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Navigating Cultural Differences: A Study of Cross-Cultural Management Practices Between China and Pakistan

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Abstract

This paper attempts to explore the dynamics of cross-cultural management differences and similarities between China and Pakistan, in context of business negotiations. These cultural differences and similarities are significant to understand for the business community of the two countries to forge a long-term and mutually benefiting relationship. It goes without saying that both countries are tied together in an impregnable relationship that goes beyond political, economic and diplomatic relations. While the trade, business and economic relations between China and Pakistan continues to soar, a comprehensive exploration of cross-cultural understanding within a business context is still lacking and scant efforts have been made in this direction – indicating a significant gap in current scholarship. As the BRI (Belt and Road Initiative) and CPEC (China Pakistan Economic Corridor) mega projects are in full swing and soon open its window of enormous opportunities; it is imperative to better grasp the cultural issues that may impinge the business relationships, as well as exploring commonalities to better reap the fruits of sustainable affable business relations.

Drawing from the seminal works of Hofstede (1984, 2001), this study attempts to explicate the nuances of cultural differences of the two countries that may influence business communications and negotiations. Given the nature of the study, constructivist grounded theory research design has been adopted, and the empirical data has been gleaned through in-depth interviews of the

businesspersons representing SMEs from both China and Pakistan. The study findings will help in better understanding the cultural differences that may positively or otherwise negatively affecting the business negotiations between the two evergreen friends (i.e. China and Pakistan). The study also presents some practical suggestions to minimize the negative influences of cultural differences and maximize the benefits of mutual exemplary relations for both parties.

Keywords: Cross-cultural management, business negotiations, China, Pakistan

Introduction

The People's Republic of China (PRC), having the highest growth rate of double digits till 2015, is transformed to a major player in world economy and politics. Gone are the days when it was echoed; "*when United States sneezes, the rest of the world catches cold*", now it's almost true for PRC as having a vast manufacturing base, highly developed infrastructure, modern means of communication, tech industry and consistently growing economy. PRC is now an attractive destination for investors and foreign companies wanting to gain wider market access. Since the reforms and opening policy in 70s and 80s, increasingly multinational corporations (MNCs) and countries are taking interest in extended their ventures into the "Middle Kingdom (中国, zhōng guó)" and involved in negotiating with their Chinese counterparts in international business (Zhu, McKenna, & Sun, 2007).

Whereas Pakistan with a population of around 220 million (6th largest country in terms of population in the world), with poor infrastructure and looming energy crises (electricity shortage), seems no comparison with the second largest economy of the world. Nevertheless, when it comes to the mutual ties and bilateral relations between the two countries; it's simply unmatched and incredible; known as "*Iron friends* (巴铁, bā tiē)". Formal business and trade relations between the two countries have been established soon after the Independence of PRC in 1947.

Although, the two countries are close neighbors and their mutual affable relations date back to 19th century, even before the creation of modern PRC in 1949 and the Independence of Pakistan in 1947; the neighboring regions of Xinjiang province in China and the Hunza (a Princely State at that time) of Gilgit-Baltistan (a provincial equal status) have very cordial relations with each other. This relation traveling confined to diplomatic relations, rather spanning from people-to-people exchanges, cross-marriages in royal families and traveling of people across the borders without any restrictions. More

significantly, the ancient Silk Route emerging from Chinese provinces was passing through this region. Therefore, this region has been an important route to connect China and the British India in ancient times.

Trade and commerce between the two countries has amplified further with the construction of the Karakoram Highway (KKH), connecting the two countries by a road link from the Northern side of Pakistan (Hunza) to Kashgar (Xinjiang province) of China in 70s. Piercing through the treacherous, rugged and Rocky Mountains in the highest altitude from sea level – indeed KKH is a marvel of engineering. The KKH is also known as the 8th wonder of the world.

This road link has opened tremendous opportunities for trade and commerce between the two countries and also facilitated the people-to-people exchange and travel across the borders. Taking advantage of this road link, business communities from both sides of the border have started building and boosting mutual trade and commercial relations. Although companies and businesses from both sides secured substantial business contracts, however, cross-cultural and communication barriers impinged greater gains for both sides. As business and managerial practices, approaches and philosophies differ across countries and cultures. One acceptable behavior in business in one culture may be counterproductive or even unacceptance in another (Steers, Sanchez-Runde, & Nordon, 2010).

