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## “The Chinese Will Not Change; We Have To Change”

### Adjustment of the Finns to the Chinese in a Chinese Investment Facilitation Context

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#### Abstract

This paper explores the intercultural communication, cultural adjustment strategies and power relations between Finnish and Chinese representatives in the context of Chinese investment facilitation in Finland. The study is mostly based on interviews of individuals who work either for one of Finland’s state agencies tasked with attracting investment or local government. When analyzing aspects of power, the paper’s theoretical basis is the Positioning Theory of Harré (1991). Due to the phenomenon of ‘rising China’, the dominant discursive practice of the Finnish positioning is adaption to a communication and working style seen as typically Chinese. The results show the main aspects of Chinese culture, to which Finns see need of adjusting, are their distinct concepts of time, indirectness and overt hierarchy.

**Keywords:** *Chinese investments, Finland, cultural adjustment, power, positioning, intercultural communication, rising China*

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## 1. Introduction

### 1.1 Background of the topic and the purpose of the paper

*Rising China* or *China’s rise* is a term that refers to China’s march to being number one, the speed of its economic growth, and its investment around the world during last two decades. Previously the majority of foreign direct investment projects between partners from China and the rest of the world have taken place in mainland China, and most studies have addressed this direction of investment (Fetscherin *et al.* 2010), focusing mainly on economic and political factors. The cultural adjustment to the Chinese has been predominantly studied as an expatriate experience in China (Selmer 1999; Wang *et al.* 2014). At times this literature suffers from a traditional ‘foreign-expatriate-in-China’ complex, viewing China and the Chinese as ‘them’ who need to be motivated, educated, managed and controlled by ‘we’ (Fang 2012:969). As investments flow in the opposite direction, the people

in so-called Western nations are more often taking the position of the 'seller,' offering investment targets to the Chinese or trying to gain a foothold in the huge Chinese market. The changes in the power dynamics make intercultural communication between the Chinese and their international partners an interesting and important topic to study.

Interest in attracting Chinese investment has increased in Europe since the global financial crisis of 2007-2008. Investment promotion agencies compete for Chinese investment and adopt various welcome schemes (Schüler-Zhou *et al.* 2012:157). In Finland, a government platform called the China Finland Golden Bridge has been established to facilitate Chinese investment, and other agencies, including regional and local governments, are actively involved. The Ministry of Foreign Affairs of Finland released the China Action Plan in 2010 which recognizes the role of China on the international scene and lists the priority areas for co-operation. Finland, and the Baltic Sea region as a whole, has not been a major destination for Chinese investments to date. However, Chinese interest in the region has increased in recent years, as has awareness in Finland of the possibilities relating to Chinese investments (Kartemo 2007). Although Finland is a developed country, its position in Europe is still comparatively marginal and the economy in the 2010s has been hit by Nokia's demise, on which it was largely dependent (The Economist 2012). Finland is maintaining a lot of effort into developing investment attraction organizations. The work of investment agencies with the Chinese investors is a comparatively new and little researched aspect of co-operation with China.

This paper explores intercultural communication and emerging power relations between Finns as sellers of investment targets and Chinese as investors. Using the case of Finland, the paper provides insights into a newly developing intercultural communication context that also may have similarities with Chinese investment facilitation initiatives elsewhere in the world. The central questions of the paper are: What kind of a role does the 'rise of China' play in the intercultural negotiation between Finnish and Chinese representatives when attracting Chinese investment? How this new context reflects on the cultural adjustment between the co-operating sides?

### *1.2 Previous research*

Traditional research into business communication has emphasized the differences between China and the so-called West, at times producing sweeping generalizations and dichotomies. For example, Hofstede's (1980:98) prominent study suggests that one of the main contrasts can be expected along the dimension of power distance, as Chinese society has a steeper hierarchy and people tend to demonstrate greater deference towards those in power than in Western societies. Hall (1983:44) has explored the concept of time in various cultures, distinguishing between monochronic

time orientation countries, to which most Western societies belong, and polychronic time orientation countries, which include China. In a monochronic time system, time is linear, scheduled, and segmented, while in the polychronic orientation, several things can be done at the same time and plans are changed often and easily. Since many professionals working with China have been reading these studies or materials based on them, the possible impact of these dichotomies on their perception cannot be ruled out.

