

CULTURALLY BASED NEGOTIATION STYLES: CASE OF CHINA

Diplomatic relationship between the Republic of Belarus and the People's Republic of China were established in January 1992. China provides the Belarusian economy with relatively cheap state of the art equipment, as well as consumer goods. Due to this, economic cooperation with China is actively developing. China is the fifth most important trade partner of Belarus outside the CIS countries, including the fourth in terms of imports and the eighth in terms of Belarusian exports. It should be noted that all these years the Belarusian-Chinese cooperation has been developing on mutually beneficial basis.

In 2007, the Confucius Republican Institute of Chinese began its work in Belarus; any Belarusian can learn Chinese and obtain the necessary information about China. In addition, go on a language internship.

In November 2007, during the official visit of the Premier of the state Council of China Wen Jiabao to Belarus, an Agreement was signed between the Government of Belarus and the Eximbank of China on the implementation of an unprecedented project for bilateral cooperation – the construction of new and reconstruction of existing enterprises of the cement industry of our country.

In recent years, the main items of Belarusian exports to China were potash fertilizers, caprolactam, mining trucks and spare parts, electronic integrated circuits and microassemblies, chemical products.

The main groups of Belarusian imports from China are equipment, components and materials for export-oriented industries of Belarus, consumer goods.

Tourism is gradually developing, and to simplify relations between residents of the States, a decree was issued on the introduction of a bilateral visa-free regime. The relevant document was signed in 2018, and now nothing prevents people from traveling or doing business. This agreement although, cannot be applied for a long stay in the country.

Undoubtedly, relations between Belarus and China will develop rapidly in the near future.

The most famous model is the Chinese style of negotiation "Ping-Pong". P. Gauri and T. Fang formed the idea of this model in 2001.

"Ping-Pong" includes 3 phases of negotiations:

1. **"Before negotiations"** – presentation of the project, informal meetings and building trust. Trust is necessary to create harmony among the negotiators, without which, according to Confucianism, social interaction is ineffective. In addition, trust is a condition for the implementation of one of the main principles of Chinese business culture – orientation to long-term cooperation. In addition, at this stage, the Chinese are trying to get much information about the opponent in order to build a line of conduct and to secure an advantage at the stage of official negotiations.

2. **"Official negotiations"** – exchange of information, persuasion, mutual concessions and signing of the agreement. This stage includes three phases: information exchange, persuasion and concessions, and signing of the agreement.

The "information exchange" phase is long and is characterized by a detailed analysis by the Chinese of all positions of the counterpart and indirect positioning of their own vision of the problem. In the "persuasion" phase, the Chinese side uses a variety of tactics that have a common feature: they, being aimed at achieving the most beneficial terms of the agreement, at the same time, are designed to maintain an atmosphere of "harmony", avoiding conflict. The next stage, "concessions and signing of the agreement", is characterized by the willingness of the Chinese to allow changes in their conditions. However, the concessions of the Chinese are often fictitious, as they represent a rejection of deliberately inflated claims.

3. **"After negotiations"** – execution of the contract, new rounds of negotiations. The agreements reached during the «official negotiations» in the final agreement are not a guarantee of their implementation by the Chinese side at the "after the negotiation" stage. In Chinese culture, which is strongly influenced by Confucianism, legal norms are not recognized as a factor determining the nature of interaction between members of society. This principle is reflected in the business environment: the signing of the final agreement by the parties does not mark the end of the negotiation process and only sets the vector of fulfillment of the obligations assumed, and does not define in detail each of its points.

Over time, the negotiation process with the participation of the Chinese is gradually changing. They are more attentive to compliance with the terms of the final agreement and do not require additional rounds of negotiations. It should be noted that modern Chinese executives do not focus on the negotiation process itself, but on achieving a specific result; the role of the interpersonal factor is reduced, mainly focusing on business as such. Apparently, these phenomena are a consequence of the increasing economic globalization, the impact on the nature of the Western approach to the negotiation process.

In some situations, it is quite difficult to negotiate with the Chinese. They appreciate professionalism, strict discipline and speed in the communication process. Control is a very important function when interacting with Chinese colleagues. Negotiations in China should be conducted with a person whose name is indicated on the business license. If this is not possible for some reason, it is necessary to ask the head of the Chinese delegation for confirmation of his authority to negotiate and take decisions.

