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## Hong Kong

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This month, we are reviewing Hong Kong, renowned for its glittering skyline and magnificent natural harbour. Situated on China's south coast, it is surrounded by the Pearl River Delta and South China Sea.

Hong Kong is one of the two Special Administrative Regions (SAR) of China (the other being Macau). Before the transfer of sovereignty to China in 1997, Hong Kong had been a British colony for nearly 150 years. During the 1950s to 1990s, the city-state developed rapidly, becoming the first of the "Four Asian Tigers" through the development of a strong manufacturing base and later a financial sector.

While there is a strong western influence in business here, the Chinese concept of Guanxi (relationships) is vital. It may be a city of 7 million people but Hong Kong is made up of many small communities and a personal network can open many doors professionally.

Other core Chinese values include saving face, approaching problems delicately and avoiding shame (Mianzi); reserved emotions and behaviour; family stability and material success; recognising status; giving favours and building mutual obligation.

The ancient Chinese astrology of fengshui also plays a significant role in Hong Kong's business life and must be respected. It is wise to include a fengshui consultation when preparing for celebrations, opening an office, signing a contract, or similar events.

Hong Kong people have a preference for face-to-face when doing business, particularly when discussing new ideas. People expect almost immediate responses to e-mails, and meetings are often rushed.

Most of Hong Kong's companies tend to be hierarchical, and people expect to work within clearly established lines of authority. While decision making can be a consensus-oriented group process as is usually the case in mainland China, there are also many western-style entrepreneurs in Hong Kong who act as the sole decision makers within their companies. In any case, it is important for the decision maker to consider the group interests and consult with others.

The Hong Kong Chinese are more likely to take risks than their mainland siblings are, but they also need to become comfortable with them first. While the implementation of agreements might be fast, negotiations can be slow and protracted, with extensive attention paid to small details.

Businesspeople in Hong Kong usually speak in quiet, gentle tones. Conversations may occasionally include extended periods of silence. Loud and boisterous behaviour is perceived as a lack of self-control. Because the concept of 'saving face' is so important, communication is generally very indirect. When responding to a direct question, Hong Kong Chinese may answer 'yes' only to signal that they heard what you said, not that they agree with it. Open disagreement should be avoided and any kind of direct confrontation is discouraged.

Chinese names are traditionally given in the order of family name, first name, where the latter may consist of two names, the generational name and the given name. These two are usually hyphenated but may be spoken and written as one. Many people use assumed western first names, in which case they give theirs in the order of first name followed by family name.

Like their mainland neighbours, the Hong Kong Chinese are status-conscious. If a person has a title or doctorate degree, use it to address that person, for example, 'Doctor Ng' or 'Director Chan.' Otherwise, use Mr/Ms plus the family name. Introduce and greet older people first. Before calling Hong Kong Chinese by their first name, wait until they offer it. Greetings are accompanied by slight bows and/or handshakes, which are light and may last as long as ten seconds. Cards for business meetings are a must – just remember to hand them to the recipient with both hands.

Business meals and entertainment, in particular banquets and other evening events, are important as they help advance the vital process of building strong relationships. Refusing to participate in these activities is a signal that you are not seriously interested in doing business with your counterparts.

The Hong Kong Chinese value punctuality in most social settings. It is best to be right on time for dinners and banquets, and to arrive at parties within 10 to 15 minutes of the agreed time. Gift giving is common in social and business settings in Hong Kong. If you received one, it is best to reciprocate with an item of similar value that is typical of your home country.