

Cultural Influences on Global Business

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AP Photo/Tsugufumi Matsumoto





Disney Theme Parks Adjust to Local Culture

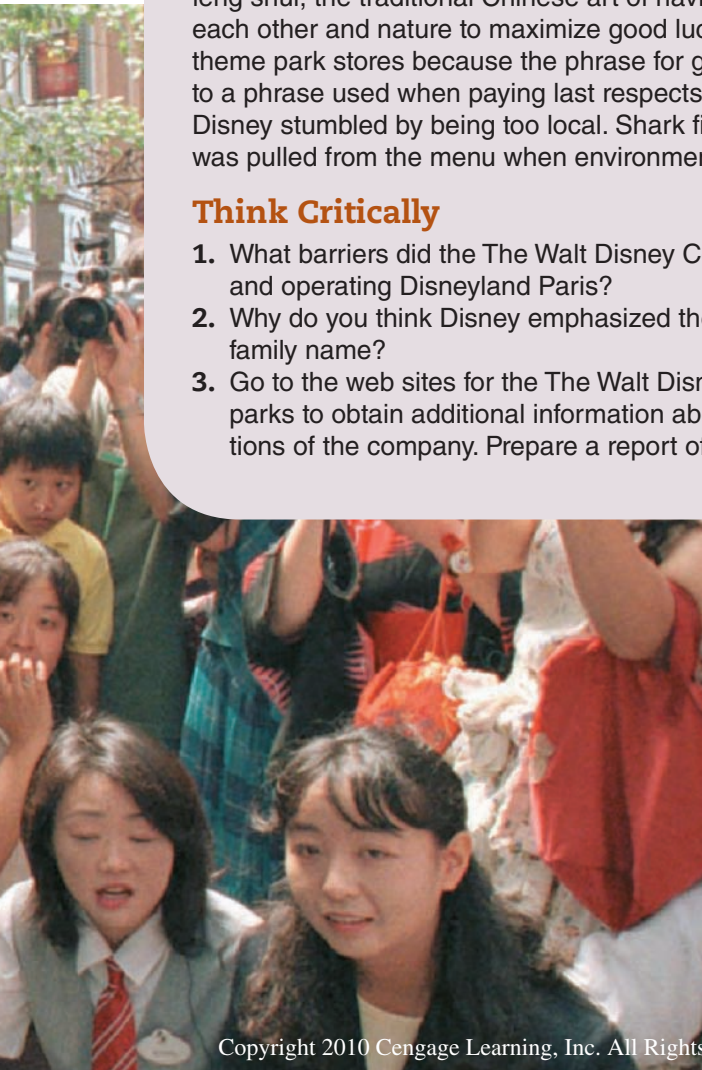
Bridging cultures was a major goal when the Walt Disney Company developed Euro Disneyland in France. While planning the theme park, which is now called Disneyland Paris, Disney learned that not everyone was happy about the project. Some people thought that having an icon of American culture in their country would threaten French culture. Disney had not experienced this kind of opposition when it developed a theme park in Japan.

In an attempt to calm fears, Walt Disney Company pointed out that its founder was of French descent and the family name was originally D'Isigny. The company chose to use French as the primary language for signs and designed new attractions with French and European themes. The dress code for employees, also known as cast members, was tailored to reflect the local culture. After initially suffering poor attendance, the theme park adopted the widespread European custom of selling alcoholic beverages at entertainment venues.

In Hong Kong, Disney tried to be sensitive to local culture in everything from the design of the park to souvenirs in the gift shops and menus in restaurants. Hong Kong Disneyland was built observing principles of feng shui, the traditional Chinese art of having elements in harmony with each other and nature to maximize good luck. Clocks are not sold at the theme park stores because the phrase for giving a clock sounds similar to a phrase used when paying last respects to the dead. In one instance, Disney stumbled by being too local. Shark fin soup, a Hong Kong favorite, was pulled from the menu when environmentalists objected.

Think Critically

1. What barriers did the The Walt Disney Company face when planning and operating Disneyland Paris?
2. Why do you think Disney emphasized the original form of the Disney family name?
3. Go to the web sites for the The Walt Disney Company and the theme parks to obtain additional information about the international operations of the company. Prepare a report of your findings.



3-1 Culture Around the World

GOALS

- Describe influences of culture on global business activities.
- Explain the role of subcultures.



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Cultural Influences

Some people have their evening meal at five o'clock. Others eat at nine or ten. This is a simple but distinct example of differences in culture.

A **culture** is a system of learned, shared, unifying, and interrelated beliefs, values, and assumptions. Beliefs are ideas about the nature of a person, thing, or concept. Values are the positive and negative ideals, customs, and institutions of a group. Assumptions are ideas that are taken for granted as fact. Cultural beliefs, values, and assumptions are directly and indirectly acquired throughout a lifetime. They are accepted and valued by other members of the group. They cause group members to respond in similar and usually predictable ways. Put another way, culture is a mind-set, or a way of thinking that is acquired over time. To members of a particular culture, their ways are logical and reasonable. To outsiders, their ways sometimes seem different or even strange.

A culture is the sum of a group's way of life. Some, but not all, of the parts are discussed and recorded. Different aspects of culture are taught in different arenas including homes, schools, religious institutions, and work. Still other parts are learned indirectly through experiences. Members of cultural groups often are reluctant to share their cultures with outsiders.

A culture can be compared to an iceberg. You can easily see the tip. Most of the beliefs, values, and assumptions of a culture are hidden beneath the surface, just as most of the iceberg is hidden beneath the water. You can easily see such objects of a culture as clothes, foods, and vehicles. You can read a culture's literature and hear its music. You can also observe the behaviors of its members. However, these things alone do not make a culture. Hidden away are unseen but important parts of culture. These include the supporting expectations, attitudes, values, beliefs, and perceptions of its members.

