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**Intercultural Communication in Business**

**Synopsis of Lectures for Master Program Students**

(Major: International Economics and Trade Policy)

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Theme 1

**Problems of Intercultural Communication for Migrants**

Types of Migrant Groups

Migration may be long term or short term and voluntary or involuntary. The term **migrant** refers to an individual who leaves the primary cultural contexts in which he or she was raised and moves to a new cultural context for an extended period of time. Cultural transitions may vary in length and in degree of voluntariness. We can identify four types of migrant groups based on these criteria.

There are two groups of voluntary travelers: sojourners and immigrants. **Sojourners** are those travelers who move into new cultural contexts for a limited period of time and for a specific purpose. They are often people who have freedom and the means to travel. This includes international students who go abroad to study and technical assistance workers, corporate personnel, and missionaries who go abroad to work for a specific period of time. Some domestic sojourners move from one region to another within their own country for a limited period of time to attend school or work.

Another type of voluntary traveler is the immigrant. Although many U.S. Americans believe that most immigrants come to the United States in search of freedom, the truth is that many come for economic reasons. There is often a fluid and interdependent relationship between the countries that send and those that receive immigrants. Countries like the United States welcome working immigrants, even developing special visas and programs However, countries can quickly restrict immigration during economic downturns.

The voluntariness of immigration is more variable than absolute. Some immigrants feel that they have a choice in moving, whereas others feel that they have less choice. The decision to migrate usually is made while other factors intervene.

There are two types of migrants who move involuntarily: **long-term refugees** and **short-term refugees.** Long-term refugees are those who are often forced to relocate permanently because of war, famine, and oppression. They become immigrants when they decide to settle permanently in the host country.

There are also cases of domestic refugees who are forced for short or indefinite periods of time to move within a country. The cases of Poles and Chechens sent to Kazakhstan by the Soviet government before and during World War II or Japanese Americans sent to U.S. internment camps during World War II are just a few examples. Other examples include the continued harassment of Mormons, who fled the East and eventually settled in Utah and elsewhere in the West; and populations that relocate temporarily because of natural disasters, such as hurricanes and floods. This mass migration of refugees presents complex issues for intercultural communication, pointing to the importance of context.

Migrant-Host Relationships

There are four ways in which migrants may relate to their new cultures. They can *assimilate, remain separate, integrate*, or *become marginalized*. These four modes of relating are described here.

***Assimilation***. In an assimilation mode, the individual does not want to maintain an isolated cultural identity but wants to maintain relationships with other groups in the new culture. And the migrant is more or less welcomed by the new cultural hosts. When this course is freely chosen by everyone, it creates the "melting pot."

The central focus in assimilation is not on retaining one's cultural heritage. Many immigrant groups, particularly those from Europe, follow this mode of transitioning in the United States and Canada. For them, assimilating may not require adjusting to new customs. The predominant religion may be the same, eating practices are the same, and many other cultural practices (which clearly originated in Europe) are already familiar. However, when the dominant group forces assimilation, especially on immigrants whose customs are different from the predominant customs of the host society, it creates a "pressure cooker." This mode of relating often entails giving up or losing many aspects of the original culture, including language.

***Separation***. There are two forms of **separation.** The first is when migrants willingly choose to retain their original culture and at the same time avoid interaction with other groups. This is the mode followed by groups like the Amish, who settled in the United States from Europe. They maintain their own unique way of life and identity and tend to avoid prolonged contact with other groups. Many strict religious groups actively resist the influence of the dominant society. The Amish, for example, do not participate in U.S. popular culture; they don't have televisions or radios, go to movies, or consume popular press newspapers or books. An important point here is that these groups choose separation, and the dominant society respects their choice.

However, if such separation is initiated and enforced by the dominant society, the condition constitutes a second type of separation, **segregation.** Many cities in the United States had quite restrictive codes that dictated where members of various racial and ethnic groups could and could not live. An example of de facto segregation is the practice of redlining, in which banks refuse loans to people of particular ethnic groups. This practice perpetuates ethnic segregation.

Some people, realizing that they have been excluded from the immigrant advancement version of the melting pot by legal or informally sanctioned discriminatory practices, in turn promote a separate mode of relating to the host culture. They may demand group rights and recognition but not assimilation.

***Integration*** occurs when the migrants have an interest in maintaining their original culture and also in maintaining daily interactions with other groups. This differs from assimilation in that it involves a greater degree of interest in maintaining one's own cultural identity. Immigrant groups can resist assimilation in many ways. For example, many Asian Indians in the United States maintain a strong sense of their ethnic identity by celebrating Indian holidays, the Hindu festival that celebrates cosmic good over evil.

Migrant communities may actively resist assimilation in many ways. They may refuse to consume the popular culture products (TV, radio, movies) or the fashion of the host society, often for many generations. However, integration depends on the openness and willingness of those in the dominant society to accept the cultures of others.

***Marginalization*** occurs when the individual or group expresses little interest in maintaining cultural ties with either the dominant culture or the migrant culture. This situation of being out of touch with either culture may be the result of actions by the dominant society — for example, when the U.S. government forced Native Americans to live apart from other members of their nation.

However, the term *marginalization* has come to describe, more generally, individuals who live on the margin of a culture, not fully able to participate in its political and social life, as a result of cultural differences. For example, women from overseas who marry U.S. military men may find themselves living in relatively isolated parts of the country upon their husband's return to the United States. These women, sometimes called "war brides," become marginalized by the dominant society. They cannot find a local community of people with whom to share their native culture and language, nor can they participate in U.S. culture as a result of linguistic, cultural, and sometimes prejudicial barriers. Some­times these women are rejected by their husband's families, leading to further marginalization.

***Combined Modes of Relating***. Immigrants and their families often combine these four different modes of relating to the host society. Some people may integrate in some areas of life and assimilate in others. They may desire economic assimilation in work, linguistic integration (bilingualism), and social separation (marrying someone from the same group and socializing only with members of their own group). In some families, individual members choose different paths of relating to the larger culture.

As individuals encounter new cultural contexts, they are required to adapt to some extent. This adaptation is a process: it occurs in context, varies with each individual, and is restricted by relations of dominance and power in so-called host cultures. Let's look more closely at this adaptation process.

***Cultural adaptation*** is the long-term process of adjusting and finally feeling comfortable in a new environment. Immigrants who enter a culture more or less voluntarily and who at some point decide to – or feel the need to – adapt to the new cultural context experience cultural adaptation in a positive way. We are not going to describe specific models of cultural adaptation, the contexts that enable or hamper adaptation, and the outcomes of adaptation.

Models of Cultural Adaptation

***The Anxiety and Uncertainty Management Model.***The goal of effective intercultural communication can be reached by reducing anxiety and seeking information. This process is known as *uncertainty reduction***.**

Migrants may need to reduce the anxiety that is present in intercultural contexts. Some level of anxiety is optimal during an interaction. Too little anxiety may convey that we don't care about the person. Too much anxiety causes us to focus only on the anxiety and not on the interaction.

One point that should emerge from our brief discussion of uncertainty avoidance is that communication is the central tool we use to reduce uncertainty and gain insight into our communication partner. As we have already indicated, however, making accu­rate predictions and gathering information to reduce uncertainty is difficult when you are confronted with people from other cultures. As you have learned in this book, the information you seek is often unfamiliar or even strange. If you fail to understand what a certain action means, how can you use that action to define the situation and reduce uncertainty? When this happens, you can become frustrated. This frustration, coupled with your need for closure, is at the core of many communication problems. It is important to learn the technique of suspending judgment and discover the practice of being patient when trying to reduce uncertainty. You might be rewarded. As the Chinese proverb notes, *"With time and patience, the mulberry leaf becomes silk."*

Some general suggestions for increasing effectiveness are useful. The theory predicts that the most effective communicators (those who are best able to manage anxiety and predict and explain others' behaviors with confidence) are people who:

1. Have a solid self-concept and self-esteem
2. Have flexible attitudes (a tolerance for ambiguity, empathy) and behaviors
3. Are complex and flexible in their categorization of others (for example, able
to identify similarities and differences, avoid stereotypes)

The situation in which communication occurs is important in this model. The most conducive environments are those that are informal, where there is support and equal representation of different groups. Finally, this model requires that we are open to new information and recognize alternative ways to interpret information.

Of course, these principles may operate differently according to the cultural context; the theory predicts cultural variability. For example, people with more individualistic orientations may stress independence in self-concepts and communities; self-esteem may become more important in interactions.

***The******U-Curve Model.*** Many theories describe how people adapt to new cultural environments. The pattern of adaptation depends on the circumstances and the migrant, but some commonalities exist. The most common theory is the **U-curve theory** of adaptation. This theory is based on research conducted by a Norwegian sociologist, Sverre Lysgaard, who interviewed Norwegian students studying in the United States. This model has been applied to many different migrant groups.

The main idea is that migrants go through fairly predictable phases in adapting to a new cultural situation. They first experience excitement and anticipation, followed by a period of shock and disorientation (the bottom of the U-curve); then they gradually adapt to the new cultural contexts. Although this framework is simplistic and does not represent every migrant's experience, most migrants experience these general phases at one time or another.

The first phase is the anticipation or excitement phase. When a migrant first enters a new cultural context, he or she may be excited to be in the new situation, and somewhat apprehensive. For example, someone adapting to a new job in a new city in a new region of the country may experience more apprehension than excitement during the first part of the transition. The same would be true for an international student from East Africa who experiences prejudice in the first months at a U.S. college, or for refugees who are forced to migrate into new cultural contexts.

The second phase, culture shock, happens to almost everyone in intercultural transitions (see above the description of culture shock)

During the culture shock phase, migrants experience disorientation and often a crisis of identity. Because identities are shaped and maintained by our cultural contexts, experiences in new cultural contexts often raise questions about identities.

The third phase is adaptation. Gradually, migrants learn the rules and customs of the new cultural context. They may learn a new language, and they figure out how much of themselves to change in response to the new context. A migrant may decide to change some aspects of his or her behavior and not others. Individuals may want to retain a sense of their previous cultural identities; each sojourner has to decide to what degree he or she wants to adapt. However, this phase may be experienced very differently if the sociopolitical context is not conducive to individual adaptation.

Although the U-curve seems to represent the experiences of many short-term sojourners, it may be too simplistic for other types of migrants. A more accurate model represents long-term adaptation as a series of U-curves. Migrants alternate between feeling relatively adjusted and experiencing culture shock; over the long term, the feeling of culture shock diminishes.

***The Transition Model****.* Recently, culture shock and adaptation have been viewed as a normal part of human experience, as a subcategory of transition shock. Janet Bennett (1977), a communication scholar, says that culture shock and adaptation are just like any other adult transition. Adult transitions include going away to college for the first time, getting married, or moving from one part of the country to another. All of these transition experiences share common characteristics and provoke the same kinds of responses.

All transition experiences involve change, including some loss and gain, for the individual. For example, when people marry, they may lose some independence, but they gain companionship and intimacy. When international students come to the United States to study, they leave their friends and customs but gain new friends and new ways of doing things.

Cultural adaptation depends in part on the individual. Each individual has a preferred way of dealing with new situations. Psychologists have found that most individuals prefer either a **"flight"** or **"fight"** **approach** to unfamiliar situations. Each of these approaches may be more or less productive depending on the context.

The migrant who prefers a **flight approach** when faced with new situations tends to hang back, get the lay of the land, and see how things work before taking the plunge and joining in. Migrants who take this approach may hesitate to speak a language until they feel they can get it right; they may watch others before they participate. This is not necessarily bad. Taking time out from the stresses of intercultural interaction (speaking and reading in one's native language, socializing with friends of similar background, and so on) may be appropriate. Small periods of "flight" allow the migrant some needed rest from the challenges of cultural adaptation.

However, getting stuck in the "flight" mode can be unproductive. For example, some U.S. students abroad spend all of their time with other American students and have little opportunity for intercultural learning.

A second preference, the **fight approach,** is to get in there and participate. Migrants who take this approach use the trial-and-error method. They try to speak the new language, don't mind if they make mistakes, jump on a bus even when they aren't sure it's the right one, and often make cultural errors. Getting stuck in the "fight" mode can also be unproductive. Migrants who take this approach to the extreme tend to act on their surroundings with little flexibility. They are likely to criticize the way things are done in the new culture.

Neither of these preferences for dealing with new situations is right or wrong. Individual preference is a result of family, social, and cultural influences. For example, some parents encourage their children to be assertive, and others encourage their children to wait and watch in new situations. Society may encourage individuals toward one preference or the other.

*An alternative to fight or flight is the* **"*flex"*** *approach*, in which the migrant uses a combination of productive fight or flight behaviors. The overall approach is to "go with the flow" while keeping in mind the contextual elements. Hostile contexts (such as racism or prejudice) may encourage extreme flight or fight responses. On the other hand, a supportive environment (tolerance) may encourage more productive responses from the migrant.

***The Communication-System Model.*** The three approaches discussed so far concentrate on the psychological feelings of the migrants, on how comfortable the individual feels. What role does communication play in the adaptation process? For an answer, we turn to a model of adaptation developed by communication scholar Young Yun Kim (1977). Kim suggests that adaptation is a process of stress, adjustment, and growth. As individuals experience the stress of not fitting in with the environment, the response is to adjust. This process of adjusting is really a psychic breakdown of previously held attitudes and behaviors – ones that worked in original cultural contexts. This model fits very well with our dialectic approach that shows the interconnectedness of the individual and the context in the adaptation process.

Adaptation occurs through communication. The migrant communicates with individuals in the new environment and gradually develops new ways of thinking and behaving and, in the process, grows to a new level of functioning. The migrant develops an intercultural identity. Of course, not everyone grows in the migrant experience. Some individuals experience difficulty adapting to new ways. They can reject the new idea, they can try to fit it into their existing framework, or they can change their framework.

It is likely that communication has a double edge in adaptation: Migrants who communicate frequently in their new culture adapt better but also experience more culture shock. In one study, Kealey (1989) found that those who communicated more in the host country experienced a greater degree of culture shock and had more initial difficulty in adapting to the new country. These people also were rated by their host country co-workers as more successful. As with the student sojourners, communication and adaptation seem to be a case of no pain, no gain. Intercultural in­teraction may be difficult and stressful, but in the end it can be rewarding.

How does communication help migrants adapt? There seem to be three stages in this process of adaptation. The stages are:

1. Taking things for granted, and surprise
2. Making sense of new patterns
3. Coming to understand new information

In the first phase, the immigrant realizes that his or her assumptions are wrong and need to be altered. In the second stage, the migrant slowly begins to make sense of new patterns through communication experiences. The last stage in a cycle of sense-making is coming to tentative understanding.

Outcomes of Adaptation

Much of the early research on cultural adaptation concentrated on a single dimension. More recent research emphasizes a multidimensional view of adapta­tion and applies best to voluntary transitions. There are at least three aspects, or dimensions, of adaptation: ***psychological health, functional fitness,*** and ***intercultural identity*** (Kim, 1988).

Adaptation is mainly seen as the process of learning new ways of living and behaving. That is, the acquisition of skills as being more important than psychological well-being. Among the areas of skills that are most important for newly arrived members of a society to acquire are:

* the local rules for politeness (for example, being honest),
* the rules of verbal communication style (for example, direct/indirect),
* typical use of nonverbal communication (proximic behavior, gestures, eye gaze, facial expressions, and so on).

SUMMARY

* The main issues in moving from one culture to another are highlighted.
* Migrant groups vary in the length of the migration and the degree of voluntariness. Given these two criteria, there are four types of migrants: sojourners (short-term voluntary), immigrants (long-term voluntary), and refugees (long-term involuntary and short-term involuntary).
* Some migrant groups resist rather than adapt to the host culture. Four modes of relationships between migrants and host cultures were described: assimilation, separation, integration, and marginalization.
* Four models that attempt to explain adaptation issues were identified: the anxiety and uncertainty management model, the U-curve model, the transition model, and the communication-system model.
* Communication plays a crucial role in migration. Individual characteristics such as age, gender, preparation, and expectations influence how well a person adapts to new cultures. They can affect the personal outcomes of adaptation, which include good psychological health, functional fitness, and an intercultural identity.

Theme 2

**Intercultural Communication in Business, Management, and Negotiations**

The International Business Context

To begin with, let us consider the following business situation described by Professors Geert Hofstede & Jan Hofstede:

A medium-size Swedish high-technology corporation was approached by a compatriot, a businessman with good contacts in Saudi Arabia. The corporation sent one of its engineers – let us call him Johannesson – to Riyadh, where he was introduced to a small Saudi engineering firm run by two brothers, both with British university degrees. The brothers were looking for someone to assist in a development project on behalf of the Saudi government. However, after six visits over a period of two years, nothing seemed to happen. Johannesson’s meeting with the brothers were always held in the presence of the Swedish business who had established the first contact. This annoyed him and his superiors because they were not at all sure that this business did not have contacts with their competitors as well – but the Saudis wanted to have an intermediary to be there. Discussions often dwelt on issues having little to do with the business – for instance, Shakespeare, of whom both brothers were fans. Just when Johannesson’s superiors started to doubt with the wisdom of the corporation’s investment in these expensive trips, a fax arrived from Riyadh inviting him for an urgent visit. A contract worth several millions of dollars was ready to be signed. From one day to the next, the Saudi’s attitude changed: the presence of the businessman-intermediary was no longer necessary, and Johannesson for the first time saw the Saudis smile and even make jokes.

