Beyond Simplifications: Making Sense of Paradoxical Chinese Values in Chinese-Western Business Negotiations

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Abstract
Previous research has drawn attention to the coexistence of paradoxical Chinese values in modern China, which might influence Chinese-Western business negotiations. In this study, we empirically investigate this phenomenon from the perspective of Western business negotiators. In two interview rounds, 17 seasoned Dutch negotiators were asked about their experiences when negotiating with Chinese business partners. The results confirm the coexistence of paradoxical Chinese values in business negotiations and identify four patterns in which traditional and modern values may occur: random, contextual, transitional, and simultaneous occurrence. On the basis of our findings, we argue that there is a need for Western negotiators to develop a deeper understanding of Chinese culture and paradoxical values from the Chinese worldview of Yin and Yang.

Keywords
business negotiations, China, cross-cultural communication, cultural differences, paradoxical values, Yin and Yang

Introduction
Cultural differences affect Chinese-Western business negotiations and may present major challenges for Western negotiators (Gilsdorf, 1997; Jin et al., 2013; Strutton et al., 2013). Chinese business behavior is strongly affected by traditional values rooted in Taoism and Confucianism, which have been at the heart of Chinese culture

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for over 2,000 years (Graham & Lam, 2003). Since the beginning of Deng Xiaoping’s open-door policy in 1978, globalization and modernization have gradually led to the emergence of modern values in China (Faure & Fang, 2008; Kang, 2012). In contemporary Chinese-Western business negotiations, traditional values and post-1978 values coexist (Fang, 2005-2006).

According to Faure and Fang (2008), the coexistence of paradoxical values is an essential feature of Chinese culture, rooted in lasting cultural traditions. Paradoxical values are combinations of two values, traditional and modern, that seemingly contradict each other. This is in line with the Chinese worldview of Yin and Yang, which embraces extremes as interdependent opposites (Chen, 2002; Fang, 2005-2006, 2010, 2012; Faure & Fang, 2008; Nisbett, 2003; Peng & Nisbett, 1999). Coexisting paradoxical values may easily lead to unpredictability for outsiders.

Faure and Fang (2008) described eight pairs of paradoxical values in China. For example, in interpersonal communication, Chinese people are often inclined to save one another’s face and to protect harmony, but they may also be extremely direct. Another example is that the importance of guanxi (personal social networks based on implicit mutual obligations, reciprocity, and trust; cf. Luo et al., 2011) alternates with a growing emphasis on professionalism. Faure and Fang’s (2008) analysis, although intuitively recognizable in China, is not based on formal empirical research and does not specifically focus on the context of business negotiations.

In this article, we present a first empirical study of the coexistence of paradoxical values in Chinese-Western business negotiations. We investigated whether, and if so how, Western negotiators recognize the influence of paradoxical values when negotiating with Chinese business partners. We did so using four of the eight pairs of paradoxical Chinese values Faure and Fang (2008) distinguished: (1) guanxi versus professionalism; (2) the importance of face versus self-expression and directness; (3) respect for etiquette, age, and hierarchy versus respect for simplicity, creativity, and competence; and (4) long-term versus short-term orientation. Our research can be seen as an empirical verification of the existence of paradoxical values in the context of Chinese-Western business negotiations and as a first attempt to make sense of the way in which paradoxical values coexist. We thus tried to answer three related research questions:

**Research Question 1:** To what extent are Western negotiators aware of the coexistence of paradoxical values in Chinese-Western business negotiations?

**Research Question 2:** To what extent do Western negotiators recognize the coexistence of paradoxical values in Chinese-Western business negotiations?

**Research Question 3:** How do paradoxical values manifest themselves in Chinese-Western business negotiations?

To answer these questions, we interviewed experienced Western negotiators in two rounds. In the first round, we analyzed whether Western negotiators spontaneously mention the existence of paradoxical values. In the second round, after having been
exposed to the paradoxical Chinese values theory, Western negotiators reflected on their negotiation experiences with Chinese.

**Theoretical Framework**

**Static Versus Dynamic Perspectives on Culture**

Although academic research into cultural differences and cross-cultural communication consists of a wide gamut of orientations—including emic and etic research and static and dynamic approaches—practice-oriented contributions are dominated by research on cultural dimensions. Various researchers tried to characterize cultures by distinguishing a range of underlying cultural dimensions. Most notably, Hofstede and colleagues (Hofstede, 2001; Hofstede et al., 2010) developed six cultural dimensions reflecting basic differences in values between cultures. Similar approaches resulting in different cultural dimensions were described by Hall (1977), Trompenaars and Hampden-Turner (1993), and House et al. (2004). Because cultural dimensions focus on differences between cultures, they may be quite useful for people who are starting to learn about a new culture, but they also lead to simplification. The perspective of cultural dimensions represents an etic and static view of cultures, assuming that cultures are more or less stable and homogeneous. Cultural dimensions focus more on a general characterization of cultures than on a thorough understanding of a particular culture and underexpose the dynamics of subgroups, nuances in cultural characteristics, and developments over time. This approach leads to rather simple and straightforward descriptions of cultural influence.