In modern times, this mutual relationship has been further cemented with the initiation of China Pakistan Economic Corridor (CPEC); an offshoot of greater Belt and Road Initiative. This mega project is worth whopping \$62 billion, including construction of highways, modern transportation and shipping ports, energy projects, special economic zones etc. In 2013, the Chinese President Xi announced the groundbreaking initiative of “One Belt One Road (一带一路 yī dà yī lù)”, now known as Road and Belt Initiative (BRI). Since then, a growing stream of research on BRI has been kick started in academic and non-academic streams, such as trade & business, economy, history, culture to name few. Although cross-cultural studies started in 1990s (Dong & Liu, 2010) during the onset of reforms and opening up to outer world. However, studies on cross-cultural management in perspective of business negotiations between China and Pakistan are still sparse. There is a need for intensive cross-cultural studies in the perspective of business and management to better understand the unique characteristics of both countries.

Literature Review

The China-Pakistan Economic Corridor (CPEC), a pivotal component of China’s Belt and Road Initiative (BRI), has drastically amplified economic

and business engagements between China and Pakistan (Irshad et al., 2021). As a multi-billion-dollar infrastructure and trade development project, CPEC encompasses energy projects, transportation networks, and industrial zones, necessitating extensive collaboration between Chinese and Pakistani professionals (Khan & Liu, 2022). This increased interaction has highlighted the critical role of cross-cultural management (CCM) in ensuring smooth business operations, minimizing conflicts, and enhancing organizational performance (Aycan et al., 2023).

Theoretical Foundations of Cross-Cultural Management

Inter-cultural studies related to China can be categorized into two types: (i) studies focusing on expat managers and employees; and (ii) secondly studies that examines the work behavior of home country employees in multinational corporation and their interaction with expat employees (Dong & Liu, 2010). Cross-cultural management is defined as the systematic process of leading and coordinating culturally diverse teams while adapting management practices to suit different cultural contexts (Hofstede et al., 2010). Scholars emphasize that CCM is essential for multinational enterprises (MNEs) operating in diverse environments, as cultural differences influence communication, leadership styles, negotiation tactics, and conflict resolution (Meyer, 2014).

Several theoretical frameworks help explain cross-cultural dynamics in CPEC:

1. ***Hofstede's Cultural Dimensions Theory*** – Highlights differences in power distance, individualism vs. collectivism, uncertainty avoidance, and long-term orientation between China and Pakistan (Hofstede, 2011).
2. ***Trompenaars' Model of National Culture Differences*** – Examines cultural variations in universalism vs. particularism, neutral vs. emotional cultures, and achievement vs. ascription (Trompenaars & Hampden-Turner, 2012).
3. ***The GLOBE Study*** – Investigates leadership behaviors across cultures, suggesting that effective managers in China and Pakistan must adapt to local expectations (House et al., 2004).

Culture has a great impact on individuals' negotiation styles, and it influences business negotiations both directly and indirectly. Regarding communication, when cultures differ, communication is more challenging and misunderstood (Bradley, 1991). Hofstede defined culture as: “*Culture is the collective programming of the mind which distinguishes the members of one human group from another.... Culture, in this sense, includes systems of values; and values are among the building blocks of culture*” (Hofstede, 1984, p. 21).

Cultural Values or simply *Values* are assumptions of members of a culture group as how they should behave in particular situation and expect others to behave in certain way. *Values* are beginning to develop and nurture from early one at a preconscious level – learned in early childhood. Generally, *Values* are hard to change or slow to change as they are perceived to be the right way to behave by individuals and members of society. Culture values are learned and passed on from one generation to another generation. Any member of a particular group or community deviating from core values is deemed deviant behavior and opposed by members of the community.

In his seminal study on how cultural differences affect the workplace, Geert Hofstede (1980, 1993) posits that management theories and philosophies applicable in one culture may or may not be applicable in another culture, as every culture is unique and distinctively different from others. Based on his long-term association with IBM and having the opportunity of serving in various countries around the world, Hofstede initially presented four dimensions, what he claimed differentiates various country cultures around the world. These four dimensions are; *Individualism* versus *Collectivism*, *Power Distance* Index (PDI), *Masculinity* versus *Femininity* (MF), and *Uncertainty Avoidance* Index (UAI). Hofstede later discovered two more dimensions: *Time Orientation*, identified in 1988 and *Indulgence* versus *Restraint*, identified in 2010 (Luthans & Doh, 2015).

