

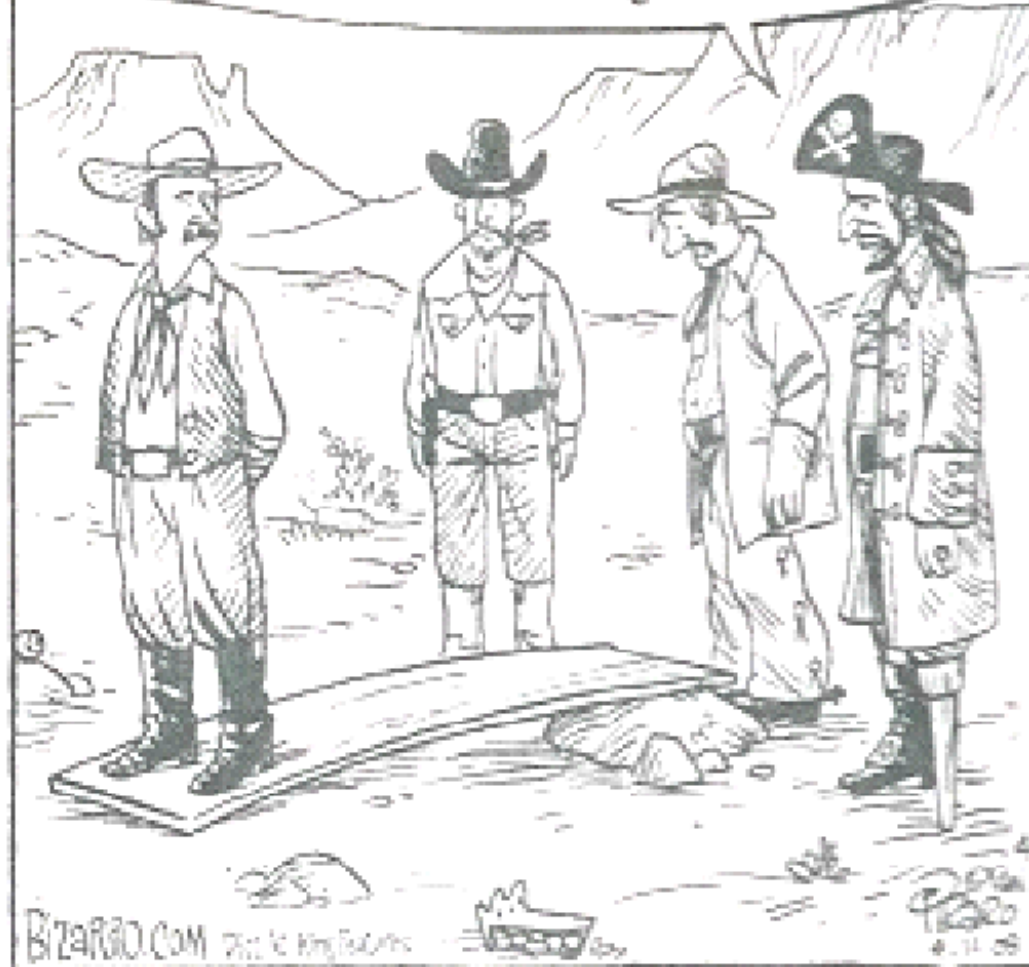
Cross-Cultural Business

Chapter Preview

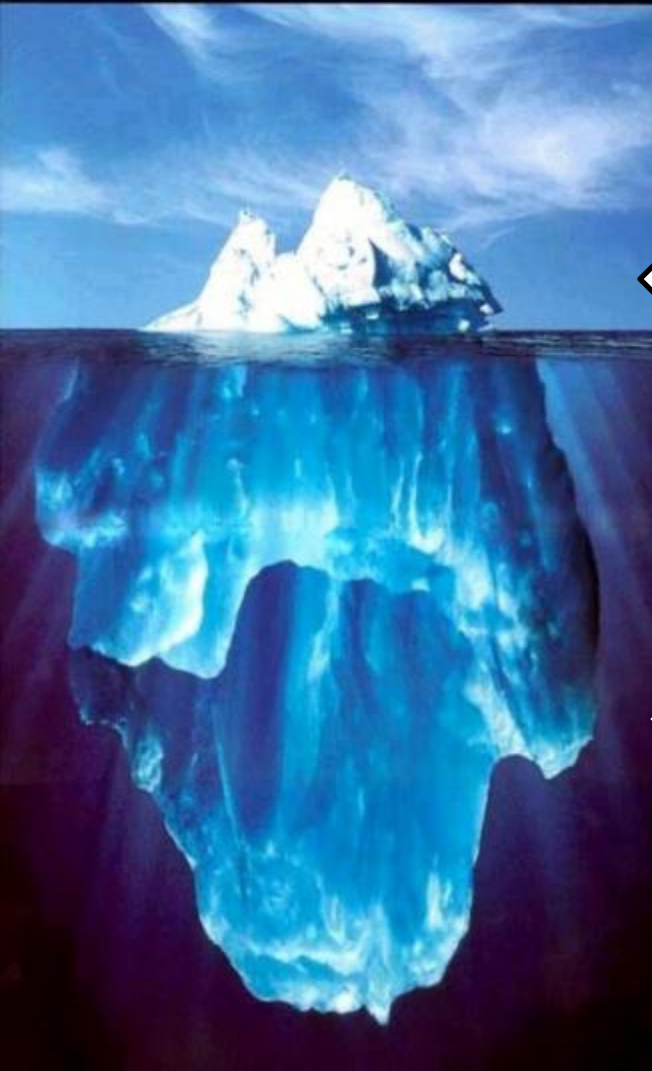
- **Describe culture and the significance of nations and subcultures**
- **Identify the components of culture and their impact on international business**
- **Describe cultural change and the relation between companies and culture**
- **Explain how the physical environment and technology affect culture**
- **Describe two frameworks for classifying cultures**