Personal relationships in the business environment are crucial in China. Therefore, starting a business relationship with a partner from China, it is important to demonstrate the intention of long-term cooperation and the ability to support it in difficult times.

"The Chinese don't work with companies, the Chinese work with people". China has not yet learned to take contract obligations seriously, especially among small and medium-sized businesses. The contract for them is only a formality. Personal agreements, friendly ties and good relations come to the fore. According to Chinese partners, it is never clear whether they are interested in cooperation. They do not directly refuse; most often, they postpone the adoption of important decisions. Even the answer to an urgent question that can be formulated in a minute, the Chinese take a few days.

Sometimes in a situation where the Chinese cannot make a decision for a long time, the phrase works well: "I cancel the order and go to another supplier". In nine out of ten cases, it decides in your favor. Nevertheless, it must be a very thoughtful and appropriate phrase. However, if you use this phrase, be sure that the conditions you requested are adequate.

Chinese speech is filled with thoughtful pauses and silence. Often the Chinese, listening to you, nod – it can create the impression that they agree with you. In fact, a nod of the head is just a polite sign that they hear you and understand the essence of your proposals, as if saying, "Please continue". At the same time, they may absolutely disagree with your ideas. During negotiations with the Chinese to express respect for the speaker, also do not forget to nod your head.

In a conversation, written or oral, do not forget to tell that you plan to make several purchases. Even if it does not fit your plans.

If the Chinese understand your usefulness for themselves, you will approach the status of "their" and get the state of the partner. When a Chinese person expects long-term cooperation, they will not deceive you. As long as the partner is profitable, nothing will force the Chinese to break off relations. If a person does not keep their word, shows disrespect for culture – these are reasons to break off business relations for business partners from China.

Good relationships need to be established with everyone, from the manager to the head of the company. In relations with the Chinese, it is important to make compliments and give gifts.

If you know that the meeting will take place in China, it is best to bring gifts from Belarus. No need to carry Chinese-made goods. That is inappropriate. The Chinese are pragmatic and appreciate the usefulness of things, so the gift should be functional. If you decide to give a souvenir, then buy a mug, a pen and a diary. In addition, the Chinese appreciate the national birch bark boxes, chocolate or sweets of Belarusian production.

Literally, when first meeting the Chinese they will surely ask whether you are married, how many children you have and how old they are. The Chinese may ask about the level of your salary. They are interested in your status.

Topics for your conversation with the Chinese should be chosen carefully. For example, do not start a conversation with the question about the weather – if it is going to rain or not. If a Chinese person is not familiar with Western way of socializing, then this question will offend him. It may seem that by asking a person's opinion about the upcoming rain, you are hinting that he is a turtle. It is unlikely that after such talk about the weather your relationship with the interlocutor will improve. It is also not necessary to ask a person in detail about their health – they may think that you just doubt their health. Never ask the Chinese about their salaries, sources of income, payment of taxes. Never discuss China's policy towards other countries, do not scold, but do not admire it; never make any critical comments about China's leaders. Generally refrain from any critical assessments of managers at any level. Even if your partner expresses some critical remarks about it, do not keep up a conversation and try to change the topic. Do not begin to criticize the leadership of your country or organization. The Chinese are not disposed to discuss personal issues related to their plans for life and career expectations.

List of good topics for small talk with the Chinese:

- the history of any Chinese tradition, a comparison of how to celebrate a holiday in different provinces;
- features of Chinese cuisine, comparison of cuisines of different provinces, varieties of Chinese tea;
- family history of your interlocutor, from which province they come from, who of famous people was born or lived in this province.

It is very important to follow these recommendations in negotiations with the Chinese. Misunderstandings in communication can violate all agreements that have been reached.

According to statistics, 61 % of Chinese businesspeople admitted that due to misunderstanding in communication with potential foreign partners, their companies suffered financial losses, having failed international transactions.

China is a well-developed country with a high rate of economic growth. For Belarus, the development of relations with China is an important task. That is why it was decided to build an industrial Park "Great stone" on the territory of Belarus. This project is a prime example of the importance of developing partnerships with China. The objectives of the industrial Park are to attract investment and create competitive organizations focused on the development of production in modern sectors of the economy. With the help of this project, new jobs will be created, social and economic development of the regions and export potential of the Republic of Belarus will be promoted.

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