

The Influence of Culture and Customs on International Business Communications

Kenneth Shaw

State University of New York at Oswego, New York, USA

This paper discusses culture. Scholars have not been able to agree on a definition of culture but most include values and norms as components of their definition. Intercultural communication is vital that skill managers must possess in order to effectively do business in foreign countries. Hofstede's theory of national cultural dimensions is employed to provide a framework for defining intercultural communication. Subsequently, several countries are examined using Hofstede's scoring system for cultural dimensions. This is followed by a discussion of ways to achieve intercultural competence.

Keywords: culture, values, norms, intercultural communication, power distance, collectivism, individualism, masculinity, femininity, uncertainty avoidance, short-term versus long term orientation, indulgence, restraint

Introduction

As corporations continue to expand into global markets, the ability to communicate competently with people from other cultures has never been so crucial. Understanding cultural differences in communication is the key to gaining trust, forming relationships, and making a deal. Otherwise, it can have devastating consequences. Observers have never been able to agree on a definition of culture. One researcher defined culture as "that complex whole which includes knowledge, belief, art morals, law, custom and other capabilities acquired by man as a member of society". Another one defined culture as "the collective programming of the mind which distinguishes the members of one human group from another culture; in this sense, it includes systems of values; and values are among the building blocks of culture". Values and norms of a culture are influenced by several factors, including the prevailing political and economic philosophies, the social structure of a society and the dominant religion, and language and educational infrastructure (Hill, 2010). The diversity of culture around the world is also reflected in language. In global marketing, language is a crucial tool for communicating with customers, suppliers, channel intermediaries, and others (Keegan & Green, 2013).

Intercultural Communication

What is intercultural communication? It is defined as the "process that occurs when members of two or more cultures or co-cultures exchange messages in a manner that is influenced by their different cultural perceptions and symbol systems, both verbal and nonverbal" (Adler, Rosenfeld, & Proctor, 2013, p. 33). In other words, it means how people from different cultures communicate messages based on their perception.

Kenneth Shaw, Ph.D., associate professor, Department of Management and Marketing, State University of New York at Oswego, New York, USA.

Correspondence concerning this article should be addressed to Kenneth Shaw, 312 Rich Hall Oswego, NY, 13126, USA.

Intercultural communication can be applied to Hofstede's theory of national cultural dimensions which includes the "values that distinguish country cultures from each other" (Retrieved from <http://gert-hofstede.com/national-culture.html>). Originally there were four dimensions: power distance, collectivism versus individualism, masculinity versus femininity, and uncertainty avoidance. A fifth dimension, long-term orientation, was added in 1991. Additionally, a sixth dimension, indulgence versus restraint, was added in 2010.

On one hand, the first dimension, power distance, is the "degree to which members of a society accept an unequal distribution of power (Adler et al., 2013, p. 39). In other words, high power distance societies believe that power comes with age, for example, some cultures have different words for children to distinguish age, such as older brother and oldest brother.

On the other hand, low power distance cultures focus on "minimizing distinctions between various social classes" (Adler et al., 2013, p. 39). In this culture, every person is looked upon as an equal and challenging authority is acceptable.

The second cultural dimension is collectivism versus individualism. Collectivist cultures tend to place low importance on the self and high importance on extended family members or those that belong to their in-groups. In-groups have a strong influence on their members. Because of this, phrases are usually associated with "we". People are rewarded for cooperation, contribution, and decision making pertaining to the group. As a result, credit and blame are shared. Additionally, collectivist cultures place a high value on duty, order, tradition, age, group security, status, and hierarchy.

Individualistic cultures, however, are opposite. Concentration is on the self—each member is separate and unique. People are expected to take care of themselves and immediate family members. It is acceptable to be a member of many different groups and friendships are formed on the basis of shared interests. Unlike collectivist cultures, individualistic cultures are "rewarded for individual achievement and initiative" (Adler et al., 2013, p. 38). Therefore, individuals are expected to make their own decisions and accept the blame, if their idea or plan fails. There is a high value placed on autonomy, change, youth, individual security, and equality.

The third dimension is masculinity versus femininity, which focuses on the extent to which a society stresses achievement or nurture. Traits for masculinity and femininity can be broken down in five different categories: social norms, politics and economics, religion, work, and family and school. Masculine cultures are achievement based placing high importance on money, economic growth, and solving conflict through force. These cultures also believe in higher pay for men and stress traditional family structure.