BIZARRO

I don't get it. We did this at my old job all the time and it worked really well.



What is culture?



Clothing style, Language,
Protocol and Traditions:

Easy to see,
easy to adapt

Values, Attitudes,
Assumptions:

Hard to see
May not even know they exist
May not recognize the need to change

May never adapt

What is Culture?

Set of values, beliefs, rules, and institutions held by a specific group of people

Ethnocentricity

Belief that one's own ethnic group or culture is superior to that of others



Cultural literacy

Detailed knowledge of a culture that enables a person to function effectively within it



Culture Matters: Creating a Global Mind-set

**Cultural
Adaptability**

**Bridging
the Gap**

**Building
Global Mentality**

**Flexibility
Is Key**


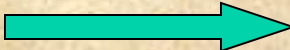
REMEMBER!

There is no “average” national culture (be careful with prejudice and stereotypes!)

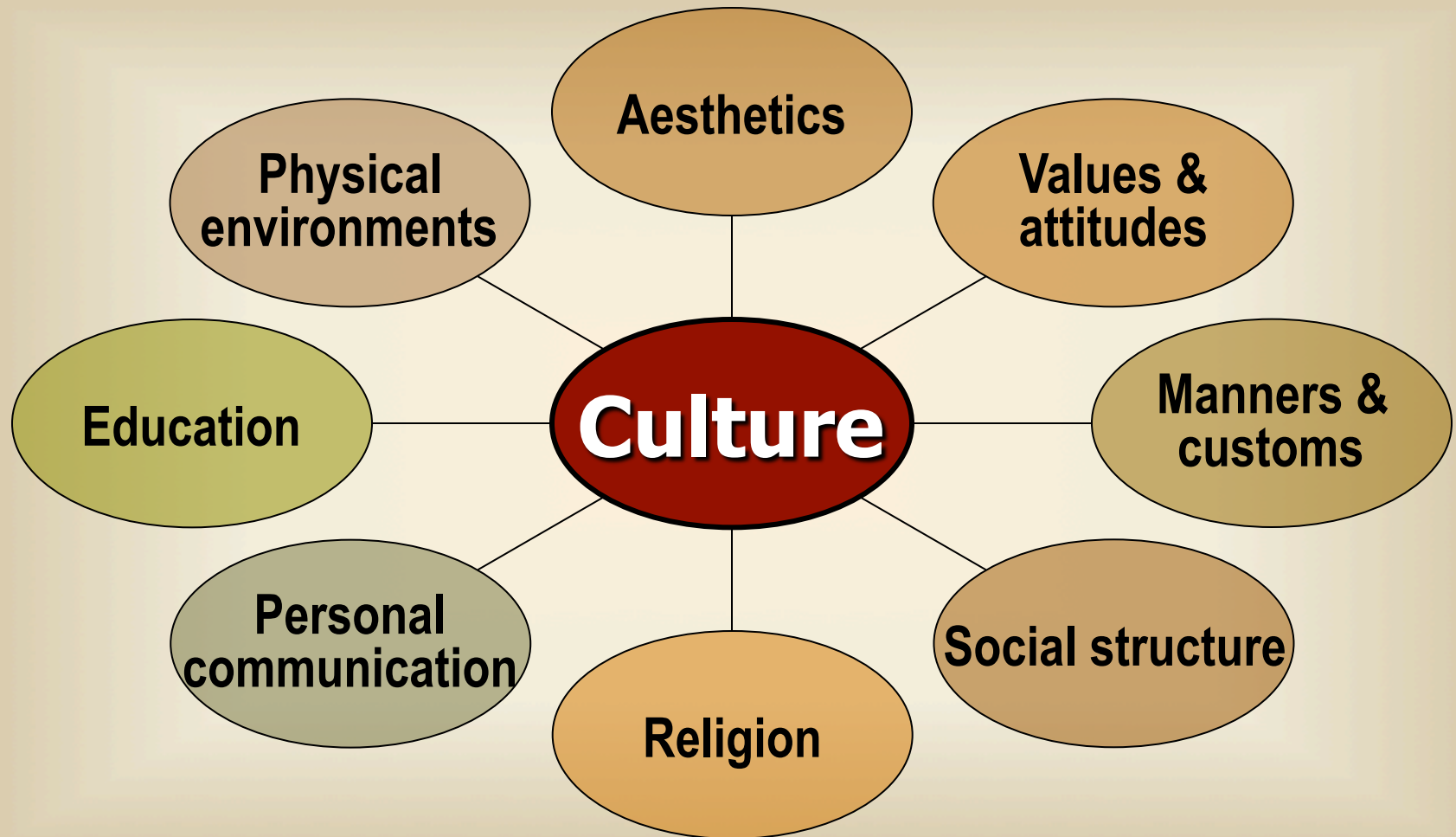
Nationality is a poor predictor of individual values

