

# **TRAINING FOR SUCCESS IN THE AGE OF GLOBALIZATION**

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**Abstract**

Globalization has caused businesses to operate across varying cultures. Proper cultural training will maximize efficiency and minimize mistakes. This paper examines the relationship between Chinese and American cultural practices within this context. Based off of the cultural norms discussed and how they are specifically related to business, recommendations on how to implement training protocols to prepare employees for their new environment will be made.

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## **Introduction**

At the turn of the 21st Century, the rise of technology and the boom of the internet has changed every aspect of the world. This is especially apparent in the business world. In order to gain or maintain success, businesses frequently have to be able to operate in the international market. Operating on an international scale or having an international influence is known as globalization. In order to be successful in the age of globalization, companies need to train their employees for the specific markets they are entering. Often times, the way other countries conduct business varies greatly from the way businesses operate here in the United States.

Cultural norms vary greatly across the world resulting in a multitude of cross-cultural differences. This is evident with the relationship between China and the United States. China is a global superpower in the East and has great influence on the countries in their region, while the same can be said for America and the West. Examining this relationship is unique due to the complex relationship the two countries hold. China is currently one of the United States' largest trading partners, accounting for \$113.2 billion or 15 percent of the total trade in which the United States participates in. China accounts for \$90.1 billion of United States imports, which is 18.7 per cent of total imports for the United States (Foreign Trade). The purpose of this research is to identify the most significant cross-cultural differences between China and the US and to mitigate potential inefficiencies by proposing solutions for American companies to properly train employees.

## **Cross Cultural Differences**

The identification of differences in cultural norms and lifestyle is the first step towards a successful business relationship when operating internationally. Cultural norms are rules or expectations of thoughts and behaviors based upon shared beliefs within a specific social or cultural group (National Academies). There are vast differences between the eastern culture of China and the western culture of the United States of America. Many of these differences cross over into the world of business. In this section, different levels of communication, including language, body language, context, and the importance of nonverbal cues will be addressed, as well as the difference in mindsets, Chinese collectivism versus American individualism, difference in government, interaction within organizations, and the practice of the Chinese cultural norm of Guanxi.

The first difference that must be addressed is that of communication. This includes the spoken language that will be utilized as well as certain non-verbal forms of communication like body language. China is home to 56 different ethnic groups that utilize more than 80 different dialects in mainland China (Li 115). These different dialects are not like accents in different parts of America where everyone is still speaking English and would be able to communicate basic terms. Rather, these Chinese sublanguages vary from one to the next, essentially making each their own language. The Chinese government has mandated and promoted Mandarin to be the official language of China. Identifying which language is being spoken whether of the government promoted language of Mandarin, or a different dialect like Cantonese is crucial to success.

The style of communication is integral to maintaining good relations as well. In China, it is common practice to use an indirect form of communication. For example, they “rely heavily on indirect communication. They rely less on words and are more attentive to posture, expression and tone of voice to draw meaning. Their speech is often ambiguous, and they may understate their point” (Chinese Culture). They conduct conversations in this manner because they want to maintain good relationships between superiors and subordinates or from worker to worker. It is a key part in Chinese culture to have well-maintained relationships, which starts with the style of communication. The “ambiguous” nature of this communication or the potential “understating” of points is because of the focus on constructive criticism. It is typical in Chinese culture to be less direct with the criticism that can be considered harsh to avoid discouraging employees. However, “Americans’ communication style is direct and to-the-point. This may seem blunt to some, but Americans consider straightforward people trustworthy and efficient” (Closing the Deal). Direct communication works with most Americans as long as any criticism is presented clearly, but not in an abrasive or hostile manner. It is a cultural norm and socially acceptable for Americans to speak their minds and be straightforward.

The context of the language and word choice is also an important factor to consider when understanding communication differences between China and America. Certain phrases and words used in English can have completely different meanings once translated to Mandarin. For example, when Pepsi first entered China, they rebranded themselves as “Bai Shi Ke Le” which means “everything is enjoyable” in Chinese (Li 115). Rebranding the name allowed Pepsi to create more of a connection and sense of familiarity with the Chinese customers they were trying to reach. This is also a common

challenge for Chinese companies entering the American market, as seen with a Chinese battery manufacturer whose product translated into “White Elephant” (Li 115). The term “White Elephant” represents a negative metaphor in the English language, meaning a product or object with little value to its owner (Merriam-Webster). This mishap resulted in poor financial performance for the Chinese based battery manufacturer.