Describing the Chinese cultural context, Hofstede (1993) postulated that it is high in power distance index (PDI 80); low in individualism (20) and rather very near to collectivism; moderately low in uncertainty avoidance (40) and masculinity (score 66; highest Masculinity score goes to Japan as 95 whereas Sweden is feminine country with score as 5); high in long-term orientation (LTO score 118). In fact, China is highest on Hofstede scale of Short-term versus Long-term orientation. Whereas Pakistan falls in *Power Distance* at 55, more *Collective* oriented at 14, high on *Uncertainty Avoidance* at 70, and high on *Masculinity* at 50.

While there are numerous other comparative cultural studies, such as Edward Hall's (1976) High vs Low Context and Monochronic vs Polychronic dimensions; GLOBE (Global Leadership and Organizational Behavior Effectiveness Project; 2004); and more recent study of Ronen & Shenkar (2017). However, the significant strength of Hofstede study (1984, 2001) is that it compares national cultures of countries around the world in a compressive and detailed way that no other study has done so far. Nevertheless, Hofstede model and work is not free criticism, and major critique is about its validity and reliability, such as potential bias in questionnaire responses as well as the age of the model and time lapse since it

was first introduced in 80s.

Equating Hofstede’s fifth dimension of “Long-term orientation to Chinese Confucianism”, Tong Fang (2003) criticized its philosophical underpinning and argued that there is an inherent philosophical flaw in this dimension and have other methodological shortcomings which makes its validity questioned (p. 347).

Table 1. Comparison of Hofstede’s dimensions for the two countries

S.	Hofstede Dimensions	China	Pakistan	Explanation of the dimension
1.	Individualism versus Collectivism (IDV)	Collectivistic 20*	Collectivistic 14	Refers to the strength of the ties that people have to others within their community.
2.	Power Distance Index (PDI)	High on PDI 80	Moderately high 55	This refers to the degree of inequality that exists – and is accepted – between people with and without power.
3.	Uncertainty Avoidance Index (UAI)	Low on UAI 30	High on UAI 70	Entails how well people can cope with anxiety. High Uncertainty Avoidance means that people attempt to make life as predictable and controllable as possible. Whereas people in low UAI-scoring countries are more relaxed, open or inclusive.
4.	Masculinity versus Femininity (MAS)	Masculine 66	Masculine 50	Refers to the distribution of roles between men and women. In masculine societies, the roles of men and women overlap less, whereas in feminine societies, however, there is a great deal of overlap between male and

				female roles, and modesty is perceived as a virtue.
5.	Short-term (STO) versus Long-term (LTO) orientation	High LTO 87	In between STO and LTO 50	Refers to people's preference for short-term goals and achievements versus long-term goals and gains from a particular action or activity.
6.	Indulgence Versus Restraint (IVR)	High IVR (Restrained) 24	0 (data not available)	People and countries high on IVR are characterized as outgoing, enjoying life and having fun. Whereas societies with low IVR generally deemed to have more regulations on people's conduct and behavior, and there are stricter social norms.

Note*: Score from 0~100

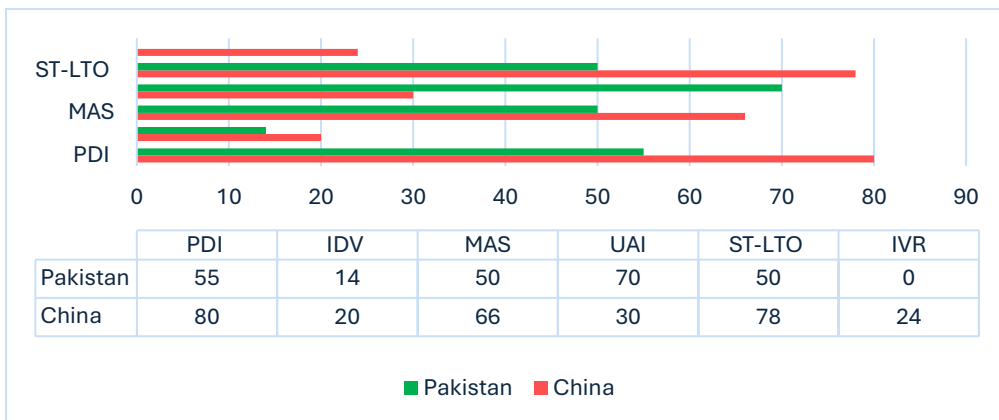


Figure 1. Comparison of China and Pakistan on Hofstede Dimensions

Management in a Globalized World

Management has evolved drastically since the end of WWII (World War II),

as innovation, collaboration and competing on global fronts became the norm of big MNCs. Generally, MNC culture is often ascribed to the Anglo-Saxon culture, however, the entry of new players into global business made it clear that not a single culture exists. Take for instance, Apple and Samsung, belonging to two distinctively different cultural and corporate footprints, and adopting different strategies to product development and management but competing on the global front (Luthans & Doh, 2015). One belongs to individualist culture (Apple), while the other cherish the collectivistic orientation (Samsung), and there are myriads of organizational cultural differences in both companies, but both are successful and taking great leaps forward.