- Age
- Education
- Socioeconomic status
- Occupation
- Religion
- Gender
- Race
- Urban vs. Rural

**Nevertheless, there seem to be
“common” traits**

•Garden  Bouquets  Flowers

Components of Culture



Aesthetics



Music
Painting



Dance



Drama

Architecture



Values and Attitudes

Values

The ideas, beliefs, and customs to which people are emotionally attached

- Freedom
- Responsibility
- Honesty

Attitudes

Positive or negative evaluations, feelings, and tendencies people hold toward objects or concepts

- Time
- Work
- Cultural change

Manners and Customs

Manners

Appropriate behavior, speech, and dressing in general

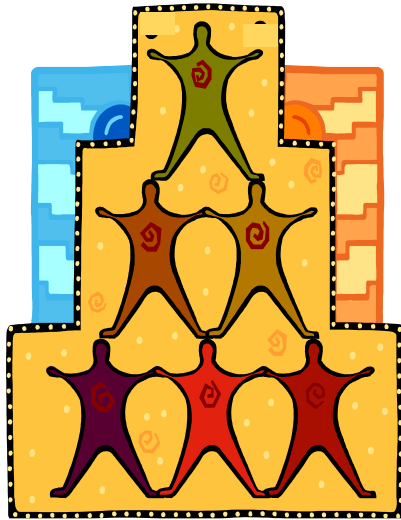


Customs

Traditional ways or behavior in specific circumstances



Social Structure



Social structure

Culture's groups, institutions, social positions,
and resource distribution

Family Gender

Social stratification

Process of ranking people into social layers

Social mobility

Ease of moving up or down a culture's
"social ladder"

World Religions

Christianity

Islam

Hinduism

Buddhism

Confucianism

Judaism

Shinto



Personal Communication

- Every culture has a communication system to express thoughts, feelings, knowledge and information through speech, writing and actions.
- Understanding these systems provides insight into why people think and behave in a certain way.
- Spoken and written language: Linguistically different segments are often culturally distinct. Be careful with language blunders. Lingua francas are useful but not enough.
- Body language: unspoken cues including gestures, facial expressions, physical greetings, eye contact, etc.
- Proximity is part of the body language: standing too close might be seen as an aggressive or trusty behavior.

Language Blunders

- Japanese knife manufacturer labeled its exports to the United States with “Caution: Blade extremely sharp! Keep out of children.”
- English sign in a Moscow hotel read, “You are welcome to visit the cemetery where famous Russians are buried daily, except Thursday.”
- Sign for non-Japanese-speaking guests in a Tokyo hotel read, “You are respectfully requested to take advantage of the chambermaids.”
- Sign in English at Copenhagen ticket office read, “We take your bags and send them in all directions.”
- Braniff Airlines’ English-language slogan “Fly in Leather” was translated into “Fly Naked” in Spanish.
- Entrepreneur in Miami printing T-shirts for the visit of the Pope “I saw the Potato” (la Papa)

Mixed Signals

"Okay"



"It's a secret"



"Crazy"



"Vulgar gesture"

"Very nosey"

"Very clever"

Education

Cultures pass on traditions, customs, and values through schooling, parenting, group memberships, etc.

Education level

Well-educated attract high-paying jobs, while poorly educated attract low-paying manufacturing jobs

Brain drain

Departure of highly educated people from one profession, geographic region, or nation to another

Problem of Illiteracy

TABLE 2.1 Illiteracy Rates of Selected Countries

Country	Adult Illiteracy Rate (Percentage of People Age 15 and Up)
Burkina Faso	76
Niger	71
Pakistan	50
Morocco	48
Nigeria	31
Egypt	29
Cambodia	26
Saudi Arabia	17
Peru	12
Brazil	11
Zimbabwe	10
Jordan	9
Mexico	8
Philippines	7
Colombia	7
Portugal	6



