THE HUMAN CHALLENGE
Seventh Edition

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Intercultural Relations

TO START YOU THINKING

Again, it is time to ask ourselves questions. This time our topic is the field of intercultural relations—how do you feel about individuals from diverse ethnic groups and those with cultural backgrounds that differ from yours? How can we work effectively with diverse people?

- Do you feel uncomfortable with foreign visitors in this country—even if they speak English?
- Is time more important in American culture than it is in other cultures? Is physical space more important to us or to others?
- What nonverbal actions have you observed in a particular foreign group that are different from your group of friends?
- What are some of the acceptable mores in our culture that are "off limits" elsewhere in the world?
- Are there standards by which we should judge all cultures?

LEARNING GOALS

After studying this chapter, you should be able to:

1. Discuss the importance of establishing good intercultural relations before embarking on an international venture.
2. Describe the meaning of ethnocentrism and cultural relativity as these topics relate to intercultural relations.
3. Discuss why intercultural relations are more important in today's organizations.
4. Discuss the importance of the following:
   a. Vertical and horizontal space in terms of intercultural business relationships.
   b. Hidden language of time difference between the United States and other cultures.
   c. The relationship of touch and friendship as it differs from one culture to another.
   d. Language of agreements in relation to each of the three basic types of rules that usually apply to business contracts.
5. Discuss what is meant by high- and low-context cultures and give an example.
6. Compare intercultural managerial differences, individual characteristics, and values.
7. Describe what individuals can do to improve their effectiveness in global settings.
8. Describe what organizations can do to improve their effectiveness in global settings.
9. Define and apply the following terms and concepts (in order of first occurrence):

KEYWORDS

- culture
- intercultural relations
- isolationism
- ethnocentrism
- parochialism
- cultural relativity
- intercultural socialization
- ugly American
- multinational corporations

- ■ nationalization
- ■ comparative management
- ■ maquiladoras

- ■ elasticity of time
- ■ inner circle
- ■ language of context
- ■ repatriation

INTERCULTURAL RELATIONSHIPS IN A SHRINKING WORLD

A **culture** is comprised of the values, beliefs, customs, and norms shared by people in a society. In today's globalized economy, cooperation among diverse cultures is imperative for company success.

All cultures are tied together by information.

Technology has truly made the world a smaller place. All cultures are now tied together by information.[1] Technology has made communication and travel easier and has increased the amount and speed of global interaction. As our world continues to shrink, the importance of intercultural relations increases. **Intercultural relations** require people of different cultures to value diversity and work in harmony.

Business is often the first link between countries.

Managers and workers across different cultures are likely to have differing, and sometimes conflicting, perspectives. Business is often the first link established between societies. For example, business was one of the first links between the United States and Japan after World War II. Also, it is one of the first links between the United States and China, after years of isolation. Today, American organizations have established economic relationships with most countries around the globe.

We must learn how to deal with other cultures.

Business ties have far-reaching effects on relations between Americans and other peoples by permitting the parties to offer each other material goods not available through other channels. The fuel and precious metals crises that have plagued the United States have reminded people in this country that we have needs that can only be met by cooperation with other countries. For this reason, if business is to fulfill its job of providing material needs, it must learn how to deal with other cultures in a way that satisfies the material and social needs of both parties.

For companies to be successful in international markets, their managers' "repertoire of people-handling skills must expand to include employees of culturally diverse backgrounds. Managers are challenged to demonstrate greater finesse in communicating with people who speak English as a second language."[2] This requires managers to try to truly understand and be sensitive to divergent perspectives.

CULTURAL ATTITUDES TOWARD MULTICULTURAL DIVERSITY

Ethnocentrism.

Historically, some Americans adopted an attitude of **isolationism**—a policy of seclusion from international economics and politics. Events during the twentieth century toppled our policy of isolationism, but have not necessarily changed our **ethnocentrism**, that is, the belief that our way of doing things and looking at the world is the only way, the natural, normal way (Figure 13–1). It is also the case that people from other cultures may be ethnocentric. Thus it is important for managers to be aware of their own and other's ethnocentrism.

Enculturation, the process of learning cultural values and norms within one's society, can lead to ethnocentric attitudes, which are found all over the world in all cultures. As long as we are taught just one way, and know no other, we tend to accept that way as the right way. Because of this feeling of superiority of one's own culture,

ATTITUDES TOWARD FOREIGN CULTURES. WHERE DO YOU STAND ON YOUR ATTITUDES TOWARD INDIVIDUALS FROM FOREIGN CULTURES?

Pro Homeland

Ethnocentrism
"Our values are best!"
(Missionary Zeal)

Pragmatic Principle
"What works best to
achieve a certain
valued end."
(Doctors' Doctrine)

Cultural Relativity
"Values are relative. Do
what is right in their culture.
Don't judge."
(Anthropologists'
          Tolerance)