Nonverbal communication is just as important as verbal communication. Body language can be key to successful communication, and this too varies across different cultures. For example, women in China are taught to follow the “Three Obediences and Four Virtues”. The three obediences consist of obeying “her father before marriage, her husband after marriage, and her sons in widowhood” (Li 116), and the four virtues which are “proper virtues, speech, countenance, and conduct” (Li 116). This results in many Chinese women avoiding eye contact and not being assertive in a business environment. However, when compared to norms in America, avoiding eye contact can have unintended consequences, such as being interpreted as a disrespectful gesture. Direct eye contact and speaking at a loud enough volume for everyone in the room to hear exemplifies confidence in American culture.

There is a stark contrast between the mindsets of workers in China and their counterparts in America. Chinese workers have a much greater sense of collectivism, causing them to be more concerned with the company or organization as a whole doing well, rather than their own individual success. In the documentary *American Factory*, Fuyao, a Chinese glass company, opens a factory in Ohio where GM used to operate. In the documentary there is a scene when American executives travel to the Fuyao headquarters to see how the operation functions in China. While they are there, they

attend a company-sponsored New Year's party. During the party, six of the employees got married. The Chinese workers take so much pride in the company that they even go so far to get married at a company party. This is also illustrated through surveys of workers across many organizations regarding different types of commitment. Many Chinese employees experience normative commitment, which is an obligation to stay with an organization for moral or ethical reasons. Other types of commitment include affective commitment, an emotional attachment to an organization and believing in the organization's values. As well as, continuance commitment, which is a form of commitment is the identification of the economic or financial value of remaining with an organization, opposed to leaving it. Both normative commitment and affective commitment were higher in the Chinese sample of employees, while continuance commitment was low (Robbins and Judge 80b). This reinforces the fact that Chinese workers have a higher sense of loyalty to their employers and take pride in the organization as a whole. On the other end of the spectrum though, the American workers tend to value economic and financial factors more than emotional connection to a company. At the Ohio Fuyao factory, workers often complained about wages being too low. One of the workers who previously worked at the GM factory recalled that she was making "\$29 and change" an hour under GM but is now only making \$12.84 an hour as a Fuyao employee (Bognar & Reichert, *American Factory*).

In addition to cultural differences between China and the United States of America, there are also differences in each other's system of government. China is currently governed by the Chinese Communist Party or CCP. The CCP operates as a "monopolistic party that dominates the political life of China. It is the major policy-

making body in China, and it sees that the central, provincial, and local organs of government carry out those policies” (Britannica). This communist governing body is a byproduct of the intense feeling of collectivism that is so popular in China. Since collectivism puts the needs of the group before the needs of the individual, their communist government echoes this belief by putting the needs of the country come before the needs of the individual. The CCP also requires companies to have board members and executives that are also active members of the communist party. Thus, the companies are forced to act in a way that is positive for the CCP. For example, Huawei is a technology corporation that specializes in the making of smartphones. They have been accused by members of British Parliament (MPs) as well as United States Congress about colluding with the CCP. In an article published in BBC, the MPs “claimed the Chinese government ‘had financed the growth of Huawei with some \$75bn [£57bn] over the past three years’” and that Huawei has “engaged in a variety of intelligence, security, and intellectual property activities despite its repeated denials” (Huawei). Essentially, other countries believe the CCP forces companies to act in a way that is beneficial to the CCP, sometimes in financial terms but it can also be for a strategic political purpose. This a clear example of the influence of collectivism in Chinese society. The Chinese are more focused on the benefit of the greater good versus the success of the individual.