Physical and Material Culture

These influence a culture's development and pace of change

Topography

Physical features characterizing the surface of a geographic region

Climate

Weather conditions of a geographic region

They both affect how people behave, lifestyles, clothing and work habits. Production must be adjusted to these features

Kluckhohn-Strodtbeck Framework

1. Relation to nature

4. Material or spiritual

2. Time orientation

5. Responsibility to others

3. Trust and control

6. View of personal space

Hofstede Framework

**Power
distance**

**Individualism
vs Collectivism**

**Masculinity
Vs Femininity**

**Uncertainty
Avoidance**

**Pragmatic vs
Normative**

**Indulgence vs
Restraint**

Individualism/Collectivism

(professor Taras)

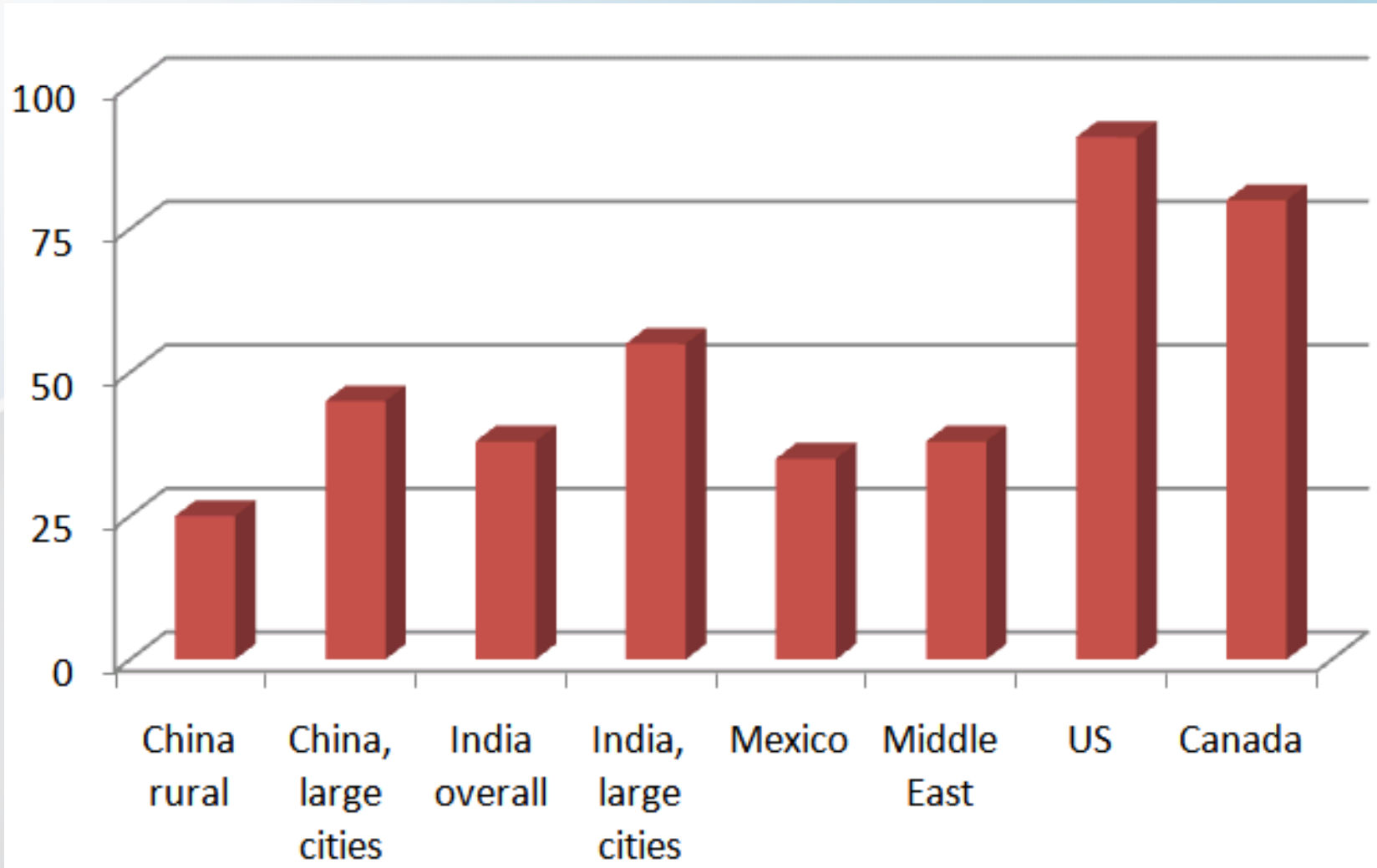
Individualism

- My own interest above all
- Task is more important
- Neighbors, classmates, coworkers are just people I know

Collectivism

- Interest of my relatives, “guanxi/blut” important
- Relationship is more important
- Expect to help (receive help from) distant relatives and friends

Which countries are more individualistic?



Lesson?

