International Business Negotiations between Finnish and Chinese business people: A Cultural Approach

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Tiivistelmä
International companies nowadays have vast operations in China. Furthermore, international business negotiations between Western and Chinese companies have increased rapidly during the past couple of decades. Understanding the Chinese culture thus has become vital to Western negotiators. Finnish corporations also have intensive cooperation with the Chinese corporations, Finnish businesses have subsidiaries in China and future business assets for Finnish companies are in China. Finnish-Chinese business negotiations have not yet been studied, therefore this thesis attempts to fill this research gap. Firstly, cultural comparison of Finnish and Chinese cultures is done through project GLOBE research selected cultural dimensions (performance orientation, future orientation, individualism vs. collectivism, power distance, uncertainty avoidance). Both Finnish and Chinese cultures and business behavior as well as previous negotiation research findings are presented. Secondly, empirical research was conducted through semi-structured qualitative interviews of eight high level Finnish business executives with extensive personal experience negotiating with the Chinese. The interview data was analyzed through content analysis and inductive categorization method, where similar responses of all interviewees were categorized together. According to this study Finnish and Chinese get along well in the international business negotiations. The most important Chinese cultural factors, face (mianzi) and relationships (guanxi), both were discovered to have great impact on Finnish-Chinese business negotiations. Altogether eight factors were found to impact Chinese negotiations: the Chinese government, Chinese politics, Chinese negotiation tactics, face, relationships, language barriers, understanding problems, and individual characteristics of the Chinese people. All these factors a Finnish negotiator has to take into consideration before entering into Chinese negotiations. Furthermore, this study provides practical guidelines for Finnish managers entering into Chinese negotiations and list of qualities a competent Finnish negotiator should have.
There may happen in a variety of misunderstandings in negotiations and between the two parties of the same culture, while the process of preparing for the talks with different cultures require. The article discusses cultural dimensions, their effect on negotiations. The analysis performed the global scientific literature, cultural dimensions and presented their comparison. There are investigated international business negotiation context and cognition aspects also. Paper includes suggestions for further research of international negotiations. Chinese Business Negotiation Process: A Socio-Cultural Analysis. China has been one of the most favourite markets for western firms for the last decade. However, doing business with China is difficult, mainly because negotiating with Chinese counterparts is quite complex and time consuming. This paper analyzes the negotiation process with China from a Socio-cultural perspective. This approach, different from traditional social psychology and communication perspectives on negotiation, emphasizes the relevance of market environment for business negotiations and highlights the influence of political, legal, economic, technological and cultural factors on the negotiation process and outcome. Cultural Notes on Chinese Business Negotiation. Business in China is not about doing business between organizations, but about doing business between people. . . . Your successor does not automatically inherit your friends and relationships. Such different approaches often generate culture clashes during Sino-foreign negotiations. For example, emissaries of a foreign company engaged by their Chinese hosts in extensive social activities in an effort to establish a warm relationship before initiating important business discussions are likely to view these pre-negotiation, relationship-building efforts as excessive and unproductive, and even to be annoyed frequent inquiries about personal issues or requests for favors. Comment. China is a vast, rapidly changing country bursting with economic opportunity for locals and foreigners alike. Since market reforms began in 1979, real GDP growth has averaged 9% annually. It's no wonder that American entrepreneurs are traveling to China in droves to open plants, hawk cell phones and cars, and create new partnerships – and launch broad-scale international negotiations. What special insights do outsiders need to prepare for international negotiations in China? Much of what you know already about negotiation holds true, but four characteristics complicate business negot...