Pro
Foreign
Country

Reverse Ethnocentrism
"Their way is better."
(Rebel Nature)
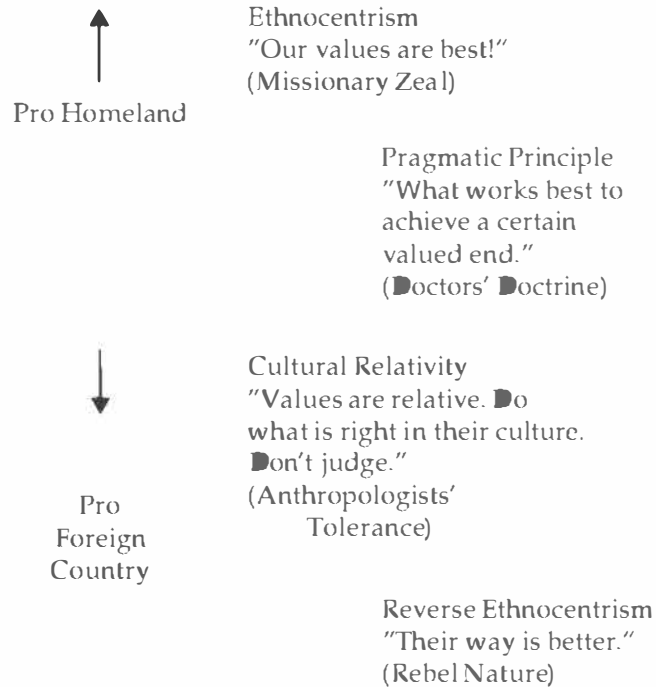
global companies are implementing international human resource management programs to sensitize employees to other cultures, including overseas deployment of home-country expatriates.[3]

Ethnocentric attitudes usually surface in the form of patronization, superiority, or stereotyping. "If a manager adopts a sincere attitude by patiently accepting a subordinate from another culture, that empathy will normally be received in a trusting, positive manner."[4]

Cultural relativity.

Parochialism is the characteristic of having a narrow perspective. In terms of intercultural relations, parochial people are unable to appreciate cultural differences in others. The concept of **cultural relativity** holds that there are no absolute standards for judging customs, and that a society's customs and ideas should be viewed in the context of that society's culture. People advocating cultural relativity draw the conclusion that all cultures and cultural practices are equally valid. Can we have tolerance and respect for other cultures and cultural practices, even when those cultures happen to differ from ours, without agreeing that all cultural norms are equally valid?

Intercultural socialization involves becoming aware of another culture's habits, actions, and reasons behind behaviors. "Americans presume they are the safest, most sanitary culture in the world, but a large majority of the automobiles in the United States would not pass inspection in Germany. The Japanese (and other cultures) think Americans are unhygienic for locating the toilet and bathing facility in the same area."[5]

One of the major lessons to be learned is that "reaching a level of comfort with colleagues in an intercultural collaboration takes a long time. A necessary part of the

Americans must modify their intolerance of others.

process is allowing yourself the time you need to expose underlying assumptions that drive culturally determined behaviors you may not understand."[6]

DEVELOPING CULTURAL SENSITIVITY

The image of the impolite, ill-mannered, and patronizing "**ugly American**" barging through foreign countries like a barbarian is legendary, and it is both false and true to some extent. In the past, and sometimes in the present, some Americans have acted this way, leading people from other cultures to react negatively. Right or wrong, the image does tell us something about the problems associated with attempting to establish good business and human relations with the people of other countries.

Growth of multinational corporations.

The recent growth of **multinational corporations**, companies that operate in several countries, points to the need to prepare the manager to deal with foreign cultures and business practices.

To a degree, the United States enjoys a "respected society image," but it can backfire. Consider the following true story:

> A man attending an international relations banquet was seated across from another man who possessed Asian physical characteristics. Wishing to advance international relations, he asked the Asian, "Likee foodee?" The man politely nodded his head. During the program, the Asian was introduced as an award-winning professor of economics at a prestigious university and was asked to make a few projections about world trade imbalances. After a brief discussion in perfect English, the Asian professor sat down, glanced across at his astonished neighbor, and asked, "Likee talkee?"

To avoid similar embarrassing situations, managers should not make assumptions from physical appearances, attributes, or superficial characteristics.[7] This is good advice—domestically and internationally.

Additional advice comes from Doug Ready, founder and CEO of the International Consortium for Executive Development Research:

> Don't believe your own press releases. It's too easy to think that you're a global company because you keep saying you're a global company. Search for measurable indicators that your organization is behaving more globally than it was last year and the year before. Believe in behaviors, not rhetoric. Celebrate your progress, but never allow yourself to become fully satisfied that you have made it.[8]

Don't be ugly; don't be arrogant.

What can American companies, other organizations, and individuals do to increase cultural sensitivity? The first and best answer is: "Don't be ugly; don't be arrogant or portray a 'we-are-better-than-you' attitude." If indeed we have a unique technology or skill, then we can export/market it, but remember our foreign host is our customer—deserving the respect any other customer, domestic or global, would receive.

SUBTLE DIFFERENCES

Cultural differences go deep but are subtle.

A gesture that is friendly in one culture may be interpreted as hostile in another; an innocent gesture can be an insult. Subtle cues can complicate the problems of international business relations in a way that cannot be deduced from business experience in the United States.

The business manager who is faced with such subtle cultural differences as gestures and tone of voice is participating in a frame of reference that is different from his or her own. Because communication always takes place within a frame of refer-

ence, international business managers must make sure they can communicate in one that is not their own. The broad outlines of a culture are marked by the political and economic frames of reference.

THE POLITICAL FRAME OF REFERENCE

Close relationships be-tween business and political well-being.

When we watch the stock market fluctuate with every major or minor crisis in our political lives, we are aware of the close relationship between politics and business. The political climate of our nation is determined largely by its economic well-being. Major decisions in business and industry can affect political movements and vice versa. This is also true on an international scale.

For example, in the aftermath of the fall of the Berlin Wall, American managers have established trade agreements with the new nations that once were part of the former Soviet Union. One lesson we have learned is that the political structure of those nations is far more bureaucratic than managers are accustomed to in the United States. Trade agreements must be passed through dozens of government bureaus and may take three times as long to complete as similar transactions here.