Other researchers have proposed emic and dynamic views of cultures, aimed at understanding instead of characterizing cultures, and with special interest in subcultures and developments over time. Fang (2005-2006), for instance, used an ocean metaphor to describe culture:

> In a given context at a given time, we identify visible values and behaviors just like we identify visible wave patterns on the surface of the ocean. Nevertheless, the culture we see at this moment does not represent the totality and the entire life process of that culture. (p. 84)

Ding (2006) describes an in-depth analysis of the Chinese indirect negotiation style, providing insights into its backgrounds as well as making the case for its effectiveness in business negotiations.

Thinking in terms of cultural dimensions can be seen as a typically Western way of looking at cultures. Cultural dimensions represent cultural values using bipolar scales that exclude opposite values (Chen, 2002; Fang, 2010, 2012; Faure & Fang, 2008). The Western analytical view rooted in Greek logical thinking emphasizes analyzing parts, decontextualizing meaning, and emphasizing exclusive opposites (Nisbett, 2003). Fang (2005-2006) argues that the typically Western “either-or” thinking is challenged by a Chinese worldview of Yin and Yang, which favors “both-and” thinking.
and embraces paradoxes (Chen, 2002; Fang, 2003, 2005-2006; Nisbett, 2003; Peng & Nisbett, 1999).

The Chinese Worldview of Yin and Yang

From the perspective of Yin and Yang, the coexistence of opposites is not only acceptable, but it is even seen as necessary and desirable. Paradoxes are not seen as problems but as a worldview that balances competing tendencies (Chen, 2002, 2008; Li, 1998, 2012). The perspective of Yin and Yang emphasizes that “neither opposite can exist without the other” (Chen, 2002, p. 184): “We are both Yin and Yang, feminine and masculine, long-term and short-term, individualistic and collectivistic, ... depending on situations, context and time” (Fang, 2003, p. 363). Yin might be hidden when Yang is visible, and Yang might be suppressed when Yin rises to the surface. “Even though a ‘suppressed’ Yin or Yang may not be readily observable, nevertheless, it does not mean that Yin or Yang is absent or non-existent” (Fang, 2012, p. 39).

The Chinese worldview of Yin and Yang represents “unique Chinese duality thinking” (Fang, 2012, p. 26) and can be seen as dynamic, dialectical, and holistic (Chen, 2002; Fang, 2012; Li, 1998, 2012; Peng & Nisbett, 1999). It reflects a dynamic worldview in which culture in action is full of paradoxes, diversity, and change (Fang, 2012). Opposing values and behaviors may coexist, and the occurrence of one end of a cultural dimension does not preclude the occurrence of the opposite end (Fang, 2005-2006). It reflects a dialectical worldview in which Chinese people handle the coexistence of opposing values in a dialectical way, seeking a “middle way” or compromise (Fang, 2012; Peng & Nisbett, 1999). It entails an acceptance of contradiction that is stronger among the Chinese than among Westerners (Chen et al., 2011; Peng & Nisbett, 1999; Spencer-Rodgers et al., 2009). It also reflects a holistic worldview, where one side, Yin, is the female energy that embodies moon, dark, and femininity; and the other side, Yang, is the male energy that includes sun, light, and masculinity (Faure & Fang, 2008). In this holistic worldview, Yin and Yang cannot be separated as they are mutually dependent and may complement each other (Chen, 2002; Fang, 2005-2006, 2012). Holism embraces an integrative view of the world where all things in life are inseparable from their opposites, where every aspect of life is considered to be interconnected, and where opposites ultimately resolve into a larger whole (Chen, 2002).

Paradoxical Chinese Values

The paradoxical Chinese values as described by Faure and Fang (2008) involve traditional and seemingly opposite modern values. Traditional values are often linked to Confucianism, which is concerned with the achievement and maintenance of a good society through the cultivation of virtue and the use of moral principles (Smith, 1973), and modern values result from ongoing processes of globalization and modernization. The value change in China was accelerated when China opened up to foreign values and lifestyles (Fang, 2010, 2012; Faure & Fang, 2008). Developments that created value change made the already paradoxical nature of Chinese values, as grounded in
the perspective of Yin and Yang, even more paradoxical (Faure & Fang, 2008). Modern values have not replaced traditional values but appear to coexist with traditional values, especially in urban and economically developed areas.

