

## **An Analysis of Chinese Culture and Business Practices**

China is a beautiful and complex nation located in the southeastern portion of Asia adjacent to the Pacific Ocean. With a population of 1.4 billion individuals, China is recognized as a modern superpower akin to the United States. Modern superpowers derive their power not only from sheer military or economic means but engage in wide-scale cultural influence. Chinese culture remains prevalent across the planet, and it is no wonder why. Enforced by thousands of years of tradition, a richly diverse topography consisting of various climates and bordering the Pacific Ocean, China may be home to the longest continuous culture that still exists. (Chinese Business Culture, 2023). In a time of economic strife for many nations, the Chinese economy is not only surviving but *thriving* with a positive trade balance of 98.2 billion US dollars (Observatory of Economic Complexity, 2025). The prevailing currency in China is renminbi or RMB, also referred to as Chinese Yuan, which converts to about 14 US cents per RMB (Balmas & Howarth, 2024). Chinese culture uniquely centers on a careful balance between traditionality and progress. Many citizens maintain their long-standing religious and familial practices while still producing a litany of high-value businesses and innovations.

Chinese business culture revolves around two crucial tenants which feed into all other aspects of corporate expectations: Guanxi (关系) and Mianzi (面子). Guanxi is the belief that developing and maintaining personal relationships with both governmental and corporate entities is central to sustaining business growth (New England Trade and Enterprise, 2024). Essentially, the ability to maintain one's personal relationships within the company is considered a crucial business skill. Unfortunately, a consequence of this is that both favoritism and nepotism run rampant in Chinese businesses. This practice is so ingrained in Chinese business practices that even something as inconsequential as sharing the same name or having a similar name can

profoundly impact one's professional outcomes (Mao et al., 2025). Keeping this in mind, American businesspeople should exercise cultural awareness and set aside time to bond with their Chinese colleagues. By engaging in Guanxi, Americans looking to operate within Chinese cultural structures are more readily able to understand the other important precept that will aid them in their endeavors.

Mianzi is the belief that one's social standing, honor, and influence over others play a pivotal role in both social interactions and maintaining positive business growth. Essentially, one's "face value" or others' perception of them is extremely important, and it can be damaging to one's business if they were to "lose face" (New England Trade and Enterprise, 2024). Taking this into account, Americans should do extensive research into what they should and should not say to ensure they can "play ball." They should be aware of their words and actions and work hard to ensure that they are always polite and respectful. By doing so, they may avoid an uncomfortable social faux pas that would hamper otherwise productive meetings. These two concepts (Guanxi and Mianzi) work together to shape and impact almost every aspect of business culture and expectations in China.

A significant aspect of any business is the business meeting. In China, business meeting etiquette is largely impacted by both Guanxi and Mianzi. The most important concept to keep in mind is that everything will revolve around politeness, respect, and hierarchy. Individuals are expected to arrive on time, if not early to every meeting no matter the circumstance. The meeting should begin with greetings and acknowledgements, keeping in mind the meeting attendees' proper names, titles, and status. For example, China maintains a high-power distance culture so one should first address the highest-ranked person before moving on to other members of the meeting. Businesspeople should maintain proper eye contact and offer a firm handshake, perhaps

even shaking both hands. Gender norms are expected to be followed closely in China, and if one is interacting with a Chinese businesswoman they should ask for permission before offering the handshake (Lam, 2021).

Before the meeting even begins, however, it is customary to engage in the business card exchange. The exchanging of business cards is a very important aspect of the meeting as it works to set the tone of the meeting overall. If one arrives unprepared it will negatively affect their Mianzi or others perception of them. The business card itself should be dual sided with one side written in English and the other side in either traditional or simplified Mandarin characters depending on the region the company takes place in. The business cards should be handled carefully and respectfully, as one should treat the card as if it were a physical representation of the respect one holds for their peer. The exchange should occur one person at a time, with the employees making polite remarks and comments on the information on the card. Finally, the card should be carefully stowed and never written on (Asian Business Cards, 2025) After the greeting and business card exchange, a gift should be offered to the host of the meeting. This gift should be very carefully considered as there are many ways that the gift can be viewed as offensive. The gift should not be overly expensive or “tacky.” Research must be done to avoid gifting anything that can be seen as bad luck in Chinese culture, such as the number four, certain flowers, clocks, or pears. The gift should also be well-wrapped and is best done in red wrapping paper. This is because red in Chinese culture is indicative of good fortune and prosperity. (Chinese Business Culture, 2023). Once these pleasantries have been properly exchanged and the Chinese counterparts feel like they have built a solid relationship, the attendees are free to begin work and negotiation. Americans should take each step in stride and be careful to not rush the introduction

stages. These steps, though commonly regarded as wasteful small talk in American culture, are vital, as they will set the tone and quality for the rest of the negotiations.

Seeing as Mianzi or one's social standing is so imperative to their business relationships, one must ensure that they are "fitting in" to the business clothing expectations. Both men and women alike should dress professionally and modestly, with no "showy" pieces or bright colors. Men specifically should wear traditional, dark colored tailored suits however they should not wear full tuxedos. Women should dress modestly, with long pants or dresses and neutral-colored tops with high necklines. Additionally, the outfit should be paired with flats or low heels, as a high heel can be seen as too "flashy" and frivolous (bbmandarin, n.d.). One should dress in a way that makes themselves look clean, well put-together, and responsible. The way that one dresses serves as a visible representation of themselves and their personalities. However, it is just a small piece of a much larger cultural foundation.

While it may be intimidating to an outsider, Chinese business culture operates off well-established traditions. Like any social norm, Guanxi and Mianzi both stem from places of mutual respect and a deep cultural well. These two concepts govern the practices of one of the largest economies in the world, and understanding their roles within the culture is a fundamental requirement for doing business in China. Adapting to a high-context culture can be a daunting process for most Americans, but by studying the delicate balance of Guanxi and Mianzi one can come to better appreciate the rich and engaging Chinese culture. Especially as China continues its meteoric economic growth, American businesspeople find themselves in an advantageous position if they are willing to research and strive to bridge the cultural gap.

## References

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