Another politically related problem facing the multinational corporation has been the risk of **nationalization**, the taking over of private companies, owned by foreign firms, by the host country. Some companies have sought to counter this problem by hiring local managers in the country where the corporation is operating. When local nationals head up the branches of a multinational corporation, the company may be more immune from political expropriation or nationalization. Even if hiring local managers does not reduce the risk of nationalization, it does increase the likelihood that the firm will better understand local customers, employees, and competitors.

THE ECONOMIC FRAME OF REFERENCE

Standards of living vary greatly.

Countries with low income but high inflation encourage spending now.

One of the first things that American business managers traveling abroad may recognize is the difference between the standard of living to which they are accustomed and those that exist in the host country. Americans enjoy a higher standard of living and productivity than many countries, and the difference affects relations there.

The low level of economic development in many emerging nations is aggravated by high birth rates and high inflation. Both factors discourage saving, which is one of the prerequisites for capital accumulation necessary for investment and expansion. The workers in such countries are essentially trapped by the cycle of low income, large families, and inflation that encourages spending rather than saving.

The multinational corporation, however, has both the resources and the responsibility to help break the vicious circle in which such workers find themselves. In return for business profits realized from cheap labor and easy access to local natural resources, the multinational corporation can and should help develop the human resources of its host nation.

THE CULTURAL FRAME OF REFERENCE

When "the American way" of doing business is transplanted to foreign soil, it must bend and twist, give and take, absorb and develop, according to local expectations and traditions. In the process, a third way of doing business will be formed; one that borrows from both cultures and aims at filling the needs of both. This process requires that the American business manager become versed not only in the economics and politics of a country, but also in its culture and in its manners. We must learn to understand and respect others' way of life, because we naturally view the world based upon the culture in which we were raised.[9] We must also be aware that others

Language is a major barrier.

will view the world based on their cultural beliefs. Thus, effective human relations means overcoming our biases and helping others to overcome theirs.

Language is the foremost barrier to good international relations. Although English is commonly accepted as the international business language, foreign business managers usually frown on the inability of Americans to converse in the native language. Americans tend not to study second languages in school, which has made people of other countries feel that Americans do not make an effort to communicate.

Europeans, on the other hand, are in close and constant contact with people who speak other languages. Switzerland, for example, has four national languages: French, German, Italian, and Romansch. It is helpful if American managers try to communicate in the language of their host countries, both for necessity and as a mark of goodwill.

EXPRESS YOUR OPINION

Are American work values changing? Do we still value the importance of work? Is work the central purpose of our lives? Is work an end in itself or a means to an end? Do we put more emphasis on leisure time than on work? As we mature, do we put more emphasis on both quality work and leisure time?

COMPARATIVE MANAGEMENT

Comparative management is the study of how management and leadership practices vary across different cultures. Both the Kluckhohn-Strodtbeck and the Hofstede models provide good frames of reference for analyzing differences.

THE KLUCKHOHN-STRODTBECK MODEL

The Kluckhohn-Strodtbeck framework is a model that is used for analyzing differences among cultures. It is based on six cultural dimensions:[10]

1. Relationship to the environment. Are people dominating of, in harmony with, or dominated by the environment?
2. Time orientation. Does the culture focus on the past, present, or future?
3. Nature of people. Does the culture view people as good, evil, or a mix of the two?
4. Activity orientation. Does the culture emphasize being, doing, or controlling?
5. Focus of responsibility. Is the focus of the culture individualistic, hierarchical, or group oriented?
6. Concept of space. Does the culture conduct business in private, in public, or a mix of the two?

Table 13–1 shows the six dimensions and the combinations of variations within each.

THE HOFSTEDE MODEL

Geert Hofstede, at the University of Limburg in the Netherlands, is responsible for what is probably the most widely used typology and assessment vehicle for intercultural differences among different cultures. His excellent article in the *Academy*

TABLE 13-1

Variations in Value Dimensions

VALUE DIMENSION	VARIATIONS		
Relationship to the environment	Domination	Harmony	Subjugation
Time orientation	Past	Present	Future
Nature of people	Good	Mixed	Evil
Activity orientation	Being	Controlling	Doing
Focus of responsibility	Individualistic	Group	Hierarchical
Conception of space	Private	Mixed	Public

Note: The jagged line identifies where the United States tends to fall along these dimensions.

Source: Stephen P. Robbins. *Organizational Behavior: Concepts, Controversies, and Applications,* 6th ed. (Upper Saddle River, N.J.: Prentice Hall, 1993), 75.

of Management Executive is equally as provocative as some of his earlier works. He asserts:

> Management as the word is presently used is an American invention. In other parts of the world not only the practices but the entire concept of management may differ, and the theories needed to understand it may deviate considerably from what is considered normal and desirable in the USA.[11]

The meaning of management differs around the world.

Another point he makes is that one of the shortcomings of American management research is that we concentrate our research on managers rather than workers: "Managers are much more involved in maintaining networks; if anything, it is the rank-and-file worker who can really make decisions on his or her own." Originally, Hofstede developed four dimensions for his assessments:

1. **Power distance.** The degree of inequality in power distribution among people in a national culture.
2. **Individualism/collectivism.** The degree to which people in a country prefer to act as individuals rather than collectively as members of groups in caring for themselves.
3. **Masculinity/femininity.** The degree to which tough values such as assertiveness, performance, success, and competition, which in most societies are associated with masculinity, dominate over tender values like the quality of life, maintaining warm personal relationships, service, care for others, and the environment.
4. **Uncertainty avoidance.** The degree to which people in a culture prefer structured over unstructured situations and feel threatened by uncertainties and ambiguities.