So far, so good – but the story goes on. The remarkable order contributed to Johannesson’s promotion to a management position in a different division. Thus he was no longer in charge of the Saudi account. A successor was nominated, another engineer with international experience, whom Johannesson personally introduced to the Saudi brothers. A few weeks later another fax arrived from Riyadh in which the Saudis threatened to cancel the contract over a detail in the delivery conditions. Johannesson’s help was requested. When he went to Riyadh, it appeared that the conflict was over a minor issue and could be easily be resolved – but only, the Saudis felt, with Johannesson as the corporation’s representative. So the corporation twisted its structure to allow Johannesson to handle the Saudi account although his main responsibilities were now in a completely different field.

The Swedes and Saudis in this true story have different concepts of the ***role of personal relationships in business***. For Swedes, business is done with a company; for Saudis, a person whom one has learned to know and trust. When one does not know the other person well enough, it is best that contract takes place in the presence of an intermediary or go-between, someone who knows and is trusted by both parties. And the root of the difference between these cultures is a fundamental issue in human societies: *the role of the individual versus the role of the group.*

Cultural Views toward Management and Managers

*North American Management Culture***.** Harris and Moran describe Americans as being goal and achievement oriented, believing they can accomplish almost anything given sufficient resources. Americans tend to resent governmental or external interference in their affairs and possess a strong work ethic. They tend toward friendliness and informality, yet in greeting behavior they tend to be a noncontact culture in public. In both play and business, Americans tend to be competitive and aggressive because of their drives to achieve and succeed.

G. Hofstede provides an insightful view of management that is consistent with the American culture:

*[Management] refers not only to the process but also to the managers as a class of people. This class (1) does not own a business but sells its skills to act on behalf of the owners and (2) does not produce personally but is responsible for making others produce, through motivation. Members of this class carry a high status and many American boys and girls aspire to the role. In the United States, the manager is a cultural hero.*

This set of values and orientations is not cross-culturally consistent. In fact, the American management culture is quite different from those of much of the rest of the world.

*European Management Cultures.*

While there are similarities between American and German cultures, German management styles differ considerably.

In *Germany*, for instance, the manager is not a cultural hero. Like Americans, Germans belong to a data-oriented, low-context culture. They like receiving detailed information and instruction to guide them in the performance of tasks at which they wish to excel. Germans believe in a world governed by *Ordnung –* order. Everyone and everything has a place in a grand design calculated to produce maximum efficiency. *Ordnung* is inherently a German concept that goes further than even the pragmatic and orderly intent of Americans, British, Dutch, and Scandinavians. The highly skilled and responsible German workers do not necessarily need an American style manager to motivate them. They expect their boss to assign their tasks and to resolve technical problems. German values include a strong sense of professional calling and pride in work, a tendency toward *an authoritarian leadership style, and paternalistic commitment to the country's welfare*. From a German perspective, effective managers are self-confident, energetic, open-minded, and particularly competitive. It is not easy to work or deal with Germans because of the seemingly rigid framework within which many German firms operate.

*French* business practices, in many respects, follow from the philosophy of Rene Descartes and are based on a tendency toward logic and clarity. Humans are considered reasonable beings with a good mind and able to cope and solve their own problems. This suggests that people can use their wits to achieve their goals by means of craftiness, cunningness, and *tricksterism*. Rules, regulations, and principles that constitute a body of authoritative ideas govern proper forms of business. This leads to the French management style being more autocratic than the German. The French language supports this management style because it is rational, precise, ruthless in clarity, and argues its points with a logical urgency leaving little room for ambiguity or ambivalence.

The French are high on the power distance scale. G. Hofstede provides this insight into French management practices: The French do not think in terms of managers versus non-managers but in terms of cadres versus non cadres; one becomes a cadre by attending the proper schools and one remains in it forever; regardless of their actual task, cadres have the privileges of a higher social class, and it is very rare for a non-cadre to cross the ranks.

Obviously, the French value this high power differential. Additional values include individualism and authority based on absolutism. Because French managers or cadres are well paid, have attended the best schools*,* and come from well-established families, they tend to have an elitist approach to management.

Similar to the French, *the British* tend toward elitism in their management practices. Unlike the French, however, their views follow rather from feudal and imperial origins. The class system still persists in the UK and status is still derived, in some degree, from pedigree, title and family name. British managers can be described as *diplomatic, tactful, laid back, casual, reasonable, helpful, and willing to seek compromise and to be fair*. British English differs significantly from American English because it does not employ the exaggeration and tough talk of the American version. British managers manipulate their subordinates with friendly small talk, reserved statements of objectives, and a casual approach to work.

*Asian Management Cultures*

The management cultures found in Asia differ considerably from those based on European elitism. Asian cultures stress collectivism and harmony, and these characteristics are reflected in their organizational cultures.

*Chinese* business values have been strongly influenced by Confucianism. G. Hofstede summarizes the Chinese view:

Overseas Chinese American enterprises lack almost all characteristics of modern management. They tend to be small, cooperating for essential functions with other small organizations through networks based on personal relations. They are family owned, without the separation between ownership and management typical in the West, or even in Japan and Korea. Decision making is centralized in the hands of one dominant family member, but other family members may be given new ventures to try their skill on. They are low-profile and extremely cost-conscious, applying Confucian virtues of thrift and persistence. Their size is kept small by the assumed lack of loyalty of non-family employees, who, if they are any good, will just wait and save until they can start their own family business.

To the Chinese, harmony is the ultimate goal of human interaction. *Harmony is the axis of social interaction*; it is seen as the end goal of all human communication. Additionally, kinship, interpersonal connections, face, and power are major factors dominating Chinese management practices. Power is the ultimate determinant influencing Chinese social interaction.

In Confucian-influenced cultures, seniority is the main source of power. In China, as well as most Asian nations, seniority derives from age and length of service in an organization. Seniority not only commands respect, it disarms criticism in the Chinese society.

*The Japanese*, as was the case with the Germans, do not share a strong sense of management. A characteristic feature of Japanese management style is the high value that it places on the harmonious integration of all members of the organization into the corporate structure. Japanese managers typically view their organization as a large extended family.

Managers – section chiefs or department heads – value *groupism*, *harmony, acceptance of hierarchy in work relationships, sense of obligation, and debt of lower level personnel to superiors, and consensual decision making*. While American managers emphasize supervisory style, decision making, and control mechanism, the Japanese are more concerned with communication processes, interdepartmental relations, and a paternalistic approach.

The Japanese language is capable of delicate nuances of states of mind and relationships. Indirect and vague communication is more acceptable than direct and specific orders. Sentences are frequently left unfinished so that the other person may reach the desired conclusion. Japanese dress and appearance are neat, orderly, and conservative for managers. Workers and students frequently wear a distinctive uniform and frequently a company pin.

*Latin American Management Cultures*

We see another difference in managerial approaches when we look at Latin America. You should recognize that Latin America contains a great number of culturesthat exist in a widespread area. Global managers have discovered that all countries south of the U.S. border are not the same. The languages (Spanish, Portuguese, and Native Indian), food, music, and ethnicity (European, Indian, African, and Mestizo) vary among countries and even within countries. For the most part, however, the power, politics, economics, and business continue to be dominated by people living in a culture that has evolved from earlier Spanish and Portuguese colonial cultures.

The *Mexican and Latin American* managerial styles generally follow that of France, being characterized as autocratic and paternalistic. In middle-sized companies, the CEO [Chief Executive Officer = President] is often the owner, and even in very large firms a family name or family connections may dominate the structure. Task orientation is directed from above; strategies and success are dependent largely on social and ministerial connections as well as cooperation between dominant families.

Managerial style in Mexico differs considerably from that in the United States. This is how it is summarized in the San Diego Union Tribune:

*As in any authoritarian order, Mexicans value status and its observance. Americans regard status as "undemocratic" and try to minimize the differences by dressing casually, calling [someone] by his/her first name (and insisting that we be called by our first name). Ameri­cans try to train Mexican supervisors to do the same. But the Mexicans accept the hierarchy and their "stations" in life. To them the issue is honor, not equality. Rather than resent their "rank," workers expect respectful recognition of their roles within the hierarchy. Even the janitor expects respect*.

As a result of this *authoritarian but honorable business system*, there is a delicate balance between maintaining formal respect in the hierarchy and portraying informal sensitivity toward workers' dignity. Although Mexican management may appear autocratic and paternalistic, this style no longer functions as in the past. Contemporary managers and professionals, in particular, do not respond well to directives and commands although they may have done so in the past.Mexicans are far less tolerant of insensitivity in managerial styles than are Americans. You can hurt the feelings of Mexican workers very easily. This "soft culture" reflects the informal side of the formal/informal duality of the Mexican managementstyle.

Management style in Mexico is also affected by a company's ownership. Mexican managers who work for large multinational corporations in Mexico, such as Ford and Johnson & Johnson, generally seem more similar to U.S. managers than those who work for Mexican firms. Mexican decision-making authority tends to be centralized, seemingly undemocratic, and retained by a few top-level executives.

Culture-Specific Business Practices

*Business Protocol*

In most parts of the world, culturally correct protocol is both expected and respected. To introduce you to some of the variations in protocol, we start with the elements that help initiate business relationships: *initial contacts, greeting behavior,* and gift *giving.*

*Initial Contacts*

The protocol for starting an initial contact and appointment to conduct business can range from making a brief telephone call to writing a formal letter of request to the use of a "go-between" (an intermediary). The manner in which the initial business contact is made and the amount of advance notice between the contact and appointment are key factors that you must consider when doing business with another culture. A few examples will clarify this point. In Latin America appointments must be made at least a month in advance by mail or telephone and then verified one week before the meeting. In Latin American culture, you should establish your contacts as high up in the organization as possible. It is also very helpful to use a local well-connected person to make introductions and contacts for you.

In Africa, the use of an intermediary is essential. Intermediaries can open doors, ensure a warm reception for your upcoming visit, and assess the prospects for the proposal you plan to present. An intermediary is an absolute must in Africa when approaching someone of a higher status.

When doing business in China, it is important to establish contacts *before* you invest in a trip. The United States Department of Commerce/East Asia and Pacific Office can assist in arranging appointments with local Chinese businesses and government officials, and can identify importers, buyers, agents, distributors, and joint venture partners.

 To do business in Saudi Arabia, you must have a sponsor act as an intermediary, make appointments, and arrange meetings. In Italy as well, strong contacts who can represent you and make appropriate introductions are preferred. Even with such a representative, it is important that your initial contact be written and in Italian.

*The date* you plan your business trip is also of major importance when dealing with another culture. For example, in China, many businesses close the week before and the week after the Chinese New Year. In Saudi Arabia, no business is conducted during the three-day festival of breaking fast at the end of the month of Ramadan – and the three-day feast of sacrifice.

In Japan, business is not conducted during New Year's holidays, Golden Week, April 29 to May 5, and Obon, in mid-August, because many people travel to the graves of their ancestors.

In Israel, the Jewish holy day – the Sabbath – begins at sunset on Friday and ends at sunset on Saturday. The business week, therefore, runs from Sunday through Thursday. Attempting to conduct business on the Sabbath would be highly inappropriate.

*Greeting Behaviors*

 Once a meeting has been arranged, it is important that the greeting protocol of the host culture be observed. Americans tend to be informal and friendly. Both men and women shake hands on meeting and leaving. A small kiss on the cheek or a hug is appropriate between women or between men and women who have known each other for a sufficient time. First names generally are used with the exception of senior persons or formal situations. Business cards are exchanged in business settings but not in social settings. These greeting behaviors, typical to North Americans, are uncommon in many cultures. For instance, in Saudi Arabia, greetings involve numerous handshakes and tend to be expressive and elaborate. Saudi men often embrace and kiss on both cheeks. Saudi women are rarely present for business meetings, but when they are, an introduction is unlikely. Titles are very important for Saudis and are always used. Business cards are routinely exchanged and are printed in both Arabic and English.

China offers a contrasting example. Communicating a good impression to the Chinese businessperson starts with punctuality. The Chinese have a low tolerance for ambiguity, and they do not like surprises. It is therefore necessary to communicate the details of the meeting agenda as well as any other issues to them prior to the meeting. Chinese do not like to be touched or slapped on the back or even to shake hands. A slight bow and a brief shake of the hands is most appropriate.

When being introduced you should stand and remain standing for the duration of the introductions. Seating and order of entrance into the meeting room are important in China since rank is honored. You should allow others to seat you and walk ahead of you to ensure that you are seated in the right position for the meeting.Business cards are routinely exchanged. They should be translated into standard Chinese and include the name of your company, your position plus titles, for example Ph.D., MBA, vice president, or general manager. It is important to clearly indicate your position in the company so the Chinese can treat you accordingly. When presenting business cards, be sure to use both hands as a sign of politeness. When receiving a business card spend a few seconds looking it over. In China, the family name is always mentioned first. Consequently, when addressing someone with the name Li Chen, the proper form of address would be Mr. or Mrs. Chen Li.

In Finland, firm handshakes are the normal greeting for men and women. In Finland, it is customary for women to be greeted first. So important is a firm handshake to the Finnish that even children are encouraged to shake hands. However, hugs and kisses are reserved for greetings with close friends and family. Introductions include first and last names or a title and a last name.

*Gift Giving*

Most Americans view gift giving in the business setting as a form of bribery, but in many cultures, gift giving is a standard part of business protocol. As such, it is important to know not only the views concerning gift giving, but also what gifts are appropriate for the culture in which you will be doing business.

Examples of gift giving in Japan can illustrate this point effectively. Gifts are very common in the Japanese culture. Business gifts absolutely must be given at midyear (July 15) and at year end (January 1). They are often given at first business meetings. It is also a standard practice to bring flowers, cakes, or candy when invited to a Japanese home. The ceremony of gift giving is more important to the Japanese than the gift itself, although both modest and elaborate gifts are prevalent. It is appropriate to allow your Japanese business colleagues to present gifts first, then match your gift with the same quality as theirs. Do not expect gifts to be opened directly in front of you because this may be construed as a sign of greed. In the rare instances where gifts are opened in front of you, expect restrained appreciation regardless of what they think of the gift. You should not open gifts in front of your Japanese business colleagues, but instead open them when you are alone and thank them later. The paper the gift is wrapped in is also very important to the Japanese. Rice paper is ideal; paper that Americans consider appropriate is distasteful to the Japanese. Although items made by well-known manufacturers are usually good gifts, you should avoid giving knives and scissors because these items symbolize the severance of the relationship. A clock also is an inappropriate gift because it reminds the recipient that time is running out. To give a clock as a gift is equivalent to saying, 'I wish you were dead. Gifts with even numbers of components are also highly inappropriate in Japan, particularly in numbers of four, which could be considered the equivalent of the unlucky number 13 in our culture.

As the preceding example indicates, the rules for gift giving in Japan are very different from the rules for gift giving in the rest of the world.

If gifts are given at all in the United States, they usually conform to the $25 tax deductible gift allowed by law. Even when visiting a home in the United States, it is not customary to bring a gift, although a small token of flowers, a plant, or a bottle of wine is appreciated. Instead of gifts, letters of thanks are standard in the United States (Morrison et al.).

We have covered only a few elements of business protocol to make the point that business practices differ from culture to culture. This introduction to variations in protocol should amplify the importance of knowing and utilizing the business practices that are acceptable in the culture in which you will be doing business. As with protocol, there is cultural diversity in negotiation strategies and the communication surrounding negotiation. We now turn our attention to this important matter.

Negotiation

*Negotiation* is a process in which two or more entities discuss common and conflicting interests in order to reach an agreement of mutual benefit. This is true whether the business goals are to arrange the purchase of products or services, agree to marketing protocols, reach licensing agreements, or to achieve a merger or acquisition. Consequently, people of many different cultures are busily engaged in negotiations worldwide, and the approach taken by each side is strongly affected by their culture. Cultural diversity in negotiation behaviors involves *pacing, negotiating styles*, notions of what constitutes *evidence and truth,* and *social trust.*

*Pacing*. The pace (tempo) at which negotiations take place is a culturally diverse characteristic of the negotiation process. Foster (1992: 35) relates the following witticism that clearly illustrates this major difference in cross-cultural negotiation: *There's a joke about an American and a Japanese sitting on a park bench in Tokyo. Both are businessmen. The American says, "Well, you know I've been in Japan for my company for forty years. Forty years! And now they are sending me back home to the States in just a few days." The Japanese replies, "That's the problem with you Americans: here today and gone tomorrow.*"

To better understand the negotiation practices of other cultures, it is important for you to first be aware of the standard negotiation practices in the United States. Americans grow up believing in the motto "He who hesitates is lost." Therefore, most Americans conduct business at lightning speed. It is not uncommon for contracts to be signed during the first business meeting. These rapid contracts are facilitated by the fact that middle managers have the authority to make quick decisions without consulting the "boss" or conferring with the group. Sales forces are taught to "close the deal" as rapidly as possible. Brief small talk often precedes the business interaction, but the "bottom-line," short-term rewards, and financial arrangements quickly become the focus.

