

# 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**

# First Rule of Understanding Culture



**“We see things not as they are,  
but as we are.”**

**-- H.M. Tomlinson**

## Definition



**Culture is the collection of values, beliefs, behaviors, customs and attitudes that are shared among a group of people.**

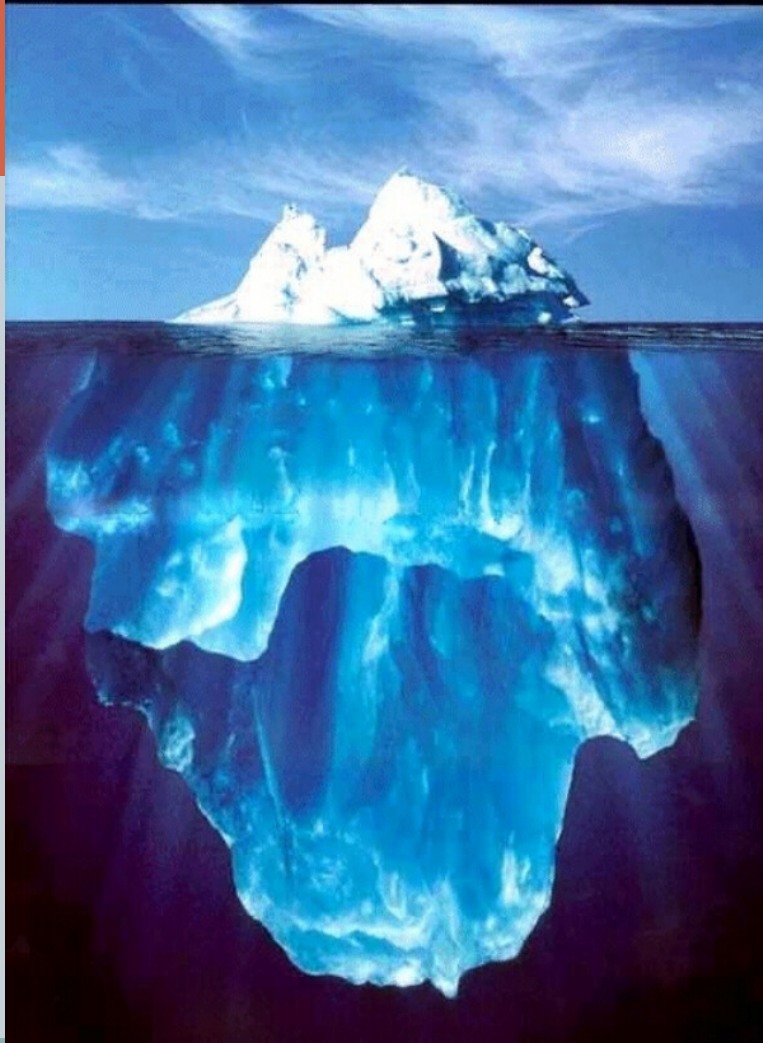
# Important to Note



- 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



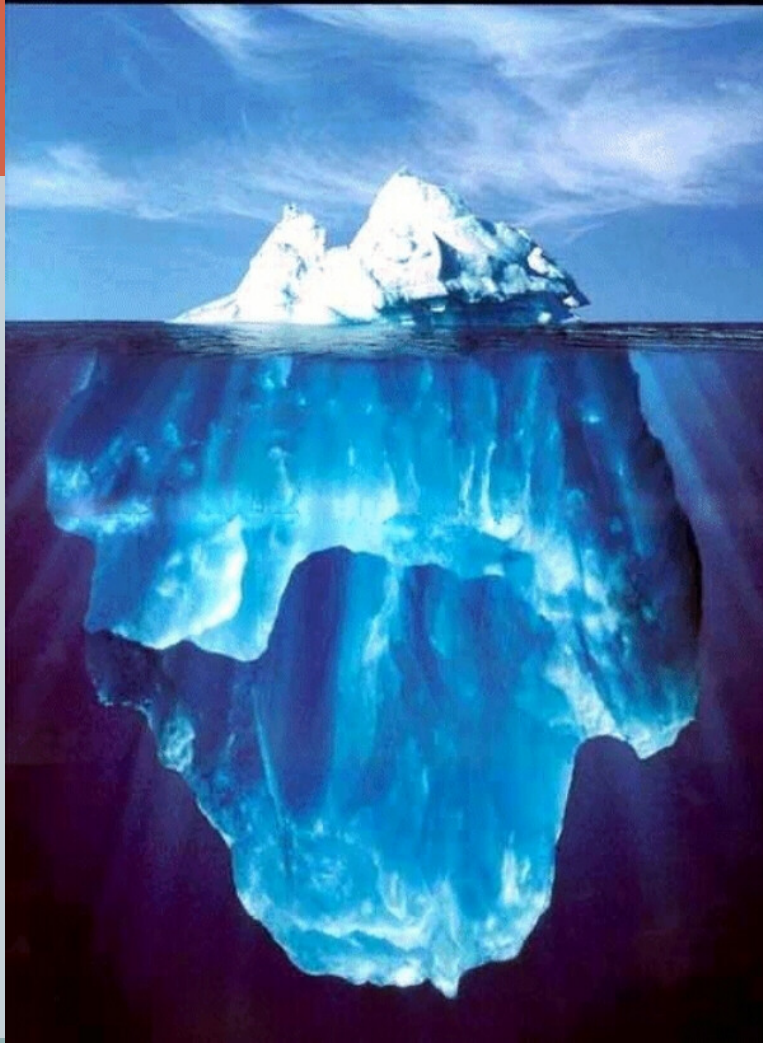
# What is Culture?