When working with Americans :

- Expect them to be focused on the task and not on emotions: work first, family/friends second (may even seem heartless and rude)
- Not completing task due to family-related reasons may not impress them
- Won't understand favors to relatives/friends (nepotism/corruption!)
- Don't be afraid to show your individuality; when you talk too much about your family, you may seem too weak to make your own decisions, and not tough enough for business
- Don't be surprised when they leave you (your company) for a better opportunity

When working with Asians and Latin Americans:

- Always ask them about their family/friends, their health, progress in school, at work, prepare little gifts for their family members
- Expect them to prefer to work with people they trust (relatives, close ones)
- Invite them to your home, introduce them to your family
- Leaving a company may be perceived as betrayal

Status Attribution

(professor Taras)

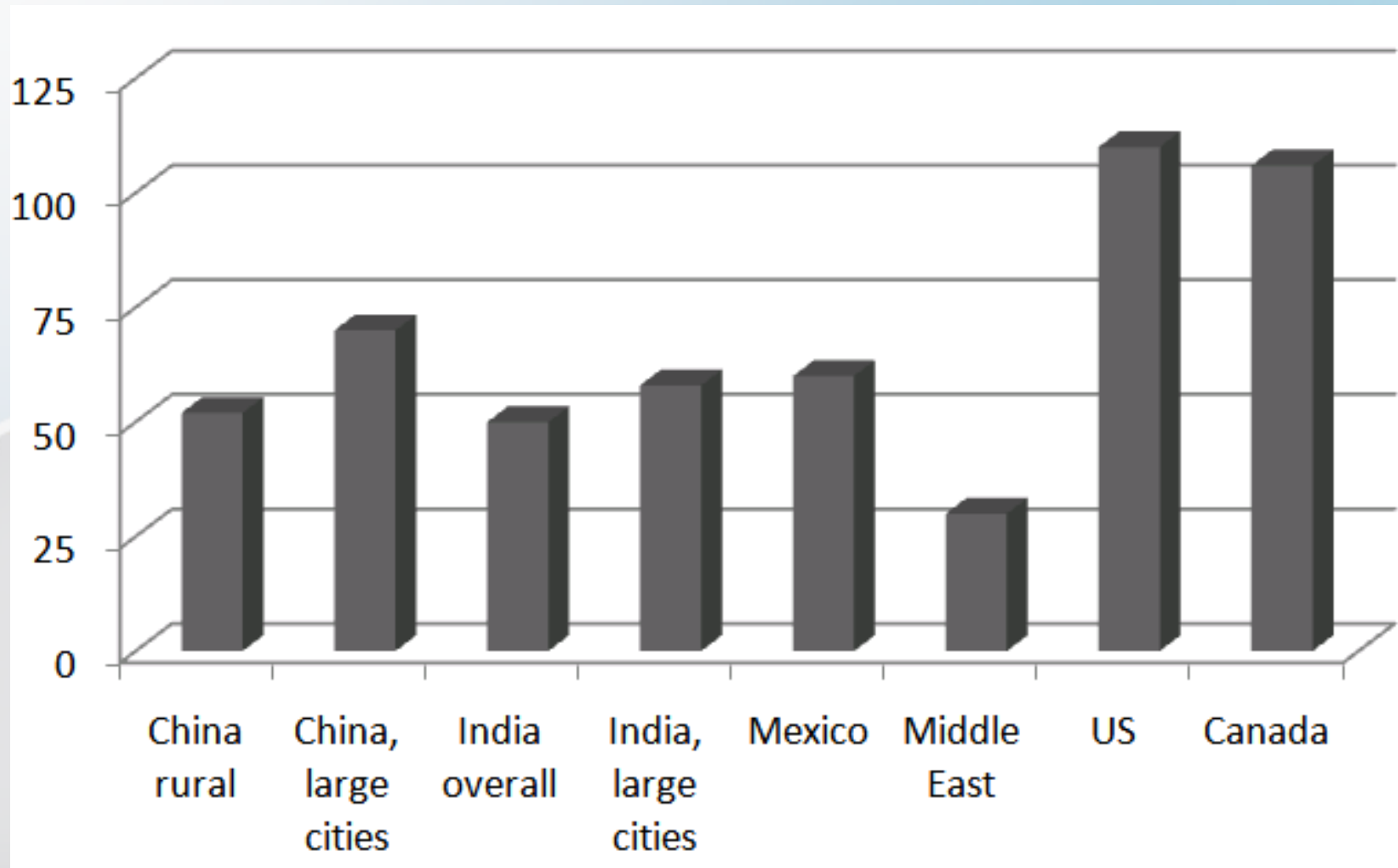
By Personal Achievement

- Origin (family) marginally important
- Children often different from parents
- People with higher IQ (more measurable knowledge) know better

By Roots/Connections

- Origin (family) very important
- Parents' achievement good predictor of future success
- Older people (men, oldest son, royalty) know better

In which countries is origin more important than merit?



High scores indicate status attribution by achievement, low – by origin.

