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BUSINESS ETIQUETTE: THE HERITAGE OF CHINESE CULTURE IN TRADE NEGOTIATIONS

1. Introduction

Business etiquette is associated with requirements and expectations referring to social and business behavior. It refers to a valid way of behaving in certain environments. Business etiquette is a crucial element of trade negotiations because it plays an important role in building relationships and reputation and achieving business success.¹

The heritage of Chinese culture is the key to understand business etiquette during negotiations with Chinese partners.² First of all, trade negotiations with Chinese people are deeply rooted in Chinese culture, and Chinese culture is deeply rooted in Confucianism.

The Chinese communication style is described as indirect and polite. The historical context of Chinese business culture refers not only to communication styles, body language, dress codes, banquets, lunches, and gift-giving practices, but also to taboo topics in trade negotiations. Chinese business is traditionally based on mutual trust, and this is known as *guanxi*. Also the concept of *mianzi* is crucial in business interactions.³ Understanding Chinese business culture means better communication and collaboration in bilateral trade relationships.

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¹ „Podstawowe zasady etykiety biznesowej”, *Biznesowe Inwestycje*, 28.09.2023, <https://biznesowe-inwestycje.pl/podstawowe-zasady-etykiety-biznesowej/> (accessed: 14.02.2024).

² “Business culture in China”, *myNZTE*, 14.12.2021, <https://my.nzte.govt.nz/article/business-culture-in-china> (accessed: 14.02.2024).

³ “Top Culture and Business Etiquettes in China”, *Medium*, 10.07.2023, <https://medium.com/heritage-digest/top-culture-and-business-etiquettes-in-china-7d51befb237d> (accessed: 14.02.2024).

Negotiations refer to any form of direct or indirect communication and consist of three main phases: exchanging information, bargaining (opening talks, a confrontational phase, an arrangements phase, and an execution phase), and closing negotiations.⁴ From the point of view of the importance of business etiquette in trade negotiations, attention in this paper is given to the following elements of the negotiation stages that result from these phases: establishing cooperation (language, hierarchy), visits and delegations (greeting, proper negotiations, taboo topics), and other elements of business etiquette such as banquets and lunches, and gift-giving practices. The authors pay attention to the importance of business etiquette in trade negotiations with Chinese partners, for whom cultural heritage is extremely important.

2. Cultural determinants of Chinese business ethics

Because of its geographical location and historical policy of isolationism, which persisted into the twentieth century, China remained largely cut off from Western influences for a long time. Additionally, it is a country with a “socialist market economy.”⁵ There are numerous state-owned enterprises and certain sectors of the economy are strictly reserved for them, such as banking, telecommunications, transportation, and energy. This is enshrined in the Chinese constitution.⁶ While the market determines demand and price, the government still decides on supply, investments, and allocations.⁷ Hence, there are significant differences between Western and Chinese business practices.

China has transitioned from being the „world’s factory” to become a „power of innovation.”⁸ In 2023, China ended the year with a GDP growth of 5.2% and a CPI of only 0.2%.⁹ Companies such as Xiaomi, Huawei, Lenovo, Haier, and Oppo have moved beyond simply copying Western technologies to become leading brands in their own right. In 2023, Xiaomi ranked third in the world in terms of market share in mobile phone sales, with a 13% share, while Oppo ranked fourth with a 9%

⁴ G. Osika, „Negocjacje – charakterystyka problemu”, *Zeszyty Naukowe Politechniki Śląskiej. Organizacja i Zarządzanie* 2000, no. 1467, issue 1, p. 62.

⁵ Z. Wiktor, „Istota ‘chińskiego marksizmu’ i ‘socjalizmu z chińską specyfiką’”, *Nowa Krytyka* 2012, no. 29, pp. 147–173.

⁶ Y. Mao, *The logic of China’s economy*, 25.11.2018, <http://english.unirule.cloud/highlights/2018-11-25/1127.html> (accessed: 14.02.2024).

⁷ K. Seitz, *Chiny. Powrót olbrzymia*, trans. T. Mazur, Dialog, Warszawa 2013, p. 303.

⁸ S. Pangsy-Kania, „Od ‘Made in China’ do ‘Created in China’ – droga Chin do supremacji innowacyjnej”, *Gdańskie Studia Azji Wschodniej* 2021, issue 19.