GLOBAL BUSINESS SPOTLIGHT



THE SAME OR DIFFERENT?

When a company does business in another country, it must decide whether to use a standardized product or a customized product. While some products can be sold in basically the same form throughout the world (cameras, computers, motor vehicles), others must be adapted to a culture.

Fast-food menus around the world are customized to tastes, customs, and religious beliefs. In some countries, Tide detergent is sold in three forms—powder, liquid, and bar. The detergent bar is used for washing clothes by hand in areas that do not have washing machines.

Think Critically

1. Name some products that might be sold in the same form around the world.
2. What aspects of culture might require a company to adapt its product when selling in another country?

✓ CheckPoint

How do members of a group learn its culture?

The Subcultures Within a Society

A **subculture** is a subset of a larger culture. A subculture may have some values, beliefs, and assumptions that are different than the larger culture of which it is a part. You are a member of many different subcultures. You are a member of the general culture of your country, but you are also a member of some of its component groups. You are a member of the student subculture. You are also a member of a gender subculture. You are a member of an ethnic-based subculture, and you might identify with other subcultures. However, you are not a member of some subcultures because you don't meet the requirements. For example, high school students are not members of the senior-citizen subculture because of their age.

Subcultures often choose from the allowable behaviors within their respective general cultures. For example, music is part of the general U.S. culture. However, not all U.S. subcultures choose to listen to the same music. Young people may prefer heavy metal, alternative, and hip-hop music. In contrast, the adult subculture might prefer contemporary, jazz, or classical music.

INFLUENCES OF CULTURES AND SUBCULTURES

Cultures and subcultures are important because they influence the actions of their members. **Cultural baggage** is the idea that you carry your beliefs, values, and assumptions with you at all times. Your cultural baggage influences how you respond to others. In business settings, your cultural baggage influences what you say and do as you conduct business.

Cultures and subcultures set the standards against which people judge behaviors. Consequently, people behave in ways that are acceptable to other members of their culture and subcultures. You have learned through experience that if you behave in unacceptable ways, members of your



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Work as a Team

Discuss the personal beliefs, values, and assumptions that make up your cultural baggage.

culture will let you know. If you are rude to your parents, for example, they may discipline you. If you insult your friends, they may not ask you to join them in future activities. If you steal a car, you may go to jail. The influences of cultures and subcultures on the behaviors of individuals are quite strong.

SUBCULTURE OF U.S. BUSINESS

The U.S. business subculture is composed of the business-related part of the general U.S. culture. This business subculture has certain beliefs, values, and assumptions that differentiate it from the general U.S. culture. With some exceptions, businesspeople share a core of common beliefs, values, and assumptions that shape their behaviors. These common behaviors allow U.S. business to be conducted in predictable ways.

Many of the important beliefs, values, and assumptions of the U.S. business subculture appear in common sayings. Cultural groups use such sayings to preserve and transmit important guiding principles to others. For example, the saying, *don't count your chickens before they hatch*, suggests that you must not count on predictable outcomes. The value of persistence is reflected in the saying, *if at first you don't succeed, try, try again*.

VARIATIONS IN BUSINESS SUBCULTURES WORLDWIDE

Just as the U.S. business subculture has its own set of beliefs, values, and assumptions, so do other business subcultures. Consequently, no two business subcultures are identical. However, when two general cultures are similar, their business subcultures are apt to be similar.

For example, the United States trades extensively with Canada and the United Kingdom. One reason for these trade links is that the business subcultures of these countries are similar. These similarities cause U.S., Canadian, and British people to conduct business in somewhat similar ways. Less trade may occur between American and Vietnamese or Kenyan businesses because their business subcultures are much different.

People cannot escape the influences of business subcultures. These subcultures are powerful. They shape the personal and professional behaviors of businesspersons everywhere. Your behavior in the business world will be guided by the standards that are deemed permissible in your country's business subculture. Business subcultures in other countries operate with different sets of beliefs, values, and assumptions. Becoming aware of these cultural differences is the first step toward understanding them and their influence.

✓ CheckPoint

How does the business subculture of a country affect which countries it is most likely to do business with?

3-1 Assessment

REVIEW GLOBAL BUSINESS TERMS

Define each of the following terms.

1. culture
2. subculture
3. cultural baggage

Study Tools

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REVIEW GLOBAL BUSINESS CONCEPTS

4. How is a subculture different from a culture?
5. Why is it important to understand a country's business subculture?

SOLVE GLOBAL BUSINESS PROBLEMS

Which of the following statements are characteristic and uncharacteristic of the U.S. business subculture? Why?

6. Hard work is valued and rewarded.
7. Leisure is more important than work.
8. Intention is more important than accomplishment.

THINK CRITICALLY

9. Explain why cultural knowledge of a country is necessary for being successful in international business.
10. What actions must a person take when doing business in countries with strong family-work relationships?
11. What are some assumptions of the U.S. business culture?
12. What is one item that makes your culture different from other cultures?

MAKE ACADEMIC CONNECTIONS

13. **TECHNOLOGY** How can the use of technology help to preserve and destroy cultures?
14. **COMMUNICATIONS** Interview a person who has visited or lived in another country. How is the culture of that nation different from that of the United States.?
15. **LAW** Every country has its own culturally sanctioned legal system. What are the fundamental characteristics of the common law system of the United States?
16. **CULTURAL STUDIES** Use the Internet to find examples of businesses that have had to adapt their business practices to local cultural conditions.

3-2

Culture and Social Organizations

GOALS

- Describe how family relationships can affect culture.
- Explain the role of societal influences on culture.



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Family Relationships

Cultures and subcultures influence the ways in which societies organize themselves. Social organization includes the relationships between both the family unit and society. These components affect not only the entire culture, but also many other institutions, including the business community.