MNCs need to make strategies and programs conforming to the country culture where they are operating, as what works in home country may have limited value in other countries (Luthans & Doh, 2015).

Data and Methods

Guided by the qualitative grounded theory research design, this study attempts to explore the dynamics of cross-cultural negotiations between China and Pakistan. Adopting a constructivist grounded theory approaches of exploring how does cross-cultural differences influence business communication; we draw from the highly referred studies on cross-cultural management- Hofstede to identify the cross-cultural differences and commonalities of the two countries. While primary data has been garnered from businesspersons in small and medium enterprises (SMEs) in both China and Pakistan. We have conducted 30 in-depth interviews, 15 each in both countries. SMEs and businesspersons have been carefully chosen through the purposive sampling; we control the size and sector of businesses in sample.

Adhering to the rigorous grounded theory method of inquiry, the creation of themes has gone through several steps and phases and finally culminated into creation of overarching themes, as follows:

- (i)** In the first phase, the voice recorded interview data has been transcribed verbatim.
- (ii)** Second phase; the interview transcripts have been carefully and diligently analyzed and read through many times and compared with the recorded voice to check the accuracy of the transcribed data.
- (iii)** Third phase; each word and sentence of the transcripts have been read through again, and assigned labels to each sentence of significance,

called *Open / Initial codes*, which resulted in creation of hundreds of codes. For the sake of filtering and refining the open codes, some codes of similar meaning have been subsumed and combined together, while others having the weaker connection with the study theme have collapsed. This resulted in the creation of *Focused codes*.

- (iv) Fourth phase; the focused codes have been classified, cross-compared and cross-examined with each other to find the similarities and variations, and the similar codes have been clipped together to form the *Categories*.
- (v) Fifth phase; the categories of codes have been grouped together to form the Concepts.
- (vi) Sixth phase; the *Concepts* have been re-examined and created *Themes* out of the categories of codes and concepts. Themes in qualitative study are broad units of information that consist of several codes, categories and concepts aggregated together to give an overarching meaning or theme (Creswell, 2013, p. 186).

