INFLUENCE OF MENTALITY ON DOING BUSINESS

ВЛИЯНИЕ МЕНТАЛИТЕТА НА ВЕДЕНИЕ БИЗНЕСА

Internet technologies are blurring boundaries, but the diversity of cultures and business approaches remains sustainable. International communication has a significant impact on a company’s financial performance: 49 % of businessmen admit that a lack of understanding has prevented them from entering into important international transactions and has resulted in significant losses. Managers argue that improving international communication skills increases revenue (89 %), profits (89 %) and helps increase market share (85 %). What should be considered when working with business partners from China and Europe?

Negotiations: As a rule, negotiations with Chinese partners last a very long time, the companies will treat you with suspicion, trying to uncover the trick in your proposal, and then trick you. Among the Chinese tricks we can note the following: played indifference to the case, empty negotiations, the emphasis on how poor and unhappy they are, how difficult it is to produce goods, delaying the negotiations in order to exhaust the enemy and make them accept their conditions. Usually they artificially inflate prices in order to come to the price that is quite real and interesting for them during the auction.

For the Europeans, however, the conduct of the negotiations requires the resolution of all major issues. As a rule, their positions are quite flexible and can be adjusted at the initiative of other participants in the negotiation process. The ability to avoid conflict situations is traditional for the European style of behavior at business meetings.

European businessmen often rely on logical evidence. They negotiate quite strictly and are not ready to make concessions. They often adhere to confrontational tactics, while maintaining the politeness, ease of communication and courtesy characteristic of the nation.

Values and working points: While the individualistic culture of Europe focuses on the value of the individual and his or her private life, the collectivist culture of China does not concentrate on such “details “. For the Chinese, the system is very important.
Another important point to bear in mind is the culture of dealing with complex situations. And if the Europeans, following the principle of a “round table”, are ready to listen to and accept all positions, to weigh all “for” and “against” and even to accept someone else’s point of view, the Chinese will defend their position to the point of absurdity, their arguments are not impressive, and there are two ways to influence the situation. The first is to go over the head, to the top management. The second is to demonstrate clearly the failure of the Chinese side. In other words, to show colleagues the potential result.

Business results: 64% of companies believe that language and cultural differences limit their international development plans. The most serious threats to harmony in international relations lie in the differences in cultural traditions (51%), different standards of corporate conduct (49%) and language barriers (27%). Chinese CEOs are more acutely affected by this problem than their colleagues from other regions of the world: 61% of Chinese businessmen admitted that due to misunderstanding when communicating with potential foreign partners, their companies suffered financial losses by failing international transactions. 79% of Chinese CEOs believe that differences in language and culture make it difficult to enter foreign markets.

Conclusion: When building relationships with foreign partners, take into account the nuances of cultures and business practices in their countries, and your global business relationships will be strengthened. For European entrepreneurs, the main thing is to be a lawful and professional partner, and for Chinese entrepreneurs, to be disciplined, speedy in processes and communication.