In much of Latin America, business negotiations are conducted at a much slower pace than in the United States. There is even a proverb that states, "To a hurried demand, a leisurely reply." In Argentina, it may take several trips to accomplish your goal, partly because it takes several people to approve each decision that is made. In some cultures, personal relationships take priority over the product or service, and therefore business does not begin until friendships are established. Personal relationships are so important that if you do not have a contact or intermediary, you may well never get an appointment. For this same reason, Argentines prefer to deal with the same representative for each transaction, or the whole negotiation process begins again from scratch.

In Western Europe, negotiations also progress in a different manner. The French view the negotiation setting as both a social occasion and a forum for their own cleverness. Their sense of history provides them with the desire to fulfill their traditional role of international mediator.

Negotiation in Eastern Europe is also different from that in the United States. In Poland, Hungary, and Russia, the time it takes to negotiate business usually depends on whether or not the government is involved. When it is, negotiations proceed at an unhurried pace. When you deal with entrepreneurs, however, transactions can progress rapidly. Prior contacts are helpful but not necessary because a person's last successes are deemed more important. Communication is usually indirect, informal, competitive, and at times argumentative.

*Negotiation Styles***.** The manner in which people engage in negotiations is referred to as their negotiation style. It is yet another cultural variable that affects international business communication. Americans tend to have a negotiation style that emphasizes efficiency and directness. They want to get directly to the point, reach an agreement, and sign the accords as rapidly as possible. Their communication tends to be direct and at times argumentative. Other cultures, however, have different negotiating styles that are frequently at odds with American experiences and expectations.

In Germany, business is also conducted very formally with great attention to order, planning, and schedules. Because of this slow methodical process, it is virtually impossible to speed up a business transaction. Humor, compliments, and personal questions are not a part of German negotiations. Instead, business may begin immediately after an introduction. It is important to be well prepared when conducting business in Germany. Proposals and presentations should be detailed, logical, and filled with appropriate technical data. Be thoroughly knowledgeable in product and contract details. Germans tend to be direct, blunt, and up front. They will ask you all the difficult questions from the start. You must convince them of your efficiency, quality of goods, and promptness of services. It is better to be silent rather than offer an uneducated opinion.

Finns and Swedes expect modernity, efficiency, and new ideas. They believe themselves to be up to date and sophisticated. They will expect your company to have the latest in office computers and streamlined factories. Swedes show little emotion during negotiation and expect the same from you. Consensus is important to Swedish negotiators, and they tend to avoid confrontation. They may cut off a discussion abruptly if they think it will lead to an argument over a sensitive topic.

Direct, factual communication is important to Russians. "Russians regard compromise as a sign of weakness; it is morally incorrect"(Morrison et al., 1994: 317). As such, they usually try to "outsit" the other negotiators for more concessions. Negotiations are often spirited and dramatic, with the Russian negotiator insisting the deal is over and storming out of the room, only to return to the negotiation table a short time later. Formalized contracts take time to construct, but until the process is complete, Russians rely on a signed *protocol* after each meeting to keep track of what occurred. The *protocol* is a joint statement that outlines what was discussed. It is not a formal agreement. Because business laws in Eastern Europe are in a state of flux, it is often a good idea to have a legal representative present when negotiating with the Russians.

In the Middle East, business transactions have a different flavor as well. In Israel, a strong sense of fatalism pervades the business environment. This possibly is due to the fact that neighboring countries have been hostile to Israel and have frequently attempted to destroy it. Futuristic plans are of little importance if there is no assurance of life in a year. As a result, successful business deals in Israel must promise an immediate return. Long-term guarantees and warranties are rarely selling points. Most Israelis, at least by American standards, are confrontational and emotional in their negotiating style. Interactions are conducted at very close distances, and physical contact is common among men, but not with women.

Summary

The above lecture focuses on the following main issues of intercultural communication in business: Culture and business setting. Cultural views toward management and managers (North American management culture, European management cultures, Asian management cultures, Latin American management cultures). Culture-specific business practices (business protocol, initial contacts, greeting behaviors, gift giving). Negotiation (negotiation pacing and styles, social trust).

Theme 3

**Intercultural Conflicts**

*Conflicts* are happening around the world, as they always have, and they *occur at many different levels: interpersonal, social, national, and international*. For example, at the interpersonal level friends or romantic partners may disagree about their relationship with respective friends and family. At a social level, cultural differences regarding the importance of preserving the environment compared with the importance of developing industry may fuel conflict between environmentalists and business interests. Examples of conflict on an international level are many, we are all witnessing them.

Conflict also may arise from mediated communication. American television, films, and other media have dominated the world market for many years. People in many other countries feel that this cultural dominance imposes U.S. cultural values. This domination has led to resentment and conflict. These examples illustrate that intercultural conflict can occur at many different levels and from both face-to-face interaction as well as mediated.

There are three significant approaches to understanding conflict. One is the *interpersonal* approach, which focuses on how cultural differences cause conflict and influence the management of the conflict. The other two approaches, *interpretive* and *critical*, focus more on intergroup relationships and on cultural, historical, and structural elements as the primary sources of conflict. These three approaches emphasize different aspects of the individual-contextual dialectic.

Understanding intercultural conflict seems especially important because of the relationship between culture and conflict. That is, cultural differences can cause conflict and, once conflict occurs, cultural backgrounds and experiences influence how individuals deal with conflict. We should say up front that *there is little known about how to deal effectively with intercultural conflict*. Our challenge is to review this knowledge, take what can be applied in intercultural contexts, and perhaps come up with some new ways to think about conflict.

Characteristics of Intercultural Conflict

One way to think about *intercultural conflict* is to consider it from dialectical perspective. Let's see how this works in a specific example. Managers in the sorting or assembly plants along the Mexican-U.S. border were interviewed as a result of which many examples of conflict were found. For example, Mexican managers thought that the U.S. managers were often rude and impolite in their dealings with each other and the workers. The conflict between U.S. and Mexican managers can be viewed as both *individual* and *cultural*. That is, each manager probably approaches conflict in a unique way and at the same time shares ideas about how conflict should be handled with members of the same nationality. Also, intercultural conflicts can be seen as both *personal* and *social*: the conflicts occur on a personal level, but the context (multinational corporations) plays a role, too.

Issues surrounding language may be important to intercultural conflict. When you don't know the language well, it is very difficult to handle conflict effectively. On the other hand, some silence is not bad. Sometimes it provides a "cooling off" period for things to settle down. Depending on the cultural context, silence can be very appropriate.

**Two Orientations to Conflict: Conflict as Opportunity vs. Conflict as Destructive**

Is conflict good or bad? Should conflict be welcomed because it provides opportunities to strengthen relationships? Or should it be avoided because it can only lead to problems for relationships and groups? What is the best way to handle conflict when it arises? Should we talk about it directly, deal with it indirectly, or avoid it?

It's not always easy to figure out the best way to deal with conflict. And what does culture have to do with it? To answer some of these questions, let’s first describe two very different ways of thinking about conflict.

Conflict as Opportunity (Productive Conflict) vs. Destructive Conflict

Scholar David Augsburger suggests that productive conflict is different from destructive conflict in four ways. *First*, in productive conflict individuals narrow the conflict in definition, focus, and issues. In destructive conflict, individuals or group escalate the issues or negative attitudes. For example, if a partner says, "You never do the dishes," or "you always put me down in front of my friends," the conflict is likely to escalate. Instead, the partner could focus on a specific instance of being put down. *Second*, in productive conflict individuals limit conflict to the original issue; in destructive conflict, individuals escalate the conflict from the original issues and anything in the relationship is open for re-examination. For example, guests on talk shows about extramarital affairs might start the conversation about a specific affair, and then expand the conflict to include numerous prior arguments. *Third*, in productive conflict individuals or groups direct the conflict toward cooperative problem solving. For example, a partner may ask, "How can we work this out?" By contrast, in destructive conflict strategies are escalated into power, threat, coercion, and deception. An individual might threaten his or her partner, "Either you do what I want, or else." *Finally*, in productive conflict individuals or groups trust leadership that stresses mutually satisfactory outcomes; in destructive conflict, individuals or groups polarize behind single-minded and militant leadership.

*Conflict as Opportunity*

This orientation to conflict is the one most commonly represented in U.S. interpersonal communication texts. **Conflict** is usually defined as involving a perceived or real **incompatibility** of goals, values, expectations, processes, or outcomes between two or more **interdependent** individuals or groups. This viewpoint is shared by many Western cultural groups. According to David Augsburger, this approach to conflict is based on four assumptions:

 - Conflict is a normal, useful process.

 - All issues are subject to change through negotiation.

 - Direct confrontation and conciliation [reconciliation, harmonization] are valued.

- Conflict is a necessary renegotiation of contract, a redistribution of opportunity, release of tensions, and renewal of relationships.

Conflict may be a difficult process, but ultimately it offers an opportunity for strengthening relationships. Although this orientation to conflict recognizes that many people don't enjoy conflict, it emphasizes the potentially positive aspects. The main idea is that working through conflicts constructively results in a stronger, healthier, and more satisfying relationship.

Consider the second and third assumptions. Individuals should be encouraged to think of creative, even far-reaching solutions to conflict resolution. Furthermore, the most desirable response to conflict is to recognize it and work through it in an open, productive way. In fact, many people consider conflict-free relationships to be unhealthy. Relationships without conflict may mean that partners are not resolving issues that need to be dealt with.

Finally, because conflict is a renegotiation of contract, it is therefore worthy of celebration. This Western-based approach suggests a fairly neutral to positive orientation to conflict, but it is not shared by all cultural groups. Let's look at another orientation.

*Destructive Conflict*

Many cultural groups view conflict as ultimately unproductive for relationships. This perspective may stem from spiritual or cultural values. Although we must be cautious about generalizing, this viewpoint is generally shared by many Asian cultures (reflecting the influence of Confucianism and Taoism), and in the United States by some religious groups, such as Quakers and Amish. According to Augsburger, the four assumptions underlying this perspective are:

 - Conflict is a destructive disturbance of the peace.

- The social system should not be adjusted to the needs of members; rather, members should adapt to established values.

 - Confrontations are destructive and ineffective.

 - Disputants should be disciplined.

Types of Conflict

There are many different types of conflict, and we may manage these types in different ways. These categories include:

1. Affective conflict
2. Conflict of interest
3. Value conflict
4. Cognitive conflict
5. Goal conflict

***Affective conflict*** occurs when individuals become aware that their feelings and emotions are incompatible. For example, suppose an individual finds that his or her romantic love for a close friend is not reciprocated. The disagreement over their different levels of affection causes conflict.

***A conflict of interest*** describes a situation in which people have incompatible preferences for a course of action or plan to pursue. For example, one student described an ongoing conflict with an ex-girlfriend:

*The conflicts always seem to be a jealousy issue or a controlling issue, where even though we are not going out anymore, both of us still try to control the other's life to some degree. You could probably see that this is a conflict of interest.*

Another example of conflict of interest is when parents disagree on the appropriate curfew time [the time they must be at home in the evening] for their children.

***Value conflict***, a more serious type, occurs when people differ in ideologies on specific issues. Mario and Melinda have been dating for several months and are starting to argue frequently about their religious views, particularly on abortion. Melinda wants to have a choice. Mario, a devout Catholic, is opposed to abortion under any circumstances. This situation illustrates *value conflict*.

***Cognitive conflict*** describes a situation in which two or more people become aware that their thought processes or perceptions are incongruent [cannot be compared]. For example, Mary and Jack argue frequently about whether Mary's friend Bob is paying too much attention to her; Jack suspects that Bob really wants a sexual encounter with Mary. Their different perceptions of the situation constitute *cognitive conflict*.

***Goal conflict*** occurs when people disagree about a preferred outcome or end state. Mike and Susan, who have been married for 10 years, have just bought a house. Mike wants to furnish the house slowly, making sure that money goes into the savings account for retirement. Susan wants to furnish the house immediately, using money from their savings. Their individual goals are in conflict with each other.

Strategies and Tactics of Dealing with Conflict

The ways in which people respond to conflict may be influenced by their cultural backgrounds. Most people deal with conflict in the way they learned while growing up and watching those around them deal with contentious situations. Conflict strategies usually consider how people manage self-image in relational settings. For example, they may prefer to preserve their own self-esteem rather than help the other person save face.

Although individuals may have a general predisposition to deal with conflict in particular ways, they may choose different tactics in different situations. People are not necessarily locked into a particular style of conflict strategy. There are at least five specific styles of managing conflicts. These styles include

1. Dominating
2. Integrating
3. Compromising
4. Obliging
5. Avoiding

The **dominating style** reflects a high concern for the self and a low concern for others. It has been identified with a win-lose orientation or with forcing behavior to win one's position. The behaviors associated with this style include loud and forceful expressiveness, which may be counterproductive to conflict resolution. However, this view may reflect a Eurocentric bias, because members of some cultural groups (including African Americans) see these behaviors as appropriate in many contexts.

The **integrating style** reflects high concern for both the self and the other person and involves an open and direct exchange of information in an attempt to reach a solution that is acceptable to both parties in the conflict. This style is seen as effective in most conflicts because it attempts to be fair and equitable. It assumes collaboration, empathy, objectivity, recognition of feelings, and creative solutions. However, it requires a lot of time and energy.

The **compromising style** reflects a moderate degree of concern for the self and others. This style involves sharing and exchanging information in such a way that both individuals give up something to find a mutually acceptable solution. Sometimes this style is less effective than the integrating approach because people feel forced to give up something they value and so have less commitment to the solution.

The **obliging style** describes a situation in which one person in the conflict plays down the differences and incompatibilities and emphasizes commonalities that satisfy the concerns of the other person. Obliging may be most appropriate when one person is more concerned with the future of the relationship than with the issues. This is often true of hierarchical relationships in which one person has more status or power than the other.

Finally, the **avoiding style** reflects a low concern for the self and others. In the dominant U.S. cultural contexts, a person who uses this style attempts to withdraw, sidestep, deny, and bypass the conflict. However, in some cultural contexts, this is an appropriate strategy style that, if used by both parties, may result in more harmonious relationships.

Social Conflict

Both the interpretive and critical approaches tend to emphasize the social and cultural aspects of conflict. Conflict from these perspectives is far more complex than the ways that interpersonal conflict is enacted. It is deeply rooted in cultural differences in the contexts of social, economic, and historical conflict.

***Social conflict*** arises from unequal or unjust social relationships between groups. In addition, a conflict may be motivated by a desire to bring about social change. In **social movements,** individuals work together to bring about social change. They often use confrontation as a strategy to highlight the injustices of the present system. So, for example, when African American students in Greensboro, North Carolina, sat down at White-only lunch counters in the 1960s, they were pointing out the injustices of segregation. Although the students were nonviolent, their actions drew a violent reaction that, for many people, legitimized the claims of the injustice.

***Historical and political contexts*** also are sources of conflict. Many **international conflicts** have arisen over border disputes. For example, Argentina andthe United Kingdom both claimed the Malvinas (or Falkland) Islands in the South Atlantic, which led to a short war in 1982. Disputes between France and Germany over Alsace-Lorraine lasted much longer – from about 1871 to 1945. Similar disputes have arisen between Japan and Russia over islands north of Japan. The historical reasons for such conflicts help us understand the claims of both sides. Considering intercultural conflict in context can help us understand why the conflict occurs and to identify opportunities for resolving those conflicts.

***Social Contexts***. The choice of how we manage conflict may depend on the particular context or situation. For example, we may choose to use an avoiding style if we are arguing with a close friend about serious relational issues in a quiet place. In contrast, we may feel freer to use a more confrontational style in a social movement rally. Many conflicts arise and must be understood against the backdrop of existing social movements. Social movements are large-scale efforts designed to change something in contemporary society. For example, the women's suffrage movement was not an individual effort, but a mass effort to give women the right to vote in the United States. Many similar contemporary social movements give meaning to conflicts. They include movements against racism, sexism, and homophobia; movements to protect animal rights, the environment, free speech, civil rights; and so on. College campuses are likely locations for much activism. *Confrontation (nonviolent or violent),* then, can be seen as an opportunity for social change.

***Economic Contexts***. Many conflicts are fueled by economic problems. Often these economic problems find their expression in cultural differences. Many people find it easier to explain economic troubles by pointing to cultural differences or by blaming illegal immigrants.