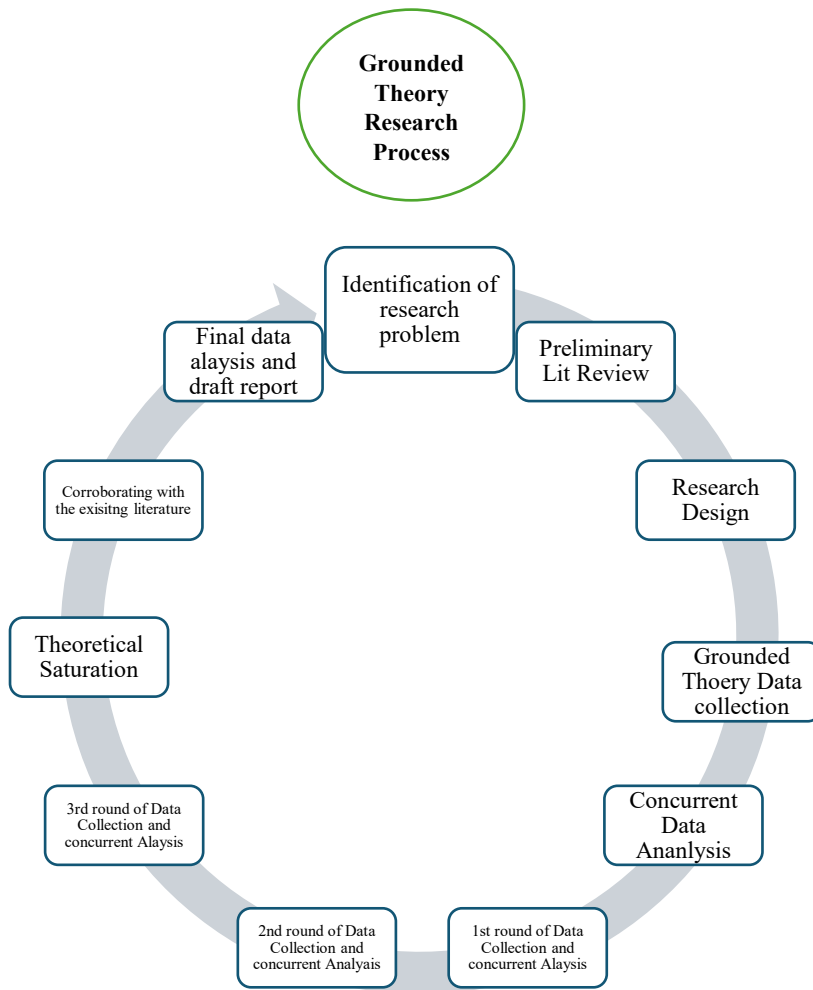


Figure 2. The process of grounded theory (Source: Authors created)

Findings and Data Analysis

The meticulous analysis of the qualitative data evinces interesting insights into the business relations and various nuances of business negotiations between the two countries. The thick qualitative data has been processed and thoroughly analyzed to extract the meaning and insights from the words of the interview participants.

Relationship oriented

Since two countries are tie-together in a strong bond of mutual relationship,

which is dearly called as “*higher than mountains in Karakoram, Hindukush, Himalayas, and sweeter than honey*”. This applies to business communities too and they maintain the same affable relations with each other. A Chinese businessman having more than ten years’ hands on experience of doing business with Pakistani counterparts, shared the value of relationship as:

Well, you know Pakistan is our seasoned friend and we have business relationships with them since long. We find Pakistani people very friendly and respectful. They always respect us and treat us like brothers [W.X-C-03,11:39]¹.

Trust-deficit

It goes without saying that trust is an important ingredient of mutual beneficial business relationships. Although both countries are tie-together in incredible relationship, however, some interviewees from both sides shared incidences of trust-deficits, especially for those businesspersons having less market-orientation and familiarity with each other.

Our empirical data indicate that businesspersons from PRC tend to more pragmatic than their counterparts from Pakistan, who could be characterized as emotional in business negotiations. This is understandable as the interest of PRC investors and businesses has triggered very recently with the onset of CPEC. Indeed, Pakistan came into limelight for Chinese investors during and after the historical visit of Chinese President Xi Jinping to Pakistan in 2016 and signing of \$45 billion CPEC project (later raised to \$62 billion). This make sense as their lack of trust could be attributed to their recent exposure to Pakistan markets and lack of understanding of the culture, business norms and practices in Pakistani society. A middle-aged Chinese executive who has been recently posted to their company subsidiary in Pakistan responded to the question of degree and nature of trust on their counterparts for business:

We like Pakistan and people here, but when it comes to business, we need to go through all the details and make sure that everything is in order and perfect. We can’t simply blindly trust [Z.G.X-C-09, 21:10].

Whereas the business community from Pakistan generally tend to expect more

¹ The above citations refer to the interviewees’ original remarks and the citations show their pseudonym instead of their original name in order to protect respondents’ privacy and identity. The pseudonym is followed by the time and location of the cited comments in the transcribed taped interview record. The last digit in pseudonym denotes the origin of respondent, as “C for Chinese” while “P for Pakistani” respondents. For instances, in “W.X-C-03,11:39”, W.X-03 is pseudonym, C for country, 11:39 is the location of comment on recorded interview transcript.

favorable treatment and concessions in business dealings based on their relationship with their Chinese counterparts. Based on the closer ties with China, businessmen expect concessional terms and rates in their business dealings. An interviewee from the city of Lahore (Pakistan) having business relations with Chinese companies for more than 20 years explained:

We have a business dealing with a number of Chinese enterprises, and just few of them have their offices in Pakistan. We have a very good relationship with them, but often when our company demands rate reductions and discounts, it is often not entertained, and the other party give various reasons [S.N-P-05, 07:22].

Communication barrier as mother of all evils

Perhaps one of the biggest impending factors for developing better understanding of each other is the communication barrier. This not only precludes mutual understanding but also causes lack of trust and confidence in each other, as shared by an interviewee from PRC:

The first thing mostly we face in terms of language. We rely mostly on Chinese language because we are not comfortable in English or any other language. And our business partners from Pakistan cannot speak Chinese, so we have much difficulty in communicating and understanding our business partners. We most of the time use translators and this makes it even more challenging and hard sometimes as the translators cannot translate accurately what we want to convey to our partners. Other party (businessmen from Pakistan) also face the same issue when they try to translator through translation Apps [W.X.J-C-02, 14:37].

