Language Use as a Potential Source of Intercultural Discord in English/Mandarin Business Encounters

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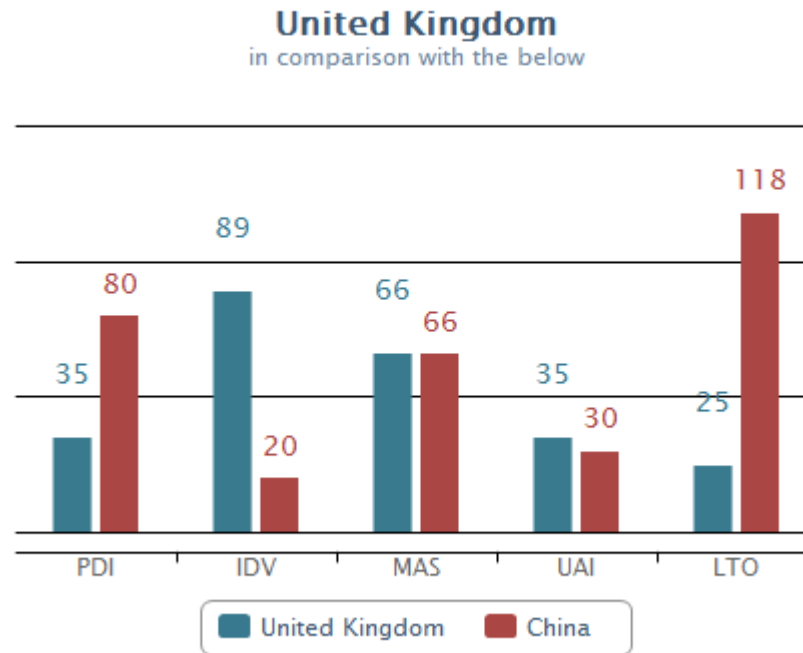# European Business in China: Business Confidence Survey

- China revenue comprises more than 10% of worldwide revenue for half of the respondent companies, representing an increase of 50% since 2009
- Three-quarters regard China as a top three destination globally and it continues to increase in importance
- New investments in China are planned by 63% of respondents, with more than half looking at entering new provinces
- 61% increased the number of permanent staff positions in 2011 and nearly three-quarters plan to hire more people in the next two years

Source: http://www.euccc.com.cn/en/chamber-publications, p.4.

Cultural distance

o Cultural distance (CD) a key concept in Business research

o 'we suggest replacing the 'distance' metaphor with that of friction, … By friction, we mean the scale and essence of the interface between interacting cultures, and the 'drag' produced by that interface for the operation of those systems'(Shenkar: 7)

o Cultural distance conceptualized as one of the main factors impeding the success of joint ventures between the West and China (e.g. Dong and Liu, 2010):