Contemporary China is still strongly affected by long-standing traditions of Confucianism and Taoism (Faure & Fang, 2008; Graham & Lam, 2003). These traditions have laid a solid foundation for the development of Chinese culture (Kang, 2012) and have deeply affected the way in which Chinese people behave and think (Sebenius & Qian, 2008). Taoism is concerned with finding the Tao, “the Way,” a middle ground reflecting the forces of Yin and Yang (Fang, 1999). Tao manifests itself in all interdependent and inseparable parts of the same cosmic universe and reflects the unity of opposites. The coexistence of paradoxical values is rooted in this tradition of Taoism. Taoism encourages a holistic view of the negotiation process. While Western negotiators tend to focus on specific outcomes in terms of price, quality, delivery times, and so forth, Chinese negotiators tend to talk about all these issues at the same time without settling anything prematurely. Background information is desired and acquired through conversation (Graham & Lam, 2003).

The Chinese mind-set accommodates and embraces contradictions. According to Faure and Fang (2008), the ability to manage paradoxes is “the single most important cultural characteristic” of Chinese people (pp. 194, 205). In our study, we focused on four paradoxical values pairs distinguished by Faure and Fang (2008) (see Table 1).

**Business Negotiations and Culture**

In our increasingly globalized world, many researchers have focused on the influence of culture on business negotiations (see Gunia et al., 2016; Tung et al., 2008). Studies vary from literature reviews and reflection to empirical approaches such as in-depth analyses of negotiation processes, interviews with negotiators, and experimental research. A majority of the studies have taken a static perspective, focusing on a wide variety of topics. Shenkar and Ronen (1987), for instance, highlighted the importance of emotional restraint and politeness, social obligations, and the interwovenness of work and private life. Buttery and Leung (1998) discussed the role of *guanxi*, harmony, face, and hierarchy in negotiations with Chinese business partners. More recently, Ladegaard (2011) drew attention to the distinction between direct and indirect negotiation styles, linguistic accommodation (adapting speech style to sound more like your business partner’s), and small talk in business negotiations. Chan and Ng (2016) found that Chinese negotiators are more inclined to use “white lies” as a means of emotion management (to give or keep face) than to tell real lies to deceive. Aslani et al. (2016) took the distinction between dignity, face, and honor cultures as a starting point, showing that Chinese negotiators, as part of a face culture, are more competitive than Western negotiators. Sheer and Chen (2003) interviewed Chinese and Western negotiators, identifying the role of personal relationships and Chinese business practices as major cultural factors, and communication skills and style (directness) and etiquette as minor factors. They also drew attention to differences in professional culture and professionalism.
| Guanxi versus professionalism | Professionalism |
|-----------------------------|----------------|
| **Guanxi**                 | **Professionalism** |
| Guanxi signifies personal connections and relations, and guanxi is a means to receive support. A network is of great importance. Guanxi can be effectively used during negotiations since it implies trust and credibility. The focus lies on whom one knows. | Professionalism is expressed through skills, expertise, and competence of the Chinese negotiating partner. Professionalism is merely displayed through effectively used knowledge of the negotiated subject and the professional manner of acting. The focus lies on what one knows and what one is capable of doing. |

| Importance of face versus self-expression and directness | |
|-----------------------------|----------------|
| **Importance of face**     | **Self-expression and directness** |
| The public and social images of Chinese negotiating partners are expressed in an indirect communication style in which things are suggested instead of expressed in a direct manner. Social harmony is reached, and hierarchy is maintained by controlling feelings, showing humility, and avoiding conflict and competition. | Chinese negotiators give their opinion, are assertive, direct in communication, share information about themselves, display confidence, and clearly show it when they don’t agree with something. Self-expression and directness manifest themselves in the negotiation techniques of an individual Chinese negotiator. Discussion, sharing ideas, and open communication characterize the negotiations with the Chinese. |

| Respect for etiquette, age, and hierarchy versus simplicity, creativity, and competence | |
|-----------------------------|----------------|
| **Respect for etiquette, age, and hierarchy** | **Respect for simplicity, creativity, and competence** |
| Negotiations are characterized by significant differences in status among Chinese negotiators, respect for older people due to the association with wisdom, and all kinds of etiquette that are carried out in a strict and well-defined manner. | Negotiations are characterized by achieving results. This is possible through the simplicity of operations, the creativity, and the competence of Chinese negotiators. The will to succeed is noticeable, and innovation is important. |