Contextual differences

Other than language barriers, widespread contextual differences make it most challenging to understand each other. For businesspersons who have been in cross-border trade for fairly long time, they are acclimatized to contextual differences, and they are in position to understand the contextual differences and extract the meaning out of it. Whereas for newcomers and less accustomed businesspersons from both sides, it's a tall tool to understand the contextual differences. A businessman from capital of Pakistan, doing business with Chinese firms for ten years, maintained that contextual differences are yet another bottleneck that makes it harder for them to understand and do business with their counterparts in China:

Sometimes we can't understand what they actually mean. They use phrases that are hard for us to understand. For example, when our business partners say often say "maybe they will buy our products", we don't know if this just a courtesy word or they actually want to buy it [K.A-P-06, 23:32].

Adherence to time commitments

Whereas both countries have a strong emotional attachment and affinity with each other, however they differ in their contextual understanding of time commitments. Generally, in subcontinent, getting late for five to ten minutes is usually the norm in informal meetings and is tolerated. Sometimes, the official ceremonies scheduled to begin on a given time are intentionally or unintentionally commenced a little late (around 15~30 minutes), for various reasons, such as the VVIPs tend to show up a little late, for apparent security reasons. Such kind of behavior is quite strange and unusual for Chinese business delegations for whom time commitment is the utmost important. This kind of behavior freaks and irks the businessmen from China who have lesser exposure to the unwritten business norms. An interviewee from mainland China, representing a large company from mainland China that has extended their business venture to Pakistan not long time ago expressed this frustration as:

Sometimes we feel that our partners are a bit reluctant in time management and little careless about their business promises. I think this may be due to their misunderstanding about the importance of business ethics or way of business dealing in their country [X.L.L-C-02, 29:11].

Food and other differences

Although food and other facilities are secondary in nature and do not make any difference in business decisions. However, for long-term visitors and expats in alien countries, sometimes it affects their decision to stay in a foreign country for a short or long time. Undoubtedly, Chinese food is famous and well appreciated around the world. Chinese food restaurants are in most cities around the world, however, the food offered is a little bit modified to suit the local consumers. For instances, some Chinese food restaurants in Pakistan use the local spices and other materials which suits well to the local consumers, not to people who have experience the authentic food in their home country.

Certainly, food may not be a factor of importance when it comes to business negotiations, albeit it may have an indirect effect on individuals' perception about other countries. On question of the biggest challenges faced in overseas

country, an interviewee from PRC working in Pakistan mentioned food as a factor:

When we go on business trips to a foreign country, we think of food often. And if our stay is longer than a month, we miss the authentic Chinese food [W.X-C-03, 24:19].

Interestingly, an interviewee from a Chinese SME, who frequently receives foreign guests and has business dealings with counterparts from Pakistan described the challenge of different food habits:

... Secondly, another challenge for us is to provide the Pakistani food to our business partners. Most of our clients from Pakistan ask for Halal food and sometimes they face even problem in eating because there and our foods are very much different in taste and in cooking style [L.K.Q-01, 22:56].

Same applies to the business delegation visiting Pakistan. A young businessperson from PRC who frequently swing over to Pakistan on business trips said: “*We’re not accustomed to food in Pakistan and the Chinese food offered by restaurants in Pakistan is not the authentic Chinese food*” [C.X-C-04, 21:51].

Demand for unreasonable price reduction

Sometimes one party expects more from the other party, such as huge concessions and minimum rates, that often cause unsuccessful business meetings. As a businessman from PRC shared:

Most of our meetings remain successful and we come to an agreement, or a contract point but sometimes we could not finalize the deal due to different terms and conditions. Most of the time the reason could be the price of the product we deal or some terms and conditions the government impose on various exporters [Y.X.L-07, 30:11].

Another representative of an emerging SME well described the segregation of personal relations and emotions from business:

We always consider business as business and sometimes our clients, especially from Pakistan, ask us to give them extra favor in business dealings. That is not possible for us, because we have our production cost, transportation, taxes and many other things we need to consider [S.S-C-08, 28:25].

