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## A Question of Culture

*Each, according to their culture and background, will formulate the same issue in different ways.*

—Dr. George F. Simons, France

When we marry, most of us discover that our spouse's family has a different set of expectations, values, and beliefs, ranging from broad topics, such as boundaries to specific subjects such as shared holidays. Invariably, these are different from the way *we* were raised. If we can reconcile our own values with those of our new extended family, we avoid the potential culture clash; if not, and things escalate, the end result can be unpleasant. The same holds true in business.

J.B. (not his real name) is a factory owner in Chennai, in southern India, whose mid-sized business produces revenues of around \$250 million a year and has two joint venture agreements. One relationship, with a German company, has happily lasted 18 years. The other, with a U.S.<sup>1</sup> company, he wants to draw to a close, because of their less than desirable approach to doing business.

For example, on one occasion, J.B. wanted to spend \$5,000 to manufacture a tool for a particular project and was questioned at length by his U.S. partners as to why he didn't just buy the tool from vendors overseas. J.B. responded that these vendors did not allow him to purchase a single item, only items in bulk,

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<sup>1</sup>The United States of America has been abbreviated to "U.S." in this book.



which he felt was wasteful and would incur unnecessary shipping costs. Overall, it was going to be considerably less expensive to make the part. After further laborious discussions, his U.S. partners reluctantly agreed.

In contrast, J.B.'s experience with the Germans is such that, "If I make a request, they will ask me if that is the best solution in my opinion. If I say yes, they trust my expertise." Why would J.B.'s experience with the Germans be so different than the experience with his U.S. partners? In short: cultural differences. But before examining this example further, let's explore what we mean by the word *culture*.

We use the word *culture* in many different contexts, including countries, organizations, and groups, and we talk about *cultural misunderstandings*, *cultural clashes*, *cultural fit*, and even *culture shock*. However, books and articles focused on cultural topics often neglect to define the term. Perhaps that is not surprising, considering the complexities involved in explaining culture.

Culture was originally an agricultural term, used in the Middle Ages, stemming from the Latin word *cultura*, meaning the care, cultivation, or honoring of the land; we still talk about *cultivating* plants. But since the early nineteenth century, culture also became associated with the beliefs, values, and customs of different civilizations. Culture is complex and hard to pin down with a single definition because it encompasses many subcomponents.

## Culture

Culture is the accumulation of life experiences spanning generations.

*Sheida Hodge, Global Smarts<sup>2</sup>*

One place to start is to compare culture with similar but not synonymous concepts, such as identity, nationhood, values, and norms. Renowned intercultural researcher and the author of numerous books on this topic, including *Culture's Consequences*,<sup>3</sup> Geert Hofstede advises that culture is distinct from identity: Your identity has more to do with where and with whom you belong, as in *national identity*, or your identity within a particular group. Culture, on the other hand, is concerned with "the collective programming of the mind that distinguishes the members of one group or category of people from another."<sup>4</sup> In that regard, Hofstede considers culture to consist of "the unwritten rules of

<sup>2</sup>Sheida Hodge, *Global Smarts: The Art of Communicating and Deal Making Anywhere in the World* (New York: John Wiley & Sons, 2000).

<sup>3</sup>Geert Hofstede, *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations*, 2nd edition (Thousand Oaks, CA: Sage Publications, 2001).

<sup>4</sup>"Culture," Geert Hofstede, [www.geerthofstede.nl/culture](http://www.geerthofstede.nl/culture) (accessed November 21, 2014).



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the social game.”<sup>5</sup> These are the rules we learn from observing what goes on in our specific environment, together with the learning we get from others, rather than something we are born knowing, such as the human propensity for smiling, or the fear of death, which are innate across all races.

Some of the earliest influences of Hofstede and others stemmed from research conducted by cultural anthropologists. For example, Florence Kluckhohn and Fred Strodtbeck’s (1961) *value orientations* theory postulated six different types of beliefs, influences, and relationships. Kluckhohn and Strodtbeck differentiated them according to the following dimensions:

- Relationship with nature—especially the need for control
- Social structure—whether focused mostly on individuals or groups
- Appropriate goals—being or doing
- Time—past (traditions), present (current circumstances), or future (desires/goals)
- Basis of human nature—good or evil
- Conception of space—public or private

These anthropologically sound dimensions speak to all forms of community, including our business lives.

Culture is not synonymous with nationhood for the simple reason that just under 200 countries exist in the world today,<sup>6</sup> whereas, according to Richard Lewis, there are some 700 national and regional cultures.<sup>7</sup> Additionally, culture is not synonymous with concepts such as norms and values; it *encompasses* them.

### **Pattern Interrupt**

(M)any Japanese executives are reserved, polite, quiet, and rarely display emotion. Somewhere there is probably a loud, boisterous, gesticulating Japanese manager who is as emotional and imperious as any prima donna. Just because we haven’t met him (or her) doesn’t mean that no such person exists.

