



Book A Short Course in International Business Culture

Building Your International Business Through Cultural Awareness

Charles Mitchell
World Trade Press, 2000

Recommendation

Charles Mitchell’s book offers an excellent introduction to the differences in attitudes, values, protocol, rituals, traditions, communication styles and other characteristics that commonly separate cultures. He distinguishes people’s basic cultural traits from different national groups, while noting regional and individual variations, too. Mitchell cites examples from many major nations, including the U.S., Britain, France, Germany, Italy, Nigeria, Israel, Australia, China, Japan, Russia, Vietnam and India, and from Hispanic and Arabic cultures. The book is clearly written and well organized, with tips on giving gifts, negotiating, handling verbal and non-verbal communications, holding meetings and conducting business in general. *BooksInShort* says tuck this into your carry-on bag - the farther you’re going, the more you’ll need it.

Take-Aways

- Cultural influences affect the way people process information, value different qualities and view the world.
- Culture refers to the beliefs, values and other qualities shared by a society.
- Individuals are unique, but patterns characterize members of nations and regions.
- Cultural difference can be measured as individualism versus collectivism, power versus distance, uncertainty versus avoidance and masculinity versus femininity.
- Cultures evolve continually, though certain core values and traditions may remain.
- Cultures differ in how they relate to time, tasks, relationships and the future.
- Culture shock can occur when you go somewhere entirely unfamiliar.
- Learn to address people properly, because names are very important.
- Some cultures expect formality in relationships, while others are more informal.
- In low-context cultures, like the U.S., people communicate in a precise fashion.

Summary

Culture: Nuances and Blunders

As business becomes more globalized, you will increasingly find yourself working in a multi-cultural environment. To conduct business effectively, you need to be increasingly aware of cultural differences and to adjust the way you behave and communicate. These differences are reflected in the ways people from different cultures process information, value different qualities, think about time and space, and otherwise relate to business and each other. These differing cultural characteristics affect corporate cultures worldwide.

“The whole concept of effective globalization of a company presents a paradox: The more global a company becomes, the more reliant it must become on local resources - people and management and marketing talent - to distribute its products or services to new markets.”

Being unaware of cultural nuances can result in major business mistakes, such the blunders EuroDisney made when it started its operations in France. Among other things, the company created ill will by using lawyers to negotiate construction and other contracts - The French think that using lawyers is a sign of mistrust and only bring them in as a last resort. Disney didn't recognize different eating patterns, so the hotel dining rooms were too small, and the company forbade alcohol in a country where wine is a standard part of mealtimes.

“People from different cultures process information in different ways, value different traits and measure the concepts of time and space in dramatically different fashions.”

Essentially, culture refers to the core values, beliefs, norms, standards, behaviors and other qualities that everyone in a society learns and shares. These qualities shape the way you act, feel and view people - including the way you behave in business relationships. The key cultural components include language, religion, attitudes, manners, customs, the arts, education, social organization and humor. While some of these qualities may be expressed openly, such as spoken language, others are not. For instance, non-verbal communication is expressed through gestures, body language and facial expressions. You need to learn to be sensitive to various cues, or you can misread what someone is telling you or how someone feels about what you are doing. For instance, Americans think that looking someone in the eye during negotiations shows honesty and sincerity, whereas the British think a direct look is a sign of rudeness, unless you have a close personal relationship. The Japanese use less eye contact to show a higher level of esteem.

“Culture is a set of learned core values, beliefs, standards, knowledge, morals, laws and behaviors shared by individuals and societies that determines how an individual acts, feels, and views oneself and others.”

As you try to notice cultural differences, note how people behave on the street. Be aware of differences in pop culture and the arts, or in formal structures, such as government and organizations. Be sensitive to the differences in physical space and the formality of greetings. Such variations in one area of culture can suggest other differences; for example, making decisions usually takes longer when you are negotiating in a highly structured culture.