FAMILY UNITS

Most societies are at least partially organized around family units. A **nuclear family** is a group that consists of a parent or parents and unmarried children living together. Most developed countries have societies organized around nuclear families. An **extended family** is a group that consists of the parents, children, and other relatives living together. Other relatives might include married children, grandchildren, the parents' parents, the brothers and sisters of the parents, and others. Many developing countries have societies organized around extended families.

FAMILY-WORK RELATIONSHIPS

Family ties to business are weak in some cultures and strong in others. In Canada, the United States, and most northern European countries, links between family and business are weak. Fairly often there is no connection at all. However, in most of the remainder of North and South America, much of southern Europe, most of Asia, northern Africa, and the Middle East, family

A Question of Ethics



BLOOD IS THICKER THAN WATER

Miguel Carrillo heads a small Mexican exporting firm that sells purses in the United States. His cousin Vangie Ortiz is the company salesperson who travels the American Southwest selling the product line.

Miriam Terrel is the leather goods buyer for a chain of stores throughout the United States. She likes the purses she buys from the Mexican firm. They are stylish, sell well, and represent good value for her customers. They also are a significant source of profit for her employer. Nevertheless, Vangie increasingly frustrates Miriam.

According to Miriam, Vangie rarely calls on her in person, doesn't respond to her communications, and is unreliable in processing her large orders. Disgusted,

Miriam telephoned Miguel to ask that he fire Vangie. After listening to her complaints and empathizing with her frustrations, Miguel responds that Vangie is his cousin. He has to retain Vangie as salesperson to keep peace in the family—even if Vangie's behavior jeopardizes relationships with customers.

Think Critically

1. Was it ethical for Miriam Terrel to ask Miguel Carrillo to fire Vangie Ortiz?
2. Why do you think the Mexican company retained Vangie Ortiz in spite of her poor work?
3. What are some cultural aspects of this situation that need to be considered?

ties to business are strong. Quite often employees of businesses in these areas are family members. It is difficult to separate family from business.

✓ CheckPoint

How can family relationships affect the culture in a country?

Society's Institutions

The institutions of a society can be just as important to a culture as family relationships. Social institutions such as education, gender roles, mobility, and class system also influence people's lives.

EDUCATION

The family unit provides the early education for its younger members. It instructs the young in the ways of its culture. In economically developed societies, the family often shares responsibilities with other cultural institutions for providing later education. Religious groups often provide moral and spiritual education. Schools provide formal education, which prepares people to function productively as members of society. Businesses sometimes provide specialized work-related education and training. This upgrades the job-related knowledge, skills, and attitudes of employees.



Families and their societies decide what types and amounts of education will be made available to members. In the United States, a person has many opportunities to receive different types and amounts of education. One reason for the global economic success of the United States is that its workers are well educated and trained.

GENDER ROLES

In most cultures, family members are assigned different roles to fulfill. Sometimes these roles are assigned based upon gender. In some cultures, only males or females are allowed to fill certain roles. In some societies, females are the primary workers outside the household. In others, males are the primary workers away from home. In still other societies, both males and females are employed outside the home.

Viewpoints vary worldwide about the roles males and females can fill in business. Some business subcultures may favor males over females in the workplace. In the United States, women increasingly participate in international business activities as equals with men.

In Japan, in the past, native women had very inferior workplace opportunities when compared to men. Japanese women traditionally participated in the international business activities of Japanese companies only as translators and interpreters. In Libya, women have very limited workplace opportunities. They do not typically participate in international business activities.

MOBILITY

Some cultures, such as the dominant one in the United States, have relatively little geographic attachment. In other words, the family members are not usually tied to their current location. They are mobile and willing to relocate for

Work as a Team

Suggest ways in which technology might affect the culture of a nation.

better employment opportunities. In some other cultures, the ties to birthplace or region are much stronger. Members of these cultures would almost never consider moving away.

People who would not consider leaving their region permanently are sometimes willing to move elsewhere temporarily for better work opportunities. For example, guest workers from Turkey are a significant portion of the population of Germany. Guest workers bring their native culture with them. They also maintain strong ties with their home country. Sometimes their culture conflicts with that of the host country. Some host cultures do not make adjustments for guest workers. Other host cultures try to ensure that guest workers are treated similarly to native workers.

CLASS SYSTEM

Cultures also organize their members beyond the family unit. A **class system** is a means of dividing the members of a cultural group into various levels. The levels can be based upon such factors as education, occupation, heritage, conferred or inherited status (nobility), and income. In some cultures, you can move from one class to another. This is true to a great extent in the United States, where the class system is weak.

Sometimes the levels are based upon your lineage. When this occurs, you can become locked into your class. It is very difficult or impossible for you to change classes. In the United Kingdom, to a significant degree, your bloodline still influences your class and occupational choices. If you are born into the British aristocracy, you belong to the highest class. If you work, you might oversee your family's property and fortune. However, you probably would not engage in trade. That would be considered beneath your privileged position. For the remainder of British society, nobility is not a factor. Some people do shift class levels. However, it is more difficult to change class level in the United Kingdom than it is in the United States.

✓ CheckPoint

What types of social organization are commonly found in most cultures?

NETBookmark

Every country, no matter how developed, has a class system. Access the web site shown below and click on the link for Chapter 3. Read the web article describing the caste system in modern India. After reading the article, write a brief paragraph describing how the caste system differs from the class system of the United Kingdom as described on page 65.

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3-2 Assessment**Study Tools**

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REVIEW GLOBAL BUSINESS TERMS

Define each of the following terms.

1. nuclear family
2. extended family
3. class system

REVIEW GLOBAL BUSINESS CONCEPTS

4. How does social organization influence general cultures?

SOLVE GLOBAL BUSINESS PROBLEMS

Historically, the United Kingdom has had a rigid class system in which members of the aristocracy have enjoyed special privileges. In contrast, the United States has a flexible class system that allows individuals to shift from one class to another.