Another set of literature focuses on the aspects of traditional working Chinese culture, seeing its base mainly in Confucianism. Ock Yum (1997:85) identifies indirect communication as one of the characteristic traits in Chinese working life, which “helps to prevent the embarrassment of disagreement among partners, leaving the relationship and each other’s ‘face’ intact.” The people in Confucian societies, China including, may not rely on verbalized, logical expressions, but derive the communication dynamics from observing the nonverbal and circumstantial cues (Kim 1997). Gao and Ting-Toomey (1998) list five distinctive characteristics of Chinese communication: 1) implicit communication (*hanxu*), 2) listening-centered communication (*tinghua*), 3) polite communication (*keqi*), 4) insider-communication (*zijiren*), and 5) face-directed communication (*mianzi*). While there may, indeed, be aspects of Confucian influence in the way that the Chinese conduct business, this literature may also produce some stereotypical perceptions regarding communication with the Chinese.

Recent scholarship has started to produce a much more nuanced image regarding communication with the Chinese. A recent research trend is considering traditional Chinese culture from a regional perspective, emphasizing regional differences (Shuping 2001:15-16). The concept of culture inherently implies openness and diversity within and needs a narrower focus (Wang 2011:5-6). Fang and Faure (2011) argue that communication behaviours that are contrary to traditional ones are equally evident in Chinese society, given different situations, contexts and times. The interaction between traditional Chinese values, modernization and Western influence may create cultural expressions that can be quite unexpected. For instance, Chinese colour culture in business contexts can be divided into traditional and modern (Kommonen 2008:4-5). The influence of Confucianism remains a significant part of Chinese cultural values, but globalization and the emergence of capitalism have propelled the Chinese people to become extremely changeable (Chuang 2004:53). The divide between the West and the Rest is no longer correct, as traces of the West are now found everywhere, and vice versa (Morley 2011:120). In addition, as growing up in a country contributes to an individual’s values, beliefs and behaviour, so does acculturation into a particular field or profession (Jameson 2007). In a globalizing world, the meaning of culture is complex

and the dynamic processes of cultural change are ongoing (Leung et al. 2009). In a study on British-Chinese meetings, it was discovered that the Chinese were dissatisfied due to inappropriate seating arrangements and perceived lack of gratitude over Chinese contracts, factors of which British side was not aware of (Spencer-Oatey and Xing 2003:38-39). Prior rumours heard about the business strongly influenced the Chinese side's expectations (Spencer-Oatey and Xing 2003:44). These studies show a variety of other influencing factors on communication besides those of traditional culture.

Critical intercultural communication tradition is an important and relevant part of the field as well. In their review of its critical junctures, Haluani, Mendoza, and Drzewiecka (2009:17-18) state that this approach is characterized by focus on the issues of power, context, an historical or structural forces as they affect intercultural communication. Critical turn took place in 1980s when some scholars such as Asante (1980) argued that cultural groups need to be historically contextualized for fully understanding their communication practices. Starosta and Chen (2003) argue that communication scholars have explored "how" and "what" of intercultural communication, but not the "why." Within this view, culture is seen as a power struggle, where its unstable formation stems from prevailing nationalistic, economic, and structural interests (Haluani, Mendoza, and Drzewiecka 2009: 26).

In summary, studies to date have mainly outlined the differences between Chinese and so-called Western communication styles and have described how Chinese traditional values may affect business interactions. However, some studies also reflect on the way that the forces of modernization may change traditional culture, the differences across various professional groups, and the ways context and power influence communication. The current situation is dynamic, so the update is necessary whether and how traditional Chinese cultural values or related stereotypes currently play a role in intercultural communication. There is also a lack of research on communication in the context of attracting Chinese investment, where the Chinese side tends to exert more power. The study intends to bring together and analyze the aspects of culture and power in communication, revealing the new power relation dynamics in the context of growing importance of China. In the past, the representatives of so-called Western nations were heading to China in the role of buyers and investors, but nowadays oftentimes the roles are reversed. As investments start to flow in the opposite direction, there are negotiations and adjustments going on that are not prevalent in more established forms of co-operation.