Feminine cultures, however, are relationship oriented and tend to solve conflict through negotiation. These cultures believe in a smaller gender wage gap, a greater need for women in management, and a flexible family structure.

The fourth cultural dimension is uncertainty avoidance. Uncertainty avoidance is defined as "the degree to which members of a society feel threatened by ambiguous situations and how much they try to avoid them" (Adler et al., 2013, p. 40). In other words, uncertainty avoidance pertains to how comfortably countries deal with situations that have no clear outcome. The Uncertainty Avoidance Index, also known as UAI, is used to measure uncertainty avoidance. Some countries welcome and embrace change, whereas others are threatened.

The fifth dimension, long-term versus short-term orientation, was added in 1991. Long-term orientation cultures focus on preparing for the future by delaying short-term material or social success or even short-term emotional gratification (Grimsley, 2014). Also, persistence and perseverance are valued.

Short-term orientation cultures focus on the present or past and consider them more important than the future. Tradition, the current social hierarchy, and fulfilling social obligations are valued and importance is placed on immediate gratification (Grimsley, 2014).

The sixth and last dimension is indulgence versus restraint. Indulgent societies allow relatively free gratification of natural human desires related to enjoying life and having fun (Retrieved from <http://www.communicad.com/cross-cultural-training/blog/indulgence-vs-restraint-6th-dimension/#.VIC6LGTF-tu>). It is acceptable to do things that allow individual happiness and well-being. Freedom and personal control are valued.

Restraint societies believe that strict norms are required for such gratification needs. In this dimension, positive emotions are less freely expressed and happiness; freedom and leisure are not given the same importance (Retrieved from <http://www.communicad.com/cross-cultural-training/blog/indulgence-vs-restraint-6th-dimension/#.VIC6LGTF-tu>).

Factors Affecting Intercultural Communication

In addition to Hofstede's cultural dimensions, there are also other factors that affect cultural communication. One factor is high versus low context. High context cultures value relational harmony. Information is shared in contextual cues and less through explicit messages. For this reason, people tend to "talk around the point" and the word "no" is rarely used (Adler et al., p. 36). Therefore, ambiguity and silence are accepted and welcomed. This is common in Asian and Middle Eastern countries.

In low context cultures, information is shared in explicit verbal messages to avoid ambiguity. These cultures use self-expression in a clear and precise manner to persuade others to favor their view points. This is prevalent in the U.S. and Northern Europe (Hall, 1976).

Nonverbal communication also has an influence on intercultural communication. The type of eye contact can mean opposite things in different cultures, for example, direct eye contact in the U.S. and Southern Europe enhances credibility and shows confidence. However, in Asian, Indian, and Northern European countries, avoiding eye contact is respectful. Another nonverbal behavior is proxemics, which refers to the space or distance between two people when conversing (Adler et al., 2013). In some cultures, it is acceptable to stand very close to someone. However, in others, people like to keep a certain distance and are uncomfortable, when someone they do not know and invade their personal space.

Several countries have been selected for analysis, including the United States, Brazil, the United Kingdom, South Africa, and China. Each country is examined on factors of business etiquette, such as meeting/greeting, body language, and corporate culture.

Country Analysis

United States

Examining the United States using Hofstede's cultural dimensions scale, it scored 91 for individualism. This shows that the U.S. places high importance on individual responsibility for his/her choices and decisions (Retrieved from <http://geert-hofstede.com/united-states.html>). The U.S. also scored 68 for indulgence, which demonstrates to work hard and play hard culture.

In a business, setting people are usually greeted in an informal way to emphasize that everyone is equal. It is important to stand while being introduced to someone, maintain eye contact to show interest, and use a firm

grip while shaking hands to show seriousness. Americans like to keep a safe distance while conversing so as to not invade someone else's space. With people who tend to be "touchy", it is important to make sure that people are comfortable being touched. Smiling is a very polite gesture between two people and a smile given is expected to be returned.