| Long-term versus short-term orientation | |
|-----------------------------|----------------|
| **Long-term orientation** | **Short-term orientation** |
| Negotiations take time. It can take a while before one can achieve something. There is sufficient time, because negotiations are the start of the development of a valuable relationship. | Negotiations do not take a lot of time. Negotiations are influenced by recent developments. There is insufficient time, since attaining short-term results is significant. |
Zhao (2000) conducted a content analysis of Chinese textbooks on international business negotiations complemented with ethnographic interviews. He concluded that a broad range of negotiation strategies are taught to Chinese negotiators, of which the win-win strategy is particularly recommended, although this favored strategy was often not used in the specific cases analyzed. His findings can be seen as a warning against stereotypical expectations of Chinese negotiators. They know the same strategies as Western negotiators, are trained in handling counterparts’ strategies, and have learned to appreciate the win-win strategy as much as Western negotiators do. Interestingly, Zhao demonstrates how negotiation strategies fit in the broader perspective of Chinese culture and values.

Tung et al. (2008) presented a more dynamic interpretation of culture in negotiation settings, drawing attention to geographical and contextual factors and to developments over time. In an experimental study, Chuah et al. (2014) showed that behaviors of Chinese negotiators are affected by competing cultural values (harmony and face vs. the desire to win) but that the influence of these values depends on situational factors (e.g., the stage of the bargaining process). They see this finding as support for “the dynamic perspective on the nexus between culture and negotiation behavior” (p. 1210).

Methodology

We designed an exploratory qualitative study to examine Western perceptions of Chinese paradoxical values in Chinese-Western negotiations. In-depth semistructured interviews were held to gather rich and detailed insights (Fontana & Frey, 2000; Ghauri & Grønhaug, 2010) and to allow participants to express themselves in their own words (Abosag & Lee, 2013).

We interviewed the participants in two rounds. In the first round, we asked participants about their negotiation experiences without any reference to the paradoxical values framework. The main objective of the first interview was to find out whether Western negotiators spontaneously mention experiences with paradoxical Chinese values (Research Question 1). After the first interview, participants were given a summary of the four paradoxical values (see Table 1) and asked to study it as a preparation for the second interview. The main objectives of the second interview were to find out whether Western negotiators recognize the coexistence of paradoxical values (Research Question 2) and to explore the ways in which such paradoxical values manifest themselves in Chinese-Western business negotiations (Research Question 3).

Participants

A total of 17 Dutch negotiators (five sellers, seven buyers, and five sellers-buyers), all of whom worked and lived in China, were interviewed. The negotiators had positions such as sales director, buying director, business owner, and sales manager. Contacts with negotiators were made through the first author’s professional and personal network, and the sample was completed using a snowball approach. An important criterion for selecting participants was their experience in negotiating with Chinese. The
participants had an average experience of 8 years (range: 0.5-15 years). Another important criterion was their familiarity with Chinese culture. Ten respondents worked and lived in Shanghai, six respondents worked and lived in Beijing, and one negotiator had worked and lived in Shanghai and still visited China for business negotiations on a regular basis. We considered these seasoned negotiators to be experts in their field. The participants represented 17 companies in various industries (trade, technical, information technology, automotive, consultancy, fashion, and food). Approximately half of the participants had an undergraduate degree, and the other half had a graduate degree (e.g., business, engineering, fashion, or economics). All but one of the participants were male. Their age ranged from 28 to 57 years (mean = 41 years).

**Interview Guides**

The questions in the first round of interviews focused on the following themes: participants’ experiences with negotiation processes, their view toward negotiating with Chinese business partners, behaviors of Chinese negotiators, the changes over time, and the extent to which Chinese culture affects the process and outcomes of negotiations.

The questions in the second round of interviews focused on the four paradoxical Chinese values (see Table 1). Participants were asked about their experiences regarding these paradoxical values and were encouraged to provide examples from negotiations in the past. Each paradox was explored separately. The order of the exploration of the paradoxical values pairs depended on the participants’ preferences. The exploration of each pair started by asking the participants to what extent they recognized both values in negotiations processes.

**Procedure**

All interviews lasted between 45 and 90 minutes. The interviews were held face-to-face in Dutch, since all respondents and the interviewer were Dutch. Participants were guaranteed that they would remain anonymous. The interviews were audio recorded and transcribed. Interview fragments used in this article were translated into English by the authors.