*Terri Morrison and Wayne A. Conaway*<sup>8</sup>

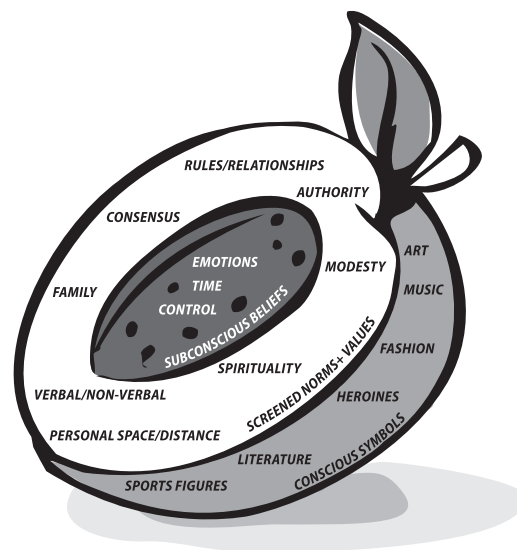
<sup>5</sup>Ibid.

<sup>6</sup>“How Many Countries?” Infoplease, [www.infoplease.com/ipa/A0932875.html](http://www.infoplease.com/ipa/A0932875.html) (accessed November 21, 2014).

<sup>7</sup>Richard D. Lewis, *When Cultures Collide: Leading Across Cultures* (Boston: Nicholas Brealey International, 2006).

<sup>8</sup>Terri Morrison and Wayne A. Conaway, *Kiss, Bow, or Shake Hands*, 2nd edition (Avon, MA: Adams Media, 2006).

Many commentators, including Fons Trompenaars<sup>9</sup>, Geert Hofstede,<sup>10</sup> George Simons,<sup>11</sup> and Sheida Hodge<sup>12</sup> have represented culture as a multi-layered model. Depictions of these representations are either in the form of concentric circles or an iceberg, and highlight the difference between the cultural components of which we are aware and those that are subconscious. Think of a peach with three layers: the outer skin, the flesh, and the innermost pit or stone, as in Figure 1.1:



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**Figure 1.1**

This approach aligns with Edward T. Hall's three levels of culture, outlined in *The Dance of Life: The Other Dimension of Time*.<sup>13</sup> As you can see in the peach graphic, the outer skin represents the conscious or visible *manifestations* of culture, including literature, food, music, fashion, and art. These are often visible, such as the *kimono* in Japan, the *sari* in India or the *hijab* in Malaysia.

<sup>9</sup>Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business*, 3rd ed. (New York: McGraw-Hill, 2012).

<sup>10</sup>Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind - Intercultural Cooperation and Its Importance for Survival*, 3rd edition (New York: McGraw Hill, 2010).

<sup>11</sup>George Simons, *Cultural Detective*, <http://diversophy.com/> (accessed November 21, 2014).

<sup>12</sup>Hodge, *Global Smarts*.

<sup>13</sup>Edward T. Hall, *The Dance of Life: The Other Dimension of Time* (New York: Anchor Books, 1984, 1989).



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The middle layer or *flesh* comprises norms and values that are often unknown to people outside that culture. Examples include authority, consensus, family, modesty, personal space, and spirituality.

The innermost pit or stone represents the hidden or subconscious assumptions held by a culture about how the world *works*, such as fatalism, environmental control, and notions of time. Consider the analogy of a goldfish in water. That medium is pivotal to the way the goldfish lives and breathes until the water evaporates or the bowl breaks. This is similar to the culture shock that many experience when moving to a different culture.

Let's now consider the less-than-desirable relationship J.B. has with his U.S. partners and contrast that with his more satisfactory dealings with the German company. How can this be, when you would expect there to be greater similarities between Germany and the U.S. than between Germany and India?

Many factors are involved in business dealings with culturally different partners. One model was developed by Geert Hofstede, who, having analyzed cultural differences since the late 1960s, identified six "dimensions of national cultures,"<sup>14</sup> three of which are especially pertinent to the J.B. example.

The first of these is what Hofstede identified as *uncertainty avoidance*, meaning the degree to which a culture is tolerant of ambiguity and feels comfortable with unknown situations. Ironically, the United States and India are closer to each other in terms of their comfort with uncertainty than either of them is with the Germans. However, as Hofstede explains, the Germans compensate for their desire to avoid uncertainty by relying on others' expertise. This aligns well with the Indian preference for *power*, another of Hofstede's dimensions. In India, power is unequally distributed throughout the culture, with the *boss* (J.B.) being the final decision maker. When the Germans asked J.B. if his suggestion was the best option, and he confirmed that it was, they accepted his opinion. The Germans were presumably able to reduce their level of uncertainty by giving credence to the power differential that J.B. is afforded in Indian society as the head of the company.