In corporate culture, importance is not placed on building personal relationships but doing business to get the best deals and best service. What you wear can influence your credibility, therefore it is essential to wear the correct attire to business events/meetings. Being on time means arriving five minutes early and advance notice is needed if you cannot attend an appointment/meeting. Verbal contracts are not looked upon as credible, therefore written contracts are essential in business deals (Retrieved from http://www.ediplomat.com/np/cultural_etiquette/ce_us.htm).

Brazil

On Hofstede's cultural dimensions scale, Brazil scored high in power distance, uncertainty avoidance, and collectivism (Retrieved from <http://geert-hofsted.com/brazil.html>). Results from power distance demonstrate its respect for hierarchy and that those with more power have more benefits than those with less. In a Brazilian company, there is one boss who holds all the power. Results from its uncertainty avoidance score show that Brazilians like to have a structured life with strong rules and elaborate legal systems. Therefore, they are passionate people who show emotions mostly by body language. The scale also showed that Brazil is a highly collectivist culture "integrated into strong and cohesive groups which continues protecting its members in exchange for loyalty (Retrieved from http://www.ediplomat.com/cultural_etiquette/ce_br.htm).

Business focuses on building trustworthy and long lasting relationships. This is why meetings usually start with a conversation before business is conducted. Context rich communication is used which results in long and elaborate conversations. In Brazil, greetings are very formal. Business people will greet and say good-bye to each person present. The Brazilian culture does not mind close proxemics, since it is common to stand very close to someone while speaking. Touching of arms or placing a hand on another's back is very common and acceptable. Many nonverbal behaviors are seen, such as clicking of the tongue, which is a sign of disagreement or disappointment or wiping hands together which means "it does not matter". Additionally, the "thumbs up" gesture is used to show approval (Retrieved from http://www.ediplomat.com/cultural_etiquette/ce_br.htm).

In corporate culture, the ability to build strong personal relationships will lead to building strong business relationships. Face-to-face communication is favored and limited business is conducted over phone or e-mail. Meetings are very casual and people usually engage in conversation first. Presentations are meant to be impressive and should have excitement to keep the audience engaged. Appearance is also important, because it is a reflection of your company.

United Kingdom

The United Kingdom consists of England, Northern Ireland, Scotland, and Wales. On Hofstede's cultural dimension scale, it scored an 89 for individualism. This demonstrates that the population of the United Kingdom value a large degree of independence and like to keep their lives private. From a young age, children are expected to find their purpose in life. Additionally, "the route to happiness is through personal fulfillment" (Retrieved from <http://geert-hofstede.com/united-kingdom.html>). The United Kingdom also scored 69 for indulgence. This is because people in this society place high importance on leisure time. They are encouraged

to enjoy life and have fun by embracing their impulses and desires. They also maintain positive attitudes and are relatively optimistic.

In a business setting when meeting or greeting the British is fairly formal, it is customary to shake hands with everyone present and shake hands again when leaving. Handshakes are light not firm and women should extend their hand to men first. Last names and appropriate titles are used when addressing someone unless told otherwise to use his/her first name. The British are reserved when it comes to displaying public affection and they value their personal space. It is important not to stand too close to another person or put your arm around someone's shoulder. Staring, whether intentional or not, is frowned upon and considered rude (Retrieved from http://www.ediplomat.com/np/cultural_etiquette/ce_gb.htm).

In British corporate culture, meetings are scheduled well in advance and punctuality is important. Although they like to build business relationships, they prefer to get down to business after a few moments of polite conversation.

South Africa

South Africa scored 65 on Hofstede's cultural dimensions theory scale for individualism. This means that South Africans prefer a loosely knit social framework in which they take care of themselves and immediate family members. In business, a contract is based on mutual advantage and employees advance in their work based on merit. South Africa also scored 63 for indulgence. This society values the same freedoms as the United Kingdom. The right to enjoy leisure time and have fun is based on their desires (Retrieved from <http://geert-hofstede.com/south-africa.html>).

If your company is not known in South Africa, a more formal introduction is preferred to help gain access to decision makers. Long-term business relationships are highly valued, therefore networking is crucial for business success and typically starts in the office. Business negotiations are stated in contracts and South Africans strive for win-win situations to please both parties (Retrieved from <http://www.kwintessential.co.uk/resources/global-etiquette/south-africa-country-profile.html>). South Africans are very particular about nonverbal behaviors during business meetings. It is important not to touch someone's arm or stand too close when speaking. Placing your hands in your pockets, on your hips, or crossing your arms in front of you can be signs of disengagement.

