Cultural Understanding for International Business
World of Opportunity Beyond our Borders

- 95% of population
- 72% of economy
- $45 trillion market

- 600 million people in developed nations
- Rapidly emerging economies with growing middle class
“We see things not as they are, but as we are.”

-- H.M. Tomlinson
Culture is the collection of values, beliefs, behaviors, customs and attitudes that are shared among a group of people.
Important to Note

- Cultures are not necessarily defined by national boundaries; they can be local or regional, or related to a certain profession or workplace.
- It is learned behavior
- Elements are interrelated
- Culture is adaptive – it changes over time
- It is shared
- It determines how we communicate and interact
- There isn’t a “right or wrong” way to do things, but it is important to understand the differences
What is Culture?

Above the “water line”

- Art
- Food
- Clothing
- Language
- Communication Styles
- Physical Features
- Sports and Pastimes
What is Culture?

Below the surface

- Values
- Beliefs
- Attitudes
- Perceptions
- Assumptions
- Motivations
<table>
<thead>
<tr>
<th>INDIVIDUAL CULTURES</th>
<th>COLLECTIVE CULTURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td>Respect for Authority</td>
</tr>
<tr>
<td>Self-Esteem</td>
<td>Concern for the Group</td>
</tr>
<tr>
<td>Personal Accountability</td>
<td>Group Decision-Making</td>
</tr>
<tr>
<td>Social Mobility</td>
<td>Value of Harmony</td>
</tr>
<tr>
<td>Career Development</td>
<td>Positions correlate to age</td>
</tr>
<tr>
<td>Risk-Taking</td>
<td>Notion of “saving face”</td>
</tr>
</tbody>
</table>
Examples

United States

China
Chinese High School
## Communication Styles

<table>
<thead>
<tr>
<th>DIRECT</th>
<th>INDIRECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Say what you mean and be more to the point</td>
<td>Diplomacy and tact</td>
</tr>
<tr>
<td>Tell rather than ask</td>
<td>Ask rather than tell</td>
</tr>
<tr>
<td>Yes or No</td>
<td>“Yes” doesn’t always mean yes</td>
</tr>
<tr>
<td>Uncomfortable with silence</td>
<td>But “maybe” usually means no</td>
</tr>
<tr>
<td>More confrontational</td>
<td>Comfortable with silence</td>
</tr>
<tr>
<td>Low-Context Cultures</td>
<td>High-Context Cultures</td>
</tr>
</tbody>
</table>
### Challenges for Cross-Cultural Communications

<table>
<thead>
<tr>
<th>Disconnect caused by our “cultural filters”</th>
<th>Other obstacles</th>
</tr>
</thead>
</table>
| ![Diagram of two people communicating](image)

- Non-verbal communication
- Different meanings of gestures (watch out)
- Lack of context in e-mail messages
- Regional dialects and linguistic subtleties
Approach to Work and Business

Task / Time  Relationship / Trust
## Approach to Work and Business

<table>
<thead>
<tr>
<th>TASK</th>
<th>RELATIONSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of “getting the job done”</td>
<td>Highest value is personal connections</td>
</tr>
<tr>
<td>Time is money</td>
<td>“Guanxi” in China</td>
</tr>
<tr>
<td>Achievements</td>
<td>Relationships take priority</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Reputation</td>
</tr>
<tr>
<td>Results</td>
<td>Trust</td>
</tr>
<tr>
<td>Contract</td>
<td></td>
</tr>
</tbody>
</table>
Examples

United States

Mexico
### Positional Authority

<table>
<thead>
<tr>
<th><strong>EQUALITY</strong></th>
<th><strong>HIERARCHY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>More comfortable bypassing the “chain of command”</td>
<td>Deference to authority</td>
</tr>
<tr>
<td>Less tolerant of inequality</td>
<td>Strictly follow “chain of command”</td>
</tr>
<tr>
<td>Less formality / use of first names</td>
<td>Greater acceptance of leader’s power</td>
</tr>
<tr>
<td>Leadership not based on seniority</td>
<td>Tolerance of inequality</td>
</tr>
<tr>
<td></td>
<td>Use of formal titles</td>
</tr>
<tr>
<td></td>
<td>Social Stratification</td>
</tr>
</tbody>
</table>
The Ethnic Theory of Plane Crashes

“Who we are cannot be separated from where we’re from – and when we ignore that fact, planes crash.”

-- Malcolm Gladwell, *Outliers*
## Key Skills for International Business Success

- **Cultural Self-Awareness**
  - Know yourself first
  - How well do you know your own culture?
  - How well do you fit your culture’s values and norms?

- **Cross-Cultural Literacy**
  - How much do we know about other cultures?
  - How well do we pick up on cultural cues and messages that are different from our own?
  - Are you attuned to the subtleties?

- **Cross-Cultural Team Skills**
  - The capacity to stay open to alternative perspectives
Don’t Generalize or Stereotype / Be Specific

- Not everyone fits their cultural profile
- Remember cultures don’t always follow national borders
  - Local
  - Regional
  - Professional
  - Workplace

Hospitality: Be a good host and a gracious guest!
And Don’t Forget Your Business Cards!
Thank You!

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