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CHINESE AND AUSTRALIAN STUDENTS' CULTURAL PERCEPTIONS:

A COMPARATIVE STUDY

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Students studying an interpersonal and organisational negotiation subject in Melbourne and in Tianjin, China, were asked to analyse a cross-cultural case study and then analyse how the conflict would be resolved in their own country. Students' cultural perceptions are compared based on Hofstede's (1980) four value dimensions of individualism-collectivism, uncertainty avoidance, power distance, and masculinity-femininity and the Chinese cultural traits of relationship building, face, gift giving and banquets. There are clear differences between the two groups of students, for example, the Chinese students believe the supervisor has the 'absolute right to decide everything', whereas Australian students express an opposing view. The Chinese students emphasise the value of relationships in contrast to the Australian students who do not mention this at all. This qualitative study demonstrates the differences in cultural perceptions between the two groups and provides the basis for further research in the area.

Introduction

In 2002 Victoria University in Melbourne and Boustead College of Informatics in Tianjin, China developed a partnership agreement to offer the Bachelor of Business in Management in Tianjin. One of the subjects in this course in Australia and China is Interpersonal and Organisational Negotiation, with the major assessment task requiring students to analyse a cross-cultural case study. This case study involves a conflict situation over sick pay entitlement for a visiting Canadian teaching assistant in Japan (Turek 1996). At the conclusion of their analysis students are asked to discuss how the conflict would be handled in their country. In this paper their responses to this question have been analysed and compared to Hofstede's (1991) five cultural value dimensions and Chinese cultural traits identified by Woo and Prud'homme (1999).

The assumption is that students will, in their future careers, be involved in negotiations, many of which will be cross-cultural. Western nations, including Australia are aware of the growth in the Chinese economy and the potential for trading relationships. In this context, knowledge of cultural values could facilitate more

effective negotiation outcomes (Lin & Miller 2003; Woo & Prud'homme 1999). Therefore, it is argued that developing cultural awareness in students is important. It is imperative that cross-cultural values continue to be integrated into and built upon in ongoing curriculum development of negotiation subjects.

The following sections describe, define and evaluate Hofstede's (1991) five cultural value dimensions and examine Woo and Prud'homme's (1999) Chinese cultural traits. The qualitative methodology is outlined followed by the findings, discussion and conclusion.

Hofstede's cultural value dimensions

Hofstede (1980) surveyed 88,000 IBM employees working in 66 countries and then ranked the countries on individualism versus collectivism, power distance, uncertainty avoidance and masculinity-femininity. Hofstede's research resulted in his development of four cultural value dimensions: individualism versus collectivism; power distance; uncertainty avoidance; and masculinity and femininity (Hofstede 1980; 1991). China was not included in this study. Later Hofstede and Bond (1988) looked at Chinese values based on what they labelled Confucian dynamism, and included China in the survey. From this research they developed a fifth cultural value dimension: long-term versus short-term orientation.

In comparing the rankings on the first four cultural value dimensions Australia is compared to Hong Kong as the example of a Chinese speaking country, and one that is now part of the People's Republic of China. The rankings are illustrated in Table 1. Hofstede and Bond (1988) included China in the study on the fifth cultural value dimension and it can be seen from Table 1 that while China is ranked first on long-term orientation, Hong Kong is second.

Table 1: Ranking of Hofstede's cultural value dimensions

	Individualism Collectivism	Power distance (low/high)	Uncertainty Avoidance (low/high)	Masculinity Femininity	Long-term Short-term Orientation
Australia	2	29	27	14	15
Hong Kong	32	8	37	17	2
China					1

Sources: Adapted from Hofstede (1980, 1991)

The following sections discuss and provide a definition of each cultural value dimension.

Individualism versus collectivism

As illustrated in Table 1, Australia is an individualistic society where people are expected to look after themselves and their immediate families (Irwin 1996) Individuals are encouraged to be assertive and an "I" consciousness prevails" (Samovar et.al. 1998, p. 68). In other words, personal goals are more important than group goals.

In collectivist cultures group consensus and harmony is paramount with individuals placing the interests of the group over their own interests. In Table 2 Hong Kong has been used as an example of a collectivist culture. Hofstede defines collectivism and individualism as follows:

> *Individualism* pertains to *societies in which the ties between individuals are loose; everyone is expected to look after himself or herself and his or her immediate family. Collectivism* as its opposite pertains to *societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty* (Hofstede 1991, p. 51).