“Successful companies, both large and small, are dealing with the globalization paradox by learning to think globally and act locally, and by encouraging a diversity of management and giving subsidiary operations in different countries a higher degree of autonomy than ever before.”

Culture is continually evolving. Though certain core values and traditions may remain, practices and beliefs can change. Russia's culture has experienced a dramatic change from being a strongly collective society to one that values independent thought and action. Likewise, Japanese companies are paying more attention to merit and skill, rather than promoting workers based on seniority, age or length of service.

Recognizing Basic Cultural Types

While individuals differ, cultural stereotypes or patterns provide an overall guide to the major characteristics that distinguish different cultures. Dutch researcher and business consultant Geert Hofstede distinguishes cultures according to four dimensions, which are:

- Individualism versus collectivism - Societies that value individualism, such as the U.S., encourage independent thinking and

personal success, while collectivist cultures, such as Japan and various Arabic societies, encourage group success and conformity.

- Power-distance - This dimension relates to how individuals view power and perceive their role in decision-making. In a low power-distance culture, like the U.S., individual employees will feel more empowered, accept more responsibility and want a role in decision-making, whereas in a high power-distance culture, like Russia, employees look up to an authoritarian boss, seek direction and discipline, and accept the boss's decisions.
- Uncertainty-avoidance - This dimension relates to the ability to take chances versus the quest for certainty. For example, the Swiss, Germans and Japanese score high in seeking to avoid uncertainty, and prefer security and structure. On the other hand, those in the U.S. are much more open to taking risks and living with uncertainty. This even affects meetings, because the Japanese will carefully prepare and even rehearse meetings, while U.S. managers are more responsive to questions and changes in the agenda.
- Masculinity versus femininity - The distinction here is between societies that value supposedly masculine traits, such as aggressiveness, assertiveness and material acquisition, versus those that have more feminine traits, such as a concern with personal relationships. This continuum is based on the extent to which cultures express these contrasting qualities. For instance, U.S. culture is high in masculine traits but French and Chinese cultures are higher in feminine traits.

“Often, it's not what you say, but what you don't say, that counts.”

Other cultural distinctions include how individuals relate to time, context, tasks, relationships and the future. U.S. executives prefer to do one task at a time. On the other hand, Chinese executives prefer to do multiple tasks at the same time. In low-context cultures, such as Britain, people use more precise communications, whereas in high-context cultures, such as Latin America, people use imprecise communications, deriving context from personal relationships. Task-driven cultures focus on making the sale or deal quickly, whereas in relationship-driven cultures, you need to develop the relationship first. And, some places have a more present-oriented, short-term view, as in the U.S., but others, like Japan, have a much longer time horizon.

Regional Color

While there are always individual exceptions, generally, a businessperson is more likely to reflect his or her national stereotype than not. Besides researching a particular culture when you are doing business together, consider regional differences. Many exist, for example:

- In the U.S., the four major regions where attitudes, industries, accents, foods and other cultural characteristics differ are the Northeast, South, Midwest and West.
- In Canada, the major difference is between English and French cultures.
- In Europe, major distinctions occur between Western Europe, Central or Middle Europe, and the Eastern European Nations.

Culture Shock

Because of these cultural differences, you may experience cultural shock when you go abroad. This happens when nothing is familiar. All your verbal and non-verbal clues no longer are relevant. You could feel uneducated and dependent on others, such as translators, to communicate. To counter this experience, maintain your sense of adventure and be interested in learning. It helps to participate all you can and to keep a journal. Conversely, if you are away from your home country for an extended time, you may experience reverse cultural shock and have to re-adapt when you come home. Your company can help with a formal, professional repatriation program to reacquaint returning employees with current practices.

Customs, Etiquette and Protocol

Learn about local customs, etiquette and protocol to smooth your relationships in another culture. Etiquette includes everything that goes into making a first impression, from how you dress to your body language and your posture. Don't worry about all the subtleties on your initial contact, but be prepared to show you have learned more on subsequent contacts.