⁹ A. Huld, “GDP Expands 5.2% in 2023 – Analyzing China’s Key Economic Indicators”, *China Briefing*, 18.01.2024, <https://www.china-briefing.com/news/chinas-gdp-in-2023/> (accessed: 14.02.2024).

share.¹⁰ Almost twenty years earlier Lenovo acquired the American company IBM, and the Chinese car manufacturer Geely Holdings acquired Volvo.¹¹ The development of China is obvious and cannot be ignored. It is a market with 1.4 billion potential customers.¹² However, to achieve success in trade negotiations, one must also take into account cultural differences.

“Eastern teachings start with spirit, while Western teachings start with matter,” said Liang Qichao (1873–1929), Chinese reformer and co-creator of The Hundred Days Reform.¹³ This quote effectively summarizes the Chinese approach to action. They are guided by the teachings of thinkers from thousands of years ago – Confucius, Sun Tzu, and Buddha. What unites them are: lack of haste, long-term thinking, hierarchy, subordination, prioritizing the common good over their own, dualism, restraint, preserving „face,” ancestor worship and ceremonialism. Especially Confucianism, described by the Encyclopaedia Britannica not only as a philosophical current, but as „a way of life propagated by Confucius,”¹⁴ has left its mark on the functioning of China both in the second century CE as well as today.¹⁵

The most famous work by Confucius is *The Four Books and Five Classics*. As described by James Legge, the first professor of sinology at the University of Oxford, it is “the most exact and complete monograph which the Chinese nation has been able to give of itself to the rest of the human race.”¹⁶ Especially the recorded customs and rituals of the people and rulers in the *Book of Rites* (礼记 *Lǐjì*) are still relevant today. Based on it, the court ceremonial of the earliest dynasties before our era can be reconstructed; over time this turned into diplomatic protocol and business etiquette.

¹⁰ “Global smartphone market declined just 4% in 2023 amid signs of stabilization”, *Canalys*, 31.01.2024, <https://www.canalys.com/newsroom/worldwide-smartphone-market-2023> (accessed: 14.02.2024).

¹¹ „Firmy, o których nie wiedziałeś/aś, że są chińskie – o dynamicznym wzroście chińskich firm na globalnym rynku”, *AsianShip*, <https://www.studiawchinach.pl/blog/firmy-o-ktorych-nie-wiedziales-as-ze-sa-chinskie-o-dynamicznym-wzroscie-chinskich-firm-na-globalnym-rynku> (accessed: 14.02.2024).

¹² C. Textor, “Total population of China from 1980 to 2023 with forecasts until 2028”, *Statista*, 17.04.2024, <https://www.statista.com/statistics/263765/total-population-of-china/> (accessed: 14.02.2024).

¹³ K. Gawlikowski, „W Państwie Środka” [in:] *Obrazy świata białych*, ed. A. Zajązkowski, Państwowy Instytut Wydawniczy, Warszawa 1973, p. 118.

¹⁴ „Confucianism”, <https://www.britannica.com/topic/Confucianism> (accessed: 14.02.2024).

¹⁵ C.P. Fitzgerald, *Chiny. Zarys historii kultury*, trans. A. Bogdański, Państwowy Instytut Wydawniczy, Warszawa 1974, pp. 155–156.

¹⁶ *The sacred books of China. The texts of Confucianism*, trans. J. Legge, part IV: *The Lǐ Kǐ*, I–X, *Sacred Books of the East*, vol. 27, Clarendon Press, Oxford 1885, scanned by J.B. Hare 2000, <http://www.sacred-texts.com/cfu/liki/liki00.htm> (accessed: 14.02.2024).