### *1.3 Theoretical framework*

This study builds on positioning theory (Davies and Harré 1991), which addresses power, positioning and accommodation in intercultural

communication. The theory involves the need to attend to local moral orders, and centres on the view that local distribution of rights and duties determine different kinds of acts and the way episodes unfold. There is the option of multiple choices for an individual to position themselves in response to the unfolding narrative and to change and adjust their position (Davies and Harré 1990). Positioning theory is most suitable for addressing the dynamic context of attracting Chinese investment, where both traditional and modern cultural values are present and power relations are being actively negotiated. Concerning the concept of power in intercultural communication, the approach of 'power as described' (Jensen 2006) will be utilized. This approach treats power as a description of how people define their own actions in relation to power, so it is especially suitable for analyzing the statements of interviewees. Power will also be understood as an outcome of interactions within structures where people are placed in different positions and must make communication choices accordingly (Isotalus 2006).

There are asymmetries for social action in the resources that are available to each individual in concrete circumstances. A cluster of short-term disputable rights, obligations and duties is called a position, and it determines the way people have access to cultural resources (Harré 2012:192-194). An individual calculates the gains and losses while adjusting their own position; so for instance, having an interest in a felicitous business outcome may affect the willingness to adjust. For a long time, people in the so-called Western nations visited China in the role of buyers, but now in some contexts there is a shift of paradigm and the relational buyer-seller roles may have been exchanged. The Chinese may be the ones who invest and buy, so the asymmetry of power may make their co-operation partners willing to adjust.

Harré and Moghaddam (2003b:138) argue that many important interactions between nation states take place in the form of small-scale interactions between very few representatives. The investment facilitation is such context where Finnish and Chinese representatives meet and most often have interactions within a small group. Sustaining intergroup harmony requires that a certain range of interpretations for an individual's actions are pre-established, but positions can also be challenged or revised. The positions can be internally inconsistent and externally contested (Louis 2008:23). Thus, co-operating partners may not have final clarity how to act in a certain situation and may have various, even opposing scenarios at hand – to adjust versus to push for own way of doing things. Regarding positions being externally contested, other participants may not accept the positioning insisted by someone and challenge it with their own narrative. Although, the main mode in the co-operation and investment attraction context is expected to be co-operative, at times own power may be asserted at the expense of finding common ground. This study will address these conflicting aspects in

communications dynamics, since the positioning cannot be treated as a simplistic matter. Each participant has choices to make, taking into consideration perceptions of various aspects in the situation.

#### *1.4 Methodology and materials*

This paper builds on data collected as a part of doctoral dissertation research project. The study's main methodological approach was interviewing for the purpose of learning the meanings that the Finnish representatives assign to their intercultural encounters with Chinese co-operation partners. Some participant observation was also conducted to give access to naturally occurring intercultural communication, and to provide a fuller sense of the context. Observation, for six days in total, took place during delegation visits from Tianjin to Turku in Finland and from Oulu to Suzhou in China.

This paper is mostly based on nine interviews carried out in the autumn of 2013 in the China Finland Golden Bridge (Finland's state agency for Chinese investment attraction) office in Helsinki and in local government offices of Turku and Lahti. The interviewees were aged from their mid-20s to 60s and had experience in Chinese investment co-operation of between 4 and 20 years. The interviewees were coded IV1-9 according to gender, country of origin and working title (see Table 1).

**Table 1:** *Interviewee codes and basic data*

<b>Code</b>	<b>Gender</b>	<b>Country of origin</b>	<b>Title</b>
IV1	female	Japan	Business Development Officer
IV2	male	China	Interpreter
IV3	male	Finland	Development Manager
IV4	female	China	Interpreter
IV5	male	Finland	Senior Advisor
IV6	male	Finland	Head of International Affairs
IV7	male	China	Business Development Manager

IV8	female	Finland	Customer Operations Director
IV9	male	Finland	General Manager

The interviews consisted of open-ended questions, encouraging interviewees to offer their own definitions of particular activities (Silverman 2006; Briggs 1986) and broadly addressing the experiences of working with the Chinese. The interviews were conducted in English, recorded and transcribed.

