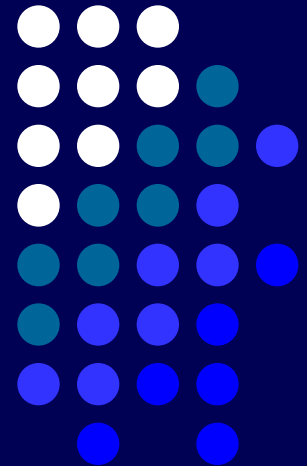


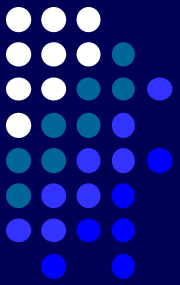
Understanding the Business Culture in China

2011 HKCBA Canada-
Hong Kong Business Forum :
at
Calgary TELUS Convention Centre

May 30, 2011

Joanna Chang



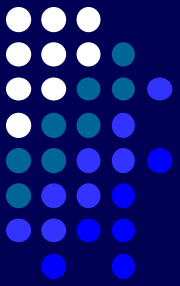


A. Introduction:

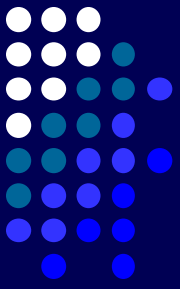
Business culture in China is in transition:

- Depending on which city/region
- Depending on which organization
- Depending on the person you are dealing with

B. Understand Chinese Behavior



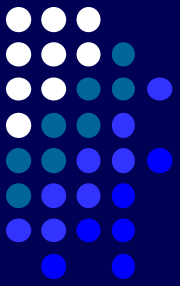
1. "We" vs. "I" Culture
2. Between- the-Line Communication vs. Within-the-Line Communication
3. Vertical vs. Horizontal Power Structure



1. "We" vs. "I" Culture

The Chinese Culture is a "We" Culture



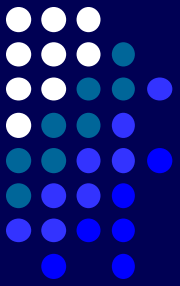


“I” - Individualistic Culture

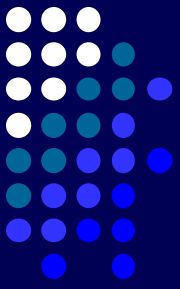
A Person in an “I ” Culture believes one is responsible for oneself.



The Chinese “We” Culture

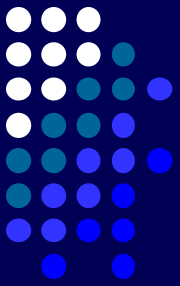


- Define oneself by membership in a group
- Responsibility to the group is more important than the rights of individuals
- Value cooperation and group achievements
- Preserving harmony in the group is important



Example:



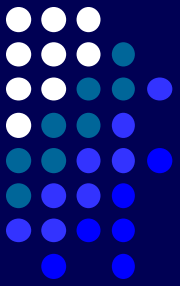


2. Between - the-Line Communication vs. Within - the-Line Communication

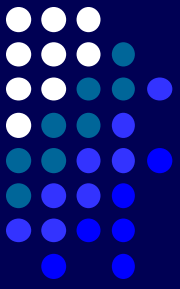
The true meaning of
verbal communication is to be
found in the nonverbal context

The Chinese

“Between the Line” Culture

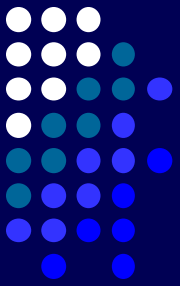


- Past relationship is a primary context
- Value sophistication in nonverbal languages
- Harmony & face-saving more important than objectivity
- Verbal confrontation is to be avoided



Chinese “Between the Line” Behaviors

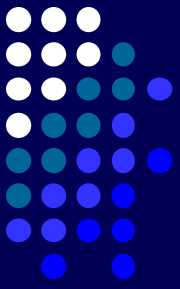
- Indirectness in communications
- Avoidance of giving a clear “no”
- “Yes” may be acknowledgement only