## 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

# Social Orientation



## **INDIVIDUAL CULTURES**

- Independence
- Self-Esteem
- Personal Accountability
- Social Mobility
- Career Development
- Risk-Taking

## **COLLECTIVE CULTURES**

- Respect for Authority
- Concern for the Group
- Group Decision-Making
- Value of Harmony
- Positions correlate to age
- Notion of “saving face”

# Examples



**United States**

**China**



# Chinese High School



# Communication Styles



## **DIRECT**

- Say what you mean and be more to the point
- Tell rather than ask
- Yes or No
- Uncomfortable with silence
- More confrontational
- Low-Context Cultures

## **INDIRECT**

- Diplomacy and tact
- Ask rather than tell
- “Yes” doesn’t always mean yes
- But “maybe” usually means no
- Comfortable with silence
- High-Context Cultures

# Challenges for Cross-Cultural Communications

## Disconnect caused by our “cultural filters”



## Other obstacles

- 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



## **TASK**

- Value of “getting the job done”
- Time is money
- Achievements
- Outcomes
- Results
- Contract

## **RELATIONSHIP**

- Highest value is personal connections
- “Guanxi” in China
- Relationships take priority
- Reputation
- Trust

# Examples



**United States**

**Mexico**



# Positional Authority

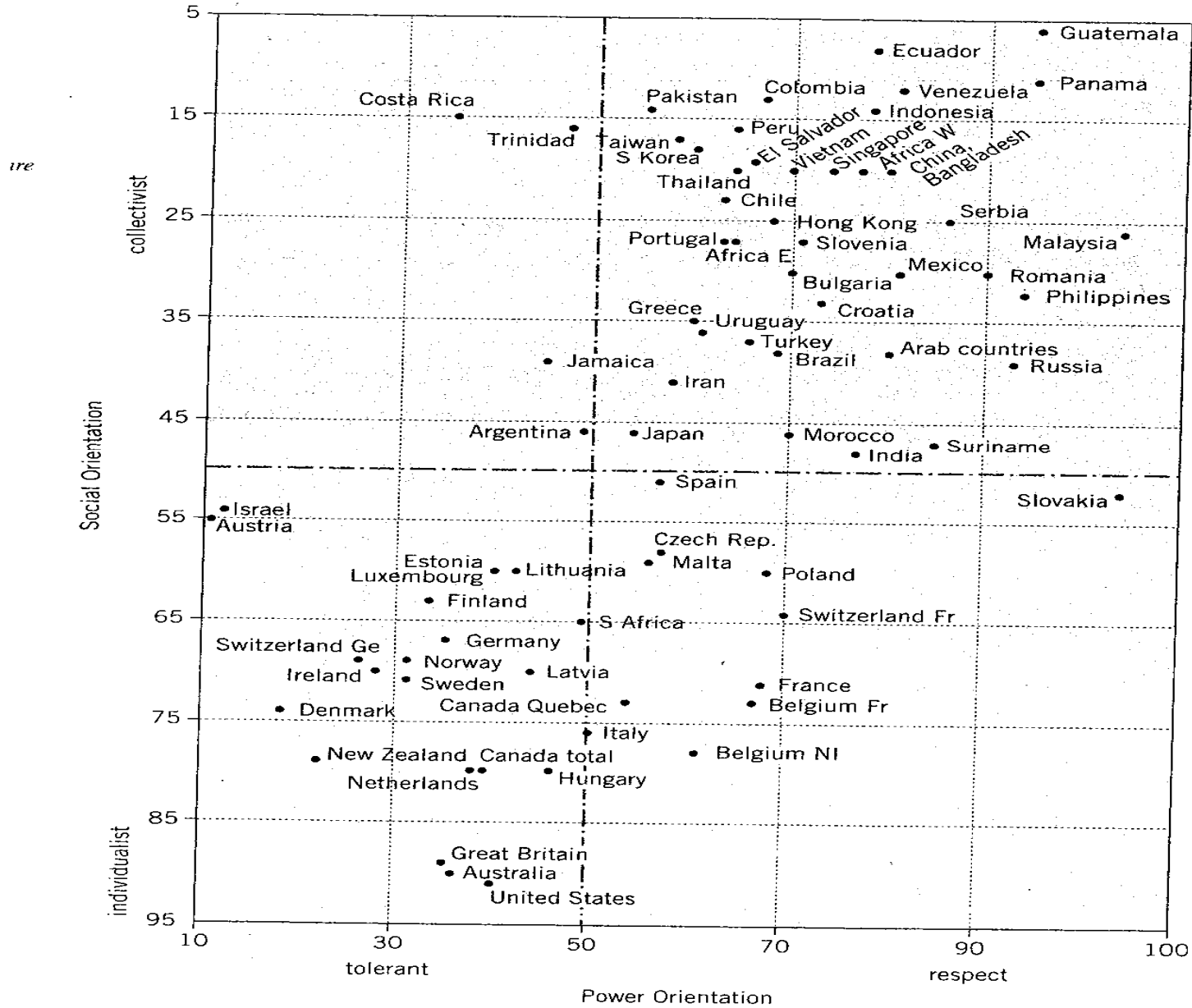


## **EQUALITY**

- More comfortable bypassing the “chain of command”
- Less tolerant of inequality
- Less formality / use of first names
- Leadership not based on seniority

## **HIERARCHY**

- Deference to authority
- Strictly follow “chain of command”
- Greater acceptance of leader’s power
- Tolerance of inequality
- Use of formal titles
- Social Stratification



# 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**

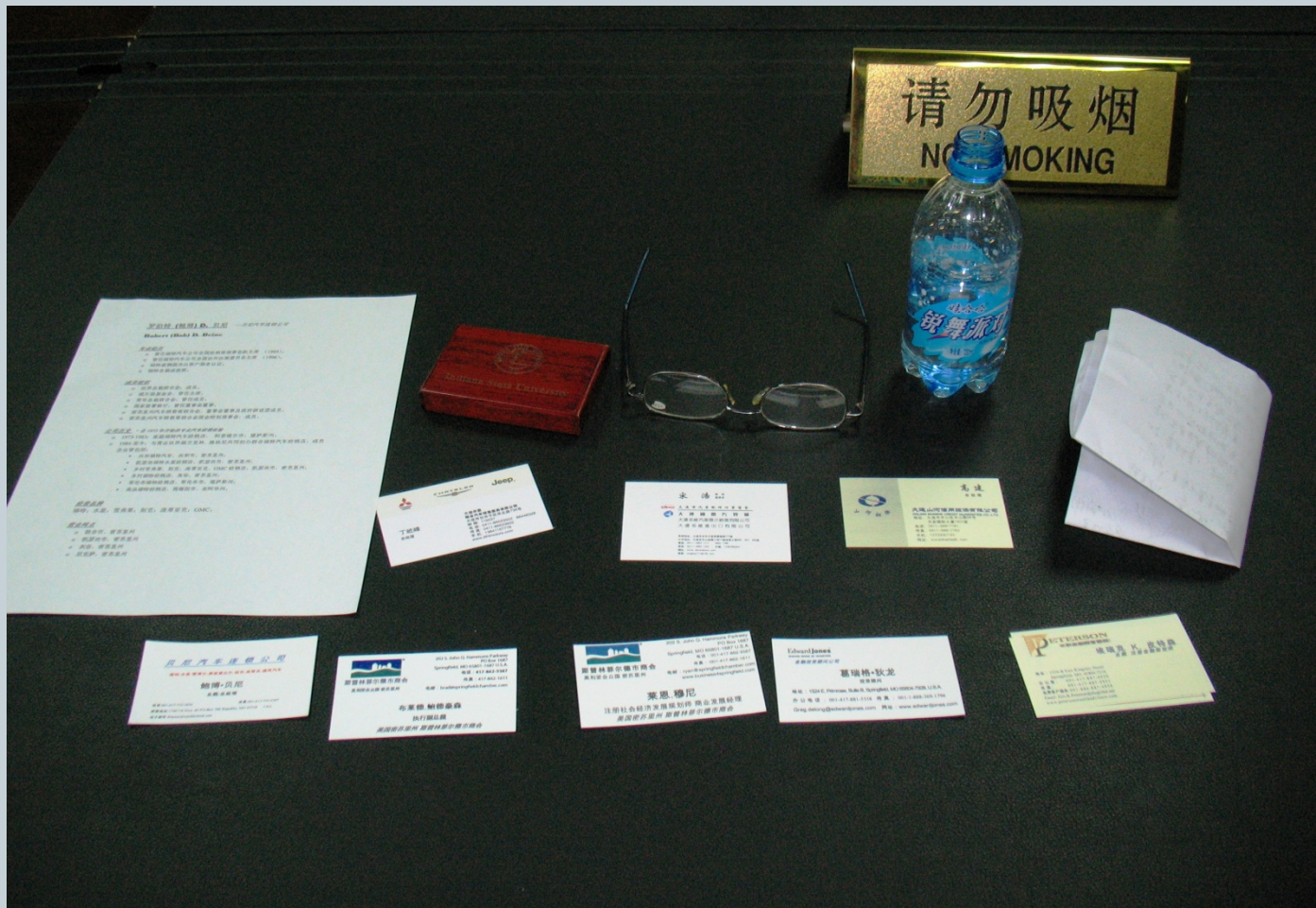
- The capacity to stay open to alternative perspectives

# Key Skills for International Business Success



- **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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