

# Cultural Differences Between Countries: The Brazilian and the Chinese Ways of Doing Business

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**Abstract:** Each country has its own cultural backgrounds and standards of thinking, being and acting, and these cultural differences strongly influence the business world. The purpose of this paper is to present some cultural differences between countries highlighting the Brazilian and Chinese examples. Many are the cultural aspects within a society; therefore this paper will emphasize how these aspects can have an impact in business in both cultures, having as a background the basic cultural points of each country. Brazil and China will be analyzed through the Hofstede (2001) dimensions which measure cultural differences. This paper gives a short overview to provide an understanding on how cultural similarities and cultural differences are important when doing business in the mentioned countries. The authors propose that the more acquainted one is with a culture, the more successful his/ her business will become. In addition, it is necessary to evaluate which cultural issues have an impact when it comes to business.

**Key words:** Cultural Differences; Business; Brazil and China.

## 1 Introduction

This paper aims to discuss the importance of culture in globalized business, taking into consideration Brazil and China. Many are the cultural aspects within Chinese and Brazilian cultures. Nevertheless, for the purpose of this paper, how culture can impact on doing business will be taken into account. The first part briefly introduces aspects about international businesses and culture. Then, there will be a topic to discuss the cultural aspects when doing business in Brazil, and another on doing business in China. Brazil and China will be analyzed through the Hofstede (2001) dimensions, which measure cultural differences. More details about these dimensions on topic five. Finally, the conclusion points out the important role that culture plays within international business.

Reeves and Baden (2000:4) define culture as the distinctive patterns of ideas, beliefs, and norms which characterize the way of life and relations of a society or group within a society. This set of beliefs shared by a group is frequently assumed to be natural and unchangeable. Culture also consists of the sum of the total learned behaviors transmitted from generation to generation, generally considered to be the tradition of that people: explicit and implicit patterns acquired and transmitted by symbols, constituting the distinctive achievement of human groups. The essential core of culture consists of traditional ideas and their attached values. They not only may be considered as products of action, but also as conditioning influences upon further action. Different cultural groups think, feel, and act differently, and there is no scientific standard for considering one group as intrinsically superior or inferior to another. Therefore, a position of cultural relativism is presupposed in the study of cultures. Judgment and action should be preceded by information about the nature of cultural differences between societies, their roots, and consequences. When the parties understand the reasons for the differences in viewpoints, the negotiation is more likely to succeed.

When it comes to international business and culture, contact between societies may affect cultures, and produce or inhibit social changes in cultural practices. Understanding cultural differences is essential in the modern society. How people from many cultural backgrounds communicate, in similar and different ways, internally and externally, is the object of study of cross-cultural communication. Understanding cultural differences will help

ensure that communication across borders is effective and that business transactions are successful.

## **2 Cultural Aspects of Doing Business in Brazil**

Brazil is characterized by a diverse culture and geography, and historically it has been the source of important natural resources in its 510 years of history. It is the largest country in South America in both population (approximately 190 million) and area (8,5 million square kilometers), and its culture is a fusion of Portuguese, African and indigenous influences, resulting in a rich and distinct culture. One could say that the family is the foundation of the social structure and forms the basis of stability for most people. Although family size has been diminishing in recent years, families tend to be large and the extended family is quite close.

In order to guarantee success when doing business in Brazil, we here list some important cultural aspects of this society:

- Before the Brazilians can work effectively, they need to know who they are doing business with;
- It is not recommended to rush the relationship-building time. It is better to wait for the Brazilian part to raise the business subject. Expect to spend time when negotiating with Brazilians;
- Face-to-face meetings are preferred to written communication, although when it comes to business agreements, Brazilians value detailed legal contracts;
- They attach more importance to the individual they deal with than to the company;
- As the Brazilians are more comfortable doing business with people and companies they know, questions about the company are expected;
- Normally the highest-ranking person is the one who makes the decisions. This makes evident what hierarchical business is like in Brazil;
- Men greet by shaking hands, with a steady eye contact. This could be done as an inter-gender greeting, too;
- Kissing is a usual greeting for women. Brazilian friends often do hugging and backslapping, too;
- Embarrassing a Brazilian should be avoided, for this is a group culture;
- When a person is criticized, he/ she loses face with the others in the meeting. The one who makes the criticism also loses face, as an unwritten rule has been disobeyed;
- Informality shapes communication, which normally does not rely on strict rules of protocol. Anyone who feels like adding their opinion will just say it;
- Brazilians are normally more tolerant on interrupting someone who is speaking;
- People, rather than companies, are who Brazilians negotiate with. Therefore, it is not advisable to change the negotiating team. This would mean starting from zero. It is important to highlight that normally the people you negotiate with do not have decision-making authority;
- During introductions at a meeting, business cards are exchanged with everyone.