**Data Analysis**

We used the principles of grounded theory, which allow themes, patterns, and concepts to emerge (Glaser & Strauss, 1967) and are particularly appropriate for the early stages of indigenous research (Li, 2012). Our analysis focused on Western negotiators’ perceptions of Chinese negotiators’ behaviors. In the first interview, we identified to what extent and how the participants spontaneously mentioned one or more of the four pairs of paradoxical values; in the second interview, we analyzed to what extent and how they recognized the paradoxical values. Furthermore, the interviews were analyzed to explore how participants made sense of the coexistence of the paradoxical values. The
identified themes and categories were compared with one another across all interviews for similarities and differences (see Glaser, 1978). An iterative process followed with a constant comparative method to organize the data. This iteration was done to the point where themes and categories stabilized and new fragments merely reinforced the previous ones (Glaser & Strauss, 1967).

### Results

**Spontaneously Mentioned Paradoxical Values**

In the first round of interviews, the participants shared more than 100 negotiation experiences. They mostly described their experiences on the basis of one value, either traditional or modern. For instance, they shared that it is crucial to build trust, that official negotiations almost always take place in a restaurant setting, that confrontations are avoided, that getting a good price is extremely important, and that it is sometimes possible to get the seemingly impossible done at a moment’s notice.

The main objective of the first interviews was to find out whether the Western negotiators would mention the four paradoxical value pairs spontaneously. Seven participants (41%) shared in total nine negotiation experiences that appeared to be related to one of the paradoxical values included in the research. The results provided some confirmation of the coexistence of paradoxical values, but the awareness of such instances appeared to be rather limited.

**Recognition of Paradoxical Values Combinations**

After being exposed to descriptions of the four paradoxical values, participants appeared to notice considerably more experiences with paradoxical values in their business negotiations. Table 2 gives an overview of the participants’ reported experience with the paradoxical values combinations. All but one of the participants had experience with at least one instance of paradoxical values. On average, in 72% of the experiences mentioned, participants could recall an example of the phenomenon. This

| Type of paradoxical values combination                                                                 | Frequency | Percentage |
|------------------------------------------------------------------------------------------------------|-----------|------------|
| Guanxi versus professionalism                                                                         | 12        | 71         |
| Importance of face versus self-expression and directness                                               | 11        | 65         |
| Respect for etiquette, age, and hierarchy versus respect for simplicity, creativity, and competence   | 12        | 71         |
| Long-term versus short-term orientation                                                               | 14        | 82         |
| **Total**                                                                                             | **49**    | **72**     |

Note. Percentage is the frequency divided by the number of participants ($N = 17$). In the **Total** row, the percentage is the frequency divided by the number of participant-type combinations ($N = 68$).
confirms the relevance of the paradoxical values framework in the context of Chinese-Western business negotiations. There were no obvious differences in recognition rates among the four paradoxical values pairs.

Exploring the Patterns of Occurrence of Paradoxical Values

On the basis of the participants’ narratives about paradoxical values, we explored whether there are patterns of occurrence of traditional and modern values. Our process of interpreting, comparing, and discussing narratives eventually led to the distinction of four patterns of occurrence of paradoxical values: random, contextual, transitional, and simultaneous occurrence. Table 3 gives an overview of the patterns of occurrence per participant. The four patterns of occurrence were found for all paradoxical values, and most participants identified more than one type.

Random Occurrence of Paradoxical Values. Random occurrence means that the negotiators acknowledged that they had been confronted with paradoxical values in negotiation processes but were not aware of any factors that may have influenced why one value emerged in one particular negotiation and the opposite value in another. This
pattern of occurrence therefore does not offer any predictive value to Western negotiators; it merely serves as a reminder that things may not always be as expected beforehand. We found nine instances of random occurrence in our data.

The following situations identified by one of the participants in different negotiations illustrate the random occurrence of paradoxical values. This example involves the importance of face versus self-expression and directness. A first situation was described as follows:

They don’t use the word no. That is too direct. . . . It is often the case that the most feasible result is that we are going to talk about it next week. At that moment no decision needs to be made. They don’t make decisions by themselves. Even if they have a high-level job, they still want to know if their decision is supported by the people who work under them. . . . Some time ago, I put someone under too much pressure. . . . I noticed that it is difficult to make a new appointment. They don’t respond to e-mails anymore and phone calls are not answered.

A second situation was described in an entirely different way:

Another company we do business with is very rude and direct. As if they are not Chinese. . . . They just don’t pay. It involves a large amount of money, so everyone is really nervous. . . . They have relationships at a very high level with the government. They take advantage of this. Their network is apparently so strong that they believe they can afford to act like this. . . . These people are the exception to the rule, I think.