Another determinant that has had a huge influence on the shaping of Chinese business etiquette was the sinocentric worldview. It was not until the Opium Wars of the nineteenth century that this view was disrupted. In Chinese, China is called 中国 *Zhōngguó* – literally the “Central Country.” Chinese people believe that their country has continuously existed for 5,000 years.¹⁷ For many centuries, they were at a significantly higher level of civilization than surrounding peoples and nations. The world owes to China: gunpowder, paper, ink, tea, silk, porcelain, fireworks, the compass, the wheelbarrow, the canal lock, the flamethrower, the sternpost rudder, and even the precursor of pipelines.¹⁸ In the seventh century CE, neighbouring countries such as Japan, Korea, and Vietnam adopted Chinese writing, literature, and philosophy.¹⁹ This only reinforced the vision of China as the Central Country and its civilization as the „centre of true culture.”²⁰ Chinese conquerors such as the Jurchen, Mughal, and Manchus adopted Chinese writing, customs, and offices, assimilating with the Chinese and being captivated by their sophisticated culture and system of governance.²¹ This was done through the „five bait principles for barbarians” – refined cuisine, music, lavish clothing, dignified accommodations, and luxurious lifestyles, to entice invaders to aim at sinicization.²² This principle still operates today and is applicable in business etiquette.

Additionally, China has repeatedly implemented a policy of isolationism. This occurred both as early as the second century CE and later, towards the end of the Ming Dynasty (seventeenth century CE) and during the Qing Dynasty (seventeenth-nineteenth centuries CE), as well as in the twentieth century when Mao Zedong came to power. The aim was to limit foreign influence on the functioning of the state, strengthen the ruling power, increase influence within the country, and bolster internal structures. China’s opening to the world began only with Deng Xiaoping in 1978.²³ Consequently, Chinese culture and customs stand out distinctly from those of other countries.

In China, the most important entity is the nation, and national interest takes precedence over the needs of individual citizens. Additionally, because of China’s vast territory, numerous conquests and changes in power, a strong sense of community has developed among the Chinese. Therefore, attachment to the country 民族主义 (nationalism) – is vigorously promoted. In the nineteenth century, it was

¹⁷ H. Kissinger, *O Chinach*, trans. M. Komorowska, Wydawnictwo Czarne, Wołowiec 2014, p. 21.

¹⁸ T. Bieliński, *Kapitał ludzki a innowacyjność gospodarki Chin*, PWE, Warszawa 2016, pp. 42–50.

¹⁹ K. Seitz, *Chiny...*, p. 59.

²⁰ G. da Cruz, *Traktat o sprawach i osobliwościach Chin*, trans. J. Kazimierczyk, I. Komorowska, Novus Orbis, Gdańsk 2001, p. XI.

²¹ K. Seitz, *Chiny...*, pp. 62–63.

²² H. Kissinger, *O Chinach...*, p. 38.

²³ M. Chi-Kwan, „Hostage diplomacy: Britain, China, and the politics of negotiation, 1967–1969”, *Diplomacy & Statecraft* 2009, vol. 20, issue 3, p. 473.

a form of resistance against Western imperialism and a manifestation of opposition to brutal foreign policies. In the twentieth century, it served to legitimize power and maintain internal integrity after the collapse of the Soviet Union.²⁴ Currently, in addition to uniting the nation, nationalism is used by Chinese politicians to rationalize their decisions, especially on the international stage. It is worth noting that in China, nationalism does not carry negative connotations; indeed, it is often synonymous with patriotism. It has a strong influence on the foreign relations of the People's Republic of China, both at the state and corporate levels. The Chinese are sensitive how they are perceived globally and it is easy to offend them, potentially leading to the loss of million-dollar contracts or a sense of security in the Chinese market. Chinese authorities also adeptly manipulate the nationalism of their citizens by encouraging boycotts of brands or countries – such as the boycott of the French hypermarket chain Carrefour in 2008, when protests against Chinese government pressure on Tibet took place in Paris during the Beijing Olympics.²⁵

It is also worth looking at the determinant of cultural typologies. According to the contextual model of Edward Hall (1914–2009), China belongs among cultures of high context, characterized by ritualization of life, ceremoniousness, collectivism expressed in the form of „we” rather than „I,” and vague, indirect communication, where nonverbal communication accounts for up to 90% of the message.²⁶ Chinese value subtlety in expression and avoid showing strong emotions. Chinese people typically avoid direct eye contact with their interlocutors. The manner of expression, and often even the choice of words, vary depending on the listener's status. Communication aims to establish and deepen relationships rather than simply convey information.²⁷

John Mole's organization map places China on the side of organic organizations. This entails: the significant influence of personal relationships on conducting business, flexibility in following procedures and meetings, lack of strict agendas; further, punctuality may not be a priority and agreements and contracts tend to be flexible. As for leadership, it is characterized by individual leadership: decisions are

²⁴ E. Kingsley, B. He, „The rise of nationalism and China's foreign policy” [in:] *Ashgate Research Companion to Chinese Foreign Policy*, ed. E. Kavalski, Ashgate Publishing, Burlington 2012, pp. 75–77.