5. Why doesn't the United States have a reigning king or queen like the United Kingdom?
6. What fundamental principle in the United States requires that the class system be flexible, at least theoretically?
7. Why do you think there are attempts in the United Kingdom to break down some of the barriers of its class system?

THINK CRITICALLY

8. Why do nuclear families often have a higher living standard than extended families?
9. Why are countries with well-educated and trained citizens likely to be economically successful?
10. How does high geographic attachment handicap workers in a global economy?

MAKE ACADEMIC CONNECTIONS

11. **HISTORY** Name some countries that have monarchs.
12. **CULTURAL STUDIES** What role is traditionally given to women in the Islamic Middle East?
13. **GEOGRAPHY** Why are there more extended families in Mexico than in Canada and the United States?
14. **CULTURAL STUDIES** Use the Internet to research countries or cultures that have rigid class systems.

3-3

Communication Across Cultures

和平、進步
迎接新世紀

PEACE PROGRESS FOR A
BETTER WORLD

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GOALS

- Understand the importance of knowing another language for global business success.
- Compare direct and indirect communication.
- Describe the influence of nonverbal communication.

Language Differences

All cultures and subcultures use language to communicate with other societies. Language facilitates international business transactions. Without language, conducting business would be very difficult.

Many languages are used for business purposes. However, English is widely considered to be the language of international business. More people use English to conduct international business than any other language. More people speak Mandarin Chinese than any other language. However, English is understood in almost every country around the world. Figure 3-1 shows the numbers of native speakers of major world languages.

As a language for conducting business, English has some advantages over other languages. It contains many words drawn from other languages, and ideas can be expressed in many ways. It also has a large number of business-related words. Further, English can be concise and precise. Often it takes fewer words to send the same message in English than to send it in other major languages. For example, the French version of a message may be 20 percent longer than the English version. The Spanish version may be 30 to 40 percent longer and the Russian version may be 35 to 50 percent longer than the English version.

Learning a Second Language

Being a native speaker of English is both an advantage and a disadvantage. It is an advantage because you already know the major language of international business. It is a disadvantage because you may decide wrongly that there is

Work as a Team

Discuss which language besides English you would choose to learn in order to get ahead in international business.

MAJOR WORLD LANGUAGES

Language	Number of Native Speakers	Where It Is Used
Chinese, Mandarin	873,000,000	China
Spanish	322,000,000	Spain, Mexico, most Central and South American countries
English	309,000,000	United Kingdom, United States, Canada, Ireland, Australia, India, numerous African and Asian countries
Hindi	180,000,000	India
Portuguese	177,000,000	Portugal, Brazil
Bengali	171,000,000	India, Bangladesh
Russian	145,000,000	Russia, former republics of the Soviet Union
Japanese	122,000,000	Japan
German, standard	77,000,000	Germany, Austria, Switzerland, numerous European countries
Chinese, Wu	77,000,000	China
Korean	67,000,000	Korea
French	64,000,000	France, Canada, numerous European and African countries

Source: *The World Almanac and Book of Facts, 2008*

Figure 3-1 Most of the world's citizens are not native speakers of English, which is the generally accepted language of international business.

little need to learn another language. Because people often prefer to transact business in their native language, you could also learn a second language.

You may be wondering which foreign language is most useful for business purposes. The answer is not easy; all languages have use in some business situations. Languages such as Japanese, French, Spanish, German, Chinese, Russian, Arabic, Portuguese, Italian, and Korean often are recommended to native U.S. English speakers for their usefulness for business purposes.

When deciding to learn a second language, you might consider the language of one of the United States' dominant trading partners. This would mean learning Japanese or Chinese, or possibly French, German, or Spanish.

Learning any language, the highest form of a group's culture, will help you to understand the culture of those who speak it. As you learn the language, you learn how things are done where that language is spoken. You learn the beliefs, values, and assumptions of that society.

Over time, you may learn to think and communicate like a native. This helps you conduct business like a member of that society. Being fluent in a second language for business purposes is a competitive advantage. It will help you succeed in the world of international business.

✓ CheckPoint

What are some benefits of knowing a second language?

Direct and Indirect Communication

One important feature of communication is that it can be direct or indirect. **Contexting** refers to how direct or indirect communication is. A low-context culture is one that communicates very directly. These cultures value words and interpret them literally. The general and business subcultures of both Germany and the United States are relatively low context. Members of these groups convey information directly and explicitly.

A high-context culture is one that communicates indirectly. These cultures attach



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GLOBAL BUSINESS SPOTLIGHT



SAYING “NO” THE JAPANESE WAY

Carla Boyd, a U.S. businessperson, asked her Japanese trading partner, Yasuo Watanabe, for a lower price on the Japanese products she was purchasing. Mr. Watanabe smiled and replied, “I will do my best.” Two weeks later Ms. Boyd discovered that the product was invoiced at the original price. Ms. Boyd appealed to Mr. Watanabe, asking that the price be decreased because of the order size. Mr. Watanabe replied, “That will be very difficult.” Two weeks

later Ms. Boyd received another invoice, and it showed the original price. Ms. Boyd felt let down by Mr. Watanabe because he had not said “no” directly.

Several weeks later, in an international business seminar, Ms. Boyd learned that the Japanese culture is a high-context culture. Suddenly, things made sense to Ms. Boyd. Mr. Watanabe was not being deceptive after all; he was being very polite and indirect. Both “I will do my best”

and “That will be very difficult” suggest an unlikely outcome. Mr. Watanabe had been consistently saying “no” in the correct Japanese manner, but Ms. Boyd was prepared to understand “no” only in the direct manner of U.S. businesspersons.

Think Critically

1. Why do different cultures have different ways of saying “no”?
2. What are some other countries that say “no” indirectly?

little value to the literal meanings of words and interpret them figuratively. The general and business subcultures of both Japan and Saudi Arabia are relatively high context. Members of these groups convey information indirectly and implicitly.