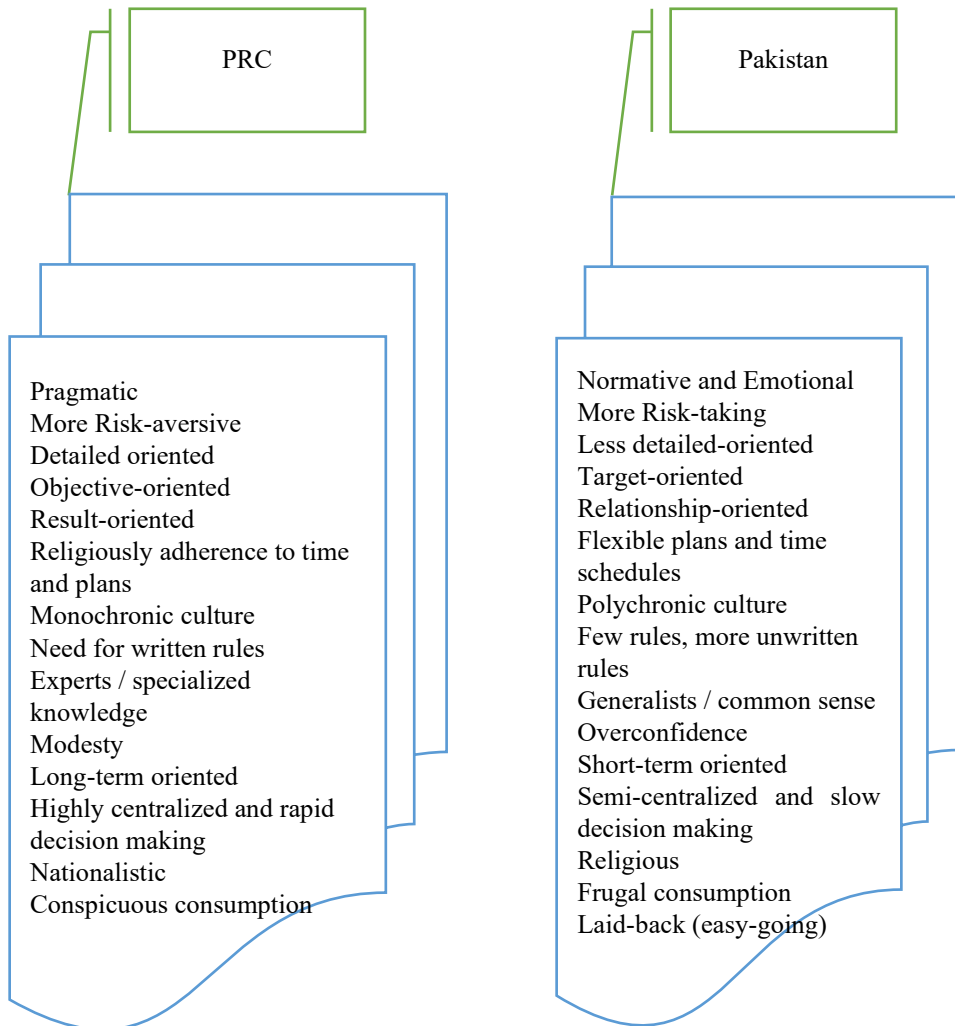


Figure 2. Comparison of business cultures in the two countries

Discussion

Business negotiations are the heart of an eventual business deal and contract that could help build a long-lasting affable business relations between two partners. However, business negotiations in cross-cultures can be a daunting task, especially in situations where the parties have limited cultural understanding of each other. It is likely that the expectation of high gains from a business negotiation could end up in no gain or failure. Moreover, as

businesspersons and managers increasingly find themselves working across cultures, the need to understand these differences has become increasingly important (Steers et al., 2010).

Having a rich cultural root and a history dating back to more than 5000 years, Chinese value culture as an important aspect of their social and business life. Arguably, it is a common practice in PRC to bolster relationship (关系, Guānxi) with other party before entering into serious business negotiations (Zhu, McKenna, & Sun, 2007). By surpassing Japan as the second largest economy of the world and gaining robust economic growth over last four decades, China is a cherished destination for business corporations from around the world. However, Linda Young (1994) argued that negotiating with Chinese can be very challenging and Chinese have been sometimes recognized as some of the toughest negotiators in the world.

Since Indian Subcontinent (now separate countries of India, Pakistan and Bangladesh) have been the British colonies for over one and half centuries, most of the business practices, norms and culture have been drawn from the British and western countries. Even after the partition in 1947, both countries of Pakistan and India have been under the heavy influence of western style of business thinking. And there is a logical reason for that as the business schools and universities taught the western and particularly the North American style of management. Secondly, the multinational corporations (MNCs) had been reached to the soils of Pakistan and India very early on, during the British colonial era and later rampant influx of MNCs to both Pakistan and India has been seen after the end of WWII. This has entrenched and deep rooted the western corporate culture, although with some exceptions in both countries of India and Pakistan. Contrary, despite being the country of the largest population on Earth and huge potential for MNCs to garner profits; these MNCs could gain market access in PRC only after the reforms and opening up in late 70s. However, once the MNCs are in PRC, majority of them have seldom thought of leaving the country.