As Brazilians depend heavily on relationships with others, it is essential to spend time getting to know, both personally and professionally, your Brazilian counterparts. One of the most important elements in Brazilian business culture is personal relationships. By cultivating them, and building trust, one's chance of successfully doing business in Brazil will increase greatly. Curiously, it is common to see members of the same family working for the same company. This is due to the strong importance placed on family relations. Brazilians prefer to do business with those they know and trust, what reinforces this characteristic.

## **3 Cultural Aspects of Doing Business in China**

China's rich cultural heritage must not be overlooked when discussing cultural interactions with this country. With a 5,000-year history and an interesting mix of ethnic groups, it can be

said that it is the only continuous ancient civilization. Founded on October 1, 1949, the People's Republic of China is situated in eastern Asia, with an area of 9.6 million square kilometers and a population exceeding 1.2 billion, which makes up 22 percent of the world total (the world's most populous country). China has followed a family planning policy since the 1970s in order to bring the population growth under control. Today, the country is implementing reform and opening-up policies, and has established what they call a socialist market economy, or socialism with Chinese characteristics. Throughout most of Imperial China's history, Confucianism<sup>①</sup> was the official philosophy and the country's traditional social values were derived from various versions of this philosophy.

In order to succeed in business in China, some important cultural aspects in the Chinese society should be highlighted, such as:

- Respect for superiors, duty to family, loyalty to friends, sincerity and courtesy are part of China's ethical system;
- Respect and status increase with the age;
- When presenting your business card, hold it with two hands, always ensuring that the Chinese side is facing the recipient;
- Make a show of examining the business card carefully for a few moments when you receive it. Then carefully place it into your card case or on the table, etc. It will be considered a breach of protocol if you do not read a business card that has been presented to you;
- Handshaking, especially in a light fashion, is the accepted greeting. Greetings are normally formal and one should greet the oldest person first. As a sign of respect, many Chinese will look towards the ground when greeting someone. As staring may make Chinese uncomfortable, it should be avoided;
- Although gifts are important, giving expensive gifts could be taken the wrong way;
- Never insult or openly criticize someone in front of others, for "maintaining face" is very important for Chinese people.

Duty, sincerity, loyalty, honor, filial piety, respect for age and seniority are the most valued virtues in Confucianism. The society itself becomes stable through the maintaining of harmonious relations. The 关系GUANXI (relationship) is another relevant aspect. It is essential to learn this kind of relationship and also to be able to handle it, in order to succeed in business in China. A need for group affiliation, whether to family, school, work group, or country characterizes the Chinese society as a collective one. They will act with decorum and will avoid anyone's public embarrassment for the sake of maintaining a sense of harmony. The concept of harmonious relationships is the essence of Confucianism, and the culture will revolve around it. The society as a whole will function smoothly if proper behavior through duty, respect and loyalty are shown in the relationships. Doing business in China is a good opportunity to see how Confucianism is highly influential to business practices.

#### **4 Brazil and China: The Hofstede Dimensions of Culture**

Five independent dimensions of national culture differences were identified and developed by Geert Hofstede (2001), as below. A large research project on national culture differences across subsidiaries of a multinational corporation (IBM) in 64 countries was the base for these categories. It is possible to provide a graph comparing Brazil and China by showing scores relating the five indexes, which may range between 1 and 120:

PDI (Power Distance Index) - the degree of equality or inequality between people in a country's society is addressed to by the PDI score. The higher the PDI score is, the more it

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<sup>①</sup> Confucius, one of the most influential Chinese philosophers, lived around 500 B.C.

indicates inequalities of power and wealth in a country, whereas a low scoring indicates more social equality. How much a culture does or does not value hierarchical relationships can be seen through this cultural dimension.

IDV (Individualism) – the degree to which a culture values the importance of the individual is addressed to in the individualism score. A high scoring indicates that the country views individuality as important, while low scoring indicates that the country rather values the group, i.e. family, tribe, the motherland, etc.

MAS (Masculinity) – the degree to which a culture reinforces the traditional role of males and females is addressed to in the masculinity dimension. A more acute degree of gender differentiation is found in high scoring countries, whilst there is less differentiation and discrimination between genders in low scoring countries. Competitiveness, ambition, and the accumulation of wealth are valued in the so-called 'masculine' cultures, whereas relationship and quality of life are valued in the so-called 'feminine' cultures.

UAI (Uncertainty Avoidance) - the level of tolerance for uncertainty and ambiguity within a culture is addressed to in uncertainty avoidance. A low tolerance for uncertainty and ambiguity is seen in cultures with a high uncertainty avoidance score. These societies tend to be more rule-oriented and based on laws and regulations. A low scoring country, on the other hand, is less concerned about ambiguity and uncertainty. Being it less rule-oriented, it is more ready to accept change, consider new ideas and take more and greater risks.