Power distance

Power distance refers to the way in which power is distributed. People in some cultures accept a higher degree of unequally distributed power than do others. According to Hofstede (1991), the relationship between bosses and subordinates in a low power distance society is one of interdependence in contrast to dependence in a high distance culture.

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Hofstede's (1980) study ranked Australia as a low power distance country with Asian countries such as Hong Kong at the high power distance side of the spectrum (see Table 1). According to Samovar et.al. (1998) people in high distance countries,

> …believe that power and authority are facts of life. Both consciously and unconsciously, these cultures teach their members that people are not equal in this world and that everybody has a rightful place, which is clearly marked by countless vertical arrangements. Social hierarchy is prevalent and institutionalises inequality (Samovar et.al.1998, p. 71).

On the other hand, Hofstede (1991) contends that in lower power distance countries 'there is a preference for consultation' and 'subordinates will quite readily approach and contradict their bosses'.

> Power distance can therefore be defined as *the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally* (Hofstede 1991, p. 28).

Uncertainty avoidance

The degree of ambiguity and uncertainty that can be tolerated has been labelled by Hofstede as uncertainty avoidance. As illustrated in Table 1, people in Australia have been classified as being able to accept ambiguity and uncertainty, signified perhaps by such terms as 'laid back' and 'she'll be right mate'. 'They like to take risks, take individual initiative, and enjoy conflict (Freeman & Browne 2004, p. 175).

In contrast, Asian countries such as Hong Kong are high in uncertainty avoidance (see Table 1). There is a need for structure, clearly defined rules, consensus, harmony and security. People 'do not like conflict and pursue group harmony' (Freeman & Browne 2004, p. 175).

> Uncertainty avoidance can therefore be defined as the extent to which members of a culture feel threatened by uncertain or unknown situations (Hofstede 1991, p. 113).

Masculinity and femininity

In masculine cultures assertiveness is valued over more feminine values such as interpersonal harmony and maintenance of relationships. Australia and Hong Kong have relatively high masculinity indices (see Table 1). As Hofstede (1991, p. 85) points out, cultural differences according to gender are statistical rather than absolute. He defines this value dimension as,

> Masculinity pertains to societies in which social gender roles are clearly distinct …; femininity pertains to societies in which social gender roles overlap' (Hofstede 1991, p. 85).

Long-term versus short-term orientation

Hofstede (1991, p.164) calls this cultural value dimension 'Confucian dynamism'. As shown in Table 1, China has a long term orientation where 'persistence (perseverance), ordering relationships by status and observing this order, thrift and having a sense of shame' are the dominant values (Hofstede 1991, p.165). The values of perseverance and thrift are future oriented and more dynamic while the short-term values are more static, being past and present oriented (Hofstede 1991, p.166). Australia has a short-term orientation to life (see Table 1).

Evaluation of Hofstede's cultural value dimensions

Hofstede's (1980) study has provided the basis for examining and comparing cultural values and behaviour. However, the subjects were mainly male IBM employees and Peng (2003, p. 49) contends 'the measures used were not representative of general cultural values'. Irwin (1996) supports this as well as pointing out that the data on the first four cultural values was collected over 20 years ago and only slightly more recently (1988) for the long-term and short-term orientation dimension. The subjects in the latter study were students. Robertson (2000, p. 265) questions the validity of Hofstede's (1997) claim that Confucian dynamism measures long-term orientation. Hofstede

(1991) himself points out the limitations of his research, in particular pointing out that the IBM study did not cover all aspects relating to, for example, individualism-collectivism and masculinity-femininity.

Despite this, as Lewicki et.al. (2003, p. 412) argue 'although the model is not without its critics.. it has become a dominating force in cross-cultural research in international business.' Indeed Samovar (1998, p. 73) believes that

> Although cultures change, we suggest … that their deep structures are resistant to change. The values that Hofstede studied were of those deep structures.

Some of these values include characteristics analysed by Woo and Prud'homme (1999) and these are discussed in the next section.

Chinese cultural traits

Woo and Prud'homme (1999) identified eight Chinese cultural traits in a negotiation context. These are 'status, face, trust, friendship, Guanxi networks, ambiguity, patience and Chinese protocols (Woo & Prud'homme 1999, p. 317). Some of these characteristics are closely linked to Hofstede's cultural values, for example status and power distance.