In America, the Federal Government is made of three branches: legislative, executive, and judicial. These three branches have their own separate power which is granted by the U.S. Constitution in the Congress, the President, and the Federal courts (Our Government). The American government is not involved in private business the way the Chinese government is. American companies have to follow laws and

regulations set forth by Congress, but the companies operate independently from the government. Executives and board members are civilians, hired from the private sector. American companies do have to pay taxes to the government, but the American government does not have partial ownership of these companies. This exemplifies the role of individualism in America - it is what every part of America is built upon.

Individualism prioritizes the needs and goals of a single person, providing the freedom to do what is best for the individual (Merriam-Webster). Private companies are concerned with their own bottom line and individuals are largely focused on their personal success first, before any collective success or tying their success to that of the government.

The relationships within the chain of command in a company is another point of difference in culture. According to The Britannica Dictionary, chain of command can be defined as “a series of positions of authority or rank within an organization that are ordered from lowest to highest” (Britannica). In other words, individuals that are higher up the chain hold positions that require more responsibility. In China, “the subordinate is expected to follow the direction of the supervisor regardless of the difference in opinion one may have. The decision of the superior is final and should be respected at all costs” (Contrast). It is heavily emphasized in Chinese culture to respect elders/superiors and to never question their actions. Doing this would be rude to someone who has earned the superior job position. Questioning a supervisor or speaking out against an authority figure is virtually unheard of in the Chinese work culture, even including potential illegal or unethical behavior by an employee’s supervisor. Meanwhile in America, subordinates are more likely to challenge the ideas of their managers in the workplace as strict boundaries of roles are dropped in order to foster creativity (Contrast). The idea of

questioning decision making of a superior is almost exclusive to Western culture and the American way of thinking. The opportunity for American employees to question their bosses or to think in a way that may be contrary to what their boss wants of them, has created an open environment allowing innovation and outside the box thinking. This gives American employees a greater sense of autonomy. This once again ties in with American individualism, providing American employees with autonomy, giving them the power to come up with their own, individual ideas, and take more control and responsibility within their jobs.

Finally, perhaps the most distant and confusing cultural practice to Americans is a Chinese norm called “Guanxi”. Guanxi is one of, if not the most important, business practice in China. Guanxi has multiple definitions, but they all are centered around the same concept – it represents the social practice of favor seeking (Tian 51). Essentially, Guanxi is the formation of deep, close relationships that extend outside of the business world. This includes, but are not limited to, political, economic, or even personal relationships. Guanxi helps people build up their social standing and capital among their peers. The practice of Guanxi includes going out with your business partners for dinner or drinks, going on vacations, and other activities that are more common in personal friendships rather than business relationships in America. Guanxi is considered acceptable behavior throughout all of China and has been for thousands of years. In fact, the “cultural roots of Guanxi in the Confucian tradition as a justification for Guanxi practice in contemporary China: as Confucianism emphasizes social relationships, Guanxi practice should therefore be deemed ethically acceptable in the Chinese cultural context” (Tian 52). In the American workplace, this type of behavior can be seen as

unethical and, in some circumstances, even illegal. The favor seeking practices that can be seen in China through Guanxi can be seen as bribery or potential extortion to an American, whereas in China it is simply building respect between business partners. To avoid these potential ethical gray areas, American companies instead heavily rely on legally binding contracts and tend to keep work relationships in professional terms.

The recognition of the differences in direct communication, indirect communication, collectivism versus individualism, and the other norms between China and America discussed in this section provide the necessary cultural information for companies employing both Chinese and American workers. The next section will explain how this specifically applies to the business world.

### **Business Case for Diversity**

The prior section identified some of the most important cultural differences that companies have to deal with when operating in the Chinese or American markets. This section considers the business case for companies to understand these differences. Research shows that companies that are aware of these cultural differences are more likely to produce and take advantage of the positive outcomes associated with having a diverse and efficient workforce (Eswaran). It is important for businesses to understand and care about these cultural differences because they can influence vital aspects of the company functioning, such as effective communication and the fostering of positive relationships between employees (Eswaran). In particular, the influence of each country's respective governments and the role of Guanxi must be considered.

