

FIFTH EDITION

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# THE CULTURAL DIMENSION OF INTERNATIONAL BUSINESS

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# Preface

This book is aimed at demonstrating how the theory and insights of cultural anthropology can positively influence the conduct of international business. To date, anthropologists have given embarrassingly little attention to this subject, and writers in the field of international management and marketing, although acknowledging the importance of the cultural dimension, have dealt with it in a cursory and anecdotal fashion. This book—which explores the contributions that cultural anthropology can make to the more effective and humane conduct of international business—can serve the interests of both the international business community and the discipline of anthropology, which is continually searching for new, nonacademic environments in which to make practical contributions. Specifically, the book takes a fourfold approach to understanding the cultural dimension of international business.

## **I. CULTURE-GENERAL APPROACH: MAKING THE CONNECTIONS BETWEEN ANTHROPOLOGICAL THEORY (GENERALIZATIONS) AND INTERNATIONAL BUSINESS**

Chapter 2 provides an in-depth look at the concept of culture, what generalizations hold true for all cultures of the world, and the implications of those generalizations for international business. This chapter is predicated on the notion that it is impossible for anyone to master all of the specific cultural facts about the thousands of cultures found in the world today. Thus, a more conceptual approach is needed. The chapter begins with various definitions of the culture concept, followed by some important generalizations that can be usefully applied to any cross-cultural situation. The importance of these cultural generalizations for the conduct of international business is then discussed.

## **II. UNDERSTANDING COMMUNICATION PATTERNS—VERBAL AND NONVERBAL**

In Chapters 3 and 4 we examine some of the critical dimensions of communication, both verbal and nonverbal, in a cross-cultural business setting. Effective communication between people from the same cultural and linguistic group is often difficult enough, but when one is attempting to communicate with people who speak little or no English—and have different ideas, attitudes, assumptions, perceptions, and ways of doing things—the chances for miscommunication increase enormously. In Chapter 3, we examine the critical importance of language competence in an international business context, the interrelatedness between language and culture, linguistic style, the situational use of language, and some additional factors (such as slang and euphemisms) that can further complicate verbal communication in an international business context.

In Chapter 4 we discuss the importance of knowing the nonverbal communication patterns prevalent in the international business arena. As important as language is to sending and receiving messages, nonverbal communication is perhaps even more important. Not only do nonverbal cues help us interpret verbal messages, but they are also responsible in their own right for the majority of the messages that make up human communication. Six major modes of communicating nonverbally—posture, hand gestures; facial expressions, eye contact, proxemics, and touching—are discussed in a cross-cultural perspective. The aim of this chapter is to demonstrate the many ways there are to miscommunicate in a cross-cultural business setting unless one is familiar with the nonverbal patterns of communication in addition to the linguistic patterns.

### **III. CULTURAL SELF-AWARENESS: THEIR VALUES AND OURS**

Chapter 5, dealing with values, is designed with two purposes in mind. First, it aims to show that people from different cultures view the world from the perspective of their own cultural assumptions, not necessarily ours. And second, it encourages Western businesspeople to increase their cultural self-awareness—that is, their ability to recognize the influences of their culture on their thinking and behavior. An increase in cultural self-awareness should make it easier to diagnose difficulties when operating in a foreign business setting. It should enable the overseas businessperson to discover how a cross-cultural misunderstanding may have arisen from his or her own cultural assumptions rather than from some shortcoming of the culturally different person.

Following the lead of such theorists as Florence Kluckhohn, John Condon, and Geert Hofstede, among others, Chapter 5 presents a framework of values that can be used to analyze cultural differences throughout the world. The model examines such dimensions of values as individualism versus collectivism, equality versus hierarchy, tough versus tender societies, varying levels of uncertainty avoidance, and certain aspects of time, including precise versus loose reckoning of time, past, present, and future time orientations, and sequential versus synchronical aspects of time. Chapter 5 describes each of these dimensions, shows how they play out in different types of societies, and then examines the implications for conducting business in those countries which do not share our own cultural assumptions.

### **IV. CULTURE-SPECIFIC APPROACH: FINDING RELEVANT CULTURAL INFORMATION**

The final segment of this four-pronged approach involves a discussion of how and where to find the specific cultural information needed for any particular international business assignment. For example, how does one procure current and pertinent data describing the cultural patterns that exist in Djakarta, Madras, or La Paz? Appendix B explores a number of anthropological and nonanthropological data sources (both documentary and human) that can be useful in developing a profile of any particular culture. This appendix is based on the assumption that if U.S. businesses are to meet the current challenges of

a highly competitive world economy, they will need an ever increasing flow of information about the cultures of those with whom they are conducting business.

Chapter 6 deals with negotiating across cultures. Although it is recognized that no two international negotiating situations are ever identical, some negotiating strategies are generally valid in most situations. Based on the experiences of successful and culturally sensitive international negotiators, this chapter provides such general guidelines as (1) concentrating on long-term relationships, (2) focusing on the interests behind the positions, (3) being attuned to timing, (4) maintaining flexibility, (5) careful preparation, (6) the willingness to listen, and (7) acting ethically.

Chapter 7 of this book examines culture shock, a phenomenon that can sour an otherwise promising international business assignment. Although there are no ways of totally eliminating this psychologically disorienting experience, there are steps to take before, during, and after an international assignment that can reduce some of the more debilitating symptoms. The chapter concludes with suggestions for minimizing culture shock.

Chapter 8 examines developing global leaders, expatriate excellence, and a number of other important global human resource issues. This chapter argues that expatriate assignments must be managed in a more systematic, holistic, and long-term way than they are currently being managed. This requires international firms to be attentive to all phases of transferring personnel abroad, including selection, cross-cultural preparation, in-country support, repatriation, and the utilization of those skills gained abroad for future assignments.

As a final note, attention should be given to the scenarios appearing at the end of Chapters 2 through 8. With this fifth edition the number of chapter-ending scenarios has been increased from five to seven. The reader is encouraged to analyze these minicase studies in an attempt to determine why a cultural conflict has arisen and how the conflict or misunderstanding portrayed could have been avoided. Although it is impossible to include examples of *every* possible cross-cultural conflict in a business setting, these end-of-chapter scenarios are designed to help the reader gain a greater sensitivity to the wide range of potential conflicts that could arise. Moreover, they provide the active reader with opportunities to develop analytical, problem-solving, and decision-making skills. Explanations of these scenarios appear in Appendix A.

As with the previous editions of this book, a number of reviewers have made insightful suggestions for improvement. I trust that all reviewers will notice that many of their helpful suggestions have in fact been incorporated into the new edition. In particular, I would like to thank the following reviewers for their helpful suggestions:

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