Face, friendship, guanxi networks and Chinese protocols will be considered in this paper. Face is an important concept in collectivist societies (Hofstede 1991) and this is particularly so in China. Woo and Prud'homme (1999, p. 317) state that 'having face means having high status and prestige in the eyes of one's peers, and it is a mark of personal dignity. Friendship is valued by Chinese negotiators and 'it is usual for the Chinese to refuse to agree in a negotiation if the foreign negotiators do not display friendship and trust.' (Woo & Prud'homme 1999, p. 318). In terms of Chinese protocols, gifts and the Chinese banquet are relevant to this paper. 'Gifts act as expressions of friendship and symbols of hope for good future business' (Woo and

Prud'homme 1999, p. 320). The banquet is a relationship building exercise, a display of friendship and a welcome for visitors. Protocols are an integral part of guanxi, for example, as D'Souza (2003, p. 29) points out gift giving helps cultivate and strengthen guanxi relationships.

"Guanxi is defined as a network of relationships a person builds through the exchange of gifts and favours to attain mutual benefits" (D'Souza 2003, p. 29). Guanxi stems back to the teaching of Confucius and,

> Guanxi is deemed very important because it has been enshrined in the way that the Chinese have chosen to do business since the times of Confucius, and is a durable characteristic of the way the Chinese choose to do business in modern times (Buttery & Leung 1998, p. 378).

As Batonda and Perry (2003, p. 1555) point out developing and maintaining guanxi relationships requires process-orientated behaviour favoured by Chinese rather than Western style action-based tactics. Gesteland (1999 cited in Batonda & Perry 2003, p. 1555) calls the difference a relationship versus a deal-focus; in other words a collectivist as opposed to an individualistic approach.

Methodology

Students in a negotiation subject offered within the Bachelor of Business in Management were asked to analyse a case study of a conflict situation between a Japanese supervisor and a Canadian visiting assistant teacher. Data was obtained from fifteen Chinese students' answers to the question, "Discuss how this conflict might be resolved in China" and fifteen Australian students' answers to the question, "Discuss how this conflict might be resolved in Australia".

Qualitative data was analysed using Miles and Huberman's (1994) method of arraying data and developing themes.

Findings

The tables below illustrate and compare Chinese and Australian students' perceptions of how the conflict might be handled in terms of Hofstede's five cultural value dimensions, as well as the cultural characteristics of face, friendship, guanxi relationships and Chinese protocols.

Individualism-Collectivism

Chinese students clearly demonstrate their approach to resolving the conflict would be based on collectivism, in contrast to Australian students' individualistic stance. This is illustrated below in Table 2, through examples of students' answers.

Table 2: Perceptions of Collectivism and Individualism

China: Collectivism	Australia: Individualism
Decision made on basis of consensus in problem solving. There is a piece of folk adage 'he who helps others helps himself'.	Parties involved in the issue would be very much 'in it for themselves' and goals would reflect individual wants and needs.
Conflict will be resolved for benefit of organization.	Conflict would be resolved with an emphasis on personal outcomes over relationships.

Power distance

Table 3 gives examples of students' perceptions of power distance. High power distance is illustrated in the Chinese students' comments where invariably decisions are made by supervisors or managers. In contrast, in Australia low power distance is obvious in the more consultative type of discussion that occurs prior to taking the issue further.

Table 3: Perceptions of Power Distance

China: High power distance	Australia: Low power distance
Leader will be expected to resolve this dispute.	If both parties have tried all available options and failed to reach agreement arbitration is an option.
Used to getting supervisor to decide when we need to make difficult decision.	In theory the issue would be assessed and discussed and the subordinate would be given an opportunity to make suggestions in an attempt to resolve the situation.
Subordinates would comply with their leader rather than solve conflict in their own way.	The parties will openly work towards resolving the dispute by stating their own points of view. If they cannot come to a satisfactory conclusion, they may choose to involve a mediator.
Chinese people respect power - subordinates seldom challenge the manager's power.	A conflict between an organization and a staff member that cannot be solved internally would most likely be solved by getting the union.

Uncertainty Avoidance

Table 4 illustrates students' perceptions of uncertainty avoidance, with Chinese students demonstrating their high uncertainty avoidance, particularly in terms of job security. Australian students' low uncertainty avoidance is exemplified in the comment that they 'don't have fear about the unknown'.

