

**CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**

**Faculty of Economics and Management**

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**Diploma thesis**

**How culture affects doing business: Case study of China  
and U.S.A.**

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# **How culture affects doing business: Case study of China and U.S.A.**

## **Summary**

This work examines the differences of Chinese business culture and U.S.A. business culture. In order to achieve this objective this work closely examines in the theoretical part the concept of culture, Hofstede's cultural dimensions theory, Trompenaars seven dimensions of culture and the personal cultural profile. In practical part of this work cultures are compared with each other using the Hofstede's five dimensions of national cultures, Trompenaars seven dimensions of culture and ten major areas of business life from the personal cultural profile. Subsequently the similarities and differences between the cultures in Hofstede's five dimensions of national cultures, Trompenaars seven dimensions of culture and ten major areas of business life are found out.

## **Keywords**

Culture, business, China, U.S.A., comparison of cultures, ethics, foreign countries

## **Objectives of bachelor thesis, methodology**

Objective of this diploma thesis is to compare Chinese business culture and U.S.A. business culture according to five Hofstede's dimensions of national cultures, Trompenaars seven dimensions of culture and ten major areas of business life from the personal cultural profile, and then to find out in which Hofstede's dimension, Trompenaars dimensions and which categories of cultural profile these countries differ or coincide and to decide whether these cultures are different or similar.

Aim of this work is to look more closely on these two completely dissimilar cultures from the business points of view. A complete description and comparison of these cultures should provide help those who would like to do commerce with China or U.S.A., and also it may help out Chinese who wishes to do business in the U.S.A. or Americans who want to do business in China.

Methodological approach is wide as possible. Two main methods which are used in this diploma thesis are *descriptive method and comparative method*. *Descriptive method* is used in theoretical part of thesis as well as in practical part of thesis; it primarily serves to classify all the basic concepts as well as to classify key cultural characteristics of both cultures. *Comparative method* is just used in practical part of thesis where China and U.S.A. are compared with each other according to five Hofstede's dimensions of national cultures, Trompenaars seven dimensions and ten major areas of business life from the personal cultural profile. *Comparative method* serves essentially for comparison of these nations as well it helps to discover similarities and dissimilarities among them.

## Conclusion

From the first glance it may seem that Chinese business culture and U.S. business culture have to be very different. The truth is that these cultures are really very different. From the results of the practical part of this thesis we can clearly see that these two cultures don't have many similar features. If we evaluate these two countries according to five Hofstede's dimensions of national cultures we can see that they have very close results in 2 dimensions and they differ in 3 dimensions. More precisely China and U.S.A have very similar results in Masculinity versus Femininity (MAS) and Uncertainty Avoidance Index (UAI) and they differ in Power Distance Index (PDI), Individualism Index (IDV) and Long-Term Orientation (LTO).

If we evaluate China and U.S.A according to seven Trompenaars dimensions we would find that they differ in all 7 dimensions. More precisely China and U.S.A differ in: universalism versus particularism, individualism versus collectivism, specific versus diffuse, neutral versus affective, achievement versus ascription, time orientation & sequential time versus synchronous time and internal–external control.

According to the results from cultural profiles of China and U.S.A these two countries have similarities in 2 areas of business life and they differ in 8 areas of business life. More precisely China and U.S.A coincide in attitude to time and work/life balance and they differ in communication style, working style, discussion style, business attitude, leadership style, business relationship, decision-making style and basis for decision making.

The results of this diploma thesis show that business culture of China and business culture of U.S.A are very different. These two countries don't have many similar characteristics and the business between these two cultures is affected by big cross-cultural differences. Chinese who want to do business with Americans and Americans who want to do business with Chinese have to study very carefully all the differences between their cultures so they don't get into an uncomfortable situations while doing business with each other.

## **Selected resources**

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