²⁵ E. Ng, J. Lam, J. Zhang, „Dolce & Gabbana's China faux pas shows global brands must tread gently on local sensitivities”, *South China Morning Post*, 1.12.2018, <https://www.scmp.com/business/companies/article/2175852/dolce-gabbanas-china-faux-pas-shows-how-global-brands-must-tread> (accessed: 14.02.2024).

²⁶ E.T. Hall, *Beyond Culture*, Anchor Press, New York 1976; M. Chen, „Comparison of High and Low Context Differences between China and the West”, *Frontiers in Humanities and Social Sciences* 2023, vol. 3, no. 8, pp. 161–168.

²⁷ M. Chen, „Comparison of High and Low Context...”, p. 167.

made by the team leader, senior individuals dominate meetings, and one partner typically dominates in agreements.²⁸

According to Geert Hofstede's cultural dimensions, China is characterized by a high power distance, low uncertainty avoidance, collectivist culture, masculinity, hierarchical structure, restraint, and long-term orientation.²⁹ In business, it represents a pro-partnership, ceremonial, polychronic, and restraint-oriented culture.³⁰

3. The most important elements of business etiquette in successful business negotiations

3.1. Guanxi 关系 (*guānxi*)

The concepts of *guanxi* and *mianzi* are closely intertwined with the cultural and historical aspects of conducting business in China. *Guanxi* can be loosely interpreted as a network of relationships. In China, relationships are more important than knowledge and skills written on paper.³¹ Building long-term relationships is more important than immediate profit. To start a business in China, it is essential to establish such a network and build mutual trust. Creating and maintaining bonds are extremely important, as they intersect with and complement all aspects of a Chinese person's life. Up to 85% of Chinese managers believe that *guanxi* is essential part for a functioning company.³² Western businessmen often perceive *guanxi* as a form of favouritism, cronyism, or nepotism, and they fail to see its positive aspects. Trust and mutuality are associated with *guanxi*.³³ Having the right connections makes it easier to conduct business in China – acquiring partnerships, signing contracts, negotiating prices, etc. Despite having the appropriate qualifications and credentials, a lack of connections can result in rejected offers or unsigned agreements. In China, a contract is seen as a symbol of the relationship between

²⁸ J. Mole, *Mind Your Manners: Managing Business Cultures in the New Global Europe*, Nicholas Brealey Publishing, London 2003, pp. 44–50.

²⁹ Country comparison tool, <https://www.hofstede-insights.com/country-comparison-tool?countries=china> (accessed: 14.02.2024).

³⁰ A. Łącka, B. Krawczyk-Brylka, „Percepcja różnic kulturowych w negocjacjach na przykładzie Polski i Chin”, *Research on Enterprise in Modern Economy – theory and practice* 2015, no. 15, p. 18.

³¹ N. Rifki, “Guanxi, or the rule of man that overrules the rule of law in China”, *Medium*, 13.01.2016, <https://medium.com/@RifkiNada/guanxi-or-the-rule-of-man-that-overrules-the-rule-of-law-in-china-3c36d6ef024c> (accessed: 14.02.2024).

³² Y. Luo, *Guanxi and business*, World Scientific, Singapore 2000, p. 49.