Establishing the means of communication should be the first task at the top of a company's list while operating internationally, whether it be with a partner company that is already operating in the country, such as China or the United States, or with the government of said country. Without a clear and coherent communication medium, operations for a business will be doomed. As for operating in China, since there are many different spoken languages, establishing which language to use is key. However, there are many other factors to consider ensuring smooth communication. For example, identifying how many translators will need to be present for meetings, what information can be exchanged through e-mails or skype calls, and when person to person meetings are necessary, are all crucial steps in the communication process. Clearly, communication is the bedrock and foundation of success (BDC.ca). Without a strong and reliable communication channel to transmit potential issues or problems that are occurring, potential shipping delays, hurdles in the supply chain, or any other events, business operations will suffer tremendously (Buhler and Worden). The cultural differences in indirect versus direct communication is seen with the means of communication. If issues are not brought to attention and addressed because of indirect communication, commonly practiced by the Chinese, deadlines will be missed, and job performance will suffer. If direct communication, commonly practiced by Americans, is misinterpreted it can lead to priorities being misconstrued. These are only short-term problems for companies though. If communication differences are left unchecked, it will turn into a long-term problem of employees not being able to work together. If companies let these turn into long-term issues, the relationships between employees will be so corroded that they will not be

salvageable. The ability to identify these issues, address them, and solve them, all rely on the foundation of a reliable channel of communication.

Breakdowns in simple communication channels can be devastating. For example, members of different cultures can disagree on how long decisions should take and how much analysis is required (HBR 202). *Harvard Business Review Manager's Handbook* presents a valuable case study where we see this exact situation unfold. A team of American workers must work in partnership with a team of Indian workers. There were disagreements from the start, especially on the delivery date of the product, with the Americans believing the work could be finished in two to three weeks, while the Indians believed two to three months were required. The Indian team members were reluctant in the reporting of setbacks, causing the Americans to discover them only when work was supposed to be transferred to them. This situation spiraled out of control, becoming more and more personal, with cultural differences intensifying the situation. Frustrated by the lack of communication regarding the delays, the American workers became much more direct when voicing their concerns to their Indian counterparts. This was taken poorly, as the Indian workers felt as if the Americans took issue with them as people. By the time the manager got involved, the damage had already been done and the team was unable to work together effectively (HBR 203).

This example shows how detrimental a communication breakdown can be. Each team held their own opinions and would not compromise. A similar situation can easily occur between Chinese and American workers. As previously mentioned, the Chinese style of indirect communication can lead to information being withheld so that relationships stay on good terms, while the Chinese team attempts to solve the issue on

their end. Their intentions would be good hearted, but if the Americans found out about information being withheld, it would be received as disrespectful. The same can be said for Americans and their direct style, even though they are just trying to get to the point of discussion and complete the assignment at hand, their abrasiveness may come off as disrespectful to their Chinese partners. Any sense of trust in the relationship would dissolve. While it is unclear what specific cultural differences intensified the conflict in this case, it is clear that the conflict involved personal differences, which often causes team members to develop irreconcilable differences and disband. Team members and managers should do everything in their power to prevent a professional conflict from turning personal or else the probability of failure for the team will be too high. This issue is not unique for an American-Indian partnership either, it can happen with any partnership, and that includes an American-Chinese one.

The lack of knowledge regarding nonverbal communication, like body language or work ethic, can cause an issue with the social cohesion between the employees. It is impossible to have employees of different cultures and backgrounds work separate from each other, especially when a company expands operations internationally. Maintaining a culturally aware workforce will help employees maintain positive workplace relationships. We see examples of this in the documentary *American Factory* that follows the Chinese glass manufacturer Fuyao. In the film, Fuyao attempts to force their Chinese and newly added American employees work alongside each other. The Chinese employees are surprised by the speed at which most of the Americans work; a few even tell the camera crew that the Americans are “too slow” and are “fat fingered”. Many of the American workers felt they were being shunned or looked down upon by their