Table 4: Perceptions of Uncertainty Avoidance

China: High uncertainty avoidance	Australia: Low uncertainty avoidance
Chinese people generally fear losing job – Chinese people call their jobs 'iron rice bowl' – means they could never lose the job because the job just like iron – can never be broken. If it were their stable life would disappear.	When this type of conflict occurs in Australia, the parties will openly work towards resolving the dispute by stating their own points of view.
Chinese people fear losing their job	Australians have a relaxed and laid-back

because it is very hard to find a satisfied job. They work hard and obey the company's rule and pay attention to relationships within peers.	culture and don't have fear about the unknown.
Like peace and loathe unnecessary disputes.	Australians believe in having their legal rights upheld and always interpret contracts literally due to our obedience of British Common Law. Any perceived infringement of these rights is met with anger and disdain.
Core principle is to restrict escalation of these issues because most Chinese are reluctant to increase the conflict between employees and the leader in a higher level.	An Australian in this situation would be likely to go to an outsider such as a union or lawyer for representation We find 'going public' a strength that we can use against the other party. The relations would be adversarial with little communication between the parties with the arbitrator playing the central role.

Masculinity and femininity

Comments relating to the perceptions relating to the masculinity and femininity value dimension are shown in Table 5. Each cohort of students reflects both masculine and feminine values.

Table 5: Perceptions of Masculinity and Femininity

	Masculinity	**Femininity**
Australia	We find 'going public' a strength that we can use against the other party.	Equality is important and therefore should be more willing to make concessions and listen to all the parties involved.
	Employee will push for arbitration and mediation.	Mediation….will ensure issues are brought to the surface and a resolution is at hand, whilst forming a trusting relationship.
China	'When in Rome do as the Romans do'. Assistant teachers should conform.	Nature of Chinese people is gentle, they treat others as well-intentioned.
	Should understand his position and respect him.	Good relationship is helpful for parties involve in conflict to reach long term cooperation: win-win outcome brings benefits to each party in the negotiation

Long-term orientation versus short term orientation to time

The Chinese students' comments illustrate that they have a long-term orientation to time. There was no data from Australian students that could be related to this value dimension. Some of the Chinese students' comments are listed below.

- China values international custom more than culture differences.

- Traditionally when they make decision they would firstly think about the international relationship and harmony with foreigners as long as decision is not breach of basic policy of China.

- Hold meeting with employees with direct or indirect responsibility within this conflict to discuss it. Will continuously hold several meetings until they find suitable solution.

- Confucianism deeply influence – soul of Confucianism is harmony and this is why the Chinese negotiator focuses more on relationships. Old saying – 'Amiability begets riches'. Treating people who come from far with due respect is tradition of Chinese people. The due respect means respect to people's culture, custom as well as habits.

Face, friendship, guanxi relationships and Chinese protocols

The importance that Chinese students place on face, friendship, guanxi relationships and Chinese protocols of gift-giving and banquets is illustrated in the following statements.

- Chinese people are concerned about face-saving and interpersonal relationship. Like to solve problems and enhance relationship at dinner table. Chinese people usually give acquaintances face.

- Chinese pay attention to 'face' so a third party may effectively persuade their own into discussing the conflict and considering the other position they can become better relationship.

- Pay attention to relationship – invite other party to dinner, relaxing activities – singing, dancing, and swimming to build up rapport. Maybe some gifts are essential for progress of relationship.

- Confucianism deeply influence – soul of Confucianism is harmony and is why Chinese negotiator focuses more on relationship. Old saying – 'Amiability begets riches'.

- Chinese pay attention to 'face' so a third party may effectively persuade their own into discussing the conflict and considering the other position they can become better relationship.

In contrast, Australian student discussions on relationship building and saving face are limited with the following being the only two relevant comments.

- In Australia the behaviours of employees and the manner by which an organisation operates is dictated by policies and procedures rather than culture and tradition.

- Issues like saving face are not important and parties will push for arbitration and mediation if they feel strongly about the unfairness of the issue.

Discussion

This study clearly demonstrates the different cultural perceptions of students in analysing a conflict situation. Chinese students' comments can be related to Hofstede's (1991) cultural value dimensions of collectivism, high power distance, high uncertainty avoidance, and long-term orientation. In contrast, Australian students' remarks suggest that they are individualistic, and power distance is low, as is uncertainty avoidance, also reflecting Hofstede's (1980) ranking for Australian subjects along these cultural value dimensions. Short-term orientation related data was not identified.