More recently, he has added a fifth dimension from a Chinese value survey:

5. **Long-term versus short-term orientation.** On the long-term side are values oriented toward the future, such as thrift and persistence. On the short-term side are values such as respect for tradition and fulfilling social obligation.[12]

These dimensions serve as guides to effective leadership styles, control characteristics, and ways of delegating authority. Table 13–2 shows cultural value dimension scores for selected countries.

TABLE 13-2

Cultural Value Dimension Scores for 10 Selected Countries

COUNTRY:	PD	ID	MA	UA	LT
United States	40	91	62	46	29
Germany	35	67	66	65	31
Japan	54	46	95	92	80
France	68	71	43	86	30[a]
The Netherlands	38	80	14	53	44
Hong Kong	68	25	57	29	96
Indonesia	78	14	46	48	25[a]
West Africa	77	20	46	54	16
Russia	95[a]	50[a]	40[a]	90[a]	10[a]
China	80[a]	20[a]	50[a]	60[a]	118
Range	35–95	14–91	14–95	29–90	10–118[a]

[a]Estimated.

Key: PD = power distance, ID = individualism, MA = masculinity, UA = uncertainty avoidance, LT = long-term orientation.

Source: Geert Hofstede, "Cultural Constraints in Management Theories." *Academy of Management Executive.* February 1993, 91.

THE CHANGING WORLD COMMUNITIES

Let us take a look at a few other cultures with which we have had considerable intercultural work relationships.

JAPAN, ANOTHER LOOK AT THEORY Z

In 1981, William Ouchi created a stir in the management field by writing *Theory Z: How American Business Can Meet the Japanese Challenge.* Theory Z encompasses mutual trust and benefits among employers, workers, and the organization. It stresses team effort over individual drive. The qualities admired in American managers—ambition, risk taking, and independence—are handicaps in Japanese companies where group cooperation and a strict decision-making hierarchy prevail.

> Japanese managers generally choose a company for life, and they move up the corporate ladder very slowly and according to seniority rather than ability. Regimented in a multi-layered management structure, they are known for working long hours and piling up years of unused vacation time. Japanese companies have been described as Machiavellian bureaucracies where absolute loyalty is demanded and where one wrong political move can ruin a career—dumping a promising manager into what the Japanese call the madogiwa-zoka (the by-the-window tribe).[13]

A good company image attracts good workers.

Because of the lifetime employment concept, great care is taken in the selection of a company for employment. Likewise, great care is taken among Japanese business concerns to maintain a strong company image. If the image is poor, it will be difficult for the company to attract good young people.

Although there is a movement in Japan toward adopting some of the more Western approaches, there are fundamental cultural differences between Japan and the United States.

One practicing anthropologist, a vice president of a multinational pharmaceutical firm, examined several cultural databases, including social knowledge and cultural logic. One example of the importance of these databases can be seen in their drinking habits. Drinking (not always alcoholic drinking) provides the foreigner with a chance to mingle socially with Japanese hosts. The social values attached to this event allow freedom of speech; it is a place to get things "off the chest."[14]

Who are the "party animals"?

> Business is usually not done at the bar, where drinking offers the Japanese an opportunity to express *honne* [insider] opinions about . . . relationships with colleagues, both foreign and Japanese. . . . Everyone is in the same social circle. For this reason, one must constantly be alert for signals that might indicate something is on a colleague's mind. [At one session, a manager] felt that something was bothering his Japanese counterpart, but as the evening wore on, nothing was said. Just before it ended, the Japanese manager put his face down on the table and muttered that he had something important to say. The American leaned forward and asked what it was. All the Japanese said was "Your Johns-san is an (expletive)." Nothing more was said and the subject was never raised again. The American assumed that just stating the opinion was enough to relieve the tension the Japanese had. The opinion was not reported to Johns. The next business day discussions with the Japanese gentleman were more relaxed than had been previously experienced.[15]

MIDDLE EAST

We should not consider every country in the Arab world as having similar attitudes, philosophies, or political ambitions, just as foreigners should not think all North Americans are the same. Certainly the attitudes of Canadians, Americans, and Mexicans are not always similar. However, most people from the Middle East are similar in one respect—they are all profoundly influenced by their religion.

In dealing with people from the Middle East, we must recognize the influence of their basic religious beliefs, which may be totally alien to Americans. For example, most Moslems strongly believe in the teachings of the Koran, which says that society must come before the individual.

EUROPE

The European Union (EU) evolved from the European Economic Community, which was formed in 1992 to permit the free movement of goods and services as well as human and financial capital. The EU is a single economic market, a commonwealth of nations without economic borders that allows more than 350 million consumers, capital, goods, and services to move freely across borders.

The European Union represents a major economic market.

Perhaps the EU changes will not have a direct impact on human relations in the United States, but indirectly, American managers should take care not to treat all the cultures of Europe in the same way, even though their economic markets are unified. The EU will open many markets to U.S. business, and how we respond to these opportunities will determine how successful we are.

CHINA, KOREA, AND OTHER PACIFIC RIM NATIONS

Demographically, Asia is the greatest economic market for the United States. Many U.S. companies and other multinational conglomerates are charging into China: AT&T, Motorola, Nissan (Japan), Volkswagen (Germany), and Total (France) are

just a few. China has been described as the "emerging economic powerhouse of the twenty-first century," but there are problems (opportunities) both domestically and globally. For example, peasants searching for jobs far from their homes are creating growing social problems.[16] Truck transportation remains a significant problem, although their rail systems are quite good.