“The cultural differences are indeed very real. Ignore them and you take a great risk. Exaggerate the differences, and the result will be equally risky.”

Learn a culture’s naming system and practice the names of your contacts before you arrive. Different cultures expect different degrees of formality. Russia places a high priority on formality, while the U.S. is much less formal. Also learn how to greet people. Typically, the approach to greeting is based on the culture’s level of formality and social distance. For instance, Africans tend to give a very warm physical greeting, while the Chinese greeting is generally a nod or slight bow. Rules of personal space differ. Members of some cultures, such as Australians and most Asians, move in much closer for an introduction than Europeans do.

“Within any culture there are regional differences that can be as dramatic as those between nations.”

Business card etiquette is important. In Asia, exchanging cards is a formal ritual, not an informal social practice. If you meet a number of foreign contacts at the same time, give your card to the highest-ranking person or delegation leader first as a sign of respect.

Notice conversational taboos as well. Stay away from potentially controversial subjects, such as politics and religion; talk about sports, family, food or travel experiences instead. Plan to socialize as well as engage in business dealings. In many cultures, social occasions can be more important than the formal business meetings, because relationships are so important. If you get an invitation to meet outside of business hours, it is best to accept. If you decline, even claiming jet lag, your host could feel insulted. Likewise, eat what you are offered, even if it looks awful. Follow the local social drinking protocol, since you might inspire mistrust if you refuse a drink. Generally, it’s better to accept and nurse the drink or quietly switch an alcoholic drink for water so you don’t miss a toast.

“As a general rule, stereotyping of cultural traits works when applied to large groups, even whole societies, but may not stand up on an individual one-to-one basis.”

Typically it’s advisable to dress smartly and conservatively, with darker colors. If in doubt, overdress for the event. Women also need to take care in some cultures to wear acceptably modest dress, such as wearing a conservative dress or skirt in Asia and Arab countries.

Communicating Across Cultures

Besides knowing the language, you need to understand thought patterns, values, norms and styles of processing information. For example, in high-context cultures, communication will be imprecise; in low-context ones, it will be much more precise and detailed. Learn if a culture is task or relationship-oriented to help you shape your communication style. Assume there will be differences in the way others receive and process information so you aren’t overconfident, even if you speak the same language. Use uncomplicated and descriptive language to explain your position. In business, visual aids can help get your message across.

“It is important to remember that you, too, will likely be viewed or profiled by others according to their stereotypes of your culture.”

Recognize the subtleties of speech. Even saying "no" varies greatly. In a low-context culture like the U.S., "no" can mean "no." But in high-context cultures, such as Asia and the Middle East, people may have trouble saying "no," since they feel it disrupts group harmony. But, they may really mean "no" when they say "I have to think about it" or "This may take time." Thus, you must be particularly aware of non-verbal communication patterns, such as gestures, eye-contact, facial expressions, posture and silence. Gestures have different meanings in different cultures. A hand with three fingers raised and the thumb and forefinger together to form a circle means "everything is great" in the U.S. and Germany. In Japan, it symbolizes money. But it is a vulgar gesture in Spain, Russia and Brazil.

“Culture shock occurs when everything that was once familiar to you - language, food, currency, values, beliefs and even such take-for-granted incidentals as traffic patterns, mealtimes, and sleep patterns - vanishes.”

Learn codes of gift giving. Bestowing an appropriate gift in a timely fashion can improve personal relationships and increase your company’s status. Take special care with humor, since what is funny varies from culture to culture, and a poor joke can turn into an unintended insult.

About the Author

Charles Mitchell has worked as a foreign correspondent for U.S. and European news services, newspapers and magazines for

more than 20 years, reporting from some 45 countries on four continents. He is the Director of Publishing for The Conference Board, a non-profit business and economic research organization that tries to enhance business's contribution to society.