The concept of *face-saving* or minimizing personal embarrassment is directly related to contexting. In low-context cultures, people are not too concerned about being personally embarrassed. In high-context cultures, however, personal embarrassment must be avoided at all costs. If you cause a Japanese business partner to lose face by singling him or her out from the group, you have blundered badly. You have jeopardized your personal and business relationship with that person.

✓ CheckPoint

How does a high-context culture communicate differently than a low-context culture?

Nonverbal Communication

Not all communication takes place with language. **Nonverbal communication** is communication that does not involve the use of words. You have probably heard the saying that actions speak louder than words. Actions are an example of nonverbal communication.

Body Language One type of nonverbal communication is called body language. **Body language** refers to the meaning conveyed by facial expressions, upper and lower body movements, and gestures. All cultures and subcultures use body language. However, they do not always attach the same meanings to body language. The meaning of body language is not universal. For example, in Japan, you should cross your legs only at the knees and ankles. You should not rest your foot on your knee. The Japanese believe this position is offensive. They believe the bottom of a foot is unclean and should not be exposed to view.

Appearance In the international business world, your appearance counts. Your clothing has no voice, but it can communicate. Although people dress differently in various parts of the world, they dress similarly when conducting international business. For such purposes, you should dress in a conservative manner. You might, for instance, wear dark-colored suits and white shirts or blouses. As a male, you would choose color-coordinated ties that are not too bright. As a female, you might choose simple jewelry to complement your outfit. Of course, your clothing should be clean and well pressed. Your hair should be carefully groomed, too. Your business associates will be favorably impressed if you always dress and behave in a professional manner. If you care about your appearance, you are likely to care about business matters, too.

Eye Contact Eye movements vary from culture to culture. They are another means of nonverbal communication. In the United States, you should have direct eye contact with the person to whom you are speaking. That is

Work as a Team

Convey an idea using only nonverbal communication techniques.

not the case, however, in South Korea. There you traditionally show respect for the person speaking by looking away from the eyes of the speaker. This is also true in many other Asian cultures.

Touching Touching is another part of nonverbal communication. What kind of touches are acceptable varies worldwide. In Arab countries, business associates hug and kiss each other when they meet. They may also hold hands as they discuss business matters. Such behaviors may be considered inappropriate for business in many other regions of the world.

Personal Space Different cultural groups use space differently for communication purposes. Jordanians confer very close to each other with only a few inches separating them. People in the United States require more distance. They often confer with each other at arm's length. Japanese prefer even more distance between speakers than do people in the United States. When businesspersons with different space requirements interact, they must remember to respect the space needs of others. If they don't, they may find themselves dancing around the room because as one person moves forward, the other steps back.

Color Other forms of nonverbal communication exist. Color is one. For example, the U.S. culture values dental products that produce white teeth. However, in Southeast Asia, teeth blackened by chewing betel nuts are valued. This value could pose a problem for a U.S. company trying to sell its toothpaste in that area of the world.

Numbers Numbers also communicate. In the United Kingdom and continental Europe, the first floor is the floor above the ground floor. The first floor in a building in the United States is customarily the ground floor. Numbers can confuse businesspersons because numbers sometimes carry different meanings in different cultures and subcultures. For example, in many Western countries, the number 13 is considered unlucky. In parts of Asia, the number 11 is a favorable sign.

Emblems Emblems or other symbols communicate. A Canadian could wear a cross-shaped necklace in many countries. However, in a country that does not practice Christianity, doing so would be culturally



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COMMUNICATION ACROSS BORDERS

THE CANADIAN HANDSHAKING CODE

Canadian businesspersons customarily shake hands when meeting others. For a Canadian not to shake an associate's hand would be considered impolite and rude.

A brief cursory handshake with only one limp pump suggests little warmth in the relationship. A handshake with several pumps

suggests a neutral relationship. An extended handshake with a number of firm pumps suggests a warm and friendly relationship. Such a handshake is usually reserved for close colleagues. Thus, Canadian businesspersons send subtle messages about their relationships with others as they shake hands. In many cases, foreigners are not aware of the cultural meanings Canadian

businesspersons attach to their handshakes and miss the intended messages.

Think Critically

1. Why do you think that information about the Canadian handshaking code is not widely known outside of Canada?
2. Locate a web site that provides more information about the cultural practices of Canadians. What surprising information did you uncover?

insensitive. In fact, it is illegal to display non-Islamic religious symbols in Saudi Arabia.

Smells Smells are another means of nonverbal communication. Natural body odors are considered unacceptable in the United States. Selling such products as deodorants and colognes, therefore, is big business. In most African and Middle Eastern countries, body odors are accepted as being natural and distinctive. People there do not try to hide them. Consequently, the market for deodorants and colognes in those regions is much smaller.



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✓ CheckPoint

What are some common methods of nonverbal communication?

3-3 Assessment

REVIEW GLOBAL BUSINESS TERMS

Define each of the following terms.

1. contexting
2. nonverbal communication
3. body language

Study Tools

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REVIEW GLOBAL BUSINESS CONCEPTS

4. Which languages are the most useful for international business purposes? Why?
5. How is nonverbal communication different from other forms of communication?

SOLVE GLOBAL BUSINESS PROBLEMS

You and a friend are discussing which foreign language to study for business purposes. You think you might study Spanish. Your friend is leaning towards French. Both languages are highly recommended for business. Both are widely available throughout the United States.

6. Which language will allow you to talk with more potential customers?
7. Which language is useful in more countries?
8. What are some reasons why it might be sensible to learn the other language anyway?

THINK CRITICALLY

9. Describe ways in which knowing a different language could benefit you both personally and professionally.
10. How long do you think it would take you to learn to communicate in a foreign language like a native speaker does?