In this example, the participant noticed the differences between the two negotiation settings but could not make sense of them other than his conviction that the first situation was the rule and the second the exception.

**Contextual Occurrence of Paradoxical Values.** Contextual occurrence means that participants were aware of characteristics of negotiators, companies, or negotiation types that affected whether traditional or modern values would surface. We found 13 instances of contextual occurrence in our data. Table 4 summarizes the negotiator, the company, and the negotiation characteristics that, according to the participants, played a role. Many of the characteristics mentioned involved the personal and professional background of the negotiators involved. Generally speaking, younger negotiators and negotiators with international experience might be more inclined to show modern values in their behaviors. Within traditional and state-owned companies, negotiators with lower positions in the hierarchy might be more influenced by modern values than those in higher positions. Within private companies, the business owner and external advisors might be more modern in their values than regular employees. Company characteristics mentioned were largely predictable: Private companies, Western-owned companies, and companies in the most developed and urban parts of China were believed to be most affected by modern values. One participant argued that small or medium-sized companies may be more modern than multinationals. Another participant noticed that in complex negotiations traditional values are more prominent
than in relatively simple negotiations. Of course, it should be stressed that these observations reflect the sensemaking of participants; to confirm the actual influence of these characteristics, more (quantitative) research would be necessary.

The following two quotes illustrate the way in which participants made sense of the contextual occurrence of paradoxical values. With regard to *guanxi* versus professionalism, one of the participants noticed a difference between higher and lower management levels:

I especially see professionalism at a lower management level. Those people at least do something. I have not experienced this at the higher management levels. There it is much less important because *guanxi* is more prominent there. It feels like a government official is talking to you. You hardly discuss any business with them. In terms of behavior I see that they are looking to build relationships.

With regard to the importance of face versus self-expression and directness, another participant mentioned that regular employees are more reluctant in their behaviors than the company owner or external parties involved:

The employees of a company don’t share any ideas. Either the ideas are from (mostly external) specialists and consultants. . . . Or the ideas come directly from the big boss, who immediately throws the big ideas on the table. This, however, is more of a brainstorm session. Such ideas are often not very realistic.

Contextual occurrence has some predictive value for negotiators. However, it remains important to use these factors with caution. First, they are heuristics rather than algorithms: There will always be exceptions to the rules. Second, when more than one characteristic applies to one particular negotiation, the outcome of their combination is still unpredictable. And third, in these contexts, it is also imaginable that transitional or simultaneous occurrence (see below) of values will play a role.

**Table 4.** Contextual Factors Affecting the Prevalence of Traditional or Modern Values.

| Traditional values                              | Modern values                                 |
|------------------------------------------------|-----------------------------------------------|
| Type of negotiator Hierarchical higher position | Hierarchical lower position                   |
| Type of negotiator Nonbusiness owner            | Business owner                                |
| Type of negotiator Internal job position        | External job position                         |
| Type of negotiator No international work/study  | International work/study                      |
| experience                                      | experience                                    |
| Type of negotiator Senior employees             | Junior employees                              |
| Type of company State-owned company             | Privately owned company                        |
| Type of company Multinationals                  | Small or medium-sized companies               |
| Type of company Chinese-owned company           | Western-owned company                          |
| Type of company Located in northern, western,   | Located in eastern, southern, and urban China |
| and nonurban China                              |                                              |
| Type of negotiations Complex negotiations       | Simple negotiations                           |
Transitional Occurrence of Paradoxical Values. Transitional occurrence means that the prevalence of traditional or modern values depends on specific activities in the negotiation. Various participants noticed that the dominant value expressed by the Chinese negotiators changed during the negotiation process, after the transition from one negotiation activity to another. We found nine instances of transitional occurrence in our data.

The following quote illustrates transitional occurrence regarding the importance of face versus self-expression and directness:

> When you are in very important negotiations with high stakes, Chinese occasionally respond in extreme ways. They throw with papers, walk away angrily, or slam the doors. That only occurs when there is already a deep relationship. They absolutely don’t behave like this in the first two, three to four months. Then it is all still very courteous. In the beginning everyone is still very much focused on creating a beautiful image. . . . After that, you start with the real negotiations.

Another participant described transitional occurrence regarding long-term versus short-term orientation:

> The Chinese have plenty of time but are also impatient. They initiate beautiful long-term plans, . . . about how many products they buy or sell. They intend to build a long-term relationship. That is also sincere. They also do this to ensure that you get confidence in the future. Once you have laid the foundation, they are often very impatient. Then everything needs to be done very quickly. Because the government, the boss or politics require this. It does not matter. . . . All of a sudden they want everything to go very fast.

