

## About the Author/MIA DOUCET

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# The Role of Hierarchy in Asian Business

**T**he ground staff of an American airline was attempting to upgrade a young businessman to business class on a flight to Japan. He kept politely refusing their generous offer. They assured him there was no extra charge. He would not be inconveniencing anyone. They would be very happy if he would accept their offer. The man became quite anxious and finally explained that he could not possibly accept the upgrade offer. The reason? His boss had a seat booked in business class.

How unusual this seems against a Western backdrop, where social and business relationships have become so casual. But it's the way things are done in Asia. Respect for authority explains why bright people are not willing to voice their opinions in meetings. It is also the reason Western-style brainstorming and beef sessions do not work with people of the Pacific Rim.

## The Big Divide

Asian social hierarchy rules all interactions. Deference must be shown to those in authority. In business meetings, one does not speak until the "boss"

has spoken. One never interrupts. One does not dare to express an opposing opinion. There is a vertical divide that protects face for both "boss" and employee. People know the roles that they are expected to play. Managers want, expect and demand a show of respect from subordinates, in very specific ways. And if you manage employees with an Asian background and education, you will enjoy their full productivity only when you take into account their deeply programmed need to show respect to authority.

Calvin Wang received a Western university education in China and worked there as an electrical engineer for ten years before moving to Canada. Calvin says that, even after five years in corporate North America, he is still uncomfortable speaking up to his manager to express a different opinion. He still carries the cultural imprint of his schooling, where he was taught to show respect to anyone in authority.

As Calvin explained, "To show respect, we cannot show that we are smarter or quicker than the boss. You

always wait for him to express his opinions first. People of Asian culture are taught that it is not good to be too smart because that does not show respect to the boss. It disturbs the order, and you could be punished."

Calvin's fear of insubordination no doubt goes back to early childhood, when cultural values are transmitted through stories and school day rituals.

## Visible Signs of Status

Due to Communist influence, business in mainland China reflects the hierarchy of rank and status to a lesser extent than in Japan and South Korea. However, Chinese are very status conscious. They are impressed by degrees from Ivy League schools. They consider it important to show status through outward displays of wealth. You will experience this first hand if they invite you to dinner at a restaurant — at the cost

of a month's salary.

Name brand imported items are popular, including designer clothing and accessories. Most people may not yet have money for homes or cars, but they are often very well dressed.

(And most still do not understand why we would lower our own status by wearing jeans and cut-offs. For this reason, save the sweat suits for exercise and alone time.)

The power to get things done through one's connections is another visible sign of status. The better-connected one is, the more value one accumulates for future exchange purposes, the greater one's status and prestige.

## "Whispering Humbleness"

The show of humility as a virtue is deeply rooted in the Asian character. Humility, like face, affects all aspects of the business relationship, from the first greeting, to the business card exchange with bows and formal introductions, to how compliments are received. From childhood, they are taught to be modest. The lesson is, "No matter how great you are, you always can learn."

## More Quick Tips

- Avoid causing loss of face through any comment or compliment on youthful appearance. This applies to both men and women.
- In meetings with Asian customers, do not speak until the senior person has directed you to do so.

Appearance is deceiving. The show of humility cuts across rank and status. Even powerful, intelligent, wise people go to great lengths not to show their mental gifts. Often, the more powerful the person, the greater the show of humility.

But it would be an insult to treat the person the way he is acting. This means that you must proceed cautiously in establishing a new relationship. It will take time to determine who is the highest-ranking person. You will need to observe the subtle cues of rank and status before meeting with the players.

### **After You, Mr. Wu**

Protocol requires that Asians enter the room in order of seniority (determined by age, then rank). This applies to business meetings and after-hour social occasions, not just in the more formal context of negotiations. The practice provides important clues for you: it tells you who expects to be shown the greatest respect. This is important to know, since varying levels of politeness are required, depending on the person's rank and status.

Likewise, Asians will assume that the first person in your group or delegation to enter the room is the senior person. That is the person to whom they will show the greatest deference. And that is the person whom they expect will lead the discussion from your side.

### **Don't Be Gauche**

Rules of hierarchy extend to meeting and greeting skills, exchange of business cards, seating arrangements in boardrooms and restaurants, how meetings

are conducted, the pouring of drinks, toasting and just about anything else you can imagine.

There are enough protocol demands to baffle all but the most seasoned business traveler.

To not follow the procedures that respect the pecking order is confusing to Asians. Conversely, following established rules of etiquette will make your meetings and other business interactions go much smoothly.

### **Put Status on the Agenda**

Find out ahead of time the rank and status of everyone who will be attending the meeting. If you are not able to ascertain the pecking order in advance of the meeting, show the greatest respect to the oldest Asian in the group, since age confers rank (although it is not the sole determinant). Also, you will want to observe who enters the room first and sits down first. That is your main clue.

Show your own rank and status as well. Make sure your business card reflects your company's prestige, your education and your authority. In your conversation, position your company's size, technology and global reach.

During initial greetings, stand to the right of the person who is introducing you. (Be aware of the fact that the rank and status of the person who introduces you extends to you as well.)

Acknowledge and shake hands with the most senior person first. Do not sit down until you have been invited to do so.

And remember to never interrupt. 