³³ L. Niewdana, „Cud gospodarczy” społeczności chińskich sukcesem wolnorynkowym?” [in:] *Zrozumieć Chińczyków. Kulturowe kody społeczności chińskich*, ed. E. Zajdler, Dialog, Warszawa 2014, p. 208.

the signatories, ensuring that they have the best intentions, and any discrepancies or issues will be resolved amicably, based on good relations between the parties.³⁴ Both sides have a moral obligation to support and exchange favours and gifts. Therefore, creating a network of contacts can consume up to 5% of the costs of doing business.³⁵

3.2. Mianzi 面子 (*miànzi*)

Mianzi literally means “face,” but in a cultural context it refers to someone’s image, authority, social status, reputation, and ego. *Mianzi* is used to mean saving face. Chinese people fear “losing face,” which can be compared to the Western sense of shame, loss of honour, disappointing someone, or making a mistake.³⁶ This can make cooperation with the Chinese party difficult, as they avoid saying that they are unable to do something or will not meet a deadline; they do not ask for additional explanations or they prolong the decision-making process to please as many people as possible³⁷. Therefore, expressions like „we’ll see what can be done,” „maybe,” „we can try,” or avoiding a direct answer – both orally and in writing – should be interpreted as a refusal.

4. Cultural heritage in Chinese business ethics during trade negotiations

4.1. Preparation for negotiations – establishing cooperation

As mentioned earlier, China, as a pro-partnership and high-context culture, relies on *guanxi* to establish cooperation. Therefore, it is advisable to use the services of an intermediary or establish an office in China with China-origin employees. The tasks of the intermediary include not only establishing cooperation but also verifying the credibility of the Chinese side, conducting audits, checking the quality of goods and representing the company at trade shows or conferences.³⁸ Additionally, they will be of invaluable assistance during visits of Western parties to China, as

³⁴ N. Rifki, “Guanxi...”

³⁵ L. Niewdana, „Osobowe relacje (*guanxi*) w chińskim biznesie” [in:] *Zrozumieć Chińczyków...*, pp. 208, 215.

³⁶ Z. Wesółowski, „Konfucjańskie podstawy porządku społecznego i zjawisko ‘twarży’” [in:] *Zrozumieć Chińczyków...*, pp. 196–197.

³⁷ B. Wang, “Chinese Leadership: 5 Critical Differences with the West”, *IEDP*, 1.01.2018, <https://www.iedp.com/articles/chinese-leadership-5-critical-differences-with-the-west/> (accessed: 14.02.2024).

³⁸ *Bezpieczny import z BigChina*, <http://import.bigchina.pl/oferta> (accessed: 14.02.2024).

despite English being widely accepted as the language of business, only 7% of Chinese people were proficient in it in 2012.³⁹ It is worth mentioning that during the isolation caused by the announcement of the Covid-19 pandemic, China's English proficiency decreased.⁴⁰

Face-to-face meetings are very important for Chinese people. They strengthen *guanxi*. Contact should be intensified through shared meals, visits to the Chinese partner's hometown, visits on occasions such as birthdays, childbirth, or weddings. The Chinese side will also feel grateful when invited for a return visit. A visit with a Chinese counterpart should be announced well in advance. This is especially so when a large delegation arrives, typically for several days. For the Chinese, besides the obvious information such as the company they represent, the number of people, and the duration of the visit, the positions of the individuals in the delegation are the most important. Delegating someone who holds a lower position than those from the Chinese side to a meeting with a Chinese counterpart may be seen as disrespectful and could be a serious reason for breaking off negotiations.⁴¹ However, if the Chinese side sends someone with a lower position than those announced by the other party, it means they are not interested in the offer.

In addition to the format of the visit, an important part of planning a trip is timing. It is always crucial to consider national and local holidays. Meetings should never be scheduled during 春节 *Chūnjié*, the Chinese New Year. This is a movable holiday, usually falling in the second half of January or the first half of February. For large companies, this is the only long holiday in the Chinese calendar year, during which time off can range from one week for office workers or shop employees to one month for factory workers or immigrants. Additionally, it is advisable to avoid trips around the following holidays: 清明节 *Qīngmíngjié* – Tomb Sweeping Day (April 4th/5th); May 1st – Labor Day, 端午节 *Duānwǔjié* – Dragon Boat Festival (late May/early June); 中秋节 *Zhōngqiūjié* – Mid-Autumn Festival (late September/early October); and 黄金周 *Huángjīnzhōu* – so-called Golden Week – the anniversary of the founding of the People's Republic of China (early October).⁴² During these days, Chinese people have time off, most places are closed, and transportation is disrupted as a result of significant internal migration.

³⁹ K. Bolton, D. Graddol, „English in China today”, *English Today*, September 2012, vol. 28, issue 3, <https://doi.org/10.1017/S0266078412000223> (accessed: 14.02.2024).