The transitions cannot be attributed to general negotiation stages, such as Ghauri and Fang’s (2001) distinction between prenegotiation, formal negotiation, and postnegotiation. Instead, more specific activities within these phases affect the dominance of traditional or modern values. In the prenegotiation stage, socializing and personal introduction connect to the traditional Chinese values, whereas modern values are more geared to the preliminary introduction by phone or email and the structuring of the negotiations. In the formal negotiation stage, traditional Chinese values dominate the actual decision-making process, but the provision of factual information such as requirements of product specifications fits in better with modern values. In the postnegotiation phase, signing ceremonies and dinners reflect the traditional Chinese values, whereas the implementation and execution of agreements usually indicate a prevalence of modern values.

Simultaneous Occurrence of Paradoxical Values. Simultaneous occurrence involves the highest level of complexity, as it reflects the Chinese way of embracing opposites by simultaneously applying them to situations. We speak of simultaneous occurrence when traditional and modern values exist at the same time in the same negotiation process with the same Chinese negotiator(s). Both values are treated as strongly connected, interdependent, and complementary. We found 18 instances of simultaneous occurrence in our data.
For instance, regarding guanxi versus professionalism, a participant observed a delicate balance between the two in negotiations:

I think the deal is often already secured before you start negotiating. We now just won a bid. I think we already knew this before it started. . . . Since people were already connected to each other. . . . We did it [the negotiation] all very professionally. You need professionalism to not get disqualified, but the relationships, your network to influence those four out of seven Chinese negotiators has proven to be the most effective.

Regarding respect for etiquette, age, and hierarchy versus respect for simplicity, creativity, and competence, a participant described dynamics within the negotiation process that encompassed both types of values:

The big boss only opens the meeting when he is facing someone of equal status. Otherwise, the second boss or the person below will open the meeting. Then everyone may report. Sometimes at that moment the big boss falls asleep or walks away. Everybody else continues to talk. After everyone has reported, the second big boss gives a final report to the big boss. Then the big boss takes over. By definition at the end of the meeting the big boss is handing out compliments to some people and harsh criticism to others.

**Discussion**

**Main Findings**

To explore the role of paradoxical values in Chinese-Western business negotiations, we interviewed a selection of 17 seasoned Dutch negotiators about their experiences. In the first interview round, we investigated whether they had noticed the coexistence of such paradoxical values themselves. There were only few of such experiences. In the second interview round, after participants had been exposed to the framework of paradoxical values, we explored whether they recognized them in their practice of negotiating with Chinese. This appears to be the case: Not only were most participants able to remember several instances in which the paradoxical values came to light, but several of them also showed enthusiasm about the framework, which helped them make sense of their earlier experiences in negotiations.

On the basis of the detailed descriptions they provided of the way the paradoxical values emerged during negotiation processes, we developed a categorization of four patterns of occurrence of paradoxical values, which may help to make more sense of this phenomenon in practice. In the case of random occurrence, participants did not see any system behind the prevalence of traditional or modern values. In the case of contextual occurrence, various characteristics of negotiators, companies behind them, or negotiation type were mentioned that could have a more or less predictable influence on the prevalence of traditional or modern values. In the case of transitional occurrence, specific activities in the negotiation process could affect the dominance of traditional or modern values. And in the case of simultaneous occurrence, it was important to have an open eye for the synthesis, complementariness, and interdependence of traditional and
modern values in negotiation contexts. More than the other three patterns, simultaneous occurrence reflects the Chinese perspective of Yin and Yang and the underlying influence of Taoism and Confucianism, and calls for a deeper understanding of the Chinese way of thinking among Western negotiators.

Theoretical Implications

The results of our study confirm the relevance of the paradoxical values framework in the context of Chinese-Western business negotiations. The framework, developed and described by Faure and Fang (2008), was built on experience and informal observation rather than on formal research and was not specifically geared to the context of business negotiations. In our study, we found empirical support for the notion of paradoxical values in a Chinese-Western business negotiation context. The framework not only appears to be applicable to business negotiations, but it also appears to provide seasoned Western negotiators with relevant and novel insights.

Furthermore, our study can be seen as a first attempt to make sense of the way in which paradoxical values manifest themselves in China. Our distinction of random, contextual, transitional, and simultaneous occurrence of traditional and modern values shows that it is possible to make sense of this type of dynamic processes in cross-cultural and intercultural research. Random occurrence serves as a warning to negotiators that the cultural values they encounter might be different than expected. Contextual and transitional occurrence bring some predictability to the arena. Simultaneous occurrence calls for a thorough understanding of the Chinese culture.