We might also ask, ***Who*** benefits from this finger pointing? ***Blaming*** immigrants, people of color, and Jews for economic problems diverts our attention from the decision makers who are responsible for the problem.

As the economic contexts change, we see more cultural conflict taking place. The former East Germany, for example, now has many more racially motivated attacks as the region attempts to rebuild its economy. Prejudice and stereotyping that leads to conflict is often due to perceived economic threat and competition. Economics fuels *scapegoating* and intercultural conflict. This is an important context for understanding intercultural conflict.

***Historical and Political Contexts****.* We know that derogatory words can be a source of conflict. They can be very powerful. The force that many derogatory words carry comes from their historical usage and the history of oppression to which they refer. Much of our identity comes from history. It is only through understanding the past that we can understand what it means to be a member of a particular cultural group. For example, understanding the history of Ireland helps give meaning to Irish American identity.

These dynamics are at work all around the world. Historical antagonisms become part of cultural identities and cultural practices that place people in positions of conflict. Whether in the Middle East, Northern Ireland, or Chechnya, we can see these historical antagonisms lead to various forms of conflict.

When people witness conflict, they often assume that it is caused by personal issues between individuals. By reducing conflict to the level of interpersonal interaction, we lose sight of the larger social and political forces that contextualize these conflicts. People are in conflict for reasons that extend far beyond personal communication styles.

Managing intercultural conflict

One way to think about conflict across cultures is to try to get a handle on what is more or less successful conflict management or resolution. Given all of these variations in how people deal with conflict, what happens when there is conflict in intercultural relationships?

*Competition versus Cooperation*

As you can see, the general theme in destructive conflict is *competitive escalation*. Conflict often spirals into long-term negativity. The conflicting parties have set up a self-perpetuating, mutually confirming expectation. Each is treating the other badly because it feels that the other deserves to be treated badly because the other treats it badly and so on.

How can individuals and groups promote cooperative processes in conflict situations? The general atmosphere of a relationship will promote specific processes and acts A *competitive* atmosphere will promote coercion [= forced action],deception, suspicion, rigidity, and poor communication.

In contrast, a *cooperative* atmosphere will promote perceived similarity, trust, flexibility, and open communication. The key is that the atmosphere must be introduced in the beginning stages of relationships or group interaction. It is much more difficult to turn a competitive relationship into a cooperative one once the conflict has started to escalate.

Essential to setting a cooperative atmosphere is ***exploration***. Whereas competition often relies on argumentation, cooperation relies on exploration. Exploration may be done in various ways in different cultures but basically consists of several steps. The parties put the issue of conflict on hold, and all parties explore other options or delegate the problem to a third party. *Blaming* is suspended, so it's possible to generate new ideas or positions.

If all conflicting parties are committed to the process, there is a sense of joint ownership of the recommended solution… Moving toward enemies as if they were friends exerts a paradoxical force on them and can bring transcendence. Finally, exploration does not have to be logically consistent or rational. Exploration can be provocative, speculative, and emotional. It should encourage us to think of innovative and interesting solutions to the conflict at hand.

*Dealing with Conflict*

There are no easy answers for dealing with intercultural conflict. At times, we can apply the principles of dialectics. At times, we may need to step back and show self-restraint [= reserve, restraint]. Occasionally it may be more appropriate to assert ourselves and not be afraid of strong emotion. Seven suggestions can be offered here:

1. Stay centered and do not polarize
2. Maintain contact
3. Recognize the existence of different styles
4. Identify your preferred style
5. Be creative and expand your conflict style repertoire
6. Recognize the importance of conflict context
7. Be willing to forgive

*Mediation*

Sometimes, two individuals or groups cannot work through conflict on their own. They may request an intermediary, or one may be assigned to intervene. In some societies, these third parties may be rather informal. In Western societies, though, they tend to be built into the legal and judicial system. For example, lawyers or counselors may act as mediators to settle community or family disputes.

Contemporary Western **mediation** models often ignore cultural variations in conflict processes. Fortunately, more scholars and mediators are looking at other cultural models that may work better in intercultural conflicts. The culturally sensitive mediator is one that engages in conflict transformation (not conflict resolution or conflict management).

 The conflict transformer assists disputants to think in new ways about the conflict — for example, to transform attitudes by changing and redirecting negative perceptions. This requires commitment from both parties to regard each other with goodwill and mutual respect. This is often much easier said than done. Behavior can be transformed by limiting all action to collaborative behavior; this can break the negative cycle but requires a commitment to seek a non-coercive process of negotiation [without force] even when there has been intense provocation. For example, in the Northern Ireland agreement, mediation resulted in commitment by most people to change the vision of Northern Ireland, in spite of horrible provocation on the part of some extremists.

Traditional societies often use mediation models based on *indirect means*. The models vary but share many characteristics. Mediation is advantageous because it relies on the disputing parties' active involvement and buy-in to the resolution. Also, it represents the work of all involved, so it's likely to be more creative and integrative. Finally, mediation is often cheaper than legal resolution.

Intercultural Communication in the Workplace

Cultures differ in their value orientations, and these value differences are manifested in the workforce. It is not hard to imagine how differences in such values as individualism versus collectivism, differences in uncertainty avoidance and power distance, and differences in views of masculinity and femininity can be reflected in a diverse workforce. There are, however, more subtle values with the potential for conflict: *discrimination* and *sexual harassment.*

*Discrimination* in the workplace impacts intercultural communication, because effective intercultural communication demands the ethical and equal treatment of all co-cultures in the workforce. Discrimination is not only morally wrong, it makes the working environment a tense and stressful place. And as such, everyone suffers, including the businesses and organizations that are the settings for these discriminatory practices. Workplace discrimination is manifest in many forms including *racial, ethnic, gender,* religious, and *language* discrimination.

***Racial/Ethnic Discrimination.*** Racial and/or ethnic discrimination occurs when an employee is treated differently because of his or her racial or ethnic membership. For example, Coca-Cola is accused by four current and former employees of discriminating against African American workers in pay, promotions, and performance evaluations.

Because of real and perceived racial and ethnic discrimination in the workplace, many African Americans report they are steering away from corporate America because they believe they will not fit into the corporate environment. Some believe they are not ready to face the kind of challenge they think corporate America represents. While racial discrimination does persist, diversity is helping change American corporate culture to recognize the strengths and potential contributions people can make regardless of race, gender, age, physical ability, ethnicity, sexual orientation, or any other differences.

***Gender Discrimination****.* This form of discrimination is usually practiced against women—although men are not immune – and involves treating employees differently because of their gender. In one recent situation, Mazda motors agreed to promote two or three women to management roles and raise the pay of about 500 female employees in an attempt to eliminate gender discrimination.

***Religious Discrimination.*** Religious practices are another area in which employers frequently discriminate against employees. Doris Karimnadir is an example of what can happen when unfamiliar religious practices become a part of the workplace. Doris, who practices the Islamic tradition of wearing a *hijab* (a traditional scarf), was sent home from a new assignment as a security guard when she refused to remove her headdress. The company, after realizing its mistake, apologized, reinstated her in a new post, and paid her for lost time at work.

***Language Discrimination****.* Language problems also plague work environments. For instance, because many workers are new to the United States, they may have an inadequate knowledge and command of the English language. This language deficiency can easily result in misunderstood instructions. Other consequences of multilingualism in the workplace are the suspicion and feelings of uneasiness that frequently develop when some members of the workforce speak a language that is difficult to understand.

SUMMARY

* Various approaches to understanding conflict have been taken. First, it was emphasized that intercultural conflict may be characterized by various dialectics, ambiguity, language issues, and combinations of conflict styles.
* There were outlined two very different cultural orientations to conflict: conflict as opportunity and conflict as destructive.
* There were applied three approaches to understanding conflict. The interpersonal approach focuses on cultural differences, types of conflict (affective conflict, conflict of interest, value conflict, cognitive conflict, and goal conflict), and conflict styles (dominating, integrating, compromising, obliging, and avoiding).
* The choice of conflict style depends on cultural background as well as gender and ethnicity. For example, people from individualist cultures may tend to use dominating styles, whereas people from collectivist cultures may prefer more integrating, obliging, and avoiding styles. However, the type of conflict and the relationship the disputants have will mediate these tendencies.
* Some social movements use nonviolent means of dealing with these conflicts; others confront conflict with violence.
* Conflict may be productive or destructive. Productive conflict is more likely to be managed or resolved. One theme of destructive conflict is a competitive atmosphere.
* A cooperative atmosphere is more conducive to conflict management or resolution. Suggestions for dealing with intercultural conflicts include staying centered, maintaining contact, recognizing the existence of different styles, identifying a preferred style, being creative and expanding one's conflict style repertoire, recognizing the importance of conflict context, and being willing to forgive.
* Transforming methods of mediation are commonly used in many cultures. A conflict transformer helps the disputing parties change their attitudes and behaviors.

ADDITIONAL INFO ON CONFLICT RESOLUTION

**Intercultural/Intergroup Conflict**

**Introduction:**

Conflict, like relationships, has different aspects or issues depending on whether it is between people of different cultures different ethnic, political, or other groups (seen as in- and out-groups). Intercultural communication conflict includes cross-cultural negotiation, small-group communication decision-making, and intercultural or cross-cutlural views of conflict.

Thomas defines **dyadic conflict**(that is, conflict between two people, as opposed to organizations or nations) as “***the process which begins when one party perceives that the other has frustrated, or is about to frustrate, some concern of his [or hers]***” (in Gudykunst, 2004, p. 274).

***I. Types & Stages of Conflict***

Bradford “J” Hall (2005) defines several key grounds for where conflict can occur.

        **Object conflicts:**“involve conscious or unconscious disagreement and misunderstanding about something,” often in terms of whether something is true or false. Hall says that these are more “fact” conflicts than moral conflicts (whether something is right or wrong).

        **Relational conflicts:** These regard the rights and responsibilities of individuals involved in the situation, such as like/dislike, power relations, responsibilities expected in different roles, etc. (For example, disagreements over what a relationship should look like, on the roles of the teacher and student)

        **Priority conflicts:** Here we have conflicts over moral issues, right and wrong, what is more or less important

Gudykunst (2004) suggests that in intercultural or intergroup conflict, conflict can come from misinterpretation of the other’s behavior, perceived incompatibilities, or differences in attributions of one another’s behaviors. He notes two types of conflict, which relate to the first two types of conflict in Hall’s list:

        **Expressive conflicts:**Related to feelings and the release of emotional tension

        **Instrumental conflicts:** Related to tasks to be completed, and, thus, to goals, practices, resources, and so on.

**BCGS describe 5 stages in conflict.**Conflict never “goes away.” Even after a conflict is resolved, it sits in the background and can become fuel in a future conflict.

**1.         Latent conflict**

**2.         Perceived conflict**

**3.         Felt conflict**

**4.         Manifest conflict**

**5.         Conflict aftermath**

**II.        Conflict styles**

While individuals may differ in styles within cultures—and probably in different contexts and based on the importance of the conflict (Baldwin note: Far too little has been done in the role of context in most ICC studies!), research does suggest that there are some common styles that can classify conflict strategies and cultural orientations to these. But these become very important below, so they get their own heading. But beyond these styles, we note from different research these ***similarities and differences between White and Black conflict styles***:

o   ***Discussion mode:***Whites are more likely to use rational “discussion” mode in conflict, while Blacks are more likely to use intensity and emotion [All of these should be understood as***tendencies!*** Many Whites are emotional; many Blacks are more rational, and many combine both styles]. Related to “definition of conflict,” many African Americans may see a boisterous (i.e., loud-volume and emotional) conversation as still a “discussion,” with different rules constituting when something becomes a “fight.” But many White communicators perceive raised voices and emotional intensity as signs of a “fight” or “argument.” So potentially, a White and Black could talk and, leaving the conversation, the Black might see it as a spirited discussion, and the White might see it as an argument.

o   ***Responsibility:***However, another study finds that Whites and Blacks tend to differ on the perception of responsibility for intergroup conflict, the Whites blaming the Blacks and the Blacks dividing the responsibility with Whites.

o   ***Strategies:***Still another study finds no difference between Black and White men, finding that both use more indirect strategies for conflict, with White and Black women differing in style, the former using more “solution-orientation” strategies and the latter more “controlling” strategies (Ting-Toomey, 1986).

o   ***Definition/Causes of Conflict:***Still another study uses open-ended questionnaires to look at ***perception of conflict*** among friends for African, Mexican, and Caucasian Americans (Collier, 1986). This study concludes that Blacks are more likely to perceive conflict in terms of a *misunderstanding*; Anglos are more likely to take a “*problem-issue” focus*, seeking to resolve conflicts but sometimes seeing them as healthy for relationships; Mexican Americans are more likely to see conflicts a loss of harmony with long-term implications for the relationship. (She furthers this research in 1996 with a study on appropriate conduct in conflict for different ethnic groups). Notably, some cultures treat conflict as inherently bad, and some as something that can have positive outcomes.

o   Going back to our discussion of ***time****,* and the notion of Whites being “on” time versus Black culture having a preference for being “in” time, Whites may see “conflict” time as being clock-bound. If two roommates are arguing and it is time for class, the White might say, “Well, I gotta go to class.” (The time binds the conflict). But for the African American, the conflict and the relationship may have higher importance: She may feel the conflict is done when the issues are resolved.

Note that Ting-Toomey’s approach is “etic,” applying general patterns of styles to different ethnic cultures, But Collier’s is “emic.” Her work presents in-depth themes often separated by group: Each group’s responses receives its own categorization and theme set, with final comparison only conceptual, rather than numerical.

***Conflict resolution styles:*** Many authors have developed a grid (often using different names) to represent the interests of the two parties involved (own interests and other’s interests), with resulting five styles. Here I will visualize them, giving the main terms often used to describe the dimensions.



If I am most concerned in conflict with meeting my own goals at the expense of the goal of the other, I am using a dominating or controlling style. If, however, I would rather given in to conflict, for whatever reason (letting the other win and me lose), I am “obliging” or “yielding.” [Stella Ting-Toomey](http://commfaculty.fullerton.edu/stingtoomey/), specifically (and in recent work with [John Oetzel](http://www.unm.edu/~oetzel/), who has also investigated culture in small groups to a great extent), has done a lot to try to predict which styles will predominate for different national cultures (e.g., Japan or the United States). Like most scholars, Ting-Toomey is not saying that *one*culture will use one style, and *another* culture a different style. Rather, she argues that there are ***cultural preferences for styles, all else being equal.***

***III. The Face Negotiation Theory of Conflict***

**(Ting-Toomey, 1988; 2003; 2005;  [Ting-Toomey & Kurogi, 1998](https://www.mlb.ilstu.edu/ereserve2/viewpdf.php?filename=JBCOMTIN.PDF)**)

**Ting-Toomey, S. (2015). Managing intercultural conflicts effectively. In L. A. Samovar, R. E. Porter, E. R. McDaniel, & C. S. Roy (Eds). *Intercultural communication: A reader*(14th ed., pp. 355-367). Boston, MA: Cengage.**

Stella Ting-Toomey suggests that facework underlies the conflict resolution process and explains much cultural difference in the way cultures handle conflict. She (2003, p. 373) defines ***conflict*** as ***the perceived and/or actual incompatibility of values, expectations, processes, or outcomes between two or more parties.”***She focuses her Face Negotiation Theory (**FNT**, or some call it the Face Conflict Negotiation Theory: FCNT) on conflict between people of different cultures [notably, the theory itself and most testing of it only looks at*cross-*cultural differences: How people in *different* cultures conflict, and not conflict *between* people of different cultures. The 2003 essay extends the theory to make suggestions for people in conflict with people from other cultures].

***Face*** is the ***public image that someone desires in an interaction***. Based on the work of Goffman and Brown and Levinson, face theory suggests that in interaction, we can ***preserve*** face (maintain our image or the face of the other), or, if it is damaged, can ***repair***face (do something so that our image is restored). According to Goffman, we are always concerned with our face when in interaction with others. As I teach a class, I am at some level concerned with how I might look (Do I look competent in the technical skills of Web development? Do my pages look like I am a teacher who is warm and friendly? Are my examples believable?). It is as if I am on stage—with props (my laptop, etc.)! Sometimes, I let people “backstage,” but otherwise, I must keep my image up (for example, I must keep the appearance that I am “enjoying” the performance).

Face differs in a couple of key dimensions:

        **Face need:**There are two types of image needs we have in relationships:

o   **Positive face:**The need to appear competent and to feel “included” or connected to others

o   **Negative face:**The need to feel freedom over our own actions (autonomy, independence)

        **Face concern:**In any interaction, we can be concerned with both our ***own face*** (or image) and ***other face*** (the image of the other).