Close reading of the study data allowed some recurrent patterns to be found. The research material was sorted according to the cultural categories used by participants and how these are related to concrete working activities (Silverman 2006). Data were also used as discourse materials and cultural examples of the topic area being studied (Alasuutari 1995). Reflective use of interview materials as discourse data has clear benefits in providing insight into topics and their characteristics in specific cultural contexts (Nikander 2012:34). In a qualitative framework, research based on interviews seeks to manifest meanings; therefore, a small number of cases facilitate the researcher's close association with the respondents and inquiry in naturalistic settings (Crouch 2006).

In the process of data analysis, the adjustment to Chinese cultural specifics emerged as one of the most important discourses and considerations in interviewee's answers, connecting together several smaller topics related to culture. These topics dealt with the concepts of time, indirectness and hierarchy. The findings presented in this paper include reflections on the differences within these categories in social situations, attributes associated with them, and dimensions of contrast discovered within each category (Spradley 1980).

## **2. New power relations in Chinese-Finnish investment facilitation initiatives**

### *2.1 Need to adjust to the Chinese to be able to work with them*

Throughout the interviews it was possible to trace an overriding trend that the Finnish participants believed they need to adjust to cultural specifics and the communication style of the Chinese representatives. Their motivation is in the economic gains and broader context of the so-called 'rising China' phenomenon:

*China will be one of the leading countries in the world, and I think in the future they will dictate the rules more, because they are strong. We certainly want to be successful, so we have to adjust to them. Finland is a small country and this will continue to be the case. (IV6)*



*By any calculation, China is becoming number one in exports, the economy, and also, I guess, in innovation. All the countries are approaching China at the moment, and they are in the position of picking who they want to work with. You can even kind of benefit from the Chinese working in a different way, but you need to understand those ways, you need to learn, you need to work with them. (IV8)*

So part of the frame for positioning in favor of adjustment to the Chinese is that China is seen as ‘big’ and ‘strong’ and Finland as ‘small’ and in need to be competitive. However, the awareness of the rise of China appears to be comparatively recent, as traditionally China has been seen as a developing country:

*Attitudes towards China have changed in Finland in last four or five years. Previously it was quite challenging to get Finnish companies to even meet Chinese companies, as they had copyright concerns. But now it is more in the media and inevitable that China is becoming number one. People are starting to think –we have to work with the Chinese in the future, so they want to adjust and to learn more about China. (IV8)*

The broader context of China on the way of becoming ‘the number one’ is a motivation, in words of the interviewees, to ‘understand,’ to ‘learn,’ and to ‘adjust.’

However, at times participants expressed the belief that in the process of globalization, they and the Chinese will have to change - “both have to travel a little bit towards the middle. As China becomes more global, they will also change” (IV8). The same idea was expressed by IV7 who believes that “if Chinese companies operate in different countries, it’s good to localize a little bit so that people can work very effectively and productively.”

To sum up, while the leading discursive positioning in interviewees answers appears to be “the Chinese will not change, we have to change,” occasionally belief is expressed that the Chinese will change as well. Moving to the specific ways of cultural adjustment to the Chinese and the accommodation of what is perceived as their communication style, three main cultural categories by the interviewees will be considered.

## *2.2 Adjusting the working rhythm to the Chinese sense of time*

One area that appeared very topical in most interviews was the need to adjust to the Chinese working rhythm and their sense of time. Interviewees said that the working hours for the Chinese are not limited as is usually the case in Finland, so there may be a need to answer the phone, check messages, or be on Skype at weekends – “if it is an urgent issue, we will react at the weekend as well” (IV1).

*I have adapted the way I work to the Chinese model, which is very flexible. During the weekends I have had several conversations with the Chinese - I keep my phone on so everybody is welcome to call. (IV9)*

An important difference regarding work timing, as outlined by several interviewees, is the speed of action in China, requiring a fast response - “they often really appreciate getting a quick response to quick questions.” (IV9)

*Finland is a smaller nation, so our response speed is slower and sometimes that amazes the Chinese if they are used to very quick responses. Finns maybe need to learn to respond quickly, for example, when Chinese when venture capitalists are expecting information from a Finnish company. The Finns might think – maybe I will send it next week. And Chinese investors think – ok, they are not even interested. (IV8)*

Furthermore, according to the interviewees the Chinese style tends to be more doing things at the last moment than planning ahead, and this affects the preparation of delegation visits:

*Confirmation and the calendar in Chinese people’s minds are totally different. Finns think about six months ahead, but talking to a Chinese of something a month ahead, they are like - let’s talk later about that, this is not relevant now. (IV8)*

*You are caught between the two – the Finnish people want confirmation, I know that I will not get the final confirmation until maybe two days before, or in the worst case after you have arrived in China. And there are always changes of plans. (IV1)*

The observation activities of this study confirmed this trend. For the Chinese visit from Tianjin to Turku, the schedule was prepared, available in advance, and carried out with no changes. However, the Finnish visit to China did not have a schedule and there was information about only a few possible meetings and their approximate times. Most of the meetings were arranged on the spot in China, using some personal connections of the Chinese assistant. The only meeting that had a precise time set in advance was with a Finnish organization operating in China. The flexible approach to scheduling may have also correlated to the comparatively small size of the largely informal delegation to China. Anyways arranging the meetings on the spot appeared to work more effectively.

To deal with differences in planning ahead, the interviewees emphasized that the Finns need to adjust, be flexible, and learn to deal with any uncertainty:

*If you want to work with the Chinese, you have to accept some cultural differences, and this is one of them. If you don’t accept it, or you can’t really*

*cope with it, then it's quite likely that you will not work with the Chinese anyway. (IV8)*

*I don't think that the Chinese way of working changes with whomever they are dealing with; it is more about our learning. Just try to be flexible. You know that there'll always be a surprise at the last moment. Just try to deal with the uncertainty. (IV1)*

While the interviewees emphasized their most important need was to adjust to the working rhythm and sense of time in China, on some occasions they would also set some boundaries for their way of doing things and their convenience:

*When dealing with Chinese, we are very flexible to any kind of situation, and at the same time maybe we try to let them know and understand that we are in Finland. So we have this Finnish working culture and working hours. (IV7)*

Some concrete ways of setting the limits mentioned by interviewees were refusing to take calls or work on weekends. IV9 said that occasionally, "I tell them that we can talk on Monday." IV5 shared that "second year, I promised my wife that I would not go to work on Sundays." As a way to manage and balance the differences in planning ahead, IV1 practices "putting pressure on Finns to be realistic and flexible with planning, but for the Chinese, we put pressure on making and confirming plans."

In summary, the interviewees see the Chinese attitude towards work and time is different, more 'circular,' which also previous research has addressed. Observations of this study affirm that it has real-life relevance. The suggested coping strategy involves adjustment and changing the ways of working, such as having more flexibility regarding working hours, plans and schedules. However, it appears that only partial compliance with the coping strategy is the norm. When pressured to work in the evenings and weekends, at times Finns are liable to refuse to co-operate with Chinese sense of time. Referring to positioning theory, this tension can perhaps be related to the perceived value derived from communicative transactions. Economic gain is strong motivator to adjust; however, one's own work life balance is also important. It is possible to 'refuse' to accept the nature of the discourse through which a particular conversation takes place, and the positioning may involve shifts in power, access, or blocking of access (Davies & Harre 1990). Thus, to maintain a work life balance, the Finnish representatives may block communication and limit access on weekends, insisting on the power to do things own way even at the expense of possibly losing economic opportunities.

### 3.3 Accommodating Chinese indirectness

Another major area of differences that the interviewees saw the need to adjust to is the indirectness seen as characteristic of the Chinese, and difficulty of saying “no” in particular:

*In some meetings it has been hard to get an answer to a very simple and frank question. But afterwards I noticed that this question was somehow problematic for them. You have to ask questions so that they don't have to give a negative answer, to give options. (IV6)*

IV8 said: “You have to recognize certain characteristics in their communication so you can realize that they are just trying to say “no” in a very complicated way.”

During the observations, it also appeared that sometimes the Finns were wrestling with the indirectness of the Chinese. There was some vague general talk about co-operation from the Tianjin delegates in Turku. During the course of the meeting, the Finns kept asking questions and trying to make the co-operation more specific: “What is the procedure and specific requirements to establish the kind of alliance that was described by you? (...) How to incorporate the principles discussed regarding co-operation? (...) What is the actual meaning of the technology program that was mentioned by you in the introduction?” This way, they tried to clarify some of the terms mentioned by the Chinese. In the end, the next steps to take after the visit were listed, to make sure something results from this meeting. During the delegation visit from Oulu to Suzhou, it was observed that on several occasions the organizations visited showed enthusiasm about the idea and the product offered. However, the Finnish Chief Executive kept wondering if the interest was genuine or just politeness – it appears that it was difficult to tell the difference.