Lesson:

When working with Americans:

- Don't expect special treatment just because you are older, come from a great family, or have great achievements outside your current job
- If you are older and they are younger they may seem disrespectful of you, failing to see your wisdom, thinking too much of themselves

When working with Middle Easterners / Asian:

- Ask them about their family history; their hobbies and achievements outside work
- If they are older, show your respect
- If they are younger, encourage them to speak up

Universalism/Particularism

(professor Taras)

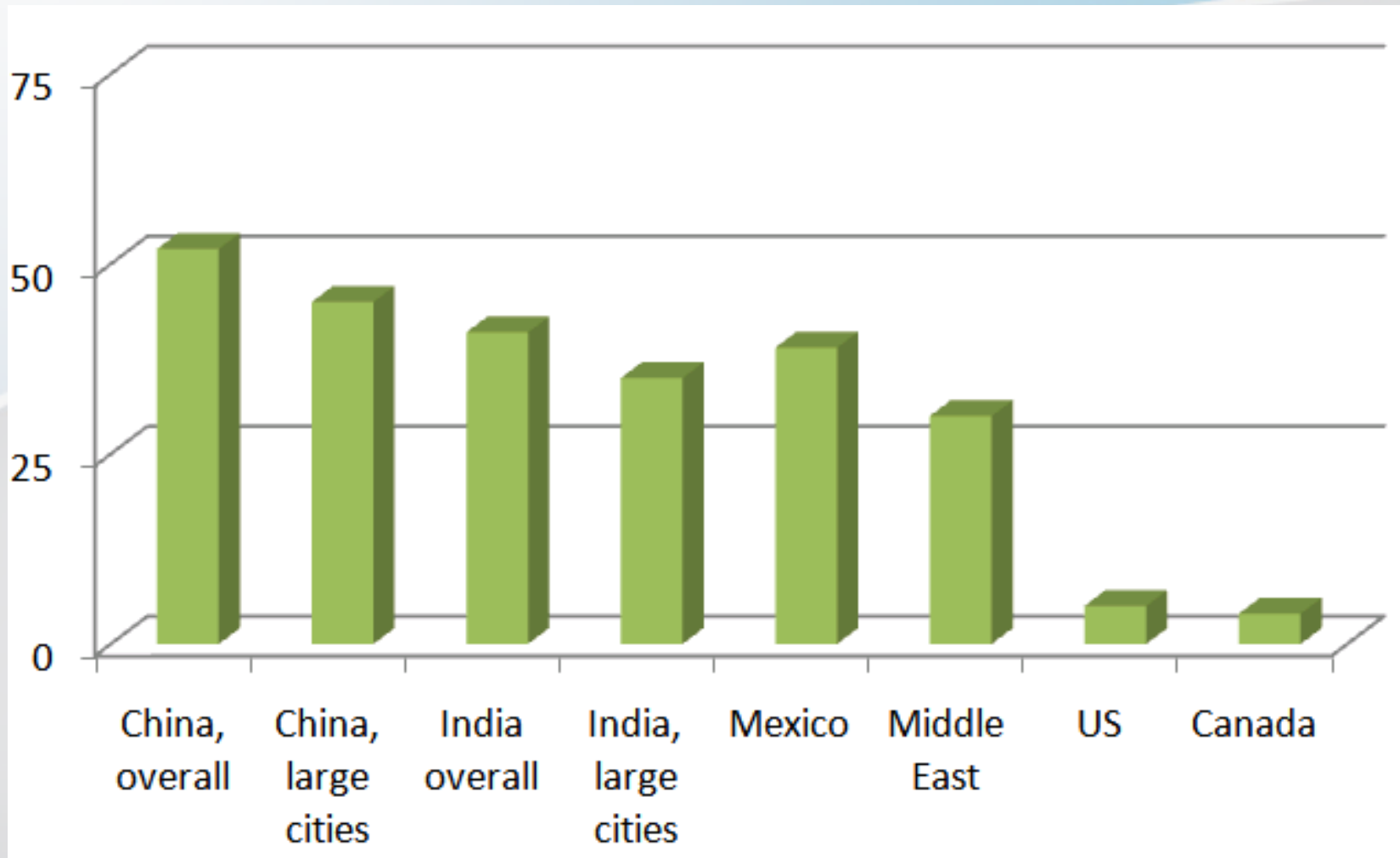
Universal

- Rules (rewards/punishments) are applied equally regardless of
 - the relationship
 - the circumstances
- Strangers are preferred as colleagues

Particular

- Exceptions from rules can be made or rewards/punishments can be adjusted depending on the
 - the relationship
 - the circumstances
- Relatives/friends preferred as colleagues

In which countries favoring friends/relatives and considering circumstances are more important?