        **Means of expressing face needs/concerns:**

o   **Direct:**We can address concerns with open, clear, efficient communication

o   **Indirect:**We can address concerns with hint, subtlety, and nuance

Face concerns can appear in all communication, even giving a lecture or when I write notes on your papers as I grade them. However, some types of communication are especially likely to challenge someone’s face (either the own or the other). These are known as ***face-threatening acts*** (FTAs).  Insults challenge the positive face of the other (make her or him appear incompetent or not included). Embarrassment challenges the face (positive) of the one embarrassed. Being late or making some other mistake challenges positive face. Giving an order challenges negative face, as it imposes one person’s will on the other (asking a direct request challenges face less, and using an indirect request even less).

Because many behaviors challenge face, authors Brown and Levinson argue that people in all cultures engage in positive and negative politeness behaviors. That is, we use behaviors to maintain or preserve positive and negative face, especially when we anticipate a challenge to face. That is, if I think that I am going to challenge someone’s face, either by making them feel incompetent (by offering a criticism, for example), or by imposing on their free will, I will often “buffer” the face threat with “politeness”: If I want your Budweiser, I might start with ***positive politeness*** to emphasize our connection (“You know I love you, man…”), or I could use ***negative politeness*** to give you a polite way out of the request (“If you have an extra Bud, could I have one?).

***Conflict is a face-threatening act*** because it tends to challenge both positive and negative face—positive, because if I disagree with you (or raise my voice, or call you a meathead), I challenge your positive face. But by even trying to persuade you, I am challenging your negative face.

***Forming the theory****:*Ting-Toomey basically makes a theory using three basic pieces. Walk through this and you will see that it is fairly simple:

        Face (positive/negative) [really, more of the underlying theory that guides the theory—not a variable she measures]

        Cultural and individual variables:

o   Individualism/collectivism: It seems like common sense that individualists will prefer self-face needs and negative face concerns, and collectivists other- and positive concerns. Individualists are more likely to use direct means to negotiate face and collectivists indirect means. This will also influence differences in strategy between in- and out-group members, especially for collectivists, for whom the boundary between in- and out-group is more solid.

o   Self-construal: Following a current trend in intercultural communication, Ting-Toomey notes that individuals are often different from cultures. Thus, a person can have an ***independent***(view of self as separate from others) or ***interdependent*** (connected to others) self-construal, with same predictions as with I/C. ***I really want you to know that Self-construal refers to individuals while I/C refers to the culture!***

o   Power distance: Depending on the power distance of a culture, lower and higher status individuals in the conflict might act differently.

        **Conflict negotiation styles:**Finally, returning to the various conflict styles that Hall has summarized above, Ting-Toomey predicts that certain cultures (because of positive and negative needs, self- and other concerns) will have preferences for certain conflict styles. Basically,

o   **Individualist cultures and people with independent self-construals** will prefer strategies that require more direct addressing of conflict—specifically, **dominating and collaborating**(while collaborating is win-win, it does require open addressing of conflict, something many cultures do not prefer).

o   **Collectivist cultures and people with interdependent self-construals** will prefer strategies that are more indirect or allow conflict to remain subtle, unspoken, so as not to challenge the face of the other (**avoiding, yielding, compromise**)

o   **Important note from early in the semester: individualism/collectivism ≠ self-construal! One describes a culture, and the other describes a characteristic of individual personality!**

o   In 1998, Ting-Toomey added**power distance**to the theory**:**For example, low status individuals may respond with defensiveness to an FTA in a low PD culture, but with self-effacement (putting oneself down) in a high PD culture. High status individuals may use dominating strategies in low PD cultures, but shaming strategies in high PD cultures.

We know that these predictions are said to be true “all else being equal,” but one is left to wonder from much conflict research, if something is left out—the old phrase comes to mind, “Is that all there is?” For example, in one study, men are more indirect in their conflict style; but Tannen and other gender researchers say men are more direct. Could it be that men are more indirect in one context or topic area of conflict (e.g., relational conflict), but more direct in another area (idea or policy conflict)? Some of the research suggests that collectivists avoid conflict (though this may be an interpretation applied to all collectivists from research on East Asians, who have particular norms of propriety and discretion that may not apply to other collectivist cultures. Some, for example, Mediterranean cultures, might actually enjoy a good “debate” though might be indirect in other ways). But what if the topic is very important. Would need for efficiency in the modern economic world, or importance of a topic, override the cultural concerns for face-saving? Just some of my thoughts. . .

HOFSTEDE’S DIMENSIONS AND CONFLICT RESOLUTION

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|  | **Individualistic cultures** | **Collectivistic cultures** |
| **1-2** | Self-facemaintenance messages | Other-, mutual-face maintenance msgs. |
| **3-4** | Self-face autonomy-preserving strategies | Other-face non-impositional stragegies |
| **5-6** | Self-face approval-seeking strategies | Other-face approval-enhancing strategies |
| **7-8** | Situational accounts (external causes) when FTA | Dispositional accounts (internal causes) when FTA |
| **9-10** | Direct, upfront facework strategies in conflict | Indirect, smoothing facework strategies in conflict |
| **15-16** | More dominating/competing conflict strategies | More avoiding/obliging conflict strategies |
| **17-18** | More substantive, outcome-oriented conflict strategies (e.g., substantive appeals, task-oriented integrating and compromising styles) | More relational, process-oriented conflict strategies (e.g., identity and ingroup-based appeals, relational integration and concession styles) |

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|  | **Low Power Distance** | **High Power Distance** |
| **11-12** | Horizontal facework interaction (minimizing respect-deference distance) | Vertical facework interaction (maximizing respect-deference distance) |
| **13** | High-status members will use verbally direct facework strategies (e.g., disapproval: criticism, autonomy-threat: order) to induce compliance |   |
| **14** | Low-status members use self-face defensive strategies to counter FTA | Low-status members use self-effacing strategies to mitigate FTA |
| **19** | High-status members use more dominating conflict styles, verbally coercive tactics | High-status members use more shame-inducing relational conflict styles, indirect tactics |
| **20** | Low-status members use dominating conflict styles to resist compliance | Low-status members use obliging, avoiding, and neglect conflict styles [to resist compliance] |

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|  | **Self-face maintenance** | **Other-/Mutual-face maintenance** |
| **21-22** | Self-face honoring or self-face enhancement interaction | Self -effacing, ingroup enhancement facework |
| **23-24** | Use of dominating/competing conflict management style | Use of avoiding/obliging conflict style |
| **25-26** | Substantive conflict resolution modes | Relatoinal conflict resolution modes |

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|  | **Independent Self-Construal** | **Interdependent Self-Construal** |
| **27-28** | Dominating/competing conflict mgmt style | Avoiding/obliging conflict mgmt style |
| **29-30** | Substantive conflict resolution modes | Relational conflict resolution modes |

Theme 4

**Cultural learning in the workplace**

People at the top of an organization must recognize both the potential benefits and the problems that culture can create. Cultural learning at an operational level should be considered a strategic requirement. At the practical level of managing across cultures, the companies successfully translating ‘cultural synergy’ into action seem to be using four important steps in specific cultural encounters:

1. A process of making implicit knowledge explicit.
2. Agreeing on the specific outcomes desired from the interaction.
3. Understanding why each culture does things it does and agreeing which approach will lead to achieving the desired outcome.
4. Reviewing the outcomes and modifying the approach to fit both cultures and the desired outcomes better.

Case Study

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| **BOX 1. Cultural learning at Toshiba in the UK**When Toshiba gained 100% of the former Rank-Toshiba joint venture in Plymouth, UK, the process of cultural learning started immediately. They tried to understand that the British were used to one way of working and the Japanese to another, and that the way to achieve the objectives would sometimes be the Japanese way, sometimes the British and sometimes a hybrid of the two.During the whole process of reviewing policies and practices, they jointly determined they were trying to strike a balance between having concern for people and still being a hard task master.Actions to develop a ‘team spirit/equal status’ industrial culture1 Careful selection of staff2 Autonomy of local management3 Open style of management and consultation4 Five-minute morning meetings, monthly meetings, six-monthly business reviews5 Few levels of management6 Open-plan offices7 Development of a team approach8 All staff with common terms and conditions9 Uniform work clothes10 Grade promotional opportunities(…)One critical element in the company’s production system is for all team members to do the same job, the same way, every time. All the changes go through the process of discussing and considering the impact the change might have on all the other aspects of the system. They recognized that the English culture was more oriented at individual performance and showing initiative within an individual’s own area of responsibility. The management had to explain why the consensual Japanese way of working was required and the implications for all the other team members if someone initiated the change that did not work. This way cultural synergies were developed. Every culture has something to offer. The point is to respect each culture and try to understand it. Nationality really does not matter. You just accept people as international business people. |

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| **BOX 2. Cultural learning at Toshiba in the USA**Cultural learning at Toshiba (Toshiba America Consumer Products – TACP) *in the USA* involves a focus on blending the best of Japanese culture and American culture to create sources of competitive advantage. * At a strategic level, this means an informal process of Japanese and an American jointly managing the facility.
* At a deeper lever in the organization, a particular continuing initiative is attempting to integrate the complementary skills of the U.S. and Japanese engineers to increase TACP’s design capabilities and decrease time for design.

The following specifics of American and Japanese cultures are combined for Toshiba to build competitive advantage at a concrete, operational level: ***American Japanese***Analytical thinking Synthetic thinking Specific Relational Reduce problems into parts Holistic, integrative approach Step-by-step approach to Holistic approach to problem solving problems solving |

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| **BOX 3. Cultural learning at Toyota in the USA**Different cultural assumptions*Aspects of management American Japanese\_\_\_\_\_\_\_\_\_*Boss-subordinate relationship Subordinates are given Subordinates are given specific responsibilities broad responsibilities They need decisions Consensus on group goals from supervisorsLoyalty Low degree demanded High degree demandedRewards Short-term; based on Long-term; based on performance seniorityFunctional knowledge Specialists GeneralistsJob description Need details of individual Broad guidelines of Job group’s goals*Cultural assumptions:*  Individualism Collectivism Contractual relations Relations based on inter- personal trust Very formal credentials Value experience Specialization Integration Short-term orientation Long-term orientation |

Theme 5

**The Strategic Value of Cultural Differences**

Competitive requirements of internationalization

* *A broader mind-set*

Many companies are now searching for a new language: a fresh way of perceiving their environments; more complex and fluid organizational structures, new strategies and leadership styles. The new mind-set is about the triumph of process over structure and a need to break down compartmentalized thinking in order to adopt innovative business approaches.

* *More complex organizational forms*

One of the top challenges recognized by CEOs of multinational companies (MNCs) in 20 countries was the inadequacy of home-based corporate structures to meet the demands of globalization. Businesses now need to organize themselves in a dramatically different way if they want to survive and flourish in the international business arena.

Traditionally, most companies have built their international operations around one of three strategies:

* 1. Establishing a strong local presence through responding to different national market requirements (Philips, General Motors).
	2. Making a company competitive by achieving substantial cost advantages from centralized global-scale operations (the Japanese firms Kao and Matsushita).
	3. Developing international companies whose key strategic capability lies in exploiting parent-company knowledge through worldwide diffusion and adaptation (Ericsson, ITT).

The central argument of the new approach is that significant businesses can no longer afford to base their strategy on a single focus. Firms operating worldwide must pursue global, multinational and international strategies simultaneously. They must become a transnational corporation (TNC) with the following characteristics:

* an integrated, networking structure
* dynamic decision making
* adaptive coordination mechanisms
* unique innovation capabilities

Each of the above characteristics requires the ability to manage successfully cultural differences.

Creating sustainable sources of competitive advantage

The way in which firms compete is changing. In its simplified form, the argument for winning runs as follows:

* get access to key resources;
* master production efficiency;
* master market sensitivity and adaptability;
* offer a distinct and unique product or service that customers value (based on a distinct and unique corporate culture).

Approaches to managing cultural differences

Organizations throughout the world must have three basic characteristics if they are to survive and prosper. They need:

1. cohesion among their members about common purposes;
2. cooperation between various parts of the organization;
3. some form of hierarchical order that is recognized as legitimate, acceptable, proper and preferably motivating.

These universal principles do not change, but the way in which they are interpreted is highly variable.

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| Structure | Cultural assumption |
| Multidomestic | Diversity has no impact |
| International | Diversity causes only problems |
| Multinational | Diversity can *either* cause problems *or* lead to benefits |
| Global or ‘transnational’  | Diversity can *simultaneously* cause problems andlead to benefits |

Four strategies for managing cultural differences

There at least four strategies employed by internationally ‘Western’ organizations for managing cultural differences:

1. building a strong corporate culture internationally;
2. developing a common technical or professional culture worldwide;
3. relying on strong financial or planning systems;
4. leaving each culture alone.

Building a strong corporate culture internationally

The link between a strong corporate culture and financial success is not that obvious. Moreover, the dangers of pursuing a strong singular culture across all national boundaries as a major strategy are considerable. Another problem here is that the uniqueness of the message for all is taken out in order to promote a simple, easily understandable cultural statement.

The assumptions behind adopting this strategy are those given above for an international firm whose management believes there is only one best way to manage, as is shown in the case of the Swedish furniture company IKEA which attempted to build a very strong international corporate culture.

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| **BOX 1. IKEA**The leaders of ***Ikea***, a private furniture retailing giant, believe it is critical for an organization to have a very strong set of values for people to believe in. The reason is that in the new reality of globally operating companies, you have to get the energy from the outside in, and not in the traditional way – from the top down. What Ikea stands for is *very* Swedish. Even the company’s name is based on the initials of the founder’s name and the farm and parish where he grew: **I**ngvar **K**amprad – founder’s name; **E**lmtaryd – his farm; **A**gunnaryd – his parish.The area of Sweden that Ingvar come from was very rocky and hard land, it was not a good place to grow things, but farmers did. So *the values of that region of Sweden called Smaland are all about thrift, no waste, being careful with your resources and so on*. That is very much the basis of Ikea’s culture. Another important element of Ikea’s culture is ‘humbleness’. The company uses extensive screening and hiring procedures to select people (in each country it operates) whose *personal* values fit with Ikea’s *corporate* values. All the other aspects of the company are also designed to reflect and reinforce these values, e.g.:*Business idea Value reflected*‘ We shall offer a wide range of home furnishing Egalitarianismitems of good design and function at prices so lowthat the majority of people can afford to buy them.’*Management practices* Anti-bureaucratic week – managers spend a week Simplicityworking in stores serving customers, working in a ‘Humbleness’restaurant, and so on.Only seven levels between President and entry level Hard workCasual dress at all levels of the organization*Human resources idea*‘To give down-to-earth, straightforward people the No wastepossibility to grow, both as individuals and in their professional roles.’*Human resources practices*Hiring young people not yet ‘corrupted’ by other company cultures.Very selective hiring: finding people in any culturewho have similar values.*Production/Design concepts*Design products that are simple, straightforward,‘young at heart’, easy to live with and durable.*Selling concepts*Minimal sales staffCustomers load and put the merchandise together themselvesIkea recognizes that cultural differences can lead to barriers and misunderstandings, but they can be a great source of advantage: *‘You need to test your ideas in relation to the realities of other cultures.’*  When you have something based on ideas and values, they have to be discussed. An idea is dead if it is not discussed. Ikea does this in “Ikea Way” seminars for all employees where the company’s roots and values are explained and discussed. There are also employee trips to Sweden for those working at the company’s branches located in other countries. |

Building a common technical or professional culture and relying on strong financial or planning systems

Building a common technical or professional culture, as the French firm ELF Aquitane has done (Box 2) or building a strong planning or system of control (Box 3) both assume that technical or procedural mechanisms can overcome cultural differences.

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| **BOX 2. Elf Aquitane**Elf Aquitane operates in over 60 countries, with more than 700 subsidiaries around the world. Its business is segmented into Hydrocarbons (33%), Chemicals (40%) and Health, Beauty and Bio-activities (27%). This is how the group manages to create cohesion out of so much diversity: Technical knowledge, competence and skills are absolutely vital, they are the glue that holds the group together. It’s not a conglomerate but a large industrial group. Its success is due to the quality and competence of its people. No imposition, only guidelines seen as harmonizing principles.The emphasis is on technical competence. The company’s organizational bond is derived from the dominance of engineers and its French heritage.The strategy that Elf Aquitane adopts reflects some of the more consistent elements of French companies which they tend to retain as they internationalize: a focus on the intellectual, the rational and disciplined, structured planning. |

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| **BOX 3. Emerson Electric**Emerson Electric is one of the U.S. leading manufacturing corporations. From its HQs in St. Louis, Missouri, Emerson’s span the globe, with manufacturing in 20 countries and sales offices in an additional 30. It’s a highly decentralized organization with very little interaction between its 40 divisions.Cultural differences are currently managed by implementing an effective management, planning and reporting process. They believe that profitability is a state of mind. If management concentrates on the fundamentals and constantly follows up, there is no reason why profits can’t be achieved year after year. The shared values of the organizations across cultures are financial. The ‘ideological glue’ is about meticulous planning, cost reduction and financial reporting. Corporate practice is to have local country managers in most overseas operations and to leave these local managers responsible for the ‘how’ of meeting their targets. As many of Emerson’s divisions are multinational organizations themselves, the management of cultural differences is, in a sense, pushed down to the operating level. At the corporate level, it means foreign operations dealing with only a few Americans from the corporate office in planning and tracking their results. |

The implicit model of the organization in France tends to be the full bureaucracy, or pyramid of people. Coordination tends to be achieved through highly structured activities. The preferred organization form in the USA is the divisionalized company, and standardizing outputs is the preferred mechanism of control. Emerson’s focus on detailed planning and performance criteria is a typical example of this cultural combination at work.