The interviewees suggested becoming more patient and learning to understand non-verbal cues as possible adjustment responses to indirectness:

*I have adapted my forceful character - sometimes before this work, I immediately went to the point or reached an opinion, but now I have learned patience. I observe a little bit longer and hesitate to just jump to the conclusion. (IV8)*

*Even though we need to leave for the next appointment, the host just can't interrupt us to tell that we must leave now. I thought that a bit strange, but then I understood that it's not polite to interrupt others or tell the mayor what to do. Perhaps I should have understood by their behavior that they wanted to talk to me. (IV6)*

Several interviewees also made connections to the concept of ‘face’ in the context of accommodating indirectness by Chinese representatives:

*You have to consider the 'face' of that organization, so you do not say "no" now, because they are going to lose 'face.'* (IV1)

*One time when we had some guests here, we were picking food from the lunch line. You are allowed to take one dish and not to touch the other ones. But Chinese would like to, and they were in the front, they saw and took. So saving everybody's 'face,' I did the same thing.* (IV7)

Still, at times, being straightforward can be useful, and the Chinese can accept this way:

*For the Chinese, saying "no" is hard. But in Finland, we try to be frank and open, so we give our opinion. And I guess that is something that they respect - that we don't play or give hints, but immediately say what we want.* (IV6)

According to Ock Yum (1997:85), "indirect communication helps to prevent the embarrassment of rejection by the other person or disagreement among partners, leaving the relationship and each other's 'face' intact." One of communication phenomena in Chinese societies is the 'pursuit of social harmony' as a typical core value of Chinese daily life practices (Lee 2011:84-85). People strive for their communication to be 'proper' and in a way that is accepted in their society, but the understandings of 'proper' expression are various (Philipsen *et al.* 2005). Referring to the interviewees, differences in directness of communication may create confusion at times.

In the context of implied Chinese indirectness, Finns do try to adjust by using a more indirect way of asking something; by trying to read any non-verbal cues; and accommodating the Chinese so they do not lose 'face.' However, the possibility of being straightforward with the Chinese is also an option. Frankness is seen as a typical Finnish value which can be accepted in certain situational contexts. Here it is also evident that the main strategy is adjustment to the Chinese by trying to be more indirect. However, at times Finns use their own cultural resources, which can be seen as a sign of power (Harré 2012), and reportedly the Chinese at times, in turn, adjust to that. Apparently it is possible to mutually learn that the same polite values and attitudes can be expressed in different ways.

### *3.4 Adjusting to cultural specifics related to hierarchy*

Traditional hierarchical thinking emerged as the third major area of adjustment of the Finns to the Chinese. Regarding hierarchy in general, IV7 said: "The hierarchical culture in China is still very strong. It has been there for about five thousand years and it's something that makes the Chinese Chinese."

Several interviewees believed the importance of seating for the Chinese as a manifestation of hierarchy needs to be respected:

*These things don't matter for us, but we have to remember, it matters for them. So if I sit beside the mayor, they will calculate – that's the second most important man there, but perhaps we have not meant that at all. (IV6) I was leading the meeting, but he was the host, so I thought he can sit opposite the Chinese side leader, so that he knows who the Finnish delegation leader is. Then the hierarchy went from the Finnish side I think more or less as it should. (IV1)*

Another aspect of the importance of hierarchy appearing in the interviews was that Chinese want to meet people of similar position:

*It helped enormously to be diplomatic, we were always able to meet people at least on the same level as we were, or a little bit higher. Then later on, we could use that contact to promote some business for some company. (IV5) If there is a ministry-level person from China, there better be a ministry-level person from Finland. We really need to take care of this because we don't want to lose our 'face,' which is one of China drivers. (IV8)*

Adjustment to hierarchy may involve attuning body language and speaking less:

*My facial and body language is maybe American, and the Chinese can sense this immediately, but I am controlling myself so that I try to be as Chinese as possible in front of them. I think I speak much less in front of the Chinese than before, because for the Chinese, when you are lower in the hierarchy, they expect you to speak less. (IV9)*

When observing meetings, the presence of some hierarchical elements was also verified. During the visit from Tianjin to Turku, five members of the Chinese delegation took their seats according to hierarchy. The head of the delegation was sitting in the middle, two other important representatives next to him, and the assisting members – interpreter and most junior member were sitting on the sides. The head of the delegation did most of the talking, the delegate on his right hand side did some talking, but other members did not make any official addresses, only participated in the informal conversations during the breaks.