China and Korea and Japan are major markets.

Coming out of the Asian economic crisis, Korea is well on its way to becoming an economic power, not only in Asia, but globally. Further, South Korea is making progress in improving relations with North Korea, a development that should help both nations. On the road to recovery are the other Pacific Rim nations—Taiwan, Thailand, Singapore, Malaysia, and Indonesia. American firms are increasing their involvement in these countries through trade and direct foreign investment.

NORTH AMERICA

Quality economic markets close to home.

Experience with the North American Free Trade Agreement (NAFTA) has led to many positive relationships with Canada and Mexico. Canada remains a major trading partner of the United States in agriculture, automobiles, and other industries.

Even before NAFTA, we had good working relationships with Mexico because of the **maquiladoras**, domestic Mexican firms that manufacture or assemble products for U.S. companies, for example, toys for Mattel and appliances and electronic products for Zenith and other manufacturers.

HIDDEN NORMS

Language and religion are only two of the more obvious frames of reference in which business takes place. A basic understanding of them allows American business managers to negotiate on roughly equal footing with their foreign associates. People communicate in hidden "languages" or norms of time, space, agreements, touch, and friendship. These languages vary from culture to culture, are often incredibly complex, and are usually as important as the spoken language in establishing good communication and human relations abroad.

THE LANGUAGE OF TIME

In the United States, people become impatient when the person they are meeting is 5 to 10 minutes late. Such lateness can signal that the meeting is of low priority on the part of the person who is late. In Europe, people will wait 30 minutes for the other party to arrive before becoming impatient or being insulted.

> Northern Europeans, Americans, and Latins all share the belief that they can manage their time in the best possible way. In some Eastern cultures, however, the adaptation of man to time is seen as a viable alternative. Time is viewed neither as linear or subjective, but as cyclical. The evidence, they reason, is everywhere: each day the sun rises and sets, people grow old, die and are succeeded by their children. It has been this way for 100,000 years. Cyclical time is not a scarce commodity. As they say in the East, when God made time, he made plenty of it.[17]

Business decisions in Asia are arrived at quite differently than in the West. An Asian thinks long term and does not see time wasting away but as coming around again in a circle, where the same opportunity will present itself later—when the decision maker is several days, weeks, months, or even years wiser.

In the Arab world, close relatives take absolute priority in time; non-relatives are kept waiting. Foreigners may be kept waiting for a long time. In the Middle East, assigning a deadline is a cultural trap because a deadline in this part of the world is viewed as rude, pushy, and demanding.

Deadlines can appear rude and pushy.

In the language of time, most cultures other than ours may seem to be tied to antiquity. The Indians of South Asia have an elastic view of time; indefiniteness does not mean they are evasive—just deliberate. The **elasticity of time** is the length of time it takes to accomplish a task. The less important time is and the longer it takes to accomplish the task, the greater the elasticity of time.

THE LANGUAGE OF SPACE

Space speaks.

When business managers arrive in a foreign country, they must try to be sensitive to what space tells them. Some useful advice to a newcomer: Try to be aware of where people stand in relation to you and don't back up. This, in itself, can greatly enhance people's attitudes toward you. If employees are deemed more important, they are given more space and their offices are walled in completely. A person from another culture may wonder how managers can supervise when they are unable to see their subordinates.

In the United States, the executive suites are usually on the top floor and the relative ranks of vice presidents are placed along "executive row." The top floor in Japan is frequently seen as the place for the average worker. Why must the executive spend his time going to the top floor? The privilege of class is for the first and second floors. Likewise, the top floor in a Japanese department store is not reserved for furniture, but the "bargain roof." Similarly, in Rio De Janeiro, Brazil, the higher one lives up on Sugarloaf Mountain, the poorer one is. The poverty stricken may have the view, but the aristocrats have the conveniences of the beaches and living downtown.

Sociologists have also found that different cultures keep different social distances the distance between people corresponds to the degree of comfort they feel in each other's presence. The distance we keep between others and ourselves is known as our **inner circle** or our personal space. Americans normally keep a distance of about 4 to 6 feet during business conversations, but other cultures are more inclined to reduce the distance, sometimes to 3 or 4 inches!

THE LANGUAGE OF TOUCH

We also communicate by the frequency and manner in which we touch each other. These customs differ radically from culture to culture. American men rarely go beyond a formal handshake. If they happen to be old friends, they may slap each other on the back. Infractions of these rules are fraught with tension; if someone refuses to shake a hand that is offered, he or she implies a serious insult or rejection. The person who is an indiscriminate back-slapper is usually viewed with either distaste or some fear because the act implies intimacy without consent.

The relationships between men and women in other cultures are also sensitive to touching. The ease with which American women enter into touch may be interpreted as promiscuous by some cultures; yet in other cultures, American women may be seen as cold and unfriendly.

THE LANGUAGE OF CONTEXT

The cultures of the world can be placed on a language-of-context continuum. The **language of context** is based on the amount of communication contained in the nonverbal context and chitchat compared with the amount in the formal message. In a

Low context: You start business quickly.

High context takes longer; learn to chitchat.

low-context culture you get down to business very quickly. The high-context culture requires considerably more time, simply because the people need to know more about you before a relationship can develop.

In India, for example, merchants and others are more comfortable doing business with you if they get to know you personally. In the Middle East, if you aren't willing to take the time to sit down and have coffee or tea, you will have a problem doing business.