The competitive advantage of cultures

Globally operating organizations are no longer able to be conditioned by the advantages or limitations of one cultural orientation.

Siemens is one global company that had a relatively early start trying to build an understanding of cultural differences into the organization and to achieve advantages from realistic cultural synergies.

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| **BOX 4. Siemens**Siemens is a German suppliers of electrical and electronics products and systems. With operations in 132 countries, Siemens competes in power generation and transmission, telecommunications, medical engineering and semiconductors. The company employees over 400,000 people worldwide (250,000 Germans and 150,000 from other nationalities). At first the company was skeptical about discussing strategies to manage cultural differences. But after some problems with cross-border acquisitions, Siemens began to take the issue seriously. It tried to achieve realistic synergies and better results: “We have a two track approach. The long-term track is about development starting from bottom up. The short-term track is project-related, it focuses on how people can work together internationally in rapidly changing business situations.Their concept involves *three stages* of training within the above two tracks: 1. Awareness (getting people from a variety of national and business cultures to examine their own culture, the effects of their perception, expectations, value systems in communicating and working together internationally). 2. Communication (with four key elements which have a strong influence on developments and business results: my personal culture; corporate culture and functional area culture; the situation I’m in; and my “national” culture – which people have to understand as operating in all communicational situations, and try to understand the role of each element).3. Stage 3 is introduced in the situation of crisis. The issue here is to try to come in with a process which involves clarification, both top down and bottom up, of what is happening in the situation, proposals how to change it across cultures in an international setting, and to manage a conflict between cultures. |

Cultural learning disabilities

* *I am my national culture* (an ethnocentric attitude);
* *People from a different culture are my enemies* (the result of feeling threatened an insecure in the interaction with another culture);
* *The illusion that ‘I am helping them to develop’* (the role of expert, missionary or educator);
* *The illusion that ‘I have the answer’* (pushing for a solution that works well in one culture can have negative consequences elsewhere);
* *The delusion of being able to understand another culture just by living there* (more time is spent criticizing the other culture than is taken to understand why people from another culture do what they do);
* *The myth of the expert* (a belief that a visitor with technical expertise does not need cultural one).

A model of cultural learning

People at the top of an organization must recognize both the potential benefits and the problems that culture can create. Cultural learning at an operational level should be considered a strategic requirement.

At the practical level of managing across cultures, the companies successfully translating ‘cultural synergy’ into action seem to be using four important steps in specific cultural encounters:

1. A process of making implicit knowledge explicit.
2. Agreeing on the specific outcomes desired from the interaction.
3. Understanding why each culture does things it does and agreeing which approach will lead to achieving the desired outcome.
4. Reviewing the outcomes and modifying the approach to fit both cultures and the desired outcomes better.

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| **BOX 5. Cultural learning at Toshiba in the UK**When Toshiba gained 100% of the former Rank-Toshiba joint venture in Plymouth, UK, the process of cultural learning started immediately. They tried to understand that the British were used to one way of working and the Japanese to another, and that the way to achieve the objectives would sometimes be the Japanese way, sometimes the British and sometimes a hybrid of the two.During the whole process of reviewing policies and practices, they jointly determined they were trying to strike a balance between having concern for people and still being a hard task master.Actions to develop a ‘team spirit/equal status’ industrial culture1 Careful selection of staff2 Autonomy of local management3 Open style of management and consultation4 Five-minute morning meetings, monthly meetings, six-monthly business reviews5 Few levels of management6 Open-plan offices7 Development of a team approach8 All staff with common terms and conditions9 Uniform work clothes10 Grade promotional opportunities(…)One critical element in the company’s production system is for all team members to do the same job, the same way, every time. All the changes go through the process of discussing and considering the impact the change might have on all the other aspects of the system. They recognized that the English culture was more oriented at individual performance and showing initiative within an individual’s own area of responsibility. The management had to explain why the consensual Japanese way of working was required and the implications for all the other team members if someone initiated the change that did not work. This way cultural synergies were developed. Every culture has something to offer. The point is to respect each culture and try to understand it. Nationality really does not matter. You just accept people as international business people. |

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| **BOX 6. Cultural learning at Toshiba in the USA**Cultural learning at Toshiba (Toshiba America Consumer Products – TACP) *in the USA* involves a focus on blending the best of Japanese culture and American culture to create sources of competitive advantage. * At a strategic level, this means an informal process of Japanese and an American jointly managing the facility.
* At a deeper lever in the organization, a particular continuing initiative is attempting to integrate the complementary skills of the U.S. and Japanese engineers to increase TACP’s design capabilities and decrease time for design.

The following specifics of American and Japanese cultures are combined for Toshiba to build competitive advantage at a concrete, operational level: ***American Japanese***Analytical thinking Synthetic thinking Specific Relational Reduce problems into parts Holistic, integrative approach Step-by-step approach to Holistic approach to problem solving problem solving   |

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| **BOX 7. Cultural learning at Toyota in the USA**Different cultural assumptions*Aspects of management American Japanese\_\_\_\_\_\_\_\_\_*Boss-subordinate relationship Subordinates are given Subordinates are given  specific responsibilities broad responsibilities They need decisions Consensus on group goals from supervisorsLoyalty Low degree demanded High degree demandedRewards Short-term; based on Long-term; based on performance seniorityFunctional knowledge Specialists GeneralistsJob description Need details of individual Broad guidelines of Job group’s goals*Cultural assumptions:*  Individualism Collectivism Contractual relations Relations based on inter- personal trust Very formal credentials Value experience Specialization Integration Short-term orientation Long-term orientation |

Summary

Managers in globally competitive organizations are required to change their assumptions about the impact of cultural differences and develop a more proactive strategy for managing across cultures. The more common approach currently adopted includes at least five steps:

* + 1. Jointly determining the desired outcome.
		2. Articulating each culture’s way of doing things and clearly describing why it is done this way.
		3. Determining which approach will best generate the desired outcome (if not alone – new alternatives).
		4. Implementing the approach.
		5. Modifying with multicultural feedback.

This is a continuing and evolving process. The domination of one culture over another will lead to losing a prime advantage of multiculturalism. Successful companies have a strong ethnocentric component. Ikea is obviously Swedish, Emerson – American, Toshiba – Japanese, and Siemens – German. Perhaps a really global company is still a generation away. Perhaps it cannot be generated in an economically dominant country. But more and more companies feel the need to increase their awareness of the means by which international diversity can be positioned to provide competitive advantage.

Theme 6

**Advertising across Cultures**

 Marketing across cultures is a complex process of balancing resources and effectiveness between product strength and identity, on the one hand, and increasing geographical coverage, on the other. Culture plays a very important role in striking the right balance. The impact of cultural differences has long been recognized by marketers in multinational organizations. The ways in which marketing and advertising executives are taking culture into account are becoming more sophisticated as markets globalize. In addition to language and behavioral differences, there is increasingly an attempt to understand the meanings that consumers in different cultures give to products, brands, messages and behaviors.

 Critical lessons from international marketing experiences:

 Inappropriate translation (the literal translations of brand names or slogans: Chevy NOVA in Mexico, KFC's slogan "It's finger-licking good" in Iran came out as "It's so good you will eat your fingers" in Farsi.

 Different cultural behaviors and product usage: Procter & Gamble's market for disposable nappies with Pampers in Japan was almost lost due to their competitors' introducing thinner, more absorbent nappies in compact packaging. To survive and rebuild the business in Japan, Pampers had to upgrade its product no less than 4 times over 3 years. This Pamper is now 3 times thinner than the original model to fit Japanese babies. => So product standards may need to change to meet market-specific requirements, which may differ because of culture.

 - ***Global products, global meanings?*** (Levi Strauss jeans are the same product everywhere they are sold, although their meaning may differ.)

- ***The potential for global products*** seems small, even for products that seem purely functional and free of cultural expectations (toothpaste is viewed as cosmetic product in Spain and Greece, but is seen in the Netherlands as more of a treatment to prevent tooth cavities). Similarly, Spaniards treat soap as a cosmetic item, while the British consider it a functional commodity. Food and beverage products are difficult to standardize. Instant coffee, e.g., is less popular in Germany, France, Italy and the Netherlands, but when the British talk about coffee, they mean instant coffee (unless it is referred to as “filter coffee”).

- ***The potential for global messages*** (There is little scope for standardizing advertising across cultures because there are differences in the styles of communication that are effective and acceptable in different, e.g., high-context and low-context, cultures: Germans want advertising that is factual and rational; the French avoid reasoning and logic, their advertising is emotional, dramatic and symbolic; the British value laughter above all else. => So it is dangerous to talk about 'global' marketing because advertising should to the individual. In order to achieve effective communication, the intended meaning of product brands and the perceived meanings that consumers from different cultures give to them must coincide. However, differences in culture determine the effectives of how and what is perceived.

- ***Same product concept***: ***standardization of advertising*** (Heineken beer - brewing a global brand: the advertising idea of creating a 'Heineken moment').

- ***Same product concept: local adaptation of message*** (Unilever Foods focused on re-evaluating its current portfolio of brands and products with a view to harmonization: even if products or brands cannot always be successfully transferred across borders, the concepts and experience behind them can be.)

- ***The impact of culture on market research*** (Difficult in translation; Cultural differences in questionnaire responses; The same words interpreted in different ways). - Johnson & Johnson baby products - the language of love.

- ***A value added approach to marketing and advertising across cultures***. This approach gives an advertiser much more information and control over matching intended meaning and perceived meaning. The more marketers understand about the way a particular culture views status, expression of emotion, friendship, rules, humor, enjoyment, public life vs. private life, etc., the more control they have over creating an ad that will be interpreted in the way in which they want (Unilever’s food business: Fish-fingers, natural seafood with excellent taste targeted at families with small children; the important standardized elements are a Captain, his ship, the location at sea, children, music).

Summary

The potential for global brands advertised with global messages is limited. Differences in national culture affect the way in which messages are perceived. For effective communication to take place, consumers’ perceived meaning of a product or service must coincide with the advertiser’s intended meaning. International marketers can more effectively manage this process by considering the concepts and ads within the framework of how cultures differ on specific cultural dimensions. This provides a way of gaining more understanding of the possible interpretations of the concept and message.

Theme 7

**The Influence of Business Structures on Intercultural Business Communication**

Corporate Culture and Intercultural Communication

Different cultures prefer different business forms. In the USA, e.g., there is a tendency to incorporate even small firms to minimize risks. The practice is common for a low-context culture that attempts to legislate risk and liability in a culture such as India that believes people are not masters of their own destiny and fate cannot be avoided, business people don't think that one can escape fate by creating a corporation.

At the same time, large corporation around the globe, regardless of national origin, have found that certain structures work better for multinational business than others. But even within countries organizations are different. They may have similar structures, but they have their own corporate structures. Intercultural Business Communication (IBC) may mean receiving messages from corporate culture to corporate culture.

Similar to national cultures, organizational cultures establish rules about how to behave and what attitudes to adopt. An organization cultures is a shared system of symbols and meanings performed in speech that constitutes and reveals a sense of work life; it is a particular way of speaking and meaning, a way. The organizational culture also generates the image of the organization to the outside. It determines how the corporation presents itself.

The cultural environments of businesspeople can be shown in this way: An individual business person 🡨 from corporate culture 🡨 from industry culture 🡨 from general business culture 🡨 from general culture. That means one may be involved in intercultural communication without ever leaving the country.

Stages of Internationalization

IBC needs can be examined in 3 major forms of international business involvement: *an import-export firm, a multinational firm, and a global firm*. Businesses change their structures of the environment changes. Most firms all over the world start out as domestic firms. Most multinational firms also started as domestic firms, e.g. McDonald’s in the USA or BASF (Bayerische Anelin und Soda Fabriken), a German chemical firm.

As these companies entered the international arena, their structures changed and their communication changed. The *import-export* stage is often the first step in the internationalization of a business. *A multinational* firm thinks of itself as a firm that has a nationality (a French, Mexican or Chinese firm that does business in many countries). A *global* firm looks at its business as one unit that spans the globe. A true global firm’s arena is the globe.

The Import-Export Stage

*Reasons for exporting* (someone abroad needs the company’s product; e-business “B2B”). *Communication in the import-export environment* (adaptations in communication, hiring translators, doing market research, the need to be aware of IBC skills).

The Multinational Corporation

*The national subsidiary* (its structure, specific needs of subsidiaries in various countries). Communication in the national subsidiary organization (advantage: managers of subsidiaries have direct access to top managers in HQ; difficulty: the structure can lead to overload at top management). The International division (structure: President 🡪 personnel, planning, finance, legal staff, R&D, engineering, production, marketing 🡪 domestic division, international division).

The international division organization easily leads to a duplication of efforts, e.g., both domestic and international divisions may R&D – they may work together, but not always). *Communication in the international division organization* (who at YQ should be contacted, language ability, practicing a mixture of ethnocentric and polycentric staffing, a number of options to minimize the communication problem: training in intercultural communication, creating specialists for certain regions, having a mixture of host and home country nationals in the subsidiary, and hiring host country nationals who are familiar with the home culture).

The Global Firm

*The structure of the global firm*. The international division disappears and the international operations are integrated into the firm. In a sense, the organizational structure has come full circle – it is that of a domestic firm, with the difference that the organization encompasses the globe. Global firms use one of 3 basic structures: a worldwide function format, a worldwide geographic/regional format or a worldwide product format – sometimes the structures can be mixed, e.g. a company may combine regional and product structures. Regardless of the particular structure, the global firm does not divide operations into domestic and international. They are global, and any substructures are an outcome of the needs of the global perspective.

*Communication in the global organization.* Successful communication in a global firm requires a solid and well thought-out structure of the communication process. This structure must be communicated globally. All employees must develop a global attitude. The global firm requires coordination, communication, and a unity of command. An effective global structure requires intercultural communication training of many people, at all levels of the organization, over and over again. Few firms today are truly global. Firms must function under constrains of visas, work permits, government regulations, and import-export restrictions that can hinder globalization. Examples of how national governments are working with each other are NAFTA or EU.

Implications of cultural aspects of business structures for communication

in the international firm

*Communication in the organization based on credentials* (job qualifications). Credentials are influenced by cultural priorities, and labels don’t have the same meanings in different countries, e.g. the label “engineer”. *Communication in the organization based on content.* It is best exemplified by Japan, where they emphasize the importance of the group over the individual. Within the frame or context employees know how to act and behave, they know their place, what to say, how to address someone, how deep to bow. When this familiar environment changes, the Japanese are at a loss.

The culture has not given them the experience to deal with strangers. *Communication in the organization based on family orientation.* Business in the Middle East is based on the concept of the family. According to Koran, the family must take care of its members. The family orientation seems to fit the Japanese group structure, but the group in Japan does not necessarily include the blood family. The firm in the Middle East is ruled by the senior male member of the family. It is much more authoritarian and autocratic than the harmony-based approach in Japan.

*Communication in the organization based on political principles.* This pattern is common in China. In the communist system, the business organization is based on the concept of collective ownership and the absolute right to a job. Even in private companies there business practices are strongly influenced by the government. As the former communist countries become more market oriented, people are eager to reap the profits, but they are not necessarily willing to accept the responsibility for efficiency and take the risk of failure.

Summary

An international firm must deal with a variety of business structures around the globe. As companies expand internationally, their communication needs change. A domestic firm has very different communication needs from an international firm. A global firm integrated international operations throughout the firm. As a result, the global firm needs people with intercultural communication expertise at all levels.

The following areas have been examined:

* Corporate culture and intercultural communication.
* Stages in internationalization.
* Implications of cultural aspects of business structures for communication in the international firm.

Theme 8

**Business Ethics: Cross-Cultural Perspective**

1. **Ethical Considerations and Intercultural Ethic**

Ethics refers to judgments that focus on degrees of rightness and wrongness, virtue and vice, and obligation in human behavior.

Relativism

Under the *ethical-relativism approach,* right and wrong are determined predominantly by the culture of the individual. Ethical relativists try to understand each cultural group 'in its own terms, with a minimum of contamination' by outside influence. This ethical philosophy holds to the view that there is no one correct moral code for all times and people, that each group has its own morality relative to its wants and values, and that all moral ideas are necessarily relative to a particular group of people. Anthropologists believe that morality has no meaning outside the culture that defines it, philosophers argue that morality depends on a person's motives or the results he achieves, and ordinary people claim that personal freedom is supreme and that its exercise should be uninhibited unless it harms others.