Chinese counterparts. This can be attributed to the difference in mindsets of each culture, with the Chinese thinking for the benefit of the collective, and the Americans thinking individualistically. If American workers are not receiving the benefits or rewards, they think they deserve, their motivation will drop, and output of quality work will decrease. Chinese workers though, are generally motivated by the success of the company (Ramadori). Even if they are not being compensated appropriately, they will continue to work hard so the company as a whole can succeed. As mentioned in the previous section, normative commitment and affective commitment were high in the Chinese sample of employees (Robbins and Judge 80b). It is also important to highlight some of the good relationships from the film, too. For example, a Chinese furnace engineer named Wong, creates a strong bond and friendship with the American furnace supervisor, Rob. Wong is able to teach Rob critical knowledge about handling the glass properly that would only come from many years of experience. Rob even invites Wong and a few other Chinese workers to his house for Thanksgiving since they are all away from their families. Rob goes as far as calling Wong his “Chinese brother” and says, “I would do anything for him”. This relationship goes to show that employees can bond over the smallest things, and that being friendly with co-workers helps promote a healthy work environment.

Having a diverse workforce not only builds healthy relationships, it also generates higher revenue. According to a study conducted by the Boston Consulting Group, they found that more diversity in management teams have 19 per cent higher revenues due to innovation. Companies with below average diversity scores report 26 per cent average innovation revenue, while companies with above average diversity scores report 45 per cent average innovation revenue (Eswaran). If Fuyao had made it a priority for their

Chinese and American factory workers to get to know each other better, there could have been many more relationships made like the one Rob and Wong have. The research clearly shows the diversity (when properly managed), the higher the innovation revenue becomes.

Another cultural difference important for businesses to consider is the role of a country's government. Lack of awareness and knowledge of the government will lead to serious financial setbacks and losses at a minimum. Regulations and laws differ from country to country, but there is a distinct contrast between the Chinese government and the United States government. The Chinese government has the ability to enact many regulations and benchmarks that companies have to meet to conduct business in China. Often times, members of the Chinese Communist Party must have a seat on the Board of Directors of a company in order to be able to conduct business in the Chinese market. However, opening up the doors of a business to the Communist Party can be extremely dangerous – there are multiple cases of companies having physical, as well as intellectual property seized and stolen (Rosenbaum). For example, SoftBank, acquired a semiconductor internet protocol (IP) firm by the name of Arm, originally owned and operated out of Britain. SoftBank wanted to expand operations into the Chinese market and had to create a joint venture with Chinese investors. After two years of operations, Arm China and their CEO Allen Wu essentially went rogue, stealing software and information from the R&D team, and broke off to create their own company, while denying all accusations of stealing anything or any wrongdoing (Semiconductor Heist). This example goes to show the risks that a western company like SoftBank have to consider when entering the Chinese market. Property can be stolen, and the court system

in China is not favorable towards western companies, especially when in conflict with a Chinese based company that has party ties.

The competing and differing governments can also lead to tense political climates that will directly affect businesses, regardless of the product or service being provided. As we saw from about 2017 to 2019, the United States enacted and raised tariffs on \$200 billion of Chinese goods imported into the United States (Reuters). Part of the reason that the United States did this was because they felt China needed to pass tougher laws protecting foreign firms and the intellectual property of foreign firms. They also believed that China had been exploiting the United States in recent years over trade, profiting greatly off of previous trade agreements. A historic rivalry between the two countries has caused tension, including between businesses as China has tried to prove that their practice of collectivism can be just as effective, if not more so, than the American individualistic society. Information of this type is critical to the success and smooth operating of a company because tariffs and trade wars lead to extremely high costs for raw materials, shipping, exports, and many other facets of business. To give a little more insight on the trade war between the United States and China, in March of 2018 a 25% tariff on steel imports and 10% tariff on aluminum was placed on all suppliers. Then by April 2, 2018, China had announced a 25% tariff on 128 U.S. products. One day later, the U.S. unveiled a plan for 25% tariffs on about \$50 billion of Chinese imports. Then China responded the following day with plans for retaliatory tariffs on about \$50 billion of U.S. imports (Reuters Timeline). These intense tariff hikes are only a small subsection of the total trade war, but it goes to show how quickly tariffs can be imposed. This exemplifies how the rivalry between the two government systems, that stem from the

differing ideologies of collectivism versus individualism, will affect a company's financial bottom line. Businesses have to shoulder this financial responsibility as a result of the political climate. Virtually every material and resource will become more expensive. Steel, for example, in 2018 was priced at \$554.35 per ton in March, then jumped to \$632.56 per ton by the beginning of May, then rose again to \$706.68 per ton by June (TradingEconomics.com).