MAKE ACADEMIC CONNECTIONS

11. **TECHNOLOGY** How might technology help you learn a foreign language?
12. **MATHEMATICS** Using the data in Figure 3-1, what is the approximate ratio of Spanish speakers to Russian speakers?
13. **CULTURE STUDIES** Why do you think that the Korean culture is likely to be a high-context culture?
14. **GEOGRAPHY** Which is a region where many high-context cultures are found?
15. **COMMUNICATION** Use the Internet to research methods of nonverbal communication and their uses in business situations around the world.

3-4 Values Around the World

GOALS

- Identify and explain five values that vary from culture to culture.
- Describe the two major reactions to cultural differences.



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Values Vary Among Cultures

Values are ideas that people cherish and believe to be important. They tend to vary from culture to culture, often creating major differences among cultures. Some of the more important fundamental values involve individualism versus collectivism, technology, leadership, religion, and time.

INDIVIDUALISM AND COLLECTIVISM

Individualism is the belief in the individual and her or his ability to function relatively independently. Self-reliance, independence, and freedom are closely related to individualism in the United States. However, many other cultures see individualism as undesirable. They do not approve of the negative aspects of self-centeredness and selfishness. Instead, they prefer **collectivism**, the belief that the group is more important than the individual.

The Japanese culture has a strong collective orientation. It has a saying that translates “The nail that stands out is soon pounded down.” This saying means that individuals should not stand out from the group. If they do, the group will force these individuals to conform to the expectations of the group. Japanese businesspersons tend to function collectively. Consequently, they do not make decisions without getting consensus, or group agreement. Group harmony is more important to them than individual gain. In contrast, U.S. businesspersons tend to function individually. They often make decisions without consulting fellow employees. Individual gain is more important to them than group harmony.

No culture is based entirely on individualism or collectivism. All cultures have both, but most cultures lean toward one or the other. Cultures that lean toward individualism are apt to value the entrepreneurial spirit. That means people are willing to accept some risk for possible personal gain.

TECHNOLOGY

Fundamental beliefs about technology also vary from culture to culture. Some cultures embrace technology as a means of providing more and better material objects. Most developed countries have business subcultures that view improvements positively. Often less-developed countries have business subcultures that resist improvements in technology. Some countries view technology negatively for cultural or religious reasons. For example, attitudes toward technological change are generally positive in France. In India, they are mixed. India tries to balance the use of technology so that it does not intrude on important spiritual beliefs and displace people from menial tasks. Technological change is viewed at best as neutral and often as negative in some countries. For example, in the People's Republic of China, some Internet content is unavailable because the government has deemed the content inappropriate.

LEADERSHIP, POWER, AND AUTHORITY

Different cultures have different values relating to leadership, power, and authority. These three are shared among a number of different people and institutions in democratic societies. For example, in the United States, the power to govern is divided among the legislative, judicial, and executive branches of the government. That way no one individual or group has too much power.

In authoritarian societies, leadership, power, and authority are granted to a few. Much of the power in these societies seems to be in a chosen person and not in the institution. In the People's Republic of China, the leadership, power, and authority are concentrated in the hands of a few older leaders, who govern without question. They make all of the major decisions, which are carried out by middle-aged bureaucrats. The younger generation essentially has no power. Student protests for more freedom are viewed as threatening the time-honored Chinese tradition of respect for the wisdom of age, which is a major cultural value.

RELIGION

Religious beliefs also regulate the behaviors of members of many cultural groups, including business organizations. Such beliefs influence how people view the world. Some cultural groups are dominated by one religion. This is the case in Iran, for example, which is strongly influenced by Islam. Businesspersons there must follow Islamic practices. Some countries, such as the United States, have several major religions. Businesspersons in those countries must respect the value choices of various religious practices. In some countries, such as the United Kingdom, religion is not a major social force. The relationship between religions and business is controversial. Good arguments can be raised that various religions both encourage and discourage business activity.

TIME

Time is another factor to which different cultural groups attach different meanings. In most developed countries, time is seen as a scarce resource that must be carefully spent. Many business activities are driven by appointments, agendas, schedules, and deadlines. It is viewed this way in both Canada and the United States. In most less-developed countries, time is often viewed as unending cycles of day and night and the seasons. Time is viewed this way

GLOBAL BUSINESS SPOTLIGHT



SAUDI ARABIA PROTECTS ITS OWN CULTURAL VALUES

To work in Saudi Arabia, guest workers and their families must agree to respect and adapt to the Saudi culture. They must live a lifestyle that is acceptable to Saudis. This includes wearing modest clothing and abstaining from alcoholic beverages. Women may not drive and must have written permission from their husbands to travel beyond their neighborhoods. In addition, male chaperones must accompany them.

To reduce the influences of foreign cultures on Saudi culture, guest workers and their families typically live in designated neighborhoods

or developments known as compounds. Most of the goods and services needed by guest workers are available in or near their compounds. Consequently, they have little need to interact with most Saudis and have little opportunity to influence Saudi culture.

Think Critically

1. Why would a country such as Saudi Arabia want to protect its culture?
2. What are other ways that countries might limit the influence of foreigners on their cultures?

in many underdeveloped parts of the world. Businesses generally are more successful in cultures that view time as a valuable resource carefully allocated to achieve business objectives.

✓ CheckPoint

Name five major types of values that can vary from culture to culture.

Adjusting to Cultural Differences

In order to be successful, individuals and businesses must adjust to cultural differences. In other words, they must adapt to different cultural values. To show respect for other cultural groups, you may need to make adjustments when dealing with them. These changes will help to minimize the differences that separate the cultural groups. Businesses that operate in other countries adapt to the local culture.