The challenge with high-context cultures is that it is hard to get an American to take each step seriously and to be coached. In terms of high and low context, the United States tends toward the middle of the scale. The low-context Swiss around Zurich don't even know their neighbors. The Swiss value their privacy so much that they may not develop a large circle of friends. The privacy of Swiss bank accounts is legendary. Look at Figure 13–2. Where would you place other cultures on the context line of the continuum?
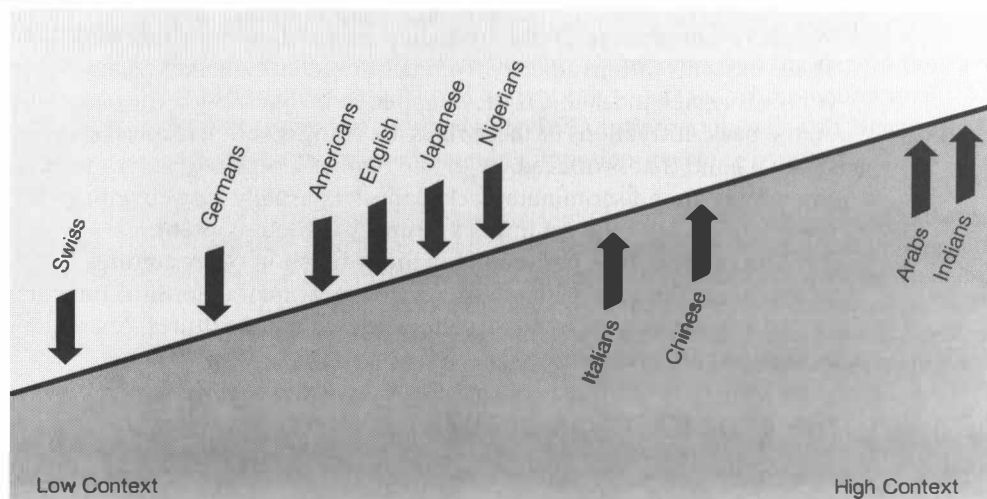
THE LANGUAGE OF FRIENDSHIP

Many Americans have offended others by refusing or offering to pay for items tendered as tokens of friendship. These types of encounters abroad have made some foreigners feel that Americans approach all human relations with the cynical and cold feeling that "everything has a price." Americans must be careful to distinguish between friendship and business relations and to find out what gestures are significant in matters of friendship and hospitality. The offering of food, for example, is a universal gesture of friendship. To protest that one is on a diet may be interpreted as an unwillingness to "break bread together," a rejection of friendship and good relations.

THE LANGUAGE OF AGREEMENTS

"Unwritten" rules for contracts.

For any society to produce goods and services on a commercial level, a set of rules must be developed and accepted on which agreements can be reached. The language of agreements may be absolute or flexible, sophisticated or informal; in every case,

FIGURE 13-2 *Cultural Language of Context Placed on a Continuum*

Low Context · High Context
(Swiss, Germans, Americans, English, Japanese, Nigerians, Italians, Chinese, Arabs, Indians)

A verbal contract may be just as binding as a written contract.

both parties must understand what the rules are of the agreement. For example, in the Arab world, a man's word is considered as binding as his legal signature (a woman may not have certain legal rights in business). To require a Moslem to sign a formal contract runs the risk of violating his sense of honor.

Build good international human relations.

On the other hand, to a Greek, a contract may only represent a sort of way station along the route of negotiations to be modified periodically until the work is completed. If an American complains about such a procedure, the Greek may exclaim, "Take me to court." Mutual satisfaction is reached only through mutual respect and understanding of the various meanings of the agreement.

[ACTION PROJECT 13-1

THE INTERNATIONAL CULTURE QUIZ

How knowledgeable are you about customs, practices, and facts regarding different countries? The following multiple-choice quiz will provide you with some feedback on this question. The correct answers can be found at the end of the chapter.

1. In which country would Ramadan (a month of fasting) be celebrated by the majority of people?

   a. Saudi Arabia   d. Korea

   b. India   e. All of the above

   c. Singapore

2. Upon first meeting your prospective Korean business partner, Lo Kim Chee, it would be best to address him as

   a. Mr. Kim   d. Bud

   b. Mr. Lo   e. Any of the above are

   c. Mr. Chee   readily accepted

3. In Brazil, your promotional material should be translated into what language?

   a. French   d. No need to translate it

   b. Italian   e. None of the above

   c. Spanish

4. In Japan it is important to

   a. Present your business card only after you have developed a relationship with your Japanese host

   b. Present your business card with both hands

   c. Put your company name on the card, but never your position or title

   d. All of the above

   e. None of the above

5. Which of the following sports is the most popular worldwide?

   a. Basketball   d. Futbol

   b. Baseball   e. Golf

   c. Tennis

(continued)

ACTION PROJECT 13-1

(CONTINUED)

6. For an American businessperson, touching a foreign businessperson would be least acceptable in which of the following countries?

    a. Japan   d. Venezuela

    b. Italy   e. France

    c. Slovenia

7. Which of the following would be an appropriate gift?

    a. A clock in China   e. None of the above would be

    b. A bottle of liquor in Egypt   appropriate

    c. A set of knives in Argentina

    d. A banquet in China

8. Which one of the following countries has the most rigid social hierarchy?

    a. United Kingdom   d. India

    b. United States   e. Germany

    c. Japan

9. Traditional Western banking is difficult in which one of the following countries because their law forbids both the giving and taking of interest payments?

    a. Brazil   d. India

    b. Saudi Arabia   e. Greece

    c. Mongolia

10. As an American businessperson. in which of the following countries would you be expected to be on time for a business meeting?

    a. Peru   d. Morocco

    b. Hong Kong   e. All of the above

    c. Japan

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TIPS FOR THE WORLD TRAVELER

First and foremost, "do your homework" before leaving for a foreign assignment. Know what to expect regarding social engagements, schools when necessary, and living conditions. Study the culture, customs, religions, and taboos to avoid cultural blunders and embarrassments discussed earlier.