⁴⁰ “China's increasing language gap”, 15.11.2023, <https://opportunities-insight.britishcouncil.org/news/news/chinas-increasing-language-gap-0> (accessed: 14.02.2024).

⁴¹ “China”, http://www.ediplomat.com/np/cultural_etiquette/ce_cn.htm (accessed: 14.02.2024).

⁴² National Holidays in China in 2024, <https://www.officeholidays.com/countries/china/index.php> (accessed: 14.02.2024).

4.2. Negotiations as the key element of visits and delegations

As emphasized earlier, for the Chinese side building long-term relationships is more important than immediate profit. The first meeting is dedicated to getting to know each other and strengthening bonds. Because of distance and censorship, Chinese people have a different level of knowledge about the world compared to their guests. Therefore, they are curious about how China is perceived globally and inquire about the political and economic situation of the guest's country, as well as the situation of the guest's company and sector of the economy. Topics quickly turn to more personal inquiries, which may easily surprise or even offend a Westerner, but are entirely commonplace in China. These include, for example, asking about blood type, marital status, and pressing for a reason if one is unmarried, inquiring about age and income, as well as commenting on the height and weight of the interlocutor.

A traditional way of greeting in Asian countries, including China, is a gentle bow; so not all Chinese people are accustomed to shaking hands when greeting.⁴³ It is best to leave the initiative to them when greeting; they may offer a handshake, bow, or something that is uncommon in the West, the whole delegation can start clapping. Responding to this last form of greeting also involves clapping. Later, they line up according to their position to exchange business cards. In China, exchanging business cards is an important part of the greeting.⁴⁴ When exchanging cards with Chinese people, it is always done with both hands, which signifies respect towards the other party. It is important to become acquainted with them immediately in order to learn the interlocutor's name and the hierarchy within the group. Chinese people often use self-made English names, not their original Chinese name, when interacting with foreigners to make it easier for the other party to pronounce and remember them. Chinese business cards may resemble European ones in appearance. However, Chinese people often like to add decorations and print the letters in gold, which is believed to symbolize prosperity. Often, the design of their business cards is not standardized within one company – employees personalize the appearance of their cards. In China, hierarchy and authority are highly valued, so decisions are never made on the spot but await the decision of the management.⁴⁵ Additionally, what is spoken is often considered more important than what is written. The Chinese proverb „nothing written on paper is worth as much as the paper it's written on” is popular. Therefore, mutual trust and the belief that the other party will fulfil their part of the agreement are important. A written contract is merely seen

⁴³ *Poradnik eksportera i inwestora do Chińskiej Republiki Ludowej*, 5th ed., Wydział Promocji Handlu i Inwestycji Ambasady RP w Pekinie, Pekin 2012, p. 39.

⁴⁴ “China”, http://www.ediplomat.com/np/cultural_etiquette/ce_cn.htm (accessed: 14.02.2024).

⁴⁵ W. Yen, *From the Great Wall to Wall Street. A cross-cultural look at leadership and management in China and the US*, Palgrave Macmillan, London 2016, p. 165.

as the beginning of cooperation for a Chinese person, rather than the conclusion as perceived in the West.⁴⁶

4.3. Closing negotiations – other elements of business etiquette

An important aspect of Chinese culture is eating. Chinese people love lavish, long, group meals. Even Confucius, in the *Book of Rites*, devotes a significant section of the text to meals and the culture of dining. Allegedly, during the Zhou Dynasty, there were 120 dishes on the table – the so-called 宫廷菜 – “Imperial food.”⁴⁷ This was part of “the five baits for barbarians” principle. It remains an integral part of negotiation meetings today. Dining together serves to strengthen relationships. Usually, the atmosphere is relaxed, and time is spent on casual conversations, especially on topics such as Chinese culture and art, city architecture, places visited, and, above all, the meal being consumed. Taboo topics mainly revolve around politics – both current and past. Criticizing the authorities is categorically avoided and attempting to elicit sincere opinions on the Chinese side about the Party’s policy is not advisable. Other topics not discussed at a Chinese table include Tibet, Mongolia, and Xinjiang, and the violation of human rights in those areas. For the average Chinese person, Taiwan is a „rebel region” belonging to the People’s Republic of China, and Hong Kong has always belonged to China and was only temporarily leased to Great Britain. It is important to remember that censorship is pervasive in China, and access to sources of information other than domestic ones is restricted. Most Chinese people, to avoid endangering themselves with the authorities and for their own convenience, do not seek additional information beyond official sources.