Example:

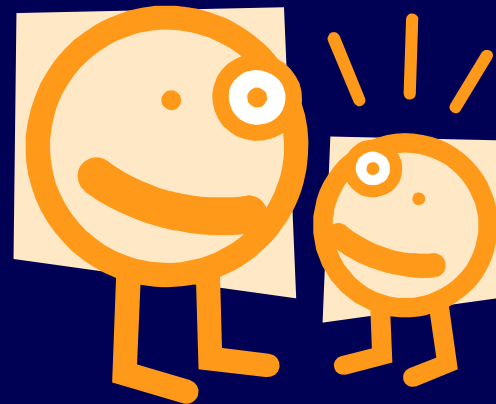


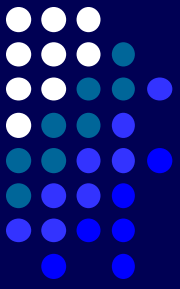
3. Vertical vs. Horizontal Power Structure



- Power Distance

The extent to which a culture accepts an unequal distribution of power

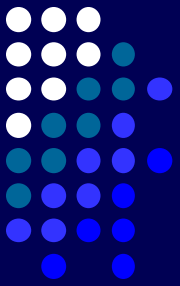




Example:



C. Final Thoughts

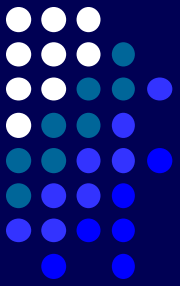


3 A's:

- A
- A
- A

Heart:

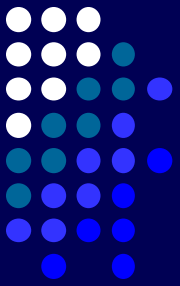
- E
- H
- A



Final Thoughts

3 A's:

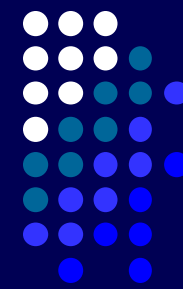
- Acceptance
- Appreciation
- Admiration



Final Thoughts of “Heart”

- Ear
- Hear
- Art

TSX (Toronto Stock Exchange)



Name	Last	Change	% Change
TSX	12,912.99	+848.42	+7.03%
TSX Venture	1,549.22	+71.34	+4.83%
DJIA	11,388.44	+368.75	+3.35%
NASDAQ	2,273.90	+74.80	+3.40%
S&P 500	1,255.08	+48.57	+4.03%
NYSE	8,187.13	+411.97	+5.30%
AMEX	1,931.06	+58.33	+3.11%
Russell 2000	753.74	+30.06	+4.15%
Dow Utilities	451.66	+12.75	+2.90%
30 Year Bond (US)	4.39	+0.19	+4.48%
10 Year Bond (US)	3.81	+0.26	+7.41%

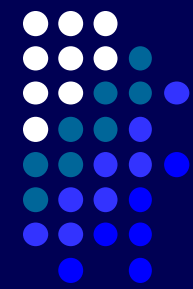
8:05 PM ET, September 19, 2008

Commodities - USD

Contract	Last	Change	% Change
Crude Oil	104.55	+6.67	+6.81%
Gold	864.70	-32.30	-3.60%
Natural Gas	7.85	-0.08	-0.98%
Aluminum	1.16	+0.02	+1.31%
Copper	3.18	+0.11	+3.60%
Silver	12.48	-0.23	-1.77%

1:30 PM ET, September 19, 2008

It's a good day for everyone!



China



Asia Pacific



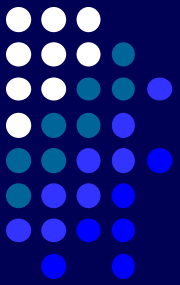
North America



Europe



<http://finance.sina.com.cn/stock/index.shtml>



Resource

A Chinese Economy 101 Map

http://www.economist.com/content/chinese_equivalents

- Matching the GDP of the Chinese provinces with various countries
- Showing Diversity & Strength of the Chinese Economy