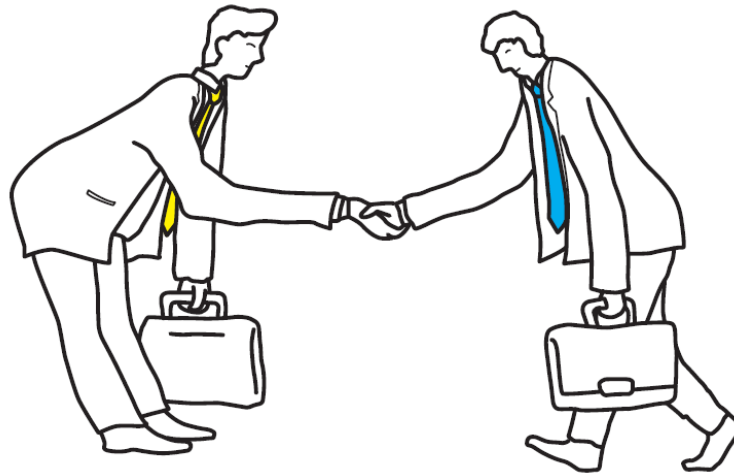


Mainland Mores



Illustrations by Tree Tree Tes

Social tensions between Hong Kong residents and mainland visitors have underscored differences – some obvious, some subtle – between codes of behaviour. Robin Lynam asks experts about those differences and how using proper etiquette can make doing business easier.

Manners may or may not make a man, but they can certainly make or break a business relationship. People with sound understanding of local etiquette enjoy an advantage in business, and this is particularly true in mainland China.

The mainland is still in many respects more formal than Hong Kong – something to consider before your next visit or a permanent move.

More Hong Kong accountants are working in the mainland than ever before, and many experts in the field of business etiquette say Hong Kong accountants can benefit from a little coaching in this area before trying to form working relationships with colleagues and clients from other parts of the country.

“*Guanxi* – connections – still plays an essential role in order to do business successfully in the mainland of China,” says Biao Wang, the founder of Camellia Universal, a China-investment advisory company in the United Kingdom.

Social factor

“*Guanxi* refers to the relationship network between different people or organizations, all of whom support and help each other,” Wang explains. “The *guanxi* culture has existed, and penetrated deeply into Chinese business society, for several thousand years.”

Wang notes that the cultures in the mainland and Hong Kong are similar, including such aspects as saving face, family solidarity and courtesy. “However, Hong Kong people are much more Westernized,” he adds. “The social and business environment, culture, systems and institutions are heavily influenced by the West, especially Britain. The business field in Hong Kong has more transparency and freedom and it does not rely too much on *guanxi*.”

Lawrence Lo, founder of LHY Etiquette Training Consultancy, a Hong Kong company that provides training in etiquette and cross-cultural understanding via operations throughout the mainland, agrees that social interaction in Hong Kong is different from even well-developed cities such as Shanghai or Guangzhou.

“I think in Hong Kong, it is still more of the Western approach in business talks and negotiations, while in mainland China, it is about making friends first, getting the other side to know you first, before talking about business. And more importantly, food and beverage – wine or liquor – play a very important part in the business negotiation. Sometimes, it can be several dinners before the real decision maker starts talking about making deals,” he notes.

Hong Kong people, by contrast, tend to be direct and prefer to conduct business negotiations speedily and with minimum fuss, says Stanley Ng, founder and director of Hong Kong’s Manchester Training and Consultancy Institute, a management training company.

“It’s of considerable importance to have a basic understanding of business etiquette in China,” stresses Ng. “It’s important to be prepared. Obviously there are similarities as well as differences, but in Hong Kong people are much more straightforward and pragmatic. If they want to do business with you, they will tell you straight away what they want.”

In the mainland, he says, patience and courtesy are valued over speed and efficiency – at least at the negotiations stage. And while in Hong Kong people are half expected to turn up late for meetings having struggled to get through slow-moving traffic, in China – even in Shanghai where congestion is even worse – you are still expected to show up on time.

“Punctuality is very important,” Ng says. “If you are late, you are not giving face to them and they won’t like that. You also must not communicate aggressively, which is less of an issue in Hong Kong. Don’t speak loudly or use a lot of hand gestures. You don’t want to be argumentative or too emphatic in your speech. Always talk gently, slowly. Pause at times. Don’t lecture the other party, always wait for a response and always be nonconfrontational.

“You must not be aggressive, or even proactive,” he adds. “You have to wait for their initiative if they are the host. You don’t propose the first toast – you wait for them to. And you don’t sip from the glass before the first toast. Hong Kong is more casual about that sort of thing.”

Much of the humour that Westerners like to use and is common among Hong Kong Chinese is considered inappropriate in the mainland.

“Chinese are humble about personal accomplishments but very proud of their country and culture,” says Kristine Stewart of the Hong Kong School of Etiquette. “They do not use self-deprecating humour like some cultures in the West. Don’t poke fun, and avoid sarcasm completely.”

There are arguably merits and disadvantages to both the Hong Kong and mainland approaches to establishing business relationships. Ng, however, is inclined to think that Hong Kong has become too casual in some areas.

