is direct eye contact polite? Is it expected?
70% think it is polite and expected and 30% it is polite, but not always expected.

Q.09 Is it rude, embarrassing or usual to show emotions?
10% think that it is rude, 38% embarrassing and 52% usual.

Q.10 Is silence (in general or during meetings) awkward? Expected? Insulting? Respectful?
38% suppose that it is awkward, 12% expected, 6% insulting and 44% respectful.

Q.11 Is certain food a taboo?
Answers to this question were very interesting and almost everybody knows that in some countries they should be aware what they eat. They normally stated that in the Muslim countries it is not normal to eat pork and in south Asia (as India) you cannot eat beef because cows are sacred animals. Others said that it is not usual to eat dogs and horses in Europe.

Q.12 Should I be punctual and expect my counterparts to be as well? Or are schedules and agendas fluid?
Almost everybody (94%) from the recipients of my questionnaire is punctual and they expect that their counterparts will be the same or they are benevolent and expect some delays.

Q.13 Do you live and/or work in a country different from the one you were born?
20% live and/or work in a foreign country and other 30% wish to be truth. Some of them used to live abroad but they are back in their country of origin.

**Graph 07.01.03 – Q13**

Q.14 Will you be thinking about some of this relevant information in the future if you go abroad or deal with counterparts from a different country?

Answers on this question were really pleasant for me. 96% think that they will be thinking about relevant information from the questionnaire in the future.

Q.15 Do you think that cultural communication is a good subject to study at universities.

In the light of these facts teachers and management of the universities and other types of school should consider offer Cultural Communication as a subject, because 84% think it is a good idea and other 16% that it is good for future business travellers.

Q.16 How big is the difference between cultures in Europe and East Asia?

Really clear answer to this question - 98% of the respondents understand that there is difference between those two parts of the world.

**07.02 Results of the Questionnaire**

What was very good answer to the series of my questions were that my respondents are aware of cultural differences among nations all over the globe. Best responds brought results as:

- Europe and East Asia are really different parts of the world,
- they will be thinking about cultural differences when they go abroad,
- they suppose that Cultural Communication is a good subject for schools because of international connections and globalization,
- using eye contact is polite even that nobody count East Asia cultures where it is highly impolite,
- business travellers should know some basic information about country they are going to
- certain foods is really a taboo in a specific parts of the world (beef, pork, etc.)
- quarter of them are currently living and/or working abroad

The entire split and base data are shown in the Enclosure 10.02 - Table of the responds on the questionnaire and Enclosure 10.03 - Percentage split of the responds on the questionnaire
08 Conclusion

This bachelor thesis was not intended to somehow solve problems among cultures and cannot help to every man or woman in the field and students going abroad now or in the future. By this thesis I wanted to point out to so many differences which are between cultures and even in business relationship. In practical part I end up with interesting results concerning whole cultural and behaviour perceptions.

It is very interesting to be involved in business or cross-cultural behaviour and especially for me it was highly interesting topic – hopefully it was the same for you too.

Last but not least, I would like to conclude with the following quotation: “… when you think you have the cultural road map read, the rules may have already changed” [02]
09 Bibliography and Other Sources

09.01 Bibliography:


[10]

09.02 Internet Sources:


09.03 Recherches:


10 Enclosures

10.01 Questionnaire

Cross-cultural differences in business behaviour - Emphasis on differences between the West and East

Picture 10.01.01

Questionnaire

Preface

As a student at the College of Polytechnics Jihlava (Jihlava, the Czech Republic), I want to find out how you handle this information: Is the impact of cross-cultural differences really so significant? How important is it for businessmen/women to be familiar with differences in business behaviour in other countries? Is important to know some cross-cultural differences before going abroad?

I am trying to find an answer to these and some other questions.

Therefore, I would like to ask for your cooperation in this survey. With your
help I will be able to draw an image of the nowadays points of view on cross-cultural differences.

This questionnaire starts with some general questions about culture. Afterwards I will ask you some global questions aimed at business. All information will be processed **anonymously**.

**It takes less than 10 minutes** of your precious time to participate in this survey. You are kindly asked to read the questions carefully.

I also ask you to complete this questionnaire **before Saturday 17th May 2009**.

Thank you very much for your cooperation. Your participation will be very valuable for my research.

Kind regards,

Petr Staněk
student at the College of Polytechnics Jihlava, program Finance and management, stream Project management

---

Please fill in the following questions:

**Gender:**
- [ ] Male
- [ ] Female

**Country of origin:**

**Occupation:**
- [ ] Student
- [ ] Part-time worker
- [ ] Full-time worker
- [ ] Unemployed
Q.01 How often do you travel to a foreign country?
☐ 4 times and more a year ☐ 2-3 times a year ☐ once a year ☐ less ☐ never

Q.02 Have you met any businessmen/women in a foreign country?
☐ Yes ☐ No ☐ Don’t know

Q.03 To what extent can travelling worldwide influence your life perspective?
☐ A lot ☐ Yes in some ways
☐ Don’t care ☐ I have behaved the same way for many years

