

Taboos in Business Negotiation

Gifts

On the one hand, gift is a lubricant in international business negotiation; on the other hand, it is a cultural trap: appropriate gift may promote the relationship between the two parties; however, gift may lead to misunderstanding and conflict due to different cultural background.

For example, different culture hold varied opinions toward color. Once there was a Chinese delegation in American purchasing chemical equipment and technology worth \$30 million. In the first round of the negotiation, the US party give each Chinese delegate a small gift---exquisite package and red box which symbolizes development. However, when the Chinese open the boxes in front of the US party according to American customs, they all felt uncomfortable because there was a green golf cap lying in the box. The American party may have planned for the gift for a long time---red box complied with the Chinese taste; golf cap was a fashion at that time. However, they did not realized that in China, a green cap for a man means the wife has a lover. Similarly, clock as a gift is another taboos in Chinese culture.

Religion

China is a multi-religion country. There are 5 major religious belief in China---Buddhism, Taoism, Islam, Catholicism, and Protestantism. Chinese citizens have the right to choose their own belief freely. According to the statistics, there are more than 100 million people in Chinese believing in different religions. If your counterpart in China has religious belief, you should know the following taboos: Buddhists are mostly vegetarians who do not drink alcohol and eat meat. They care much for whether the day is good or not according to the lunar calendar. Islamists do not eat pork or drink alcohol or gamble.

Signing the Contract

In Chinese culture, the arrangement of seats for guests always follows the principle of “left for the most respected”, which is just contrary to international customs. There was once a Chinese company finally progressed to the contract signing step after a long time in negotiation. When it came the signing ceremony, the Chinese party place the American National flag on the left side of the table, which irritated the American Party and screw the whole project. It is always a shame for both the parties when the negotiation ends because of misunderstanding due to cultural difference.

Urge others to drink

To dine with Chinese people, you have to drink. Chinese people hold the opinion that the more the guest drinks, the more they show their hospitality. Although your Chinese partners may not force you to follow their customs, you may promote the relationship by drinking the whole cup at one time after saying “Cheers” and show the empty cup to them.

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