Finally, companies operating between China and America cannot overlook the importance of Guanxi. As identified earlier, Guanxi is the relationship building in Chinese culture where business partners build a close personal relationship and exchange favors. This can be a hurdle for American workers because this type of relationship could be interpreted as immoral or even illegal. When this business practice is exercised by Chinese businessmen, they are not trying to get their American partners to commit illegal activity, it is just how they are taught to conduct business. Guanxi is a cultural tradition and an integral part of building trust and strong relationships within China. It is important for Americans to know about this practice and also be aware of the laws. As long as no bribes are being made or laws being broken, Americans should feel comfortable, and even a bit flattered, to participate in this long-held Chinese tradition.

Guanxi can also serve more importance depending on the field that a business is operating in, industries that are heavily involved with the government for example, like health care or security, are more likely to see Guanxi practiced (Forbes). This practice of Guanxi is not completely foreign to Western culture, though. In America it is often said that getting hired for a job is 'more about who you know than what you know'. This is essentially the same basis of Guanxi, the personal relationships and trust built can greatly

benefit a business. Having the knowledge of this practice in China, and goal of achieving Guanxi with partners in China can make all the difference between success and failure.

Clearly the cultural norms and differences presented thus far are important factors to consider when operating internationally. The final section will consider the important role of cross-cultural training in order to mitigate the aforementioned potential inefficiencies that are common when Chinese and American employees work together.

### **Implementation of Training**

Due to many significant cross-cultural differences between China and the United States, companies operating with workers of both nationalities would be best served to implement a cross-cultural training program. A survey conducted with Fortune 500 companies showed that 100 per cent of the companies see global diversity as an important or very important issue, but only 39 per cent provide in depth multicultural training for their employees (Nishii and Özbilgin). This clearly shows how companies are aware of the importance of cultural diversity but are not providing their employees with the training needed for success. The three points of focus of these training programs should be on collectivism versus individualism, Guanxi, and overall inclusivity and acceptance of diversity. Fortunately, there are multiple options that can be pursued to promote employee awareness of cultural norms and prevent costly cross-cultural misunderstandings like coupling virtual learning with in-person learning, outsourcing, and alignment of company goals.

An introduction to cross-cultural training should include some history about the people and customs from each relevant country. To understand cultural differences

applied to the business world, an understanding of the people must be established first. Chinese employees need to be trained on American individualism because it is what motivates employees. If Chinese employees have to be the boss of Americans, they need to know how to motivate them. Helping an American employee see how their individual growth and success will provide more autonomy within the company is beneficial for both the Chinese manager and the American employee. The Chinese manager now has an employee that is working hard and helping the company, while the American employee is achieving their self-fulfillment. In support of this conclusion, an experiment conducted by University of Stanford researchers discovered that in order to inspire Americans to work interdependently it is best to emphasize their individual role (Donald). The same approach can be used for training Americans on Chinese collectivism. In Chinese culture for thousands of years, including today, importance has been divided into a hierarchy that puts country and society before the individual (Yang). Understanding this culture of interdependence will show Americans that it is best to present the goals and success of the company first, in order to motivate Chinese employees. In a survey conducted by Meuschke and Gribbons (2003), they found that only about half of the respondents indicated their knowledge of China's history, culture and business climate to be "moderate" to "high". The respondents from this survey were local businesses in the Santa Clarita Valley, both large and small businesses were included. Baseline knowledge of China needs to be established with American companies so a starting point can be picked for the training program (Meuschke, Gribbons 6). Training American employees, and teaching the history and culture of

China, will directly correlate to the norms and appreciation of cultural differences established in the first section.