CULTURE SHOCK

Culture shock is a normal phenomenon:

> Culture shock can go far deeper than the everyday hassles of learning how to use chopsticks, adjusting to hot weather, and getting locked in a traffic jam. Culture shock may also include an adjustment to loss of status and pay which normally comes with a job. The overseas assignment in a new culture may affect the state of a marriage; frustration with life in an overseas posting can definitely lead to anger and resentment toward the working partner.[18]

Spouses and children must be considered—or their early return to their home country can be very expensive. Robin Pascoe writes that: "Corporations lose money when they post a family overseas and, after 6 months, the wife turns to her husband and says she is getting out. A wife who has been properly prepared for the experience is not as likely to want to run away."[19]

Many people around the world know more about Americans than most of us know about any other country. This is because our television shows, movies, music, and music videos are distributed worldwide. Sometimes, we have to pay attention to overcoming misconceptions about our own culture: Not all Americans have two cars or carry guns.

INTERCULTURAL TRAINING

Americans need to avail themselves of education and training opportunities to help become culturally sensitive. What should global training courses include? Sylvia Odenwald recommends that the menu of global training programs be arranged in six overlapping categories:

1. Cultural awareness
2. Multicultural communication
3. Country-specific training
4. Executive development
5. Language courses
6. Host-country workforce training[20]

REPATRIATION

Often, upon returning to the United States, Americans find that things have changed while they were away, depending on the length of stay. **Repatriation** is the process of transferring employees back to their home country—economically, socially, and organizationally.

> In addition to losing most or all of the generous company-provided benefits they enjoyed overseas, expatriates are likely to feel that their assignment has small value in the eyes of management, either because the company had no formal plans for

repositioning them within the organization or because no one in the organization seems to care about what they learned while doing business overseas. Moreover, repatriates return home feeling personally changed by their overseas experiences, but find that everyone else has more or less stayed the same.[21]

It is as important to concentrate on the repatriation process as it is on the initial orientation for foreign assignment. Too often, when repatriates return "after a stint abroad (during which time they have typically been autonomous, well-compensated and celebrated as a big fish in a little pond), they face an organization that does not know what they have done for the past several years, does not know how to use their new knowledge, and, worse yet, does not care."[22]

WHAT ORGANIZATIONS CAN DO TO IMPROVE IN GLOBAL SETTINGS

Remember that many small businesses benefit from improved intercultural relations when doing business abroad. Businesses and other organizations need to follow these suggestions:

1. Capitalize on our strengths as individuals; domestically, we advocate teamwork that is more prevalent in other cultures, but they also admire our individualism. The key to effectiveness is putting the two dimensions together and using our individualism in a non-arrogant manner to work more closely with others—including other cultures—as a team.
2. Tap one of our major resources—our higher education system, including technical and community colleges. Our 4-year institutions' abilities to deliver undergraduate, graduate, and continuing education are admired and unsurpassed as a group throughout the world. Universities need to work more closely with industry to provide even better fundamental education and tailor relevant training programs.
3. American and other countries' companies doing business abroad should capitalize on U.S.-educated, in-country nationals. The numbers of students—particularly graduate students—have increased dramatically in the last few decades, yet multinational companies do not always capture their newly acquired skills.
4. Improve the political and social awareness of all Americans working in other cultures. The social blunders of one unprepared representative can tear down many months—maybe even years—of preparation for cross-cultural commerce and other exchanges. Host countries may be very forgiving, but they also may not be; intercultural preparation is indispensable.
5. Learn the language. Again, this may vary from culture to culture. In some countries, you may not need to understand the language in detail, but knowing the greetings and certain key phrases is essential. Having a skilled interpreter when conducting business is important. The best interpreters understand economic terms and the language of business as well as culture. Consulates and bank correspondents are good sources for interpreters.

Finally, coming full circle regarding our individualism, we need to maintain our identity but participate in other cultures. Businesspeople should consider the national culture, the general business culture, and the specific corporate culture, as well as the individual communication style. Effective intercultural relations are dependent on effective communication because "cultures don't communicate, individuals do."[23]

SUMMARY

The first unofficial ambassadors to other countries are frequently business managers, and the multinational corporation is becoming so common that it bears the task of establishing good intercultural relations. American business managers must learn how to relate successfully to people from other cultures to fulfill the role of business in our economy.

Our attitudes toward foreigners can be ethnocentric. Ethnocentricity is the view that our way of doing things is the only correct way. Another attitude is that of cultural relativity, which holds that a society's customs should be viewed in the context of that society's culture. We find that Americans have varying attitudes about foreigners and how to do business globally.

Theory Z tells us that Japanese culture reflects a great deal of mutual trust between the employee and the employer, and after an appropriate breaking-in period, even foreigners. The company works hard at developing a strong company image to attract the best workers. Where Americans believe in individualism, the Japanese believe in the group effort.

The Middle Eastern world is composed of countries that are principally of the Moslem faith. Arabs also have a strong belief in the power of society over the individual: therefore, individual status improvement is very difficult, if not impossible. Authority is not to be questioned, be it religious or governmental. Arabs can be strongly goal oriented and use a closer "inner circle" than Americans.