In corporate culture, meetings should not be scheduled from mid-December to mid-January or the two weeks surrounding Easter, because they are popular vacation times. South Africans strive to build personal relationships, therefore "the initial meeting is often used to establish a personal rapport and to determine if you are trustworthy" (Retrieved from <http://www.kwintessential.co.uk/resources/global-etiquette/south-africa-country-profile.html>). At the end of a meeting, a letter summarizing what was discussed and the next steps that need to be taken is sent to those who attended.

China

China is quite different from other countries mentioned for its rankings on Hofstede's cultural dimensions scale. It scored 80 for power distance, which demonstrates the society's acceptance of inequality among its people. The subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors (Retrieved from <http://geert-hofstede.com/china.html>). Individuals accept orders from a higher authority and do not have aspirations beyond their rank. China also scored 20 for individualism which shows that it is a highly collectivist culture.

In business, the Chinese shake hands upon meeting. If someone is applauded, it is customary to applaud back. Seniority plays a large role in Chinese business. Many times business people will line up according to seniority and the oldest are introduced first. The Chinese are also sensitive to touching which is not allowed. It is also not acceptable to click fingers, whistle, or put your feet on furniture. To summon a Chinese person, face the palm of your hand downward and move your fingers in a scratching motion (Retrieved from http://www.ediplomat.com/np/culyural_etiquette/cn.htm).

In corporate culture, punctuality is highly valued and being late is considered rude. Business cards are exchanged at meetings and should be double sided—one side in English and the other in Chinese. However, English is not spoken at business meetings. Meetings tend to be lengthy due to the pace of reaching a negotiation. Seniority is valued and the highest ranking person of the company will enter the room first. Seating is also a factor in that “the host sits to the left of the most important guest” (Retrieved from http://www.ediplomat.com/np/culyural_etiquette/cn.htm). In China, contracts are not final documents. They are considered drafts and can be modified at any time.

Developing Intercultural Competence

With the many cultural factors to keep in mind when conversing with people from other cultures, it can create a large amount of ambiguity or uncertainty. However, there are many strategies that can be used to develop intercultural competence. The first strategy is motivation and attitude. The communicator needs to have a “desire to communicate successfully with strangers” (Adler et al., 2013, p. 48). It is important to have a culture general attitude which is awareness when speaking with others from different backgrounds.

The second strategy is tolerance for ambiguity. Communicators need to be aware that uncertainty is very high when speaking with others from different cultures and in order to become a competent speaker, this kind of ambiguity should be accepted and welcomed.

Open-mindedness, the third strategy, is also needed. If open-mindedness is not present, ethnocentrism, prejudice, and stereotyping can result. Ethnocentrism refers to the attitude that one’s own culture is superior to others. Others are regarded as strange, wrong, or inferior. Prejudice can be defined as unfairly biased or intolerant attitudes toward others who belong to an out group. Stereotyping is exaggerations based on generalizations that are made when people place a person in a group based on personal experiences with that particular group (Adler et al., 2013).

The fourth strategy to becoming an intercultural competent communicator is knowledge and skill. Mindful communicators are aware of their behavior and that of others, which comes with experience dealing with ambiguous situations.

A fifth strategy is being mindful of an unconscious reference to one’s own cultural values as the self-reference criterion. One should make no value judgments about another culture.

Conclusions

Culture is society’s means of imprinting values and norms on a population. Culture has a pervasive and evolving influence on each national market environment. Global managers must recognize the importance of culture and be prepared to respond to it. Difference pertaining to religion, economic and political philosophies, education, and other factors, such as language and communication, can affect local reaction to a company’s brands or products as well as the ability of company workers to respond effectively in different cultures.

Intercultural communication is the way in which people convey messages based on their culture's norms and influences. Hofstede's cultural dimensions—power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, long-term orientation, and indulgence explain the differences in how cultures communicate based on a scale. Countries around the world differentiate in how these cultural differences affect international business. It is important to be mindful and sensitive to cultural differences, because neglect can cause catastrophic consequences. For this reason, business people need to develop intercultural communication competence.

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