Chinese business personnel need to be educated and trained on the laws in America, because Guanxi could be considered illegal in some senses. As a reminder Guanxi can be any gesture to build a friendship with a business partner, like taking them to an expensive dinner or spending time together on a short vacation. While these practices are accepted in China, it can be considered bribery in America. Chinese business personnel need to receive specific training on laws that Americans have to follow, so they do not mistakenly break one while simply trying to show a sign of respect in their culture. For example, giving a business partner a payment to their personal account in exchange for a business contract is considered a “kickback” which is absolutely illegal. Typical classroom style training would be appropriate for this because there is not much grey area when it comes to laws in America - simply teach the employees the laws and have them complete a quiz after the instruction is finished to make sure they are grasping the information.

For Americans, Guanxi is hard to adapt to because it is so personal and contradictory to our own laws and customs. Americans need to be trained on the fact that these personal gestures are not meant as bribes, but rather the foundation of a new business relationship. Having an understanding of the Chinese tradition behind Guanxi, and how it has been used for thousands of years will help in the adaptation to such a critical skill. This will help Americans gain the respect and more importantly, the trust of their Chinese business partners. Americans that are able to participate in Guanxi will see

higher levels of success with establishing meaningful relationships with their Chinese associates.

Overall diversity and sensitivity training is needed, too. When two differing cultures are tasked with working together it is important that they are inclusive and accepting of one another. A report published by IBM surveyed Asian American employees in corporate America asking if they have been on the receiving end of discrimination. Eighty per cent said they had experienced discrimination based on their race or ethnicity personally with half of the respondents pointing to the workplace (Suh, Hoecker and Anderson). If it is this common for Asian Americans to be on the receiving end of race discrimination in corporate America, then diversity and sensitivity training is desperately needed. Employees facing discrimination will not only feel isolated and ostracized from their co-workers, but they also may bring lawsuits towards the company. Either way, discrimination leads to failure in any company. If fellow American co-workers have to experience this, it is likely that Chinese employees will be subject to this same type of discrimination. It is unacceptable for both Asian Americans and Chinese employees to face any type of racial discrimination. Failure to provide diversity and sensitivity training will open companies up to potential lawsuits and fallouts of partnerships that will have huge financial implications.

Training topics are equally as important as the style and format of training programs. The emergence of a new type of online work through the COVID-19 pandemic has opened up opportunities for training. “E-learning” or electronic learning has been on the rise over the past decade with the advancement and rise in popularity of technology. As seen through the recent shutdowns due to the pandemic, where many

businesses were forced to adapt and have their employees work remotely, technology was used at even greater lengths than before. At a peak in October of 2020, 71 per cent of people who could work remotely did, while only 23 per cent of those who could frequently did so prior to the pandemic (Parker). E-learning is easy for both the company that needs their employees trained and the employees getting trained because it eliminates the need for employees to be physically present in an office or conference room to receive the training (Heap). E-learning is advantageous because it provides flexibility that is needed in the current state of the world. Potential future government shutdowns could occur so having a refined e-learning program built now will prove to be beneficial. E-learning can give employees the opportunity to complete preliminary training on their own time or at their own pace, if need be, and if the employees need to revisit certain sections of the training, they can easily do so with a few clicks on their computer (11 Advantages). E-learning can provide employees at a minimum, with a baseline knowledge of certain cultural aspects before a physical, in-person session starts. This way, employees can bring potential questions with them to the training sessions, and they have a little knowledge entering the training session, helping avoid some preliminary information, giving more time to focus on the more in-depth and complicated information. E-learning cannot always give employees the proper situational feel that is required to fully equip and prepare them for the new culture they are entering, such as China. Some inefficiencies that companies face with training programs, especially cross-cultural programs, are a lack of initial knowledge and time constraints.