Q.04 Do you think that business travellers have to know anything about country they are coming to?
☐ Absolutely ☐ Yes ☐ Not much ☐ No

Q.05 What role do business cards play?
☐ For orientation ☐ Very important ☐ Useless

Q.06 If you are going to make a deal in a foreign country do you expect others to dress and interact formally or informally?
☐ Definitely formally ☐ Sometimes formally
☐ Always informally ☐ Depends on situation

Q.07 Do businesspeople exchange gifts? If so, please specify what gifts are appropriate?
☐ Yes, please specify:
☐ No
☐ Maybe sometimes

Q.08 Is direct eye contact polite? Is it expected?
☐ It is polite and expected
☐ It is polite, but not always expected
☐ It is impolite, but always expected
☐ It is impolite and not expected

Q.09 Is it rude, embarrassing or usual to show emotions?
☐ Rude ☐ Embarrassing ☐ Usual
Q.10 Is silence (in general or during meetings) awkward? Expected? Insulting? Respectful?

☐ Awkward ☐ Expected ☐ Insulting ☐ Respectful

Q.11 Is certain food a taboo?

☐ No kind of food is a taboo in any country
☐ Some kinds of food are a taboo in some countries, please specify:
☐ I should be prepared for some kind of food is a taboo

Q.12 Should I be punctual and expect my counterparts to be as well? Or are schedules and agendas fluid?

☐ I am strict about time-keeping and I expect others to be the same
☐ I am punctual but I understand that some people are not
☐ I am not punctual but other people should be
☐ I am not punctual and do not care about punctuality

Q. 13 Do you live and/or work in a country different from the one you were born?

☐ Yes ☐ No ☐ I wish to

Q.14 Will you be thinking about some of this relevant information in the future if you go abroad or deal with counterparts from a different country?

☐ Yes ☐ No ☐ I will see

Q. 15 Do you think that cultural communication is a good subject to study at universities

☐ Yes ☐ No ☐ Only for future businessmen/women

Q. 16 How big is the difference between cultures in Europe and East Asia?

☐ Really big ☐ Not so big ☐ Cultures are the same everywhere

Thank you so much in advance. Please send the filled in questionnaire back to me as soon as possible to: siafu@seznam.cz

With kind regards,
Petr Staněk
### 10.02 Table of the Responds on the Questionnaire

<table>
<thead>
<tr>
<th>Question</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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</tbody>
</table>

### Table 10.02 - Responds

- n = 46
- Gender: A = 16, B = 34
- Country of origin:
  - the Czech Republic - 30, Spain - 2, Denmark - 3, Scotland - 1, Hungary - 2, Poland - 1, China - 1, Lithuania - 3, Slovenia - 2, Belgium - 2, Iceland - 1, The Netherlands - 1, France - 1
- Occupation: A = 35, B = 13
- Q.01 How often do you travel to a foreign country?: A = 10, B = 22, C = 15, D = 3
- Q.02 Have you met any businessmen/women in foreign country?: A = 32, B = 15, C = 3
- Q.03 To what extent can travelling worldwide influence your life perspective?: A = 14, B = 25, C = 11
- Q.04 Do you think that business travellers have to know anything about country they are coming to?: A = 24, B = 22, C = 3, D = 1
- Q.05 What role do business cards play?: A = 26, B = 20, C = 4
- Q.06 If you are going to make a deal in a foreign country do you expect others to dress formally and interact formally or informally?: A = 12, B = 2, C = 5, D = 31
- Q.07 Do businesspeople exchange gifts? If so, please specify what gifts are appropriate?: A = 13, B = 3, C = 34
- Q.08 Is direct eye contact polite? Is it expected?: A = 35, B = 15
- Q.09 Is it rude, embarrassing or usual to show emotions?: A = 5, B = 19, C = 26
- Q.10 Silence (in general or during meetings) awkward? Expected? Insulting? Respectful?: A = 19, B = 6, C = 3, D = 22
- Q.11 Is certain food a taboo?: A = 6, B = 20, C = 24
- Q.12 Should I be punctual and expect my counterparts to be as well? Or are schedules and agendas fluid?: A = 20, B = 27, C = 2, D = 1
- Q.13 Do you live and/or work in a country different from the one you were born?: A = 10, B = 25, C = 15
- Q.14 Will you be thinking about some of this relevant information in the future if you go abroad or deal with counterparts from a different country?: A = 27, B = 2, C = 21
- Q.15 Do you think that cultural communication is a good subject to study at universities?: A = 42, B = 8
- Q.16 How big is the difference between cultures in Europe and East Asia?: A = 49, B = 1
## 10.03 Percentage Split of the Responds on the Questionnaire