Long-Term Orientation (LTO), opposed to short-term orientation, is a society's "time horizon," or the importance attached to the future, is described in this dimension. Perseverance is valued in cultures with high long-term orientation.

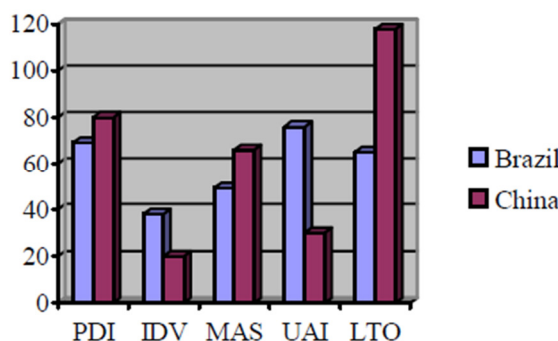
According to the cultural dimensions by Hofstede (2001), Brazil and China rank as below:

**Table 1 - Geert Hofstede Five Cultural Dimensions (Brazil and China) – from 1 to 120**

	PDI	IDV	MAS	UAI	LTO
	<b>Power Distance Index</b>	<b>Individualism</b>	<b>Masculinity</b>	<b>Uncertainty Avoidance Index</b>	<b>Long-Term Orientation</b>
Brazil	69	38	49	76	65
China <sup>①</sup>	80	20	66	30	118

**Source: Hofstede (2001)**

In a graph, Hofstede’s five dimensions can be seen as below:



**Figure 1 - The 5D Model of Professor Geert Hofstede - Cultural Comparison Graph (Brazil and China) From 1 to 120**  
Source: Hofsted (2001)

<sup>①</sup> Estimated Values

If analyzed through the Hofstede's Dimensions, Brazil's low level of tolerance for uncertainty is the country's most prominent characteristic, for Uncertainty Avoidance (UAI) is the highest Hofstede Dimension index, ranking 76. Strict rules, laws, policies, and regulations are adopted and implemented in order to minimize or reduce this level of uncertainty. The ultimate goal is to eliminate or avoid the unexpected. Therefore, Brazil does not readily accept change and is very risk adverse.

The highest-ranking factor in Geert Hofstede's analysis for China is Long-term Orientation - LTO (118), which is true for all Asian cultures. A society's time perspective and an attitude of persevering are indicated by this dimension. Overcoming obstacles with will and strength, if not with time, is the most important. When it comes to Individualism (IDV), the Chinese rank the lowest in Asia, at 20. The high emphasis on a collectivist society, as well as the Communist rule, may partially explain this. A close and committed group, such as a family (including the extended family) or extended relationships, makes evident the low Individualism ranking. Strong relationships, in which everyone takes responsibility for fellows, is fostered by the society. Therefore, in a collectivist culture, loyalty is paramount. China's Power Distance ranking of 80 is of note. A high level of inequality of power and wealth within the society is then suggested.

### **5 Cultural Similarities Between Brazil and China in Doing Business:**

Both Brazil and China have historically been described from an Orientalist<sup>①</sup> angle, using the category by Said (2003). Moreover:

- 1) Both Chinese and Brazilians do not feel comfortable with getting straight to the point when it comes to closing a deal: they prefer to socialize and get to know with whom they are doing business;
- 2) It is necessary to invest a considerable amount of time developing good rapport and a pleasant, relaxed relationship before discussing business in Brazil and in China. A precondition to a successful business relationship is establishing an atmosphere of trust. Business people in both countries prefer to establish a strong relationship before closing a deal;
- 3) Although how to address someone in both countries is not exactly the same, it still shows how both countries appreciate hierarchy levels and authority;
- 4) Embarrassing a Brazilian should be avoided. If an individual is openly criticized, he/ she will lose face with the others in the meeting. And for having disobeyed the unwritten rule, the person making the criticism also loses face. In China, too, a relationship and any business that might result from it can be instantly destroyed by saying or doing anything that causes someone to lose face. Therefore, the rule works for both countries;
- 5) Chinese and Brazilian business people negotiate with people, not companies. It is not advisable to change the negotiating team, otherwise one may have to start over from the beginning;
- 6) Face-to-face meetings are most preferred by the Brazilians and the Chinese, rather than written or telephonic communication;
- 7) Contacts are very important in Brazil and in China. Everyone has networks, and one's network may extend into friends' networks. Creating relationships is part of the culture in both countries.

