



**London
South Bank
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BEING AWARE OF CULTURAL CUSTOMS IN BUSINESS

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Narrated case study can be accessed [here](#).



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BEING AWARE OF CULTURAL CUSTOMS IN BUSINESS – TEACHING GUIDE

1. Synopsis

Mary is a Human Resources Business Partner (HRBP) for a brokerage insurance firm called RC Insurance. The headquarters are based in the US. She has only worked there for less than a year so everything seems relatively new to her. After the acquisition, there are approximately 630 employees within the company, and it had just gone international in January 2020. Most of the clients are UK based. They do not have any policy on International Collaboration except Diversity and Inclusion training, which is not specific to cultural differences. Therefore, this is a first for the organisation and Mary as a HRBP.

Mary found that doing business with the Chinese is different from the UK. They may like to be entertained before they would sign the deal. The sales team must be aware that they are dealing with a specific client and must understand their cultural background. They will have to assign a budget for networking or entertaining. You would need to be *open to experiences or have intercultural awareness*.

2. Teaching Strategy and Teaching Objectives

Teaching Objectives:

- Understand the meaning of ‘*open mindedness*’ and discuss its importance when working with people from other cultures.
- Understand the impact of “*open mindedness*” on International Business when dealing with particular clients.

3. Target Audience

- ✓ Undergraduate students in all business-related disciplines
- ✓ Postgraduate students in all business-related disciplines
- ✓ Employers

4. Questions for Case Analysis and Teaching

- 1) Based on the case, what do you need to understand the Chinese culture when you do business with them?
- 2) What is the best way to cope with a business deal with a different culture, and what are the mechanisms you need?
- 3) What are the possible causes of misunderstanding when you deal with Chinese business?
- 4) What have you learned during the case? Where else can this be applied?



5. References and Recommended Reading

DeYoung, C. G. (2014). Openness/Intellect: A dimension of personality reflecting cognitive exploration. In M. L. Cooper and R. J. Larsen (Eds.), *APA handbook of personality and social psychology: Personality processes and individual differences* (Vol 4, pp. 369–399). Washington, DC: American Psychological Association.

McCrae, R. R. & Costa, P. T., Jr. (1997). Conceptions and correlates of Openness to Experience. In R. Hogan, J. Johnson, & S. Briggs (Eds.), *Handbook of personality psychology* (pp. 825-847). Boston: Academic Press.

Pytlik Zillig, L. M., Hemenover, S. H., & Dienstbier, R. A. (2002). What do we assess when we assess a Big 5 trait? A content analysis of the affective, behavioral and cognitive processes represented in the Big 5 personality inventories. *Personality & Social Psychology Bulletin*, 28, 847-858.



BEING AWARE OF CULTURAL CUSTOMS IN BUSINESS – TEACHING NOTES

1. Summary of case study

Mary is an HRBP for a brokerage insurance firm called RC Insurance. The headquarters are based in the US. She has only worked there for less than a year so everything seems relatively new to her. After the acquisition there are approximately 630 employees within the company, and it had just gone international in January 2020. Most of the clients are UK based. They don't have any policy about International Collaboration apart from Diversity and Inclusion training, which is not specific to cultural differences, so this is new to the company and Mary herself as an HRBP. Mary found that doing business with the Chinese is different from the UK. They may like to be entertained before signing the deal. The sales team needs to be aware that they are dealing with a particular client and must have cultural awareness of their background. They will have to assign a budget for networking or entertaining. You would need to be *open to experiences or have intercultural awareness*.

2. Suggested methodology for 'solving' case study

The first step is to understand the meaning of 'open mindedness' and discuss its importance when working with people from other cultures. The theory slides on 'open mindedness' accompanying this material should be reviewed. The second step is to understand the impact of 'open mindedness' on International Business when dealing with particular clients. The third step is to reflect on this understanding to think of ways to demonstrate open mindedness when dealing with particular clients in future.

3. Possible answers

Q1) Based on the case, what do you need to understand about the Chinese culture when you do business with them?

Having particular knowledge of the Chinese culture, especially business norms and etiquette, should be the priority. When looking into Chinese culture, one notices the philosophically diverse 'schools of thought', including Chinese traditional wisdom, such as Confucianism, Taoism, and Legalism. These 'schools of thought' directly affect business practices in the Chinese context. Chinese philosophy of management is related to paternalistic, interpersonal harmony based on Guanxi (connections and relationships). In the Chinese culture, long-term social/personal relationships and networks, as well as 'face saving' take priority over 'doing business'. These are some of the things that Mary (case study) needs to be aware of when doing business with Chinese partners.

Q2) What is the best way to cope with a business deal with a different culture, and what are the mechanisms you need?

Openness to experiences and intercultural awareness is essential for gaining a deep understanding of local business and management practices. Before doing business with partners



from a different culture, it is important to gain knowledge of the intellectual and cultural traditions within that context.

Q3) What are the possible causes of misunderstanding when you deal with a Chinese business?

Mary did not understand that long-term social and personal relationships (Guanxi) and 'face-saving' are very important in the Chinese culture. Instead of giving priority to building the relationship first with them, she went straight to the point about the business deal she proposed, and this was not positively perceived by the Chinese partners. If she had more knowledge of the norms in conducting business in China, she would have been able to better plan her approach in this situation.

Q4) What have you learned during the case? Where else can this be applied?

Openness to experiences and intercultural awareness are an important trait that can enable individuals to develop a cross-cultural mindset. Mary needs to recognise and understand this cultural dimension and further seek to develop herself in this. She needs to be able to analyse what caused the misunderstanding and choose an alternative approach in future. Her future approach should prioritise developing a connection with the Chinese partners before seeking to sign any deal.