More in general, our study shows that a dynamic perspective on culture, with more attention to nuances, differences, and developments, is an important addition to the more static approaches of cultural dimensions developed and advocated by Hall (1977), Hofstede and colleagues (Hofstede, 2001; Hofstede et al., 2010), House et al. (2004), and Trompenaars and Hampden-Turner (1993). Throughout the years, there has been much criticism of these approaches (Baskerville, 2003; Eringa et al., 2015; Williamson, 2002), for being too generic and ignoring developments over time. Our research illustrates how traditional and modern values interact in a specific time frame in a specific culture. Our findings show that the process of replacing old values with new ones is not straightforward but a complex of cultural dynamics that can take many shapes.

Practical Implications

Several practical implications may be drawn from our findings. First, in the context of Chinese-Western business negotiations, it appears to be useful to consider the possibility of paradoxical values throughout the process. Our study shows that in today’s China seemingly opposing traditional and modern values underpin the behaviors of Chinese negotiators. As such, our findings warn against blindly following straightforward insights based on cultural dimensions. Second, our findings draw attention to the necessity of gaining a deeper understanding of the Chinese culture. Knowing about
Yin and Yang, and its roots in Taoism and Confucianism, seems to be essential for understanding the way in which Chinese make sense of paradoxical values. More specifically, our distinction of four patterns of occurrence of paradoxical values helps Western business negotiators make sense of the complex and seemingly unpredictable cultural contexts they have to deal with. Two of the patterns of occurrence offer them some degree of guidance (contextual and transitional occurrence). Simultaneous occurrence underlines the necessity of thoroughly studying Chinese culture and getting familiar with perspectives that replace the traditional Western “either-or” thinking with “both-and” thinking.

**Limitations and Future Research Directions**

It is important to keep in mind that our research has several limitations. First, because we aimed at extensively exploring how Western negotiators perceive the coexistence of paradoxical values, we could only use four of the eight paradoxical values distinguished by Faure and Fang (2008). Our findings, with similar results for each of the four pairs, however, suggest that the specific paradoxical values at hand may be less important than the underlying mechanism of dealing with traditional and modern values. Considering our consistent findings, we would expect that other pairs of paradoxical values will lead to similar results. Future research could verify whether this is actually the case.

Second, it should be stressed that this was a qualitative study with a relatively small group of participants. Even though the results appear to be quite clear, generalizability may be challenged. A quantitative follow-up, investigating the validity of the framework of paradoxical values and the four patterns of occurrence could further corroborate our findings. Such follow-up research may be done not only in the context of business negotiations but also in other contexts. Our sample of participants was also too small for a systematic exploration of the influence of participants’ background characteristics. Quantitative research might focus on differences between, for instance, sellers and buyers, or between moderately experienced and very experienced Chinese-Western negotiators.

Third, our participants had two specific characteristics: They were outsiders to the Chinese culture, and they were Dutch. It is important to keep in mind that the study takes an outsider’s perspective on the paradoxical values. Follow-up research exploring Chinese perspectives on the framework of paradoxical values and the four patterns of occurrence would be a very interesting next step. In such research, it would be possible to explore the cultural and historical backgrounds of the phenomenon more in-depth. It is hard to estimate whether the limitation that our participants only consisted of Dutch negotiators had important effects on our findings. On the one hand, one could argue that the culture under investigation was the Chinese culture; on the other hand, it is imaginable that the participants had perspectives that were partly based on their own specific cultural background. Follow-up research with negotiators with other Western cultural backgrounds would therefore be interesting.
Conclusion

On the basis of the perceptions and experiences of seasoned Dutch negotiators regarding the occurrence of paradoxical values in Chinese-Western business negotiations, we conclude that the framework of paradoxical values in the Chinese culture offers a relevant perspective on cross-cultural and intercultural business negotiations. The framework does not involve explicit knowledge negotiators already have but appears to offer useful insights to make sense of past and future business negotiations. As such, it is a way of incorporating a more dynamic and more nuanced view of the Chinese culture, compared with the insights existing cultural dimensions have to offer. Awareness and understanding of the existence of paradoxical values in Chinese culture seem to be essential for business negotiators. Our distinction of four patterns of occurrence of paradoxical values (random, contextual, transitional, and simultaneous occurrence) can be seen as a first step toward an understanding of how Chinese business negotiators handle such paradoxical values.

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