ETHNOCENTRISM

Ethnocentrism is the belief that one's culture is better than other cultures. Ethnocentrism is a major obstacle to conducting successful international business. Cultures and subcultures are different worldwide. However, different does not mean that one is better than the other. Different simply means that the cultures are not alike.

When you engage in international business, you will frequently have to deal with other cultures. Interacting with a person from another culture is called a cross-cultural experience. As an international businessperson, you will have many cross-cultural experiences. With patience and practice, you can learn how to adapt to other cultures.

REACTIONS TO CULTURAL DIFFERENCES

When you enter another culture or subculture, you will experience culture shock. **Culture shock** is a normal reaction to all the differences of another culture. When you experience culture shock, you have a sequence of reactions starting with happiness, followed by frustration, then adaptation, and finally acceptance. When you complete the lengthy culture shock adjustment process, you accept the new culture for what it is and enjoy it.

When you return to your native culture after having been gone for a while, you will experience reverse culture shock. *Reverse culture shock* is your reaction to becoming reacquainted with your own culture after having accepted another culture. Reverse culture shock is a normal reaction to the cultural readjustment process. The intensity of reverse culture shock is determined by the length of time spent in another culture and the degree of isolation from your native culture.

If you return to the United States after a long stay in England, you may notice the excesses of the U.S. culture. For example, room temperatures are carefully controlled. Most areas are brightly lit. People speak in harsher and louder tones. You may be initially overwhelmed by all of the choices. For instance, the grocery store has 50 different cereals from which to choose. You may realize that you are homesick for the other culture. As you readjust to life at home, the symptoms of reverse culture shock decrease. Usually they disappear within a year after a long stay abroad.

To be a successful participant in the global economy, you must be culturally sensitive.

You must understand the major role that culture plays in shaping human behavior. You must understand not only your own general culture and its business subculture, but also that of your international business partners. You must consider all the various components of culture and how they affect your international business communication. You must be willing to make accommodations because of differences in your own and your international partners' cultures. Developing cultural sensitivity is one key for success in the global economy.



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Work as a Team

Prepare a list of ethnocentric statements U.S. citizens make.

✓ CheckPoint

What are two ways people react to different cultures?

INTERNATIONAL BUSINESS PERSPECTIVE

Culture



THE CHANGING FRENCH BUSINESS LUNCH

Which country offers the best business lunch, a staple of international business? Perhaps the most heard answer around the world is France. French cuisine is highly regarded nearly everywhere.

Food plays an important role in French culture. It serves as both a means of sustaining life and as a treasured art form. Food is usually consumed with animated social conversation over a several hour period. French food is valued for its high-quality ingredients, its proven culinary techniques, and the recognition that time is an important factor in the preparation of outstanding food.

At a formal French lunch, which is sometimes the main meal of the day, you might enjoy *hor d'oeuvres* (side dishes or starters) of thinly sliced smoked meats and assorted vegetables marinated in oil, radishes with butter, and crusty bread. This would be followed by a main course of fish, meat, or poultry or even an omelet with a side of potatoes. Next, you might have a separate vegetable course. It could be asparagus with *hollandaise* (a rich sauce made from egg yolks, butter, and lemon juice). The next course, designed to cleanse your palate, would be a salad with a light vinegar-and-oil dressing. For dessert, you could eat fresh fruit and cheese with *crème gateau* (cake).

Over time the elaborate formal French lunch has given way to something simpler. Today traditional sit-down business lunch often features the *plat du jour* (platter of the day or daily special) at a local *brasserie* (unpretentious restaurant). In a land of civilized lunchers, a ban on smoking and tight budgets are creating gastronomic indignity: gourmet dining is increasingly being replaced by the more economical alternative, sandwiches with French flair.

A taste for sandwiches has grown in France in recent years, especially among young professionals, who in a break from tradition, often eat lunch at their desks. Boutique sandwich bars have sprung up across business districts in Paris and other French cities, offering such fillings as *foie gras* (specially fattened goose liver) with onion *confit* (preserves) to long lines of hungry businesspersons. Chains such as Lina's, home of *le beautiful sandwich*, are taking over as providers of lunchtime fare.

Think Critically

1. How are global business values changing the business lunch in France?
2. Conduct an Internet search for additional information about the food culture of France. How are French meals like and unlike the meals you typically eat?



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3-4 Assessment

REVIEW GLOBAL BUSINESS TERMS

Define each of the following terms.

1. individualism
2. collectivism
3. ethnocentrism
4. culture shock

Study Tools

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REVIEW GLOBAL BUSINESS CONCEPTS

5. What are five important value categories that differ from culture to culture?
6. Why do people and businesses need to make adjustments for cultural differences?

SOLVE GLOBAL BUSINESS PROBLEMS

A potential business partner from Shanghai, Wang Jian-Jun, will meet with you next Monday to discuss an opportunity for trading clothes for machinery. Mr. Wang has never traveled to the United States before, and you have never traveled to China. Nonetheless, you know that your cultures are much different. How might you bridge the following cultural differences?

7. Mr. Wang may nod politely or bow slightly when he greets you.
8. Mr. Wang understands some spoken English but communicates primarily in the Wu (Shanghai) dialect of Chinese, which you do not understand.
9. Mr. Wang eats with chopsticks; you eat with a knife, fork, and spoon.

THINK CRITICALLY

10. Why do many people think their native culture is best?
11. Why might it take a year or more of living abroad to get to the point where you enjoy the local culture?

MAKE ACADEMIC CONNECTIONS

12. **TECHNOLOGY** Why might advanced technology be negatively viewed in a developing country with a large, uneducated workforce?
13. **HISTORY** Why did the culture of Iran change considerably after the Shah was removed?
14. **GEOGRAPHY** Why might countries near the equator tend to perceive time in a fluid sense?
15. **LAW** In what countries, besides Iran, is Islamic law found?