“In the mainland you have to present a business card, and you should do that with both hands, and slightly bow your head to show your respect. Sometimes in Hong Kong people do that very casually with one hand, and that is awful, I think. When you are given a card you should stop to look at it and then say something about it,” he says.

Lo adds that in the mainland it is appreciated if one side is printed in simplified Chinese characters, and if a mobile phone number is included.

Knowing your place

Mainland China takes its hierarchies more seriously than Hong Kong. “In Hong Kong people value their status, but in China it is much more important to people that their status is clearly recognized by other parties,” says Ng.

“When you meet other business people or government officials you have to watch out for who is the big boss in the gathering. You can’t ignore him. But at the same time he doesn’t do the nitty-gritty things, so you also have to cultivate a congenial relationship with his subordinates.”

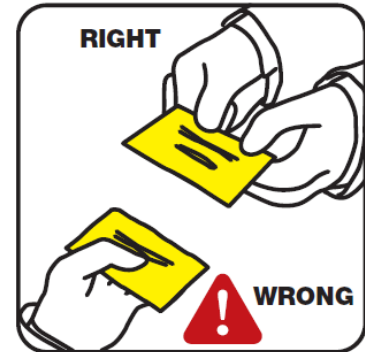
“You talk to the boss about business topics in very general terms. Ask about high-level issues. You don’t want to get involved in details. It’s all about striking a balance. You have to show the highest respect for the big boss, but at the same time be friendly with the rest of his team.”

Both Lo and Ng stress the importance of getting seating arrangements right at meetings and meals, another area in which Hong Kong protocol is less rigid. In the conference room, guests should be sitting directly opposite people of equal rank in the host organization. At dinners, Ng says, bosses should sit next to each other so neither has to shout across the table.

Lo acknowledges that meetings at meals may not produce much progress in a business negotiation but stresses that they are important for building relationships.

While in Hong Kong easy informal mingling at cocktail parties is regarded as a good way of making connections, sitting down at a restaurant table is still preferred in the mainland. No matter how busy your schedule, you need to make time to do that. Well-informed questions about the city’s economy and culture are appreciated, so a little homework before a trip can pay off.

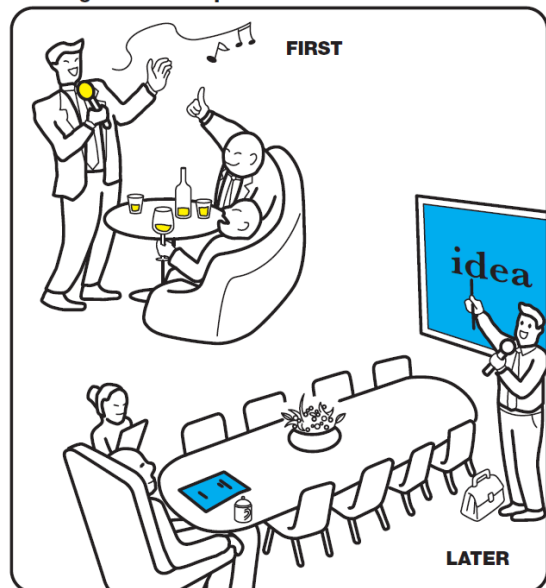
Business cards



Hierarchies



Building a relationship



If you are not a fluent Putonghua speaker, he adds, it is nevertheless polite to have learned a few words of greeting. If you do speak the language, it is polite to let your hosts know. Failure to do this can imply a desire to eavesdrop on private conversation.

Changing with the times

Although in many respects etiquette in mainland China today resembles that of Hong Kong several decades ago, there too it has evolved with the changing times. Ng says that increased affluence by Chinese in the mainland means that hospitality extended in restaurants should now be less lavish than in the past, and that gifts should also be less ostentatious.

“Gift giving is not so important anymore, except as a gesture of goodwill,” he observes. “You try to put some meaning into the gift rather than value. A gold Rolex watch, for example, might now be seen as bordering on bribery, and corruption is a big deal in China.”

As appropriate gifts for colleagues or counterparts in the mainland, Lo suggests wine or cigarettes. “You could consider buying brand name red wine or Zhonghua brand Chinese cigarettes at Hong Kong airport duty free, which are considered real and not fake. These are considered face-giving presents,” he says.

Some etiquette issues are regional. Formality of dress, Lo says, matters more in Shanghai than Beijing or Guangzhou, but Hong Kong is unique in the greater China region in expecting jackets and ties to be worn in the summer heat and humidity.

Ng says recognition of rank and other formal observances are particularly important in Beijing, possibly because it is fundamentally a political rather than a commercial city, and so preoccupied with protocol.

“There is a saying: ‘Until you go to Beijing you don’t know how low you rank.’ In Beijing, you have all the top government officials and it is more political in a way. There it is good to lean on the more formal side,” he says.

It is an advantage to have an awareness of particular local sensitivities, although some Institute members observe the etiquette gap between the mainland’s large cities and Hong Kong is narrowing.

The gap, however, remains. “I think the biggest difference,” says Ng, “is that in China, people want to see you not just as a business partner but as someone they can relate to and with whom they can build a long-term relationship. Those relationships matter in Hong Kong too, but the level of loyalty is much lower.”

(The article is reprinted from [A Plus March 2012](#), with the permission of the Hong Kong Institute of Certified Public Accountants.)

Communicating



Giving gifts