Takeaways and Suggestions for Successful Cross-Cultural Negotiations

Accommodative Approach: Having an open and accommodative approach helps build long-lasting and mutually befitting relationships. Undoubtedly, an affable and camaraderie approach wins the hearts and minds of others.

Embracing the Differences: It is natural and obvious that other cultures will have unique aspects quite different from one's own. True appreciation of diversity extends beyond mere acceptance; it necessitates a deeper exploration into the unique cultural and organizational contexts that shape individuals and groups. Recognizing difference not as a barrier, but as a valuable lens through

which to learn and grow, fosters innovation and enriches understanding within any environment.

Focusing on Commonalities: While acknowledging the myriad cultural differences that may exist between the two countries, it is equally important to recognize the significant similarities and commonalities that can serve as a strong foundation for promoting enhanced business relationships. Identifying and emphasizing these shared values and mutual understandings can effectively cultivate stronger interpersonal connections and facilitate more productive collaborations in the business sphere.

Learning about other Cultures: Every culture is unique and fascinating. It's always good to learn about new cultures and be open to unique aspects of other cultures. It is essential to well prepare and learn enough about the new culture and business norms prior to embarking on a business trip to another cultural setting. Moreover, learning and understanding a new culture requires patience, consistency and humbleness, as it can't be grasped at once, it's a slow process of learning and understanding.

Avoid Stereotyping: The biggest disrespect to other cultures is stereotyping and prejudice against other cultures based on false and misleading information. The best way could be to experience the culture and debunk biased opinions.

Practical implications

This modest effort will help in better understanding the cross-cultural differences and commonalities of the two countries in the context of bolstering business relations. The findings would help the business community of both countries to better understand each other's unique cultural and business norms. The study will also help the future academic studies on cross-cultural management of the two countries and inspire efforts to make deeper theoretical and practical contributions in this context.

Originality/value

While we do not claim to be the first ones to explore cross-cultural communication and business negotiations in China and Pakistan; this study is expected to be a worthwhile contribution in literature on cross-cultural management in the two countries. The authors unequivocally confirm the originality of this study, and the due acknowledgement and citations have been given to where the literature has been extracted from other studies

Conclusion

Business negotiations can make or break business relations. Therefore,

understanding business norms and practices is quintessential for forging a successful and long-term business relationship. Businesses can yield substantial gains if they not only just understand the product features, but also the human aspects, the cultural underpinning and unique business styles of other parties.

Since the two countries are tie-together in an everlasting relationship, well-familiarity and understanding of each other's business norms and practices will greatly help in forging long-lasting business relations between the two countries. Moreover, better cultural understanding is quintessential for successful and long-term business relations, as lack of cross-cultural understanding costs companies millions and billions of dollars. Many foreign companies successful in their home country, fail in overseas soil, especially in a country having a different social, cultural, economic and political system, such as China and Russia etc.

For business negotiations to bear fruit, understanding and familiarity is critical in this fast-paced world. Cross-cultural knowledge and understanding is highly critical in managing employees and operations abroad. Without having sound understanding of the people's perceptions, like dislikes, prevailing trends, habits, communication patterns, social behavior to name a few; a foreign company may grapple with innumerable problems. For the time being, it may achieve some progress, but hard to gain the long term and sustained growth and success in a foreign country.

On top of it, whereas there are plethora cultural differences amongst countries of the world, it is important to understand that no culture is superior or inferior, and neither a particular way of doing things in one culture is right or wrong; it all contextual and needs to be understood in its contextual frame of reference. This means that cultural values are relative and should not be judged based on one's own judgement lens, rather see it in a bigger contextual phenomenon.

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The China Study Centre (CSC) at Karakoram International University (KIU) is funded by the Higher Education Commission (HEC), Government of Pakistan. HEC frames the core objectives of the establishment of this Centre with special reference to the benefits that will achieve from creating a space that facilitates study and research on diverse arts, culture, history and polity of China, Pakistan, Gilgit-Baltistan and surrounding mountainous regions. The establishment of CSC aims to provide a base to learn Chinese society. The Centre provides an opportunity to develop research collaborations with counterparts in Xinjiang and mainland China. It is expected that these collaborations will play a key role in conducting research that has high relevance to Gilgit-Baltistan. There exist many commonalities between the two regions that provide important opportunities for collaboration between KIU, Chinese universities and beyond.



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