The Cultural Dimension of Global Business

Eighth edition

Gary P. Ferraro and Elizabeth K. Briody



Contents

List of photos List of figures List of tables List of boxes Preface Acknowledgments

1 Cultural anthropology and global business

Introduction: global connections The perspective of cultural anthropology Cultural anthropology and business Anthropology's major concept: culture Culture is learned Culture influences biological processes Cultural universals do exist Economic systems Marriage and family systems Educational systems Social control systems Supernatural belief systems Cultural change People from all cultures are ethnocentric Cultures are integrated wholes Corporations also are cultures Cultural differences in business: challenges and opportunities Cross-cultural scenarios

2 Lenses for understanding culture and cultural differences

Contrasting values The individual–collective dimension How individualism–collectivism plays out in individual-oriented cultures

How individualism-collectivism plays out in collective-oriented cultures Implications for business within collectivist cultures The equality-hierarchy dimension How equality-hierarchy plays out in egalitarian cultures How equality-hierarchy plays out in hierarchical cultures Implications for business within hierarchical cultures The change orientation dimension How orientations to change play out in change-embracing cultures How orientations to change play out in change-fearing cultures Implications for business within change-fearing cultures The time orientation dimension Precise versus loose reckoning of time Sequential versus synchronized time Past, present, and future orientations The busyness factor How time orientation plays out in precise/M-time cultures How time orientation plays out in loose/P-time cultures How time orientation plays out in past-oriented cultures How time orientation plays out in present-oriented cultures How time orientation plays out in future-oriented cultures How time orientation plays out in busy cultures Implications for business within loose/P-time cultures Context Metaphors Change Conclusion Cross-cultural scenarios

3 Communicating across cultures: the nonverbal dimension

The nature of nonverbal communication Types of nonverbal communication Potential pitfalls in studying nonverbal communication Business introductions Business card exchange Bowing Gift giving Interactions among businesspeople Body posture Gaze Hand gestures Facial expressions Dress Proxemics New technologies and visual media Conclusion Cross-cultural scenarios

4 Communicating across cultures: language

The ideal of linguistic proficiency in global business Defining language Communicate more, misunderstand less, partner better Cultural competence is essential too! Need a reason to learn a foreign language? English language skills are not always, or routinely, sufficient Language skills enable relationship and partnership building Few possess both language skills and specific technical skills While helpful, interpreters have limits Knowing more than one language improves contextual understanding Linguistic diversity Spoken languages worldwide "What do they speak there?" When the assumptions turn out wrong Learning from firsthand experience Revisiting and revising our assumptions Language and culture The influence of culture on language Culture and business Culture and sports Culture and language preservation The influence of language on culture Language mirrors cultural values Individualism vs. group-centeredness Directness vs. indirectness Language and social context Taking relationship specifics into account Translation issues can lead to miscommunication Additional complicating factors Slang Euphemisms Conversational taboos

Accents Humor Information and communication technologies Email Text messages Chat/VoIP Conclusion Cross-cultural scenarios

5 Negotiating across cultures

The nature of cross-cultural negotiation

Where to negotiate

Effective strategies for international negotiators

Avoid cultural cluelessness

Concentrate on long-term relationships, not short-term contracts

Focus on the interests behind the positions

Avoid overreliance on cultural generalizations

Be sensitive to timing

Remain flexible

Prepare carefully

Learn to listen, not just speak

Act ethically and with integrity

The use of interpreters

Prior to the negotiations

During the negotiations: communicating with your interpreter

During the negotiations: communicating with your counterpart

The global negotiator

Cross-cultural scenarios

6 Partnering across cultures

Partnership basics

Meetings as opportunities for collaboration Meetings and national-culture differences Meetings and organizational-culture differences Lessons drawn from meetings Decision-making models to advance the partnership work Decision making and cultural differences Decision making and organizational-culture differences Majority preferred at Small Car Group

100 percent consensus at Saturn Leadership driven at Opel Single voice of authority at Isuzu Individual empowerment at GM Truck Group Collaboration at GM do Brasil The impact of decision-making differences Lessons drawn from decision-making models Partnering relationships and problem solving Partnering with on-site work colleagues Distinctions between local and global partnerships Global virtual partnerships Partnership life cycle Initiation stage Start-up stage Growth stage Mature stage Transition Partnership process outcomes Partnership product outcomes Lessons drawn from partnering relationships and problem solving Cross-cultural scenarios

7 Cultural transformation

Definition of cultural transformation Change unfolding Developing and implementing a plan for change Data gathering Comparing the plan with the stated cultural ideals Analyzing the reactions to change Moving forward Critical attributes of planned cultural transformation Core idea Culture Time-based process Business approach to change Centralizing concept Culture understood Three-stage process models Multi-stage process models Summary

Anthropological approach to change Mechanisms of change Invention Cultural loss Diffusion Acculturation Acculturation often underlies organizational-culture change Where are all the anthropologists? Similarities to an anthropological approach Crises often force change: a manufacturing case study Process and problem solving as core ideas Summary Applying the planned cultural transformation process to health care Process Assessment of process Conclusion Cross-cultural scenarios

8 Consumers

Consumer or customer: what's the difference? An anthropological approach to understanding consumers Interface between business organizations and consumers The gold star question Difficulty keeping pace with market complexity Design district Macy's Department Store At home with consumers Product development challenges Summary A holistic approach to consumer research Coffee with an anthropological twist Fine chocolate without the guilt Collaborative approaches A day in the life ... and a sportswear opportunity revealed A breath of fresh air ... brought inside Brand meaning and advertising Inspirational characters with compelling stories Know thy consumers' culture Conclusion Cross-cultural scenarios

9 Global leadership

Globally oriented firms Creating a globally oriented workforce Recruiting and hiring Global virtual teams International assignments Business trip "Frequent flyer" assignments Commuter assignments Rotational assignments Short-term assignments Long-term assignments Integrating the global at home The evolving profile of the expatriate assignment Expatriate numbers Preferences in expatriate locations The expatriate paradox Expatriate strategy: short-and long-term assignments The value of an expatriate strategy Counterpoint: reducing the use of expatriates Competencies for global leaders Cultural adaptation Cultural minimization Cultural integration Other global leadership competencies Broad perspective Appreciation of alternative viewpoints Balancing contradictions Emotional resilience Selection for an expatriate assignment Selection models Preeminence of the technical Interest in global Motivation Personality Communication Gender Family circumstances Conclusion

Cross-cultural scenarios

10 The expatriate assignment

Preparation

Language training Cross-cultural training CCT effectiveness CCT content A taste of life and the job abroad The expatriate experience Culture shock Definition Stressful impacts Phases Positive impacts In-country support A role for the corporation Building a knowledge base Accessing local networks Repatriation Reentry shock Back home at the office Global strategy reimagined Conclusion Cross-cultural scenarios

Appendix A: cross-cultural scenario discussions

Chapter 1 Chapter 2 Chapter 3 Chapter 4 Chapter 5 Chapter 6 Chapter 7 Chapter 8 Chapter 9

Chapter 10

Appendix B: locating relevant cultural information

The traditional anthropological approach Documentary sources useful in developing a cultural profile Culture-specific associations Some country-specific sources U.S. government sources The electronic library Human resources for culture-specific information One's own company Academia Foreign trade offices Private-sector consultants and trainers The search for cultural information upon arrival In-country documentary resources In-country human resources Conclusion Glossary References

Index