Big Culture: Hofstede

United Kingdom
in comparison with the below

	PDI	IDV	MAS	UAI	LTO
United Kingdom	35	89	66	35	25
China	80	20	66	30	118

http://geert-hofstede.com/united-kingdom.html

Role of Language in mitigating/exacerbating cultural friction

- Generally bundled into the broader concept of culture

- Pre-eminence of American scholars in this field

- Dominance of English language in international business
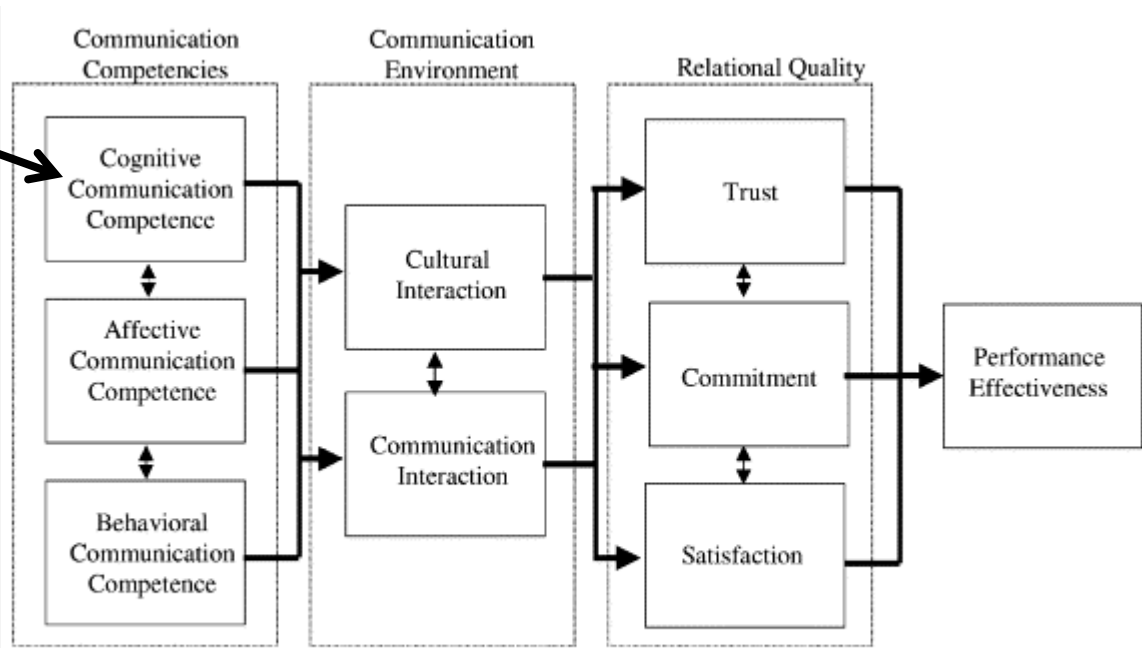
The Role of Language

Language

Communication Competencies | Communication Environment | Relational Quality

Cognitive Communication Competence

Affective Communication Competence

Behavioral Communication Competence

Cultural Interaction

Communication Interaction

Trust

Commitment

Satisfaction

Performance Effectiveness

Fig. 2. A model of communication effectiveness.

Source: Griffith: 258.

The Role of Language

- Language problems were identified [by Chinese managers] as the most widespread problem in joint ventures with non-Chinese managers. (Lin and Malhotra: 428)

- Language as power (López and Vidal: 578)

- Language diversity between both partners may not only difficult successful communication between them [sic], but also emerge as a critical source of conflict. (López and Vidal, p. 578)

The Role of Language

- 'The greater frustration reported by US managers, as well as their sense of peripherality and degree of autistic hostility, may also stem from their inability to fully understand the Korean language.'

- 'Their frustrations … lead to feelings of alienation, hostility and mistrust as well as more frequent use of informal communication channels. Furthermore, they experience greater productivity losses due to job interruptions from their counterparts.' (Park *et al*: 94)

Pilot Study of Managers in China

A. Government Officer, Municipal Bureau of Foreign Trade and Co-operation

B. General Manager of investment and management company

C. Manager of state-owned investment and management corporation

D. Head of Investment and Management Department, consulting company.

E. Deputy Director of Japanese corporate and investment bank, China branch.

Pilot Study of Managers in China

- Semi-structured interviews:

    – Language use
    – Predominance of English as the business lingua franca
    – Cultural issues
    – Recruitment and training

Use of English

- Important for recruitment and promotion

- Source of status

'In addition, speaking excellent English in our bank is directly related to the issue of 'face'. For us, excellent English speakers usually hold very high positions in the bank. We speak English sometimes just for the sake of 'face'. Sometimes we even deliberately speak English just for this.'

(Respondent B, investment and management company)

- Important for an international focus

Use of Mandarin

- Now more and more foreign companies and investors shift their business focus to Chinese market. For example those companies that have business relationship with me consciously train their staff members to have Chinese language skills. They have recruited many employees in China and sent their chief representative to work in China. These chief representatives are actively learning Chinese. Although their Chinese is not that fluent, it is improving.