The host selects dishes from the menu; often only they receive the menu at the table. The seat opposite the door is the most important place at the table and that is where the host points for the guest to sit. The host sits opposite the main guest. A large number of dishes always appear on the table; there can even be dozens of them.⁴⁸ It is appreciated if one tries each of them and compliments the taste. However, it is not recommended to finish a dish completely, as this is a sign to the host that they have not made enough effort and ordered too little. This often results in them ordering more dishes. Therefore, it is better to leave some food on the plate.

Chopsticks are used, which often poses a challenge for guests, but it is also a common topic of conversation and a way to break the ice. There are numerous rules regarding the use of chopsticks, including not sticking them into rice, not

⁴⁶ “Negotiations, Chinese Style”, <https://www.chinabusinessreview.com/negotiations-chinese-style/> (accessed: 14.02.2024).

⁴⁷ China Internet Information Center, “The History of Chinese Imperial Food”, <http://www.china.org.cn/english/imperial/25995.htm> (accessed: 14.02.2024).

⁴⁸ *China – Things to Know Before You Go*, <http://chinese4.eu/china-things-to-know/> (accessed: 14.02.2024).

pointing at someone with chopsticks, and not spearing food with them.⁴⁹ However, dropping chopsticks on the floor is considered a good omen.⁵⁰

Except for the etiquette regarding the use of chopsticks, there are no other specific rules at a Chinese table, especially in the eyes of Europeans. Chinese people slurp, burp, spit out bones and bits onto the table, smoke cigarettes, and call and snap their fingers at waiters. Waiters at the table are invisible. They do not expect foreigners to speak Chinese and they themselves do not speak English, so all matters should be directed to the host. The meal lasts for several hours. Chinese people will not leave the venue while the guest is still at the table; so it is advisable for the invited guest to leave the restaurant shortly after the meal.⁵¹ The inviting Chinese person – usually the company owner or a high-ranking manager – will pay for the entire meal without suggesting splitting the bill or including it in the guest's trip expenses.

Another gesture that is optional elsewhere but obligatory in China, is the exchange of gifts. This is socially expected behaviour that serves to strengthen relationships and to show respect.⁵² The word for gift in Chinese is 礼物 (*lǐwù*), where the first character 礼 is the same as in the title of Confucius' book and means „ritual” or „manners,” while 物 simply means „thing” or „item.” The gift should be presented with both hands and a bowed head, and it should be received in the same manner. It should not be opened in front of the giver to avoid showing disappointment if the gift is not to one's liking and to save the giver from losing face.⁵³

Chinese people enjoy giving products of their own culture such as tea, silk scarves, gold-plated bookmarks, and jewellery made of pearls or jade. They also appreciate receiving local products such as chocolates, ceramics, or cosmetics. The reciprocal exchange of gifts was classified as the third mode of trade in China as early as 1989, alongside the state redistributive economy and the commodity economy. Gift-giving was particularly significant during the centrally planned economy era. It is believed that gift-giving and commodity trading complement each other, as gifts lend a social, bonding aspect to trade interactions.⁵⁴

⁴⁹ *Ibidem*, p. 22.

⁵⁰ J. Strzelecki, „Jak robić interesy w Chinach. Etykieta”, part 5: „Chiński bankiet”, <https://www.rynki24.pl/jak-robi263-interesy-w-chinach-etykieta-5-chi324ski-bankiet.html> (accessed: 14.02.2024).

⁵¹ “China”, http://www.ediplomat.com/np/cultural_etiquette/ce_cn.htm (accessed: 14.02.2024).

⁵² Y. Luo, *Guanxi and business...*, p. 31.

⁵³ *The Lí Kǐ. A collection of treatises on the rules of propriety or ceremonial usage*, Book 1: *Khū Lí*, <http://www.sacred-texts.com/cfu/liki/liki01.htm> (accessed: 14.02.2024).