<table>
<thead>
<tr>
<th>PERCENTAGE</th>
<th>32%</th>
<th>68%</th>
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</thead>
<tbody>
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<td>70%</td>
<td>4%</td>
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<tr>
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<td>20%</td>
<td>44%</td>
</tr>
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<td>Q.02 Have you met any businessmen/women in a foreign country?</td>
<td>64%</td>
<td>30%</td>
</tr>
<tr>
<td>Q.03 To what extent can travelling worldwide influence your life perspective?</td>
<td>28%</td>
<td>50%</td>
</tr>
<tr>
<td>Q.04 Do you think that business travellers have to know anything about country they are coming to?</td>
<td>48%</td>
<td>44%</td>
</tr>
<tr>
<td>Q.05 What role do business cards play?</td>
<td>52%</td>
<td>40%</td>
</tr>
<tr>
<td>Q.06 If you are going to make a deal in a foreign country do you expect others to dress formally and interact formally or informally?</td>
<td>24%</td>
<td>4%</td>
</tr>
<tr>
<td>Q.07 Do businesspeople exchange gifts? If so, please specify what gifts are appropriate?</td>
<td>26%</td>
<td>6%</td>
</tr>
<tr>
<td>Q.08 Is direct eye contact polite? Is it expected?</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Q.09 Is it rude, embarrassing or usual to show emotions?</td>
<td>10%</td>
<td>38%</td>
</tr>
<tr>
<td>Q.10 Is silence (in general or during meetings) awkward? Expected? Insulting? Respectful?</td>
<td>38%</td>
<td>12%</td>
</tr>
<tr>
<td>Q.11 Is certain food a taboo?</td>
<td>12%</td>
<td>40%</td>
</tr>
<tr>
<td>Q.12 Should I be punctual and expect my counterparts to be as well? Or are schedules and agendas fluid?</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>Q.13 Do you live and/or work in a country different from the one you were born?</td>
<td>20%</td>
<td>50%</td>
</tr>
<tr>
<td>Q.14 Will you be thinking about some of this relevant information in the future if you go abroad or deal with counterparts from a different country?</td>
<td>54%</td>
<td>4%</td>
</tr>
<tr>
<td>Q.15 Do you think that cultural communication is a good subject to study in universities?</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Q.16 How big is the difference between cultures in Europe and East Asia?</td>
<td>98%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Table 10.03 - Percentage
Bowing is a traditional form of greeting used in many Asian countries. The Japanese use bowing extensively, whenever there is a moment to show one’s gratuity, obeisance, patience, modesty, respect, humility and, well, the list goes on. It’s a beautiful greeting with many positive meanings.

In a book called *Japanese Etiquette & Ethics in Business* by Boye DeMente, three types of bowing are identified:

1. Informal: 15 degrees with hands at sides for all casual occasions towards people of various rank.
2. Formal: 30 degrees, with palms on knees, bobbing up and down.
3. “Highest
Picture 10.04.03 - Form of salutation which is rarely used and is reserved for the imperial family.

Bowing has become a critical detail when dealing with business practice too. Knowing one’s rank within company hierarchy determines when and how long one must bow. Rule of thumb: The lower your rank, the lower your bow. The lower ranking colleague bows first. [I-07]
10.05 How to Behave in a Foreign Countries

Handful of rules from Dean Allen Foster’s, *Bargaining Across Borders*

- Never show the sole of your shoe to an Arab, for it is dirty and represents the bottom of the body.
- Look directly and intently into a French associate’s eye when making an important point, but avoid direct eye contact in Southeast Asia until the relationship is firmly established.
- In Italy, don’t touch the side of your nose, it is a sign of distrust.

The lists go on and on and can certainly help you avoid mistakes. But the rules are so complex and detailed that it’s difficult to keep them straight, and the likelihood of regional variation further complicates matters. [04]

It is a negotiating no a cultural error to:
- respond to the other (Japanese) party’s silence with offers of price concessions
- interfere in an Asian negotiator’s team selection
- accept uncosted commitments to translate your technical documents into Chinese because they asked for a “goodwill” gesture though offering nothing of substance in return
- assume that American corporations are different from Japanese corporations in that you can approach the former with proposals without a lengthy process of pre-qualification meetings with their procurement people
- avoid making an assertive statement rejecting a demand from a Chinese negotiator (the word “no” is in the English language so you may use it)
- only listen carefully to speeches from Indian or Chinese negotiators in a way you would not do in your home country – always listen carefully
- fail to question closely and persistently proposals from an Asian negotiator in the belief that you might insult him/her or act impolitely
- assume that foreign negotiators are not familiar with conditional language and that they negotiate differently from everybody else – they are and they don’t

Note that:
- language is the great divide in all countries but we cannot learn every language. Nodding agreement does not mean we agree with the outcome, only with the statement of the problem. It’s best not to assume a „nod“ or a „yes“ means the deal is done
- mistranslating words and phrases in another language is poor preparation [04]
China
- As in most Asian cultures, avoid waving or pointing chopsticks, putting them vertically in a rice bowl or tapping them on the bowl. These actions are considered extremely rude

France
- Always remain calm, polite and courteous during business meetings.
- Never appear overly friendly, because this could be construed as suspicious.
- Never ask personal questions.

Japan
- Never write on a business card or shove the card into your back pocket when you are with the giver. This is considered disrespectful. Hold the card with both hands and read it carefully. It's considered polite to make frequent apologies in general conversation. [I-08]
10.06 List of the Pictures and Graphs

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