Lesson:

When working with Americans :

- don't expect any favors at work just because you are friends or because of your special circumstances
- don't be softer with your friends; what seems as being a good friend to you may seem as corruption to Americans

When working with Asians / Middle Easterners:

- always actively show your consideration for their circumstances and relationships, but respectfully defend what you believe is right
- explain that a one-time exception may lead to more trouble in the future



Power Distance

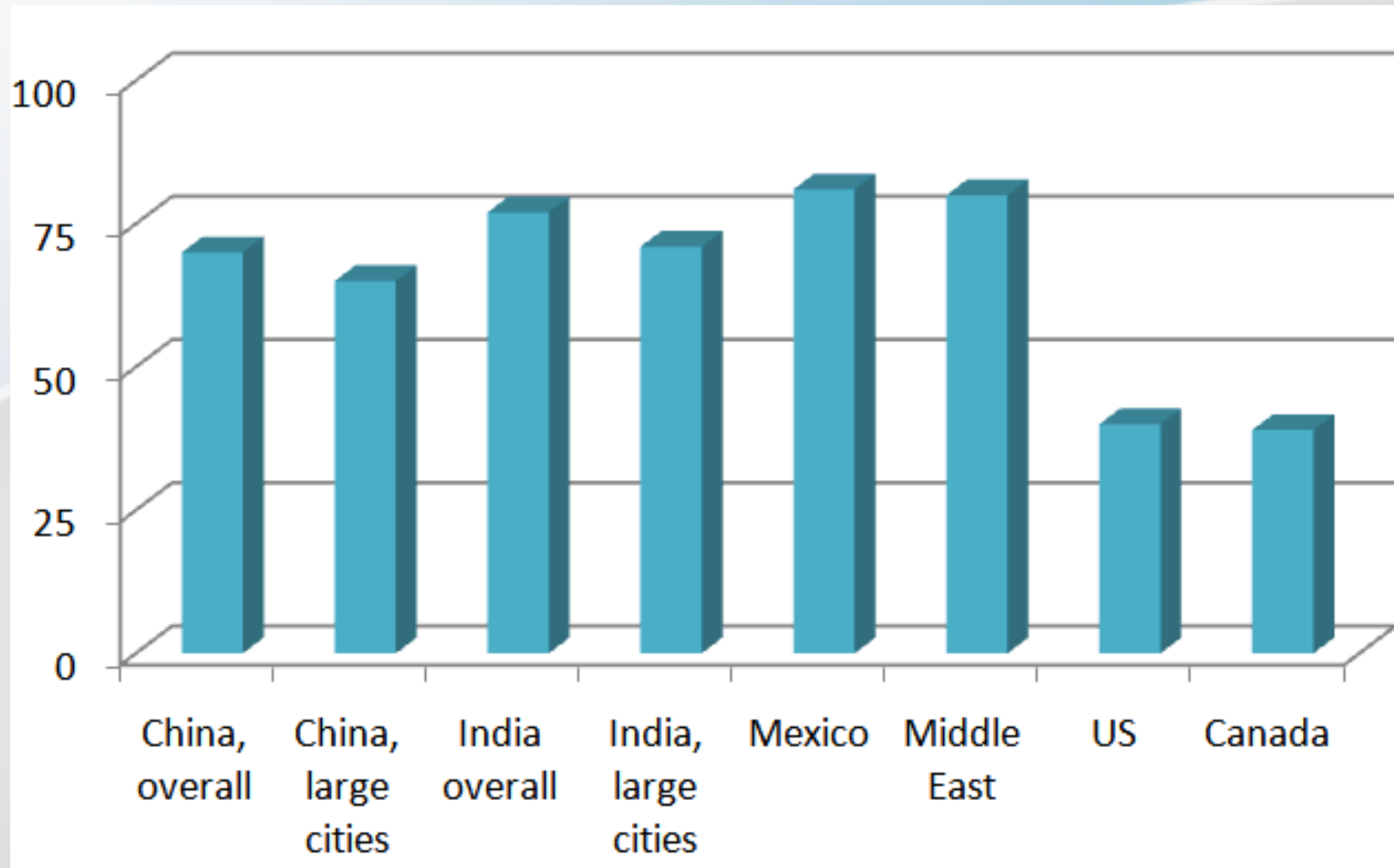
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High PD

Low PD

- Boss is the ruler
 - Always do what boss tells to do
 - “Iron hand” leaders are good
- Boss is just a person who makes more money
 - Consult with subordinates when making decision
 - Democracy is good

Which are the higher PD countries?



