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# Bridging the business cultures of the East and West

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As companies in the West look to the East for business opportunities and those in the East looking westwards to expand themselves, it is no longer enough for business executives to be bilingual. Those who want to be in hot demand will have to be “bi-cultural”, said Cheng Hing Nan, chief executive of Metalkraft which focuses on waste recycling clean technology.

“Knowing the language is not good enough. You need to learn the intrinsic values and sensitivities that are hidden and implicit,” he said.

Speaking at a talk organised by the SMU [Institute of Innovation and Entrepreneurship](#), Cheng shared his views on some of the differences between Western and Eastern business cultures.

When disagreements arise, Western culture tends to take the approach of “straight talk” but this may cause their Eastern counterparts to feel like they have lost “face”, Cheng added.

Cheng, who was awarded the Hall-of-Fame award from IBM Technology Group in 2003, shared how a senior executive reacted after a “straight talk” session when he was the chief executive of a Korean firm which specialises in semiconductor advanced IC packaging technology.

“After I delivered my points, he walked out of the room because he felt embarrassed,” recalled Cheng.

He added: “Assertiveness is not a common practice among Asians. At times this is viewed as lack of confidence by the West. But there are good reasons why Asians do not want to be assertive...because sometimes we don’t want to embarrass people.”

The emphasis on relationship building in the East can lead to misunderstanding at times. For example, a Chinese businessman may tell his counterpart that he is giving him a special price and is not making any money from the deal, although it is not true.

“The delivery of the message to the Chinese guy is that ‘I value relationship more than making money out from him’,” Cheng said. “But in the Western culture, the counterpart gets very nervous (on hearing this). They will say that this business is not sustainable”.

Another key difference lies in how relationship building is valued in the East. Doing business in the East is about wooing the business partner to develop a relationship first before talking about the deal. But the converse is true in the West where contractual terms are stated in black and white before the relationship is talked about, said Cheng.

“The West sees the need for clear law or contracts before the start of a business relationship. While in Asia, the relationship is a pre-requisite before a trustworthy long term partnership can happen.”

It is difficult for the West to comprehend how relationship is necessary for business dealings. The way Asians build relationships can be seen as inappropriate or sometimes, even a violation of business conduct, added Cheng. “There’s a line that sometimes get blurred. You have to know when you can and when you cannot (do something in the relationship).”

For instance, China businessmen like to give moon cakes as gifts during the Mid-Autumn Festival but this may be seen as a bribe. Or the Chinese partner will expect to be treated to a sumptuous dinner but Western companies often impose a spending limit on meal treats.

Cheng’s advice to executives is not to try and impose one culture over the other. “You will find a lot of difficulties and people will leave very quickly.”

He concluded: “To be successful, you need to modify and adapt your best management practices with your own values and principles in the local business culture.”