

FINANCIAL TIMES
NON-EXECUTIVE
DIRECTORS'
CLUB



In association with **EY** Building a better working world

Newsletter

Dear Colleague,

Welcome to the FT Non-Executive Directors' Club Newsletter

Editorial

FT NED Newsletter July 2016

Boardroom Conflict Across Cultures – US and China

In this month's editorial, Allyson Stewart-Allen, a renowned marketer whose expertise in brand internationalisation is sought by leading businesses globally, looks at key differences in culture between US and Chinese businesses. Allyson is also speaking about these issues at our next NED Conversations on 28th September at the FT. Allyson is a lively and entertaining speaker who has a really deep knowledge and understanding of cross cultural divides so make sure you book your place early to avoid disappointment. [Click here for details.](#)

You may have experienced first-hand the stress that comes with a boardroom conflict between people from two different cultural backgrounds with opposing takes on the same issue. And if you have, you and the rest of the board have hoped for a quick resolution so equilibrium can be restored.

Sometimes getting to that meeting of minds is very straightforward, though more often than not it's loaded with emotion and assumptions about each person's motives.

With insights into how the American and Chinese business cultures operate and build trust, you can quickly get to the heart of the conflicting views which take out the heat and find constructive ways forward.

Building trust with the Americans

- Deliver on your promises. Americans appreciate those who are trustworthy and manage their expectations well. Articulating the linear steps and milestones involved in a project and process will avoid the anxiety that comes with not knowing deadlines or who has which role on a team.
- Look beyond appearances. An American's power and status aren't so obvious at first glance, though at some point they will make you aware of their achievements since these are highly-valued in the culture.
- Be open and decisive. US business leaders appreciate being given many chances to vote, to add their imprint to decisions. Given US English is of the "what you say is what you mean" variety, hidden agendas are unusual. Once consulted, the expectation is that the decision is based on the majority's vote.
- Focusing on achieving tasks is more important than building long-term relationships. While the personal touch is an added bonus, Americans expect to spend boardroom time on the jobs to be done and deadlines to be met.

Building trust with the Chinese

- Building a personal rapport is key in order to pave the way for a long-term working relationship. Trust is seeded in shared activities and time spent together.
- Patience is a valuable commodity, especially as your Chinese counterparts are likely to be clear about what are their demands which are rarely subject to revisions. Expect them to leave the room should an agreement not be struck in order that they can regroup around a new position and build consensus for it before re-entering negotiations.
- Extreme suggestions and offers will be initially proposed, usually by the most senior person in their group rather than one individual since the culture values the power of groups over the talents of single individuals. Your counter-offer should similarly be presented by the most senior in your group in order to demonstrate the same respect for the status that comes with seniority and power.
- Legalese and impersonal proposals will not help advance your cause. Make sure you anchor your proposals in the relationship you have together rather than in formulaic legal frameworks. As American and Chinese leaders increasingly populate our boardrooms, ensuring you're prepared for successful negotiations by knowing their cultural norms will go a long way towards preventing protracted and dysfunctional outcomes. Speaking their cultural languages will ensure profitable and successful outcomes for all parties.