⁵⁴ Y. Luo, *Guanxi and business...*, p. 27.

5. Conclusions

Business etiquette is a crucial element of trade negotiations, and trade negotiations with Chinese people are deeply rooted in Chinese culture, which in turn is heavily influenced by Confucianism. The policy of isolationism, repeatedly implemented by China, has become a central cultural factor shaping Chinese business etiquette. In business, China embodies a culture that values partnership, ceremonialism, polychronicity, and restraint.

In Chinese business, there is a strong emphasis on mutual trust. In China, a collectivist culture based on *guanxi*, shaped by the spirit of Confucius, who believed that 礼 (rituals) were more important than laws, conventions and ceremonies still play a significant role in Chinese society, and it is essential to understand these before venturing to „conquer China” on the other side of the world. Equally important in business interactions is the concept of *mianzi*, which is closely related to saving face and refers to one’s social status, reputation, or dignity.

During trade negotiations, which involve three main phases (exchanging information, bargaining, and closing), the following elements are crucial: establishing cooperation, managing visits and delegations, and other elements of business etiquette. In the first one, language and hierarchy are of primary importance; in the second one, greeting, proper negotiations; taboo topics should be taken into account; while in other elements, for example, lunches and gift-giving practices are key. Face-to-face meetings are remarkably important in the first phase of negotiations with the Chinese. During these negotiations, building long-term relationships takes precedence over immediate profit, especially during visits and delegations. Taboo topics primarily revolve around politics. At the closing stage of negotiations, other elements of business etiquette become significant. For instance, banquets and lunches are important, as Chinese people love lavish, long, group meals that serve to strengthen relationships. Besides the etiquette regarding the use of chopsticks, there are no other specific rules at a Chinese table. Regarding gifts, they should be presented with both hands and a bowed head, and they should be received in the same manner.

To sum up, in negotiations with Chinese people, prioritizing the establishment of a long-term relationship based on respect for the business etiquette derived from Chinese cultural heritage is more crucial than immediate profit.

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SUMMARY

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BUSINESS ETIQUETTE: THE HERITAGE OF CHINESE CULTURE IN TRADE NEGOTIATIONS

Chinese history and cultural traditions play a very important role in contemporary trade negotiations. The aim of this article is to present the cultural determinants of Chinese business etiquette and the most important elements of cultural heritage in Chinese business etiquette during trade negotiations. Assuming that negotiations consist of three main phases – exchanging information, bargaining, and closing - particular attention is paid in this paper to establishing cooperation (language, hierarchy), visits and delegations (greeting, proper negotiations, taboo topics), and other elements of business etiquette such as banquets and lunches, and gift-giving practices. The following thesis is formulated in this paper: in negotiations with Chinese people more important than immediate profit is the process of building a long-term relationship based on taking into account the business etiquette resulting from the heritage of Chinese culture.

Keywords: business etiquette, China, culture, heritage, trade negotiations

STRESZCZENIE

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ETYKIETA BIZNESOWA: DZIEDZICTWO CHIŃSKIEJ KULTURY W NEGOCJACJACH HANDLOWYCH

Historia oraz tradycje kulturowe Chin odgrywają bardzo ważną rolę we współczesnych negocjacjach handlowych. Celem niniejszego artykułu jest przedstawienie kulturowych uwarunkowań chińskiej etykiety biznesowej oraz najważniejszych elementów dziedzictwa kultury w chińskiej etykiecie biznesowej podczas negocjacji handlowych. Zakładając, że negocjacje składają się z trzech głównych faz: wymiany informacji, targowania się i zamykania, szczególną uwagę poświęcono nawiązywaniu współpracy (język, hierarchia), wizytom i delegacjom (powitania, odpowiednie negocjacje, tematy tabu) oraz innym elementom etykiety biznesowej, takim jak bankiety i lunche oraz praktyki wręczania prezentów. W artykule sformułowano następującą tezę: w negocjacjach z Chińczykami ważniejsze od natychmiastowego zysku jest budowanie długoterminowej relacji opartej na uwzględnianiu etykiety biznesowej wynikającej z dziedzictwa chińskiej kultury.

Słowa kluczowe: etykieta biznesowa, Chiny, kultura, dziedzictwo, negocjacje handlowe