### **6 Cultural Differences Between Brazil and China in Doing Business:**

François Jullien (1998) describes many cultural differences between Eastern and Western thoughts. As an heir of Europe's, Brazilian culture is highly influenced by the

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<sup>①</sup> Defined according to the Western/European view.

concepts of utopia, ideal reality, transcendence, and how to transform the reality is a main concern. The Oriental culture, especially the Chinese one, is rather pragmatic and resigned facing the reality. Hofstede (2001) highlights:

- 1) Very long dinners and sometimes spending many days in getting to know each other is an already established Chinese way of building relationships. The same should not be expected from Brazilians, though. Although having meals together is important for Brazilians, it does not have the same value as for the Chinese.
- 2) In China exchanging business cards is far more ceremonious than in Brazil. In this country it is just a way of exchanging information.
- 3) For the Chinese culture, the relationship developed with a person represents the relationship with the entire company. Rather than individuals, the foreigners are seen as representatives of their company. For Brazilians, on the other hand, the individual they deal with is more important than the company.
- 4) In the Chinese culture it is not acceptable to interrupt someone who is speaking. In Brazil, on the other hand, it is more tolerated.
- 5) Among Brazilians, hugging and backslapping are common greetings if people are close. Also, this would be an acceptable behavior if they are business partners for a long time. It would never be acceptable in the Chinese situation, though.
- 6) On Individualism vs. Collectivism: Chinese society is collectivist and the group prevails over the individual. There, the individuals are willing to subjugate their own feelings for the good of the group. As for the Brazilian society, it is more focused on individuals.
- 7) On Body Language: in China direct eye contact is disrespectful, whereas in Brazil it is a sign of honesty. While Brazilians shake hands when greeting one another, maintaining steady eye contact, many Chinese will look towards the ground at this moment.

## **7 Conclusions**

When doing business, each country has its own cultural particularities: a mixture of attitudes, values, and social expectations. At present, in a totally connected world, being aware of these cultural differences is a condition for success. Business representatives need to be provided with an understanding of the cultural differences in order to be sensitive to them when conducting business across countries. The workplace values and business communication are going to be influenced by these differences, given by each country's own cultural standards of being, thinking, and acting. What may be considered confusing or offensive in the workplace of one country can be considered acceptable in the workplace of another because of culture's decisive role in this context. To understand cultures today, one must, hence, read about different countries, always keeping in mind the special role that culture can play in business. The communication between people with different linguistic and cultural backgrounds and an ever growing number of contacts characterize the world today. The contacts in areas like business need to be as constructive and precise as possible, so that this communication effort can take place. We can conclude that the Chinese and the Brazilian companies can have different perspectives on Sino-Brazilian business. The firms will also be capable of better evaluating the role that culture can play in business. The number of areas where business people can face challenges is demonstrated in the above examples of differences in culture, business practices, business etiquette and protocol.

The Brazilian society's low level of tolerance for uncertainty is demonstrated by its score for Uncertainty Avoidance (UAI) of 76, using the Hofstede Cultural dimensions for analysis. Brazil's index is 38 for Individualism (IDV), and this can be seen in a close long-term commitment to the group, such as (extended) family or relationships. As seen above, in a collectivist culture loyalty is paramount, over-riding most other societal rules.

On the other hand, China's Long-term Orientation (LTO) index is 118, which indicates this society's time perspective and attitude of persevering. Unlike Brazil, China ranks at 20 in Individualism (IDV). The high emphasis on a collectivist society may partially explain this. The low Individualism ranking shows an even more intense group loyalty and relationship than in Brazil. Everyone takes responsibility for fellow members of their group, and strong relationships are fostered by the society. A high level of inequality of power and wealth within the society is present in both countries, where this condition is accepted as a cultural heritage.

When it comes to doing business, major similarities and differences between Brazilian and Chinese societies were found, especially on the way to address someone, to develop relationships, how to exchange cards, body language, interruptions, collectivism and individualism, among others. Studying cultural similarities and differences can have a positive and constructive effect on Sino-Brazilian business. Developing better relationships and doing business more successfully are the possible benefits of understanding the diversity of Brazilian society as well as its unique values and attitudes. By cultivating close personal relationships and building trust, one can increase his/ her chances of successful business in Brazil. One may not forget the strong European heritage in Brazil, which makes the country more direct and holding a specific mindset. As for China, understanding this country's business culture is critical, given its distinct cultural differences from the rest of the world, given its unique dynamic relation among elements, indirect ways and pragmatism, just to name a few. In China the business practices are highly influenced by Confucianism, and doing business in China enables us to see that. Thus, learning about Confucianism and its influence in the Chinese society is crucial.

When doing business abroad, any international business person, company or organization can make use of cross cultural understanding as an important tool. Culture does play an important role, and recognizing and understanding the existence of cultural differences and similarities is unquestionably valuable and helpful. When doing business in these so geographically distant countries, one can notice how this awareness can enshorten distances and make the world smaller.

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