W. S. Howell (1982:179) clearly summarizes the *relativism (culture-specific)* orientation to ethics when he writes: “The fundamental connection between culture and ethics is this: Ethical standards are products of particular cultures. So it is not surprising that basic appropriate and inappropriate behavior important to a group varies from place to place. Consequently, we should not be surprised that one way of behaving has a high moral value – rightness – in one culture, has no ethical significance in a second culture, and in a third culture may be negatively moral, that is, considered by the majority of the population to be ethically wrong.”

Universalism

*Cultural universalism* takes the stance that regardless of the context or the culture, there are fixed and universal ethical precepts that apply to all cultures. This generalist approach to ethics can be found in the writings of the German philosopher Immanuel Kant. It was Kant's conviction that for action to be ethically correct, one must be able to will one's words or actions to be a universal law, that is, be willing to have everyone act in the same way. This view toward ethics is perhaps best summarized by Kant's single sentence: "Act only on that maxim whereby you can at the same time will that should become a universal law."

Moral reasoning

L. Kohlberg (1984) argues that our ability to make moral judgments consists of six stages, which are basic to all cultures.

*Stage one: Obedience and punishment orientation***.** This stage involves avoiding breaking rules, obeying them for the sake of obeying them, and avoiding physical harm to persons and property. For example, a child realizes, "If I steal cookies from the cookie jar, I will be punished."

*Stage two: Instrumental purpose and exchange.*During this stage we learn when it is in our interest and the interest of others to abide by specific rules. We follow these rules using an "only then and when" orientation: "If I refrain from stealing cookies from the cookie jar, then will I get a brand new bag for school."

*Stage three: Interpersonal accord and conformity.*Here we learn that "being good is important," so we live up to the expectations of others: "When I refrain from stealing cookies from the cookie jar, I am being virtuous and I also make my mother and others very happy."

*Stage four: Social accord and system maintenance.*During this stage, we move to fulfilling the actual duties obligated by laws and that our social contract with others obligate, except in extreme cases where these duties conflict with other important values. We learn as well that we are contributing to a social group, or social organization: "Refraining from stealing promotes the common welfare and establishes a system of trust among people."

*Stage five: Social contract, utility, and individual rights.*According to Kohlberg, by the time we arrive at stage five we are aware of the fact that people hold a variety of beliefs and opinions, and that although most values are relative to our group, they should usually be upheld because they are part of the social contract. We also learn that some values should be upheld in any society regardless of majority opinion. Refraining from stealing is normally such an overarching value.

*Stage six: Universal ethical principles.*Following ethical principles, we reason that there are certain universal principles, such as justice, the equality of human rights, and respect for the dignity of human beings. We uphold these principles because of our personal sense of commitment to these values.

***Fairness***

When we interact with others, we try to determine whether we are being treated fairly by them. Because various ways of defining fairness exist, we can expect cultural differences in these conceptions. In some sense, all people for whom there is necessary information in an exchange have methods for judging notions of fairness in these exchanges, which comes down to the idea that "I helped you, so you ought to help me" The sociological term for this in fair exchange is the *norm of reciprocity.* Its principal role is to teach cooperation, on which much of human behavior relies. The key to reciprocity is trying to strike a balance between expectation and behavior, which can be difficult to reconcile in intercultural communication.

Reciprocity, however, can be interpreted entirely differently, depending upon how it is rooted in a particular culture. For example, the concept of *direct reciprocity* in Nigeria means that any guests who receive free lodging and food are expected to provide *indirect reciprocity* sometime in the future to another traveler in a situation similar to theirs.

It is also important to remember that rules governing reciprocity may not be abstract in some countries as they are in North America, where there is a high value placed on abstract principles such as truth and justice even when these principles are stripped of their context. For example, in North America one can enforce principles such as truth and justice largely removed from the concrete situation in which they occur.

While these rules do vary interculturally, it is comforting to know that humans of all cultures can at least start out with the same sentiments necessary to building common ground and empathy, which are essential ingredients for *other-regarding behavior.* To say through words and deeds, "I see you and I take you and your ethical codes seriously," is to provide a means for promoting ties of kinship and communication.

***Shame and Guilt***

Some cultures are referred to as guilt cultures while others are considered to be shame cultures. A guideline that helps to determine whether our roots are in a shame culture or a guilt culture is the degree of obligation to others that we feel when things go wrong. Because shame can be unbearable in most Asian cultures, people are careful to meet obligations and to be considerate of others. For example, because Koreans value their elders, the worst thing that could happen would be for them to bring shame on their family. The fear have been served. Rules of etiquette and self-control abound throughout cultures.

***Honesty, Honor and Duty***

Honesty is a perception of the confidence we place in individuals' promises. The general rule across cultures is there should be consistency between what an individual promises and what he or she delivers. For example, many businesspeople prefer Mormons as employees because they are considered to be more honest than non-Mormons. Perceptions of honesty vary across cultures and can interact with other communication factors. In Mexico, for instance, such heavy reliance is placed on interpersonal relationships that these relationships are valued over North American conceptions of honesty. Mexicans are inclined to tell people what they want to hear in order to preserve interpersonal relationships, but some visitors to Mexico perceive this custom as "stretching the facts." In the United States, however, interpersonal communication is viewed in terms of objective reality, embracing George Washington's principle, "I cannot tell a lie."

Honor is another factor that regulates interpersonal interactions. Honor relates to one's character and reputation, and some cultures go to great extremes to preserve these attributes. Defending one's honor helps to explain why some cultures go all the way in exacting a price from those who dared to tread on them. Similarly, in Scotland, there is a motto above the thistle that says: "Nobody hurts me unharmed".

Deeply rooted values of honor are often linked to how we behave toward others. Whenever we find cultural groups with a keen sense of fundamental identity, difficulties can arise.

By *duty* we mean the ability of people to act on the virtues of fidelity and obligation. Thus far, researchers have found these traits common to all cultures. Another way of looking at these twin characteristics, duty and honor, is to note that both are expected to govern our behavior even when we are not under any pressure. A sense of duty carries with it a strong conscience. Our eagerness to "earn praise and avoid blame" helps to shape our human conscience, which in turn leads to dutiful behavior.

Honor and duty are vital to a culture’s way of living because they act as internal guides, providing ways for individuals to behave.

Ethical considerations in intercultural business relations

What do businesspeople from around the globe consider ethical behavior? What is considered ethical depends on the cultural background of the partners involved. For some this may be difficult to accept. After all, many of us assume that ethical stan­dards are universal. We may define ethical behavior as being honest, being fair, telling the truth, and being considerate and caring, and we may think that these values are culture-neutral. Yet, none of these terms exist in a vacuum; they are influenced and shaped by the cultural priorities of the people who use them.

The philosophical foundations of ethics in various cultures help to illustrate this point. For example, Aristotle, a Greek philosopher, argues that a person can find the *good*. Furthermore, Aristotle maintains that people can be taught to do what is good and that they will gain happiness from doing the virtuous or the ethical.

The German philosopher Kant holds that a person is not only capable of knowing ***the good*** or the right, but also has an obligation to do what is right. This is known as the categorical imperative. Like Aristotle, Kant sees the good and the bad, the ethical and unethical, as opposites.

Much of Western thought has been shaped by the conviction that knowledge to do the good will lead to the good and that there is a rational way of getting there. Therefore, people from these cultures will have strong opinions on what is right and wrong. As a result, they have a tendency to look at ethics as an *either-or* concept. They know that there is a gray (unclear) area, but generally ethical standards are seen as absolute and objective. This view holds that ethics can be legislated. If there is a universal ethical standard, a universal set of right and wrong, then it should be possible to clarify the standards through rules and laws and thus ensure that everyone understands and accepts the standards.

The Aristotelian human relations (HR) manager would recognize that there is a *good* that is knowable. At the same time the manager also tries to ensure that employees act according to company rules and guidelines. The HR manager will attempt to inculcate good or virtuous habits in the employees to carry the company to the good.

Philosophers in East Asia have taken a different view. Daoism, for example, sees reality not as an *either-or* proposition but rather as a *holistic* unity that encompasses all aspects of reality. In Daoism, as in Western philosophy, people have an obligation to do the virtuous; however, the virtuous is not an absolute. It is impossible to have the absolute good or the right because reality consists of both opposites. Daoists, therefore, are concerned about an appropriate balance in the universe, and the appropriate balance always depends on specific circumstances that require a careful weighing of options. Westerners, not understanding this background, frequently refer to this view of ethics as situational ethics or opportunism. The argument is that if the circumstances dictate what is ethical, there are no standards for ethical behavior. People from East Asia, on the other hand, view Westerners as narrow-minded and unrealistic. In this system the HR manager will weigh what the best or virtuous practices are under the given circumstances.

 Islamic culture draws on yet another source for determining what is ethical and unethical, right or wrong: religion. Islamic ethics is ultimately based on *revealed truth*. Allah provides appropriate guidance for all actions. The virtuous HR manager acts based on religious principles.

 In the increasingly secular Western world this is easily interpreted as
old-fashioned and fundamentalist. However, in order to understand Islamic views on
ethics, it is necessary to recognize the role of religion in shaping ethical thought. The philosophy of ethical behavior is also influenced by other cultural variables, such as group orientation or individualism.

Businesspeople from relationship-oriented cultures may have a very different view of what is ethical than people from results-oriented cultures. They may use the same terms but assign radically different meanings to those terms. *Honesty* may not be an absolute term but rather may be seen in the context of the group a businessperson is coming from. For example, fairness does not signify some abstract ideal; instead *fairness* means that one is willing to fulfill one's obligations to one's group or family. Thus, in a results-oriented society fairness might dictate that a manager hires the person with the best credentials for the job, an almost clinical decision that is separate from the person. In a high-context society, on the other hand, fairness would dictate that a manager hire a family member, the child of a friend, or someone who has special connections. Likewise, honesty is dependent on the context as well. Honesty may be what it takes to establish the relationship to do business together.

One of the challenges of international business is that all businesspeople from all cultures judge ethical behavior by their own self-reference criteria. It is tempting to apply one's own definition of ethics to what the partner from another culture does and conclude that the partner is unethical based on these standards. Not understanding the ethical framework of the people you are dealing with can lead to *misunderstandings* and *frustrations*.

For example, firms from the United States frequently try to avoid *nepotism*, the hiring of relatives of employees, because this is seen as providing an unfair advantage, which is bad. These views are related to the value the United States places on social equality. To hire someone based on his or her family relationship to an employee seems to be unequal treatment, favoring those people who have employed relatives and disfavoring those who do not. Managers are afraid that the relatives might stick together and that the resulting cliquishness might hurt morale of the work unit.

*When a U.S. company went into Mexico, the managers took their standard against nepotism with them and made it a point not to hire relatives; it seemed to be the ethical decision. However, the firm found out that the Mexican view of nepotism was very different. Employees had an ethical obligation to help relatives obtain a well-paying job in the U.S. firm. Everyone accepted the obligation. In fact, it would have been unethical not to try to help one’s family. In return, family members understood and accepted the obligation that they had to work hard not to bring shame to the family member who helped them get the job. What had originally been seen as an ethical dilemma, giving an unfair advantage by hiring relatives, turned out to be a motivator to do good work. The company changed its standards and accepted a practice that made sense in that environment.*

Businesspeople from results-oriented backgrounds typically separate the business deal from the relationship with the other side. The goal is the business connection, the contract, the sale. The relationship is superficial, just enough to do business. It is a connection with a very specialized purpose. They may very consciously avoid any personal connections so as not to muddy the waters. This strikes people from high-context cultures as odd. Each side may attach the label *unethical* to the behavior of the other side and strain the relationship even further.

How people from different cultures handle obligations also sheds light on attitudes towards ethics. Where the building of relationships is crucial to doing business, obligations are typically seen as ongoing. By not repaying a debt immediately the partner signifies that he is interested in a continuation of the relationship. In Japan, for example, the willingness to accept an obligation is a positive sign. In this view the individual is clearly tied into a relationship. Repaying the debt would end the relationship because it would signal that the person no longer is willing to accept the obligation. This attitude is in great contrast to the American ideal of self-reliance. Here the goal is not to be a burden on anyone. It is expected that one repays one's debts promptly.

Human resource issues, including rules on hiring, promotion, and safety, are tied to specific laws, but there is also an ethical element involved. Most industrialized countries have outlawed child labor, and condoning any type of child labor would be seen as a violation of ethical norms.

Not all cultures share this viewpoint. In industrialized countries childhood has been expanded into an age group that a century ago would have been considered young adults. In developing countries, children grow up faster and are considered adults at an earlier age, frequently around age 14; therefore, it is acceptable and expected that they contribute to the family income. (We are not talking about young children working in sweatshops many hours every day.) The idea that young adults should be allowed to play when they could contribute to the well-being of the family would be considered irresponsible.

In group-oriented societies, seniority plays a major role in establishing ranking and order. It gives belonging and clarifies one's status in the group. With industrialization merit and individualism tend to gain in importance. As a result, the basis for promotions may change from seniority to merit, and with it what is considered ethical may change as well.

As businesspeople engage in relationships with partners from other cultures, they need to be aware of the cultural foundation of what is considered ethical behavior. One of the most crucial steps is to examine why a culture has certain ethical standards and what they mean in that particular context.

We all behave according to our own code until we bump up against somebody else's code. At that point, we need some way to reconcile differences and point to a common code we can use. Businesspeople have to make decisions regarding ethics all the time.

Guidelines for intercultural ethic

***1. Be mindful that communication produces a response.*** In the intercultural environment, because of the diversity of backgrounds, it is much more difficult to assess and predict the type of response your messages and actions will produce. Forecasting the responses of other cultures is a far more difficult task. Let us stay with our simple example of thanking someone. In Arab cultures, one is expected to be profuse in offering thanks, whereas in England, one is expected to offer restrained thanks because too much exuberance is considered offensive.

Because of the potential power of messages, you must continue to do two things: first, always be aware of this power; and second, always ask yourself what the effect of your message is on other people. This focus on your actions and the results of those actions is called, in the Buddhist tradition, being *mindful.* When practicing mindfulness during communication, you are giving your *full attention to what is transpiring right now.* This awareness of the here and now enables you to avoid letting habit instead of insight dic­tate your actions. By being mindful, you can adjust your messages to both the context and the person. You can, in short, be aware of what you are doing to another person.

***2. Respect the worth of the individual.*** How do you feel when someone "puts you down" or acts like you are insignificant? The answer is obvious. You do not like being diminished. Everyone wants some level of respect, dignity, and a feeling of worth. It is our contention that an ethical stance gives this respect to *every human being.* We, of course, are not alone in this conviction

***3. Seek commonalties among people and cultures.*** Much time in this course of lectures is devoted to differences that make a difference in the intercultural setting. However, it is often our *similarities*, not our differences, that contribute to successful communication, and that serve as part of an intercultural ethic. The similarities that unite people, and in a very real sense make everyone part of a single "community," range from the obvious to the subtle. For example, it is apparent that all 6 billion people share the same planet for a rather short period. And there are thousands of other glaring similarities that bond everyone. Reflect for a moment on just a few universal characteristics. All people share the same emotion and desire to be free from external restraint: the craving for freedom is basic. There is also a universal link between children and family: people all share the same thrill and excitement at a new birth. Mating and wanting good friends tie everyone together. All people must eventually face old age and the potential suffering that often goes with it; and, of course, all people are joined in knowing that death, like birth, is part of life's process. All cultures love music and art, play and have sports, tell jokes, believe in being civil to one another, and search for ways to be happy. And there is nothing religious or metaphysical in the fact that all people seek to avoid physiological and psychological pain while searching for some degree of tranquility in life.

As a species, you not only have similarities in feelings and experiences, but there are values that are common to all cultures.

There are also countless religious and philosophical values that bind people together. All religious traditions offer the *same instructions* to their members with regard to killing, stealing, bearing false witness, and adultery. One of the most important of the common values is one we mentioned earlier when we spoke of the need to respect other people. It is also called *the dignity of the human spirit*.

As intercultural communicators, granting this value would demand that you try to adopt an interpersonal ***"Golden Rule."*** Although the words are different, the wisdom contained within the words is universal: Do not do to others what you would not have them do to you.

***4. Recognize the validity of differences.*** Former Israeli prime minister Shimon Peres offers us a wonderful introduction to the next ethical canon when he tells us that "All people have the right to be equal and the equal right to be different." Therefore, in this guideline we recommend that you become aware of and tolerant of cultural differences as a way of establishing an inter-cultural ethic. Put in slightly different terms, keep in mind that *we are both alike and different*.

 ***5. Take individual responsibility for your actions.*** The final ethical consideration places those two ideas into an intercultural context. We advocate a three-point declaration that grants individual uniqueness, the ability to exercise free choice, and the interdependent nature of the world. You need to take individual responsibility for all you do. All your decisions, actions, and even your failures to act have consequences for yourself and countless other people. The obvious ethical consequence of this fact leads us to what the Dalai Lama called "our universal responsibility."