The European Union, based on an economic alliance formed in 1992, presents challenges and opportunities for U.S. human relationships. Job security and powerful European labor unions may dictate the relative success of the European Union in world markets. Perhaps the greatest challenges are the Pacific Rim countries. The Chinese market is developing rapidly, but different values—especially long-term orientation—make doing business in China and related cultures different from anywhere else.

The languages of time, space, touch, and context are sources of important cultural differences. They can be worked out if we keep in mind the fundamental concepts of human dignity, empathy, and individual differences, among other things. Also keep in mind the basic common bond of humanity: understand that one's own values are not universal, but come from one's own culture, and make a serious effort to respect and understand cultural differences.

CASE STUDY 13-1

INTERNATIONAL BRIBERY

Henry Cordero works for Maytax Industries, a large multinational corporation with production and research facilities in several foreign countries. Henry is in charge of one of the facilities in a South American country. A member of the country's government recently informed Henry that if Maytax wished to remain operating in the country, the corporation should begin contributing to that country's medical research association.

Somewhat shocked, Henry asked if the order was official. The individual told him that although the order did not come officially from the government, it could easily be enforced. Well aware that bribery payments were being demanded, Henry

returned to the corporation's home office to discuss the matter with vice president, Mr. Charles Manoushek.

After filling in Mr. Manoushek on the details of the demand, Henry was asked what should be done concerning the matter. "It is my opinion," stated Henry, "that we should not become involved in making bribery payments. Aside from the fact that such payments are against our moral ethics and our system of free enterprise, the American public and our government take a pretty dim view of such matters."

"I agree with you there, Henry," stated Mr. Manoushek, "but I don't think you understand the realities of the problem. In countries such as this one, bribery has been an accepted custom for years and years. Although our country is against this type of thing, many countries abroad are not. We are a corporation that does the majority of our business abroad and we must deal with these countries on their own terms. If we don't, some other company will."

"But if we begin paying these bribery payments every time someone suggests it, where will the demands end?" retorted Henry. "On the other hand, when we begin offering these payments on our own initiative and the public finds out, we will be no better off for it. I know company image suffers when the American public finds out about companies doing this sort of thing. If it was my choice, I'd back out of the country if necessary."

"Our duty, Henry, is to our shareholders first, and that duty is protecting our investments abroad. If we must contribute to a country's medical research association to protect our investment, then that is what we must do."

CASE QUESTIONS

1. Whose side do you favor—Henry Cordero's or Charles Manoushek's? Give reasons for your stand.
2. Is giving small gifts acceptable? When does it stop being a gift and become a bribery payment? At what point do you make the distinction? Is there a dollar value?
3. If codes should be established, who will say what is ethical?
4. Companies have stated that there will be no "unusual payments." What is considered unusual?

CASE STUDY 13-2

A PROBLEM OF CULTURAL COMMUNICATION

Harold Underhill walked into the office of the Latin American country's commercial attaché for help. Harold had arrived 2 weeks earlier from the United States for the purpose of securing a several-million-dollar production order. Harold is the sales manager of a corporation that produces communications systems. When Harold first arrived in the country he had been under the impression that his business would take no more than a few days, and then he could take a few days vacation before returning within his allotted 7-day period.

Upon arriving in the country, Harold immediately contacted the minister of communications, who he needed to have sign the production order. He was then in-

structed that Minister Muñoz would see him that afternoon. When Harold arrived he was forced to wait in the outer office for a considerable amount of time and then only to be greeted briefly, but politely, by the minister before being ushered out without any business being discussed. Harold was informed that the minister would see him the following Wednesday for lunch. Although the delay was upsetting, Harold accepted the invitation.

When Harold and Señor Muñoz did meet the following week for lunch, Harold soon realized that the minister had no intention of talking business. Somewhat in a panic he tried pressing the fact that he needed the order signed. As a result of this, the minister politely cut short the business conversation and invited Harold to meet him again in a few days.

As a result of these events Harold asked the commercial attaché for his advice. "You must understand," stated the attaché, "that business relations are not the same here as they are in the United States. Things are not always done overnight here. Latin Americans feel a need to know with whom they are doing business. You should not rush things—let them take the initiative. When you are in another country you must follow their rules of behavior."

When Harold again met with the minister of communications they took a walk in a memorial park near the minister's office. As Señor Muñoz commented on the beauties of the park, Harold failed to recognize the statue of Simon Bolivar, and then compounded his error by stating that he had never heard of this man. Insulted, the minister decided that the pushy, rude American was not the person with whom he wanted to do business and informed both Harold and his employer that he didn't wish to continue negotiations.

CASE QUESTIONS

1. Identify Harold's problem.
2. Name several error's in Harold's approach.
3. How could Harold's company have prepared him better for the business transaction?

DISCUSSION AND STUDY QUESTIONS—TO KEEP YOU THINKING

1. What are the differences between ethnocentrism and cultural relativity?
2. Relate the differences between space and touch in your culture and a culture of another country.
3. Relate the differences between context and friendship in your culture and a culture of another country.
4. Why is the Theory Z approach so successful in Japan? What are its advantages and pitfalls in both Japan and other countries including the United States?
5. Where are the greatest trading opportunities for the United States? What are the pitfalls of each?
6. Are Americans more similar or different than people from other cultures?
7. What can organizations do to improve their effectiveness in global settings?

THE INTERNATIONAL CULTURE QUIZ ANSWERS

The correct answers are:

1. a
2. b
3. e (Portuguese)
4. b
5. d
6. a
7. d
8. d
9. b
10. c

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