Lesson:

With American boss:

- Expect to be expected to provide input, voice your opinions, challenge his/her decisions
- Drop the rituals; what may seem as respect to you, may seem as indecisiveness and lack of initiative to them

With American subordinates:

- Expect your decisions to be questioned
- Motivate and inspire them, don't expect them to obey you just because you are a boss
- If possible, always consult with them; seek their input

Lesson:

With Asian / Latin American boss

- Show your respect; acknowledge his/her superiority
- Respectfully, but clearly voice and defend your ideas, otherwise they may be overlooked

With Asian / Latin American subordinate

- Seek their input, encourage them to speak up
- Silence may not be a sign of not having an opinion, but simply being shy to suggest

Gender Equality

(professor Taras)

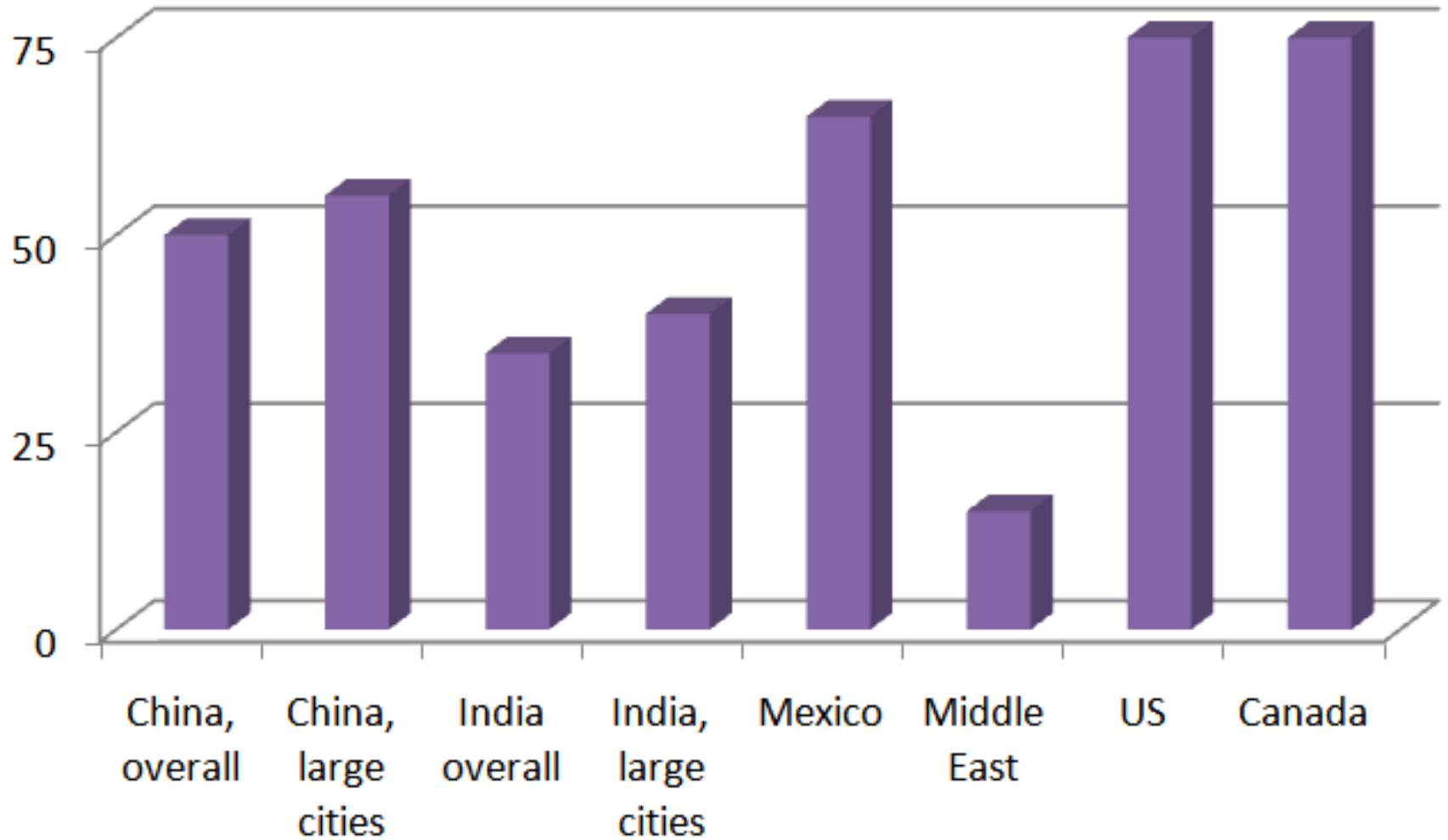
Gender Egalitarianism

Gender Differentiation

- Men and women are equally capable in ALL situations
- No differences in roles in the family (e.g., paternal leave ok)
- Having a daughter is great

- There are some jobs that men can always do better
- Women cook, raise children, take care of the home; men earn money
- Having a son is preferred

Gender Equality



Lesson:

When working with Americans:

- Never show you believe men are more capable than women
- Don't be surprised if women don't look very feminine at work (they are different at home)
- If you are women, don't be shy; voice your thoughts, take initiative, don't expect to be overlooked
- What seems as modesty and respect to you, may seem as indecisiveness, weakness, lack of initiative to them

When working with Muslims:

- If you are a woman, show your respect to men
- Be prepared to be overlooked. Respectfully, but clearly voice your opinions

Chapter Review

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