Another situation, which emphasized the notion of hierarchy, involved passing through a door. On several occasions, crowding and confusion occurred over who had precedence (male/female, junior/senior members of delegation, Finn or Chinese), who should hold the door, and the sequence of passage. Interactive encouragement ensured that with little delay, however, everyone passed through. As a similar situation would not normally occur in Finland, it appears the members of the Chinese delegation were anxious about the order of precedence passing through the door. Sensing the Chinese discomfort, the Finnish hosts tried to find the best way to address the situation.

During the observation of the visit of Finns from Oulu to Suzhou fewer elements related to hierarchy were observed. The most likely cause was that this was not a local government visit, but one between business connections. The size of the Finnish delegation was small and therefore meetings were generally less formal. However, the difficulty in arranging meetings with persons of influence was significant and required a lot of personal connections. For instance, two Chinese ladies spent several hours calling personal contacts before managing to arrange a meeting with an investor.

While the main trend is that Finnish representatives tend to accommodate the hierarchical manifestations of the Chinese, occasionally there also appear to be situations when it is not so important. Several interviewees outlined the difference between government officials and venture capitalists:

*Venture capitalists usually have a background of studying in the U.S. or going to an international business school. They have been running funds all over the world, so these people are quite global-minded and then the cultural factors are smaller. With them, it is very to the point, they have strict, very tight schedule, and they only want to meet the investment targets. We don't have to have speeches, or stiff lunches or dinners. (IV8)*

In a hierarchical structure, individuals are seen as having differing status, while at the same time they are considered as equally essential to the total system (Kim 1997). The interviewees, as a group, believe venture capitalists tend to be less traditional and therefore care less about hierarchy. It appears the Finns have learnt by experience of the characteristic hierarchical elements in Chinese behavior and then have tried to imitate them in their interactions with the Chinese. However, also experiencing situations where hierarchy is not so important offers the flexibility of not attending to hierarchical elements which, in the Finnish view complicate working life and environment. Here the positioning revealed by the Finnish side could be seen through the lens of sustaining intergroup harmony. To have harmony with more traditionally thinking Chinese, Finns attune to and attend to the hierarchical elements important to them. They allow themselves to be cast into certain positions by the dominant power (Louis 2008:23), which in this case appears to be the Chinese. However, sustaining harmony with the venture capitalists does not require as much attention to hierarchical elements, so Finns are freer to be at ease this aspect.

#### **4. Discussion and conclusion**

The results suggest that the importance of the 'rising China' discourse becomes part of a frame for Finns working to encourage Chinese investment. Consequently, Finns are taking account of, and adjusting to, a communication style that they see is characteristically Chinese. Positions tend to be taken up according to an unfolding narrative depending upon the

outcomes they generate, and the current narrative is that of China becoming the supreme power combined with Finland's desired outcome to be economically successful. This positioning has emerged recently, as Finns have become more interested in attracting Chinese investments and co-operating in general. People tend to take care of relationships when they are important for achieving economic success (Isotalus 2006). All sellers have lower power in communication than buyers (Isotalus 2004). In the investment facilitation context, Finns are predominantly in the position of a seller to China, which puts pressure on them to adapt and conform to Chinese ways of doing business.

Positions are derived from patterns of similar beliefs by members in a relatively coherent speech community (Harré and Moghaddam 2003a). The Finnish participants did not see the rising China as a dominant competitor, but rather focused on the opportunities related to China and developing co-operative relationships (Louis 2008:23). They saw their work, especially in the China Finland Golden Bridge, as customer service operations, which may involve tolerating lack of confirmation and last minute changes that internationally are not considered good business etiquette. In some situations, Finns adopt an uncritical "customer is always right" attitude, which can be explained by the competitive environment in which investment promotion agencies operate. Finland has many initiatives for attracting Chinese investment, and tends towards the model of Eastern European countries, which offer strong investment facilitation incentives (Schüler-Zhou *et al.* 2012:165). Thus, it can be argued that even developed European countries, if they experience an economic downturn or are small or somewhat marginalized, may put serious effort into Chinese investment facilitation and cultural adjustment.