SUMMARY

* Because communication is an activity that has a consequence, we must develop a communication ethic.
* Relativism and universalism are the two approaches to ethics.
* Moral reasoning includes stages through which we move and which differ across cultures.
* Ethical considerations include fairness, honesty, honor and duty, shame and guilt, self-control and etiquette.
* What is considered ethical behavior depends (at least to some extent) on cultural priorities and philosophical viewpoints.
* An intercultural ethic asks you to be mindful of the power of communication, respect the worth of all individuals, seek commonalities among people and cultures, recognize the validity of differences, and take individual responsibility for your actions.

A Perspective on the Future of Business and Ethics

Issues that business must prioritize in the 21st century include economic, political and moral obligations to a wide range of stockholders. For example, some of the more predominant issues involve resolving national rivalries over trade wars and competing cross-cultural stereotyping, prioritizing consumer protection and product safety, preventing environmental pollution, using economic influence and investments to alleviate domestic and international social injustices, providing safe and healthy working environments, and providing policies and procedures that prevent discrimination within the organization. These issues are now global in scope.

Fundamental Changes for the Future of Business Ethics

*Public crises of confidence*, which resulted in incorporating ethics in the operating procedures in such firms as Johnson & Johnson and Procter & Gamble. *Emphasis on quality of work life* (QWL) programs, e.g., at General Motors, Xerox, and Packard Electric. coupled with quality circles, i.e. increased worker participation in decision making has been effective in improving employee morale, job interest, commitment and satisfaction.

*Penalties for unethical behavior* and *Power of special interest groups* which target to showcase corporations that threaten the public welfare in the media, thus raising *the role of media and publicity.* Changing corporate forms, ethics and objectives have led to appearing most admired corporations which illustrate 8 key attributes of successful company reputations: 1) quality of management; 2) financial soundness; 3) quality of products or services; 4) ability to attract, develop and keep talented people; 5) use of corporate assets; 6) values as a long-term investment; 7) innovativeness; and 8) community and environmental responsibility. *Concept of "Total Ethics"* is a central concept in many successful and moral companies. it is similar to the "zero defects" theory of organizational behavior; its basic premise being is that businesses must understand their ethical responsibilities not as responses to external pressures or threats, but rather as an integral component of their ongoing activities.

Global Ethics: International Interdependencies

The strongest argument of the development of a global ethic is that it can be used to understand common moral goals that underlie cultural and national differences. *Cross-cultural conflict negotiation.* Seven approaches for dealing with cross-cultural conflicts: avoidance, forcing, education-persuasion, infiltration, negotiation/compromise, accommodation, and collaboration. Learning to read and understand cross-cultural cues, historical contexts, different systems of law, expectations based on past political, historical and religious traditions will grow more important as businesses become more global. Cross-cultural negotiation skills are essential for business professionals, especially when meeting moral obligations involves conflicting cultural values.

Conclusion

Moral imperatives of a stakeholder approach are the basis of the holistic approach to competition in business. Stakeholders should be respected an treated fairly and justly; stakeholder and stockholder relationships should be based on trust and performance criteria; society, customers and consumers are strategic stakeholders and must be included in business strategies; and *ethics is an integral part of doing business.*

Theme 9

**Legal Aspects of Intercultural Business Communication**

Communication and Legal Messages

What makes sense and is legal in country may be illegal in another country (Case: Asaji Hasoi, the Japanese dealer for Power Bikes, a U.S. motorcycle company presenting an expensive leather jacket to Patricia Holter, a new brand manager at HQ on her visit to Japan.)

To avoid serious misinterpretation and miscommunication, lawyers may use techniques typical for back translation (used to ensure accuracy). Rephrasing the same question with different formulations and seeing whether the answers are essentially the same can bring out possible difficultues and miunderstandings. However, back translation is no guarantee for effective communication. For example, the word *force majeure* is part of the legal languages in many countries. But when managers from France and Australia discuss a business contract, they cannot just look at the literal meaning of *force majeure*. They must take into consideration (1) *the literal meaning,* (2) *the legal meaning,* (3) *implications of the legal meaning for fulfilling a contract, and* (4) *implications of the legal meaning for settling any contract disputes.*

Specific Legal Systems

While every country has its own laws and legal system, there are three major legal systems:

*Code Law* is deductive and practiced in continental Europe. Previous cases of similar legal issues are not important for judges who interpret the law when making decisions. *Anglo-American Common Law* is inductive, with the last relevant case becoming the source of law. The meaning of the law comes out of cases rather than the roding of the law itself. *Islamic Law* known as *Sharia* is based on these sources; Koran (the holy book of Islam); Sunnah (Mohammed's deeds and sayings); interpretations of Islamic scholars; and consensus of the legal community.

Dispute Settlement

Culture influences how managers will approach direct confrontation and arbitration, communication with agents (Case: Justin Simons of Seedlink, a U.S. seed company and Jose Menem appointed as agent in Brazil), as well as trademarks and intellectual property (India, which did not sign agreement on patents, manufactures pharmaceuticals developed in the USA and sells them under a different name at a much lower price in Eastern Europe).

Multinational enterprises and the national interest. Nations are soveriegn entities and as such will protect their national interests.

Legal issues in labor and management communication. Laws regulate employment communication, safety on the job and access to career opportunities. This area has major implications for effective intercultural business communication.

Legal considerations in marketing communication. Marketing and advertising are regulated in all countries. International managers need to be aware of thease regulations to avoid inappropriate or illegal messages. Advertising is culture specific and subject to local regulations.

Investment attitudes and the communication of financial information

International businesspeople regularly communicate financial information to \* domestic and international operations; \* governments and regulatory agencies; \* stockholders; and \* potential investors. Their success depends on understanding the rules and ability to adapt this kind of information to the needs of the various audiences around the globe.

 Case Study:

(1) A German company building a pharmaceutical plant in the Middle East with its own building materials instead of the local ones as promised during the negotiations.

 (2) A European country building a modern hospital in the rural area in an African country instead of a 'low-tech' health care facility that would take local traditions into consideration.

(3) A Swiss company *Frigaliment Imporing Co., Ltd* (Plaintiff) vs. an American *BNS International Sales Corp.* (Defendant) regarding the delivery of 100,000 pounds of chickens to Switzerland. Language issue was involved: for the Swiss *chicken* meant young chicken suitable for broiling and frying. For the Americans, *chicken* means *any* chicken (including old chicken, suitable for stewing and soup making, which the Swiss called *fowl*.

Attachment for illustration purposes

Five Common Legal Issues Faced by Businesses

by [***Leo Sun***](http://www.businessdictionary.com/article/author/leosun/)

As an owner of a small business, the danger of crippling litigation should also be at the top of your priorities. Legal headaches, especially in America can take you by surprise and severely hurt your business’ bottom line. Here are some of the most common legal issues facing small businesses in America.

Disgruntled Employees

As a business owner, this will be one of the most common legal headaches. In America, employees have far more rights than other countries, in the form of unions and reasons for “wrongful termination”. If you terminate a non-performing employee, make sure he or she signs documents carefully drafted by an attorney upon termination to make the terms of dismissal crystal clear. Letting an employee go without any final termination forms leaves the door wide open for legal actions.

Discrimination/Harassment Cases

The legal ramifications of alleged discrimination – sexual, ethnic, age or otherwise, can cause your company serious problems. Make sure your human resources and legal departments are well equipped to handle these issues should they arise. During the hiring process, make sure you are prepared with all the applicants’ resumes should allegations of discrimination arise, to prove that you hire the most qualified individuals, regardless of gender, ethnicity or age.

Hold regular meetings to oversee co-worker relations and insure that discrimination on a smaller scale is not occurring between office cliques, or influencing the decisions of middle and lower managers.

Harassment – sexual, racist or otherwise – can be a serious problem in an integrated workplace with workers from various ethnic and religious backgrounds and social classes. Regular meetings and interviews with staff will allow your managers to police these transgressions, which should be eliminated quickly through the swift termination of offenders.

Victims of harassment and discrimination tend to attract lots of media attention, which can hurt your company’s public image as well as drain your legal budget. Be proactive and stomp out these problems before they start.

Immigration Audits

You should make sure that all your company’s employees can legally work in the United States. Do top down sweeps off your company’s staff, using background checks, to identify illegal immigrants with falsified documents. The U.S. government has been known to conduct extensive surprise immigration audits that can cripple a company if it is found to be using illegal labor.

Copyright and Patent Issues

Cutting edge companies in the tech industry often face aggressive patent litigation. Companies often sit on patents for years, hoping that another company inadvertently violates them, to get easy money through patent and copyright lawsuits.

In the product development phase at your company, make sure your research and development teams thoroughly research the patents and copyrights of your current product, to avoid a messy legal battle should you step on a competitor’s toes.

Dissatisfied Customers

Customers who are dissatisfied can file class action lawsuits against your company, in which they gather in large consumer groups and attack your company over faulty products, services or promises. With enough dissatisfied customers, class action lawsuits can do more damage than any individual or corporation and irreparably tarnish your brand’s image.

Again, be proactive and keep a finger to the pulse of your customers through tech support, online message boards and e-mails. Promptly issue recalls for flawed products and be prompt to address customer issues.

Other Legal Issues

These are only some of the most common legal issues facing small businesses today. Other ones include tax litigation (a whole other topic) and legal disputes with competitors and contractors. Make sure you are proactive in solving these problems before they start, and make sure you have a solid legal team to back you up should you get sued. Good communication in the workplace and a hands-on approach to management is the best deterrent to legal issues.

Theme 10

**Effectiveness of Intercultural Business Communication (IBC)**

 It is important to focus on how such variables of IBC as linguistic, cultural and organizational dimensions interact in order to communicate effectively. Effective communication uses every medium that can help in communicating a message. The right mix of communication options is particularly important in IBC, when the businessperson deals with different languages, communication conventions, cultural priorities, patterns of thinking ad organizing messages, means of achieving different outcomes, and legal requirements.

One needs to have in mind the relationship between the effectiveness of IBC and such parameters as: (1) Channel choice, (2) Position in the organization, and (3) Cultural environment of the organization.

Relationship between effectiveness and channel choice

 The effectiveness of a channel ("richness") is influenced by its potential information-carrying capacity. The channel choice must take into consideration (a) purpose of the message; (b) availability of technology; (c) concerns for confidentiality; and (d) cultural environment.

 *Purpose of the message.*The richness of the communication process is the highest in the face-to-face interchange of ideas, and it is the lowest in the presentation of tables and numeric data. In between these two channels are videoconference, telephone, written/e-mail, written/fax, written/mail and written/formal reports. Letters, memos and formal reports provide important information, but they take time when it comes to exchange of ideas and fruitful discussion of problems.

 *Availability of technology.* Even if the techonology is working, videoconferencing may not be feasible due to time difference, language implications and non-native English speakers' panicking at the prospect of intercultural multilingual teleconference. E-mail has gained in popularity because it is more direct, efficient and private.

 *Concerns for confidentiality.* Some companies make it clear that e-mail and faxes and not the private property of the recipient but company property, They may regularly monitor the use of e-mail. If incoming and outgoing messages are available to other people in the firm, a manager may make channel decisions that influence the richness (effectiveness) of the communication.

 *Cultural environment of channel choice.* The ideal channel is culturally determined. Language ability will also influence channel choice. The right channel is the channel that will communicate the message most effectively and efficiently by providing the appropriate level of richness and the changes with new technology.

Relationship between effectiveness of IBC and position in the organization

 Without a commitment to training of its employees, the global endeavor will face difficulties. Language ability and understanding cultural priorities and values are necessary to function in this environment. The need for information and IBC skills is closely tied to the functions of the various levels in the global or international firm.

 ***IBC needs for upper-level managers.*** Executives are looking for spontaneous and rapid feedback. They don't just look for *what* their partners say but *how* they say it, with what tone, nuances, and hesitation, in other words - for the "right feel" rather than hard data when making decision. Top managers look for qualitative rather than quantitative information. They may concentrate on qualitative info to support objective data (figures) and develop new policies. Upper management scans the environment for anything that will influence the functioning and the goals of the organization.

Effective communication at the upper levels in the firm has a positive impact on the functioning of the entire firm. The process of translating rules and procedures developed by them at the midlevel requires clear communication between upper- and midlevel employees in the organization and their counterparts at the subsidiaries.

 ***IBC needs for middle-level managers****.* While meetings may be necessary here. *much of the communication* can take place through memos, letters, and phone calls. The communication relates to more specific topics and becomes more concrete than at the upper level. In order for mid-level managers to perform efficiently, they need to understand the policies and procedures established at HQs. In companies with a diverse workforce, middle-level managers may need more face-to-face meetings and richer message channels than in a firm with homogeneous workforce.

Mid-level managers have a variety of options to communicate effectively. Rather than sending proposals back and forth, they can discuss the options online in real time. They may use a Group Decision Support System (GDSS), which allows reading the comments from everyone in the group but they don't know the author of each comment. By allowing for the anonymous input of opinions, this technology bay be appropriate for multicultural and international groups. In hierarchical cultures subordinates will seldom fells comfortable criticizing the ideas of a superior. They may also be reluctant to put their name to suggestions and new ideas.

 ***IBC needs for lower-level employees.*** People at this level in the global organization deal with day-to-day operation and very concrete problems. A person at this level needs to have the technical vocabulary in the native language. The necessary level of understanding intercultural issues differs depending on the position in the organization.

Relationship between effectiveness of IBC and the firm’s cultural environment

***Perception of roles****.* At times the communication process is complicated because managers from different cultures may perceive their roles differently (the Japanese preseident of the U.S. subsidiary saw his role in a Japanese context, mostly as PR representative ratgher than leader of the organization).

***Linguistice difference****.* In some cases the effectiveness of the message is reduced because one side does not understand the concepts underlying the message. For example, Russian managers may speak good English, but they sometimes do not understand the business concepts behind the words (problem with the term *owner's equity*), which makes it hard to achieve effective communication.

***Different leadership styles****.* Often HQ and subsidiaries of global firms assume that will function according to similar patterns and rules. However, this is seldom the case. For example, the Japanese are consensus oriented, so it is rare for one person to make a decision independently. "The Japanese are in business to stay in business; the British and Americans are in business to make a profit."

***Growing cultural diversity in domestic and international operations.*** As diversity in the workplace increases, ideal managers carefully evaluate the content, the wording, and the organization of the message, as well as the channel. It is increasingly difficult to determine the "typical" business bhevior in a culture. Globalization has brought many changes, and on the surface many business behavior appear Westernized.

***Feelings of cultural superiority*** and ethnocentrism can also influence the effectiveness of communication. After top executives return from visits to subsidiaries, they often issue rules to subsidiaries without further discussion and opportunity for feedback. This indicates lack of cultural awareness and understanding. Subsidiaries, helpless to protest, resent this approach to corporate communication.

***Volume of communication.*** Quantity of communication does not ensure its effectiveness. Many U.S. companies flood their international subsidiaries with written ("Urgent", ASAP) and oral communication, they make lots of follow-up calls and send 2nd and 3rd reminders that the need for info is crucial and urgent.

Recommendations for successful IBC

1. Train all employees at all levels in IBC skills. 2. Send more people to foreign subsidiaries and don't restrict business trips to top executives. 3. Train employees in IBC skills early in their careers, as they are more flexible and cheaper. 4. Carefully evaluate employees as they are hired. A sense of adventure and open attitude may be much more important than specific technical skills. 5.Above all, encourage a climate of excitement, adventure and open-mindedness. Listen to a other voices and synthesize them to create a unified and effective environment for intercultural business communication.

**\* \* \***

**Questions (a) for the 1st semester credit and (b) 2nd semester exam**

**(a)**

1. The importance of intercultural business communication
2. Imperatives for studying intercultural communication
3. Points of contact in intercultural communication
4. Communication and culture
5. Principles and elements of communication in business
6. Perception and culture
7. G. Hofstede’s value dimensions
8. E. Hall’s high-context and low-context orientation
9. Three approaches to studying intercultural communication (social science, interpretive, critical)
10. A dialectical approach to identity.
11. Types of identity.
12. Developing cultural identity by minority and majority cultures
13. Communication problems caused by stereotypes
14. Prejudice and its negative impact
15. Overcoming stereotypes and prejudice
16. The components of language
17. Language and meaning
18. Language and perception (nominalist and relativist positions)
19. The role of language in intercultural business communication
20. Variations in communication styles
21. Cultural variations in language
22. Discourse: language and power

23. Equivalence and accuracy in translation and interpretation

24. The role of interpreter in intercultural business communication

1. Verbal vs. nonverbal communication
2. Classification of nonverbal communication by body behavior
3. Classification of nonverbal communication by space and distance
4. Classification of nonverbal communication by time and silence
5. The impact of religion and history on culture and communication
6. Organization of messages to other cultures.