- If they learn Chinese language, it is highly likely that they have some knowledge of our Chinese culture. As a result, it is relatively easier for them to integrate into our culture and interact with us.

(Respondent A, manager of state-owned management and investment company)

Use of Mandarin

- When they first came to work with us in China, most of them knew absolutely nothing about our language. But they are actively learning Chinese in order to communicate effectively with us. Although Chinese is very complicated, we can feel that they are learning with sincerity.

- … it just makes us feel better. From our perspective, they come to China in order to make more money. If they can speak some Chinese, it will make us feel that they are looking to make a long-term investment, and they have the intention to achieve mutual recognition and effective communication. Some of them even deliberately show off their Chinese speaking abilities to make us happy. In our annual meetings, they actively learn and sing Chinese songs.

(Respondent B, investment and management company)

Issues with the use of English

- Varying levels of competence:

'The disadvantage is that if our English is not good enough, this will lead to many problems like self-doubt or communication break-down etc. I remember once one of my middle-level Chinese managers got promoted. In his first only 10- minute presentation, he asked us about ten times 'do you understand what I mean?', which made us all laugh. One of our senior managers even jokily said: 'I don't think what you said is THAT hard to understand.' So he doubted himself a lot.'

(Respondent B, investment and management company)

Issues with the use of English

- Misunderstandings:

'Actually in the past few years, our company has already paid a high price for speaking English at work. At the very beginning, our company stressed that all of the people within the companies need to communicate in English. However, our Chinese speakers do not really understand what our English speakers say. As a result, misunderstanding and confusion often occur, to the extent that they caused delay in our business operations and some of our investments even lost money. Sometimes our Chinese speakers did not follow what was told and even did something different. Gradually, our American top management team have given up the idea of using English as the only working language and use Chinese as an additional language.'

(Respondent D, investment and management consultant)

Issues with the use of English

- Face:

'But sometimes, our Chinese staff feel that we are working very hard and express everything clearly, or alternatively sometimes, we are not in a good mood and don't want to talk too much. This phenomenon is very common. Consequently, this has caused so many problems in communication that our Chinese staff feel that we have no face at all. Especially if our American management team members sometimes ask us to clarify one specific issue several times, we feel that we have lost our face completely. This experience is very, very bad.'

(Respondent D, investment and management consultant)

Issues with the use of English

- Power:

Both our Chinese company and American head office have already been aware of the cultural differences. We also realise that sometimes, cultural differences do affect our communication. We all have this feeling. But what we can do now is try to adapt the way we communicate to meet the needs of the Americans. The Americans are after all our bosses and our superiors. We are inferiors and so we have no choice but to obey to what our bosses say. Because we are in this kind of superior and inferior relationship, it is incredible that sometimes conflicts occur.

(Respondent D, investment and management consultant)

Language as a potential source of conflict

- Both Mandarin and English are a source of status for Chinese speakers and their use involves issues of face.
- Unrealistic linguistic demands can lead to business losses, stress and disruptions to relationships.
- As collectivists, the Chinese are more concerned with saving other people's face, while as individualists, Americans are … more concerned with protecting self face (Hazen and Shi: 75)
- Research suggests that the Chinese are more likely to avoid conflict (Friedman *et al*; Leung *et al.*)
- Research suggests that the Chinese are more sensitive to hierarchy (Friedman *et al.*)

Issues with the use of English

'What I would say is the following: I have over the last seventeen years detected increasing national pride, even bordering on chauvinism, in some countries, especially China and Russia. In China for example, some of the big state controlled companies are now saying we're going to have our conference calls in Chinese. And we'll have an English one later. We will publish our quarterly reports in Chinese only, and if you really want to know what's going on you'll have to find a way to read them.'

(Manager, Global Emerging Markets, UK Investment Trust)

Conclusions

- Language is not just the medium, but can also be the message.

- Western businesses' assumption that the Chinese will bear all the costs of the language barrier may be counterproductive.

- '开店容易，但让店持续开下去却是一们艺术!'
  ('To open a shop is easy; to keep it open is an art.')

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