Intercultural Behaviour In Business

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Making International Business

- Limitations
  - Different cultural environment
  - Different legal environment
  - Level of uncertainty
  - Geographical environment
Definition of Culture

- Group of traditional beliefs and values shared by a certain society which are transmitted from generation to generation
- Is the way in which a group of people solves problems
Culture analysed from different points of view

- Cultural context
- Verbal communication
- Distance-power orientation
- Uncertainty avoidance
- The cultural „TEMPO“
- Different intelectual styles. Some examples
1. Cultural Context

**Low-context culture:** With clear and explicit messages in which written words transmit most of the information. Legal documents are considered essential.

**High-context culture:** The context rather than the content is of significance. Fewer legal documents are used in these cultures.
Low-context culture features

- Individual values
- Self-face concern
- Linear logic
- Direct style
- Person-oriented style
- Self-enhancement style
- Speaker-oriented style
- Verbal-based understanding
High-context culture

- Group-oriented values
- Mutual-face concern
- Spiral logic
- Indirect style
- Status-oriented style
- Self-effacement
- Listener-oriented style
- Context-based understanding
2. Verbal communication

- Different styles of speaking
- The Tone of voice
Different styles of speaking

Anglo-saxon

Mediterranean

Oriental
The Tone of voice
3. Distance-power orientation

The extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally
Distance-power orientation

**LOW**

- Decentralized organizations
- Narrow salary range
- Consultative decision-making

**HIGH**

- Hierarchical organizations
- Centralization
- Wide salary range
- Subordinates expect rules
Distance-power orientation
4. The Cultural „TEMPO“

- Attitudes to time
  - Past
  - Present
  - Future

- The meaning of time
  - Monochronic time
  - Polichronic time
The meaning of the time

**Monochronic time**
- Clock time
- Appointment time
- Segmented time
- Task-oriented time
- Achievement tempos
- Future-focused approach
- Tangible outcome orientation

(USA, Germany, Switzerland)

**Polychronic time**
- Situational time
- Flexible time
- Simultaneous activities
- Relationship-oriented perspective
- Past/present-focused approach
- Historical orientation

(Arab, African, Latin, American, Asian, Mediterranean cultures)
5. UNCERTAINTY AVOIDANCE

The extent to which the members of a culture feel threatened by uncertain or unknown situations

High scores in uncertainty avoidance:
• Latin American, Latin European, Mediterranean countries and Japan and South Korea
• (Greece, Portugal, France, Belgium, Guatemala, Uruguay, etc)

Medium to low scores uncertainty avoidance:
• Asian countries (expect Japan and Korea), African countries, Anglo and Northern countries
UNCERTAINTY AVOIDANCE in organizations

**Low uncertainty avoidance**
- Rules only when strictly necessary
- Time is a framework for orientation
- Comfortable when lazy; hard working only when needed
- Deviant ideas and innovations
- Motivated by achievement and esteem or belongingness

**High uncertainty avoidance**
- Emotional need for rules
- Time is money
- Emotional need to be busy
- Inner urge to work hard
- Resistance to innovations
- Motivation by security and esteem or belongingness
6. Intelectual Styles in Business

- Saxon: English and North-Americans
- Gaelic: French, Spanish, Latin-Americans
- Teutonics: Germans
- Japanese
Some examples

**USA:**

- John Wayne style: open, direct, individualistic, competent.
- Sometimes ethnocentric.
- Support their arguments in facts (empirical thoughts)
- Long contracts with many clauses
- They do not like protocols
England

- Used to working in groups and do not like making personal decisions
- Features: self-confidence, coldness, gentleness
- Humor is at any time obliged
- Promote their job as a good thing for all their community
France

- Their style is competitive and they like confrontation
- Ideological and ethnocentric featured
- Necessity of liking others
- Used to being more interested in people who disagree with them
Germany

- Do not feel confident in ambiguous, uncertain and with unpredictable risk situations.
- Once an agreement has been reached, they don’t like considering any modification to it.
- Germans do not appreciate humor in a business context.
- Long-term agreements
Japan

- They try to hide the emotional facial expressions
- Do not trust people from other cultures
- At the beginning of the negotiation they could be demanding and will ask many questions.
- The end of the negotiation is when they will make concessions
China

They have gained the fame of being good negotiators, talented, strong and tactical. One of the reasons could be that they have practised negotiation for the governmental companies where all the decisions were thoroughly reviewed.

The Chinese people value positively family, friendship, but their concept of friendship in a long-term has more to do with loyalty, which means that according to the friendship they will try to get concessions without any warranty.
Spain

- Business in Spain is often obtained as a result of personal relationships.
- Chaotic business negotiations. Often numerous people will be speaking simultaneously.
- Negotiations are usually an extremely long and arduous task, so do not be in a rush to catch a deal with Spain.
- Business colleagues often dine together, but different ranks within a company do not mix.
- During business negotiations, rules and systems are only used as a last resort to solve a problem.