Quiz Prep

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CHAPTER SUMMARY

3-1 CULTURE AROUND THE WORLD

- A** Culture influences global business by shaping the personal and professional behaviors of businesspersons around the world.
- B** Subcultures are parts of larger cultures that may vary in some aspects from the larger cultures from which they developed.

3-2 CULTURE AND SOCIAL ORGANIZATIONS

- A** Most societies are at least partially organized around family units. There are both nuclear and extended families.
- B** Societies are comprised of many institutions. Some of these institutions are schools, religious groups, and professional groups. Gender roles and the degree of mobility differ greatly between cultures.

3-3 COMMUNICATION ACROSS CULTURES

- A** Although many languages can be used for international business purposes, English is often considered the language of international business.
- B** Knowing another language is important for global business success because it allows you to transact business much like a native speaker of that language does.
- C** Direct communication attaches considerable value to words and interprets them literally; indirect communication attaches much less value to words and interprets them figuratively.
- D** Nonverbal communication influences business activities through such non-word means as body language, appearance, eye contact, touching, personal space, color, numbers, emblems, and smells.

3-4 VALUES AROUND THE WORLD

- A** Five major types of values that vary from culture to culture involve individualism versus collectivism; technology; leadership, power, and authority; religion; and time.
- B** Two major reactions to cultural differences are culture shock and reverse culture shock.

GLOBAL REFOCUS



Read the Global Focus at the beginning of this chapter, and answer the following questions.

1. Name some locations outside the United States where the Walt Disney Company has theme parks.
2. Why did many French people oppose Euro Disneyland?
3. How did Disney adapt to local culture in France and Hong Kong?
4. Why would the locally popular shark fin soup be pulled from the menu in Hong Kong?

REVIEW GLOBAL BUSINESS TERMS

Match the terms listed with the definitions. Some terms may not be used.

1. A system of learned, shared, unifying, and interrelated beliefs, values, and assumptions.
2. A type of nonverbal communication where facial expressions, upper and lower body movements, and gestures convey what is meant.
3. A group that consists of parents, children, and other relatives living together.
4. Communication that does not involve the use of words.
5. The belief that the group is more important than the individual.
6. A group that consists of a parent or parents and unmarried children living together.
7. The belief in the individual and her or his ability to function relatively independently.
8. The belief that one's culture is better than other cultures.
9. A subset or part of a larger culture.
10. A means of dividing the members of a cultural group into various levels.
11. A normal reaction to all the differences of another culture.
12. The idea that you carry your beliefs, values, and assumptions with you at all times.

- a. body language
- b. class system
- c. collectivism
- d. contexting
- e. cultural baggage
- f. culture
- g. culture shock
- h. ethnocentrism
- i. extended family
- j. individualism
- k. nonverbal communication
- l. nuclear family
- m. subculture

MAKE GLOBAL BUSINESS DECISIONS

13. How is culture like the programming in a computer?
14. What evidence suggests that geographic attachment is weak in the general U.S. culture and in its subcultures?
15. Swahili is the Bantu language of the Swahili people in eastern Africa. It is also a trade and governmental language among speakers of other languages in Tanzania, Kenya, and parts of Zaire. Do you think this language has significant potential for international business purposes? Why or why not?
16. What do you think is the cultural relationship between the personal space business communicators prefer and touching behaviors?
17. What are some other countries besides the People's Republic of China where leadership, power, and authority are concentrated in the hands of a few people?
18. A good friend recently said that she wouldn't even think of living temporarily in another country. Is her statement ethnocentric? How do you know?
19. Make a list of some of the subcultures to which you belong.
20. What are some common sayings that might reflect important beliefs, values, and assumption of the U.S. business subculture?
21. What benefits related to international business might be derived from reading fiction written in a language other than English?

MAKE ACADEMIC CONNECTIONS

- 22. GEOGRAPHY** Using library sources and the Web, investigate how the people of the French-speaking province of Quebec are trying to protect their French cultural heritage. What effects are their actions having on the people in other parts of Canada, who are primarily speakers of English? Do you think these differences will eventually lead to the breakup of Canada? Why or why not? Debate this matter with your classmates.
- 23. COMMUNICATIONS** After interviewing a local businessperson, create a poster that depicts his or her cultural baggage.
- 24. HISTORY** Find out about the caste system in India, which is a highly structured class system, by interviewing a native of the country or by using library resources. Write a paper that explains the caste system and what the Indian government has done in an attempt to eliminate this system.
- 25. CULTURAL STUDIES** Select one primary color (red, yellow, or blue) and one secondary color (orange, green, or purple). Find out what these two colors represent in an eastern and western culture of your choice.
- 26. CAREER PLANNING** Interview someone who has worked in another country. What similarities and/or differences did he or she find in the job application process in the other country?
- 27. TECHNOLOGY** What are some ways in which technology might be used to benefit learners of a culture?
- 28. LANGUAGE** Using library sources and the Internet, investigate one of the accents of the English language. How is the researched accent like and unlike the accent you have?



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CREATING AN INTERNATIONAL BUSINESS PLAN

Cultural Analysis of a Foreign Market

Select a country to research. Prepare a business cultural file with the following information about that nation's culture.

- history that influences current business activities
- languages and verbal and nonverbal communication customs
- education systems and literacy rates
- role of social institutions, such as family, religion, labor unions, and place of employment
- shopping practices and commonly eaten foods unique to the country
- major holidays and customs
- business practices related to place of employment, types of businesses, length of workday, and hiring practices

Sources of information for researching culture include the following.

- printed and online reference materials such as encyclopedias, almanacs, and atlases
- printed and online materials from companies, airlines, travel bureaus, government agencies, and other organizations involved in international business
- interviews with people who have lived in, worked in, or traveled to the country

Prepare a written summary suitable for inclusion in a business plan. Based on the written summary, develop a short oral report. Your report should last about two or three minutes. Present the main findings about the country's culture.