When e-learning is coupled with traditional, in-person training, employees receive the best results possible. There are certain cultural norms that people must learn

through face-to-face interactions. In-person training sessions or seminars need to be held as well. If companies want to keep the training in-house there are two possible options. First, they could send members of the Human Resources department overseas to be trained by the local company entering the partnership. The HR representatives sent overseas need to be embedded in the culture long enough, not only to get a solid understanding of the different cultural norms, but also so they have such a good grasp on the concepts that they can come back and train their employees. This can be beneficial because employees are being trained directly by the company they are merging with or acquiring, thereby immersing themselves in both local and organizational cultures. Thus, this approach is likely superior to a standard, traditional classroom training. However, the negative side of this would be, the employees are being trained on how the partnering company operates. Chinese companies share similarities and practices with other Chinese companies just like American companies with other American companies, but companies have their own culture separate from that of the society they are in. Employees might only receive training on how the specific company they are partnering with from either China or America operates. Employees would not be able to attain the necessary level of knowledge of the culture to teach to their co-workers in their home country. The other option would be to hire someone who was born in and worked for a significant time in China or America or someone who spent significant time involved in the business world in either country. Like sending an HR representative overseas, hiring someone who has already spent significant time living in China or America, that has an extensive experience with the culture, will have the tools to teach it to the employees in their home country through a training seminar, spanning over a few days or even weeks.

Both options are viable and companies should decide based on their capabilities. Based on this information, hiring new employees opposed to relying on a partner company to train employees would be best. Hiring one or two or however many individuals are needed would most likely bring more of a variety. Again, the partner company will most likely train the employees how they operate. Hiring personnel who have worked for multiple companies and have experience conducting cross-cultural training will provide employees with a more well-rounded knowledge base of either Chinese or American business and culture. For a medium-sized company, it may be too expensive to send a current HR member overseas to learn the culture. If the HR department is not big enough then personnel will be stretched thin as well. It may be more financially viable for a medium-sized company to just hire outside personnel, although again, it depends on the specific scale and capabilities of the company. For a larger company with a large HR department that can afford to spare the extra personnel or has the budget, they may be able to send employees overseas, building up a well-rounded staff.

Outsourcing is the superior option for implementing training. If companies have the ability to outsource their training it can result in high efficiency. When companies are expanding into the global marketplace, training programs are important, but are one small piece of a large process (Cote). There are many companies that specialize in cross-cultural training and offer different tiers of programs based off of what is needed. These companies will hire people from the country that is being expanded into, or have their employees live in that country to acquire the necessary knowledge of customs and cultural norms of everyday life (The Culture Shop). In the case of China, companies and corporations like TransferEaseRelocation or The Culture Mastery LLC. will hire Chinese

employees through connections they have made in China to conduct the training programs or send their American employees to go live in China for an extended period of time, immersing them in Chinese society, so they can bring back the knowledge they gained to conduct the training programs. These trainings can include many important topics, such as individualism versus collectivism or Guanxi, that were previously discussed. However, these companies can bring a more in-depth approach, with one-on-one coaching sessions available to help with specific norms or areas that need improvement. Finding a trusted and established training firm such as The Culture Mastery, can alleviate the stress on employees throughout all levels of the company, allowing employees to focus on completing the tasks of their specific job, maintain the smooth operation of business.

Ensuring the training program aligns with the strategic company goals is integral. It is crucial for the CEO and upper-level management to understand the importance of the training programs being conducted, otherwise it is possible for training programs to be canceled or not receive proper funding. The extended period of time that is required to see a return on investment often clouds the importance of the training for many executives (Salzbrenner). Highlighting the disturbances that improper training would cause will help reinforce the importance of these training programs with senior management. As previously mentioned, there are a variety of reasons why it is important for companies to allocate sufficient funding for cross-cultural training. Otherwise, if disturbances and issues arise with the direct relationships between the Chinese and American employees, this can result in delayed shipments, failure to acquire permits, and a multitude of financial problems that will bolster the need for training on the cultural

differences. Keeping senior management up to date with these details will help maintain the efficiency not only of the training programs, but how the company operates as a whole.

To close, it is not only important to focus on the content of training programs, but also the methods in which they are enacted. Doing so ensures the efficiency and overall success of these training programs for companies in the global market space.

## **Conclusion**

In conclusion, globalization has resulted in extreme dependence on cross-cultural training programs. With China and the United States conducting a majority of their international business with each other, it is imperative that companies are taking the proper measures to train their employees. In order to do so an awareness of cross-cultural norms needs to be established, as well as the business relevance for these norms, and how to implement this information into strong and efficient programs.

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