The third relevant dimension to mention here is that of *short-term* or *long-term orientation*. Germany and the U.S. are both examples of the Western tendency for seeking results in the short-term. In comparison, many Asian cultures, such as India, prefer to take a long-term view. As one Indian executive explained:

By taking the long view, Indians are apt to make allowances for the fact that not everything is always going to go to plan. That includes the fact that early on in a relationship there are bound to be hiccups. This is only to be expected, given the complexity of human interactions. Yet it's remarkable

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<sup>14</sup>Geert Hofstede, Gert Jan Hofstede, and Michael Minkov, *Cultures and Organizations: Software of the Mind - Intercultural Cooperation and Its Importance for Survival*, 3rd edition (New York: McGraw Hill, 2010).





to us how Americans hold to the belief in one Truth, whereas we Indians know there to be many Truths, each one applicable according to the context in which it is applied.

Again, why is there more alignment between the Indian and German executives, and more friction between J.B. and his U.S. partners? Perhaps because of J.B.'s industry experience and expertise, the Germans received assurance that their short-term needs would be met. Trust is highly relevant here. Former President Ronald Reagan's comment, "Trust but verify," is anathema to Indians, who would not consider the need for verification to be indicative of trust.

### Why This? Why Now?

Cultural considerations vary geographically in many countries. In the U.S., for example, conducting business in the Midwest is different from doing so in Texas or California. As the former CEO of Coca-Cola, Doug Ivester, said, "As economic borders come down, cultural barriers go up, presenting new challenges and opportunities in business."<sup>15</sup> According to Athanasios Vamvakidis, an economist in the International Monetary Fund's Asia and Pacific Department, "Alongside the globalization process, countries have been increasing their regional economic links through regional trade agreements."<sup>16</sup>

As economic borders have come down, what about the cultural barriers? The authors of *Getting China and India Right*, Anil K. Gupta and Haiyan Wang, stated that any organization looking to make progress in these markets needs to embrace the kind of long-term orientation typical of India and China and rarely found in Western countries:

According to Gupta and Wang: "Most companies will find that their existing knowledge about how to succeed in other markets teaches them little about how to succeed in China and India. If they want to aim for market leadership rather than merely skimming the cream at the top, they will need to engage in considerable learning from scratch."

With that in mind, you are about to discover a little more about the ways U.S. culture compares with Asian cultures. What you find out will create a baseline for understanding the different perspectives among these cultures and help create deeper, more lasting, and more trusted relationships. After all, in order to know how to relate to other cultures, you first need to know where *you* are standing.

<sup>15</sup>Robert Rosen, *Global Literacies* (New York: Simon & Schuster, 2000), 21.

<sup>16</sup>"Regional Trade Agreements or Broad Liberalization: Which Path Leads to Faster Growth?" *IMF Staff Papers* 46, no. 1 (March 1999).





So, here's a question for you:

### Who Are “Americans”?

The term *American* is very broad and includes the inhabitants of Central, Latin, North, and South America. It doesn't just refer to people who live in the U.S., as the following table illustrates.

**Table 1.1**

North America	A continent with 23 countries (Antigua and Barbuda; Bahamas; Barbados; Belize; Canada; Costa Rica; Cuba; Dominica; Dominican Republic; El Salvador; Grenada; Guatemala; Haiti; Honduras; Jamaica; Mexico; Nicaragua; Panama; St. Kitts & Nevis; St. Lucia; St. Vincent and the Grenadines; Trinidad and Tobago; United States) and dozens of possessions and territories. <sup>17</sup>
South America	A continent with 12 countries (Argentina; Bolivia; Brazil; Chile; Columbia; Ecuador; Guyana; Peru; Paraguay; Suriname; Uruguay; Venezuela) and three territories (Falkland Islands; French Guiana; Galapagos Islands). <sup>18</sup>
Central America	A region comprising seven countries (Belize; Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; Panama). <sup>19</sup>
Latin America	A region comprising: Mexico, Central America, South America, and “the islands of the Caribbean whose inhabitants speak a Romance language.” <sup>20</sup>

There are numerous *Americans* in the world who have cultural customs and ways of interacting that are quite different from those found in the U.S. This is why, for this book, we have elected to use a more specific term and refer throughout to *U.S. Americans*.

Bear this in mind as you turn to the next chapter, in which we explore a little more about how U.S. Americans *think*.

<sup>17</sup>“North America,” Worldatlas, [www.worldatlas.com/webimage/countrys/na.htm](http://www.worldatlas.com/webimage/countrys/na.htm) (accessed November 21, 2014).

<sup>18</sup>“South America,” Worldatlas, [www.worldatlas.com/webimage/countrys/sa.htm](http://www.worldatlas.com/webimage/countrys/sa.htm) (accessed January 9, 2015).

<sup>19</sup>“Central America,” Worldatlas, [www.worldatlas.com/webimage/countrys/camerica.htm](http://www.worldatlas.com/webimage/countrys/camerica.htm) (accessed January 9, 2015).

<sup>20</sup>Roger A. Kittleson, “History of Latin America,” Encyclopedia Britannica, April 10, 2014, [www.britannica.com/EBchecked/topic/331694/history-of-Latin-America](http://www.britannica.com/EBchecked/topic/331694/history-of-Latin-America) (accessed January 9, 2015).