The pattern of adjustment was evident in real work situations: adjustment to the Chinese concepts of time, indirectness in communication, and overt hierarchy. These adaptations follow traditional characterizations of cultural differences discussed in some previous studies, for instance, polychronic versus monochronic time, high versus low context (Hall 1983), and power distance (Hofstede 1980). These findings can be interpreted in two ways. Firstly, it appears that the traditional elements in communication still matter, as they were not only referred to in interviews, but also discerned during the observations. Secondly, interviews at times can produce talk, which is informed by cultural dichotomies and stereotypes, as both the researcher and interviewees work in the field and have been reading and learning about these possible areas of differences. During data analysis, these categories are also perhaps easiest to notice. While the starting point is two cultural or national groups – Finnish and the Chinese, it is the organizational positioning of the interacting sides that explains the situation better. For instance, several of the interviewees were Chinese nationals working for the



Finnish delegates. The participants, irrespective of their nationalities, accept the focus on cultural differences as the whole set-up of the investment facilitation initiatives.

The study also provides an interesting Chinese-oriented viewpoint of differences between the groups involved in investment attraction. The study suggests that while Chinese government officials hold to traditional Chinese values still, Chinese venture capitalists accommodate global trends. Chinese venture capitalists have passed through a dynamic, multidimensional, and interdependent cross cultural adaptation process and have an emergent cultural identity (Kim 1995). They have often studied abroad, speak English fluently, and have immersed themselves in materialism (Chuang 2004:60). Therefore, in some ways at least, they appear easier for the Finns to work with.

There were also deviations from the discursive positioning of adjustment. Occasionally, the Finnish delegates spoke of maintaining their way of doing things, for instance, keeping the Finnish work-time culture (not working evenings or weekends), speaking with directness when their straightforward talk was accepted by the Chinese, or paying less attention to the hierarchy when the Chinese group encountered was less traditional, such as venture capitalists. Positioning may involve shifts in power, shifts in degrees of access, and offering a chance to choose between different lines of action (Davies and Harré 1990). This study demonstrates how distinct discourses can coexist, compete and create various versions of reality. It also shows that communication is strategic and influenced by power relations. Due to data collection limitations in Finland, the voice of Finnish participants is stronger, and there is a power imbalance in the representation, in spite of some participants being Chinese working for the Finnish side. The perceptions of the participants may be ethnocentric and their expressions can in themselves be seen as a part of power positioning.

The study offers a new contribution to the field of intercultural communication as an empirical study focused on aspects of power in intercultural communication. It takes departure in the concepts of positioning and narratives, which rarely occurs in the field of intercultural communication. The novelty and usefulness of the findings is the focus on how the aspect of power acts together with the narratives and stereotypes of China. The findings of the study suggest that partner will tend to have a motivation to adjust if there is a narrative of co-operation country being in a (growing) position of power and there is a potential of economic gain. Adjustments can be possibly derived from learning experiences in situational contexts as well as preconceptions and stereotypes about the other partner. However, the accommodation will usually last only up to a certain point. When it becomes “too much” or adjustment appears not as

important, own power and communication or working style tends to be asserted.

Regarding the limitations of this research, it is a small-scale study predominantly based on interviews. However, the interviewees' stories give insight about their momentary concerns and circumstances, revealing the every-day reality of people working in investment and co-operation facilitation from China to Finland. The views and perceptions of the Chinese regarding communication in the investment facilitation context was not the focus of this study, but would be equally interesting and important to consider in further research.

While the term 'rising China' implies a power relationship as if China, previously, has been something 'less', this study to some extent demonstrates the reversal of the traditional mindset of so-called Western colonial ideology when seeking business in China. The study also raises several questions on a wider scale. In regard to the dictum "when in Rome, do as Romans do," could China and the Chinese become the new economic superpower? Will the "local moral order" globally become more and more "Chinese" and thus require subsequent positioning from others – not only in China in the role of expatriates, but also in their home country when dealing with China?

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