Comments from both cohorts of students reflect masculine values, that is, assertiveness and decisiveness, and feminine values, for example, equality and

cooperation. Hofstede (1980) ranked Australia 14 and Hong Kong 17 on this value dimension with Australia being identified as masculine with low power distance and Hong Kong as masculine with high power distance. The results of the present study reflect this.

The Chinese students' obviously value the behavioural characteristics analysed by Woo and Prud'homme (1999), such as face, friendship and guanxi relationships which include protocols such as gift-giving and banquets. Australian students demonstrate limited knowledge of these concepts. The relationship versus a deal-focus (Gesteland 1999) is evident, for example, "The soul of Confucianism is harmony and is why the Chinese negotiator focuses more on relationships" . This is in contrast to, "Parties involved in the issue would be very much 'in it for themselves' and goals would reflect individual wants and needs."

In the developing relationships the importance of gift-giving is emphasised by D'Souza (2003) who suggests,

> ...that gift-giving within the Asian realm is expected behaviour that shows respect to another person and strengthens relationships, it is one of the ways of nurturing such relationships and strengthening the trust, caring, reciprocity and commitment between the parties. Gift giving and relationships interact to produce a distinctive way of business that evolves over time, if invested wisely (D'Souza 2003, p. 35).

Buttery and Leung (1998) support this arguing that relationships based on friendship and trust are more important than transactions in China. In contrast Western countries view negotiations purely as business deals. However, they believe that there is,

> …a developing school of scholars who are looking at marketing as being based on "relationships" rather than "transactions" and this will lead to a negotiation process more akin to the Chinese ideal than to the "transactions" school (Buttery & Leung 1998, p. 387).

Batonda and Perry (2003) found in a study on Chinese/Australian network development that Chinese managers were more aware than Australian managers of the application of Hofstede's cultural value dimensions. In the present study Chinese students demonstrate more cultural awareness than do Australian students. However, while Batonda and Perry (2003) found that Chinese managers were more aware of cultural differences, they also suggested that during the initial relationship development stage of establishing a business network Australian managers "quickly learn to do what Chinese expect them to do" (Batonda & Perry 2003, p. 1568). Lin and Miller (2003, p. 299) seem to support this as they found that "there is a high incidence of problem-solving in these (negotiations) ventures". The latter study did not include measurement of cultural dimensions, "but relied on conventional beliefs about US-China cultural differences" (Lin & Miller 2003, p. 300).

Woo and Prud'homme (1999:321) argue that knowledge and understanding of Chinese cultural traits can assist in the negotiation process, but this depends on "the capabilities and willingness of these individuals to interact in a dynamic environment" . It is contended that as their careers progress, Australian and Chinese students with knowledge and understanding of cross-cultural issues as well as negotiation strategies and tactics should be able to engage in relationship building exercises aimed at developing business partnerships between the two countries.

Conclusion

The present study found that Australian students, in contrast to Chinese students, are on the low power distance cultural value dimension, are low in uncertainty avoidance and demonstrate individualistic values. Chinese students are high in power distance and uncertainty avoidance and prize relationships that are a core value in collectivist societies. Furthermore, the Chinese cultural traits of face saving and gift-

giving in developing relationships are reflected in Chinese students' discussions and these also could be related to the long-term orientation cultural value dimension. Overall, the students' perceptions substantiate Buttery and Leung's (1998) and Gesteland's (1999) contention that Western negotiations are deal or transaction based while Chinese negotiations are focused on relationships and relationship building.

With Western countries vying with each other to establish business relationships with China, there is a need for negotiators who are culturally aware. The implications of this study are that in further developing the curriculum for this negotiation subject, more emphasis will need to be put on development of cross-cultural knowledge and skills, particularly for Australian students. It is important for both cohorts of students to understand and recognise different cultural values in order that they might become more culturally aware as their business careers develop to involve cross-cultural negotiations and business dealings. Equally important is the need for lecturers presenting this subject in China to be culturally aware and value the relationship development that is part of the ongoing education partnership.

This study is limited in terms of number of students, but as the partnership between the two campuses continues, the research on cultural values and perceptions will be extended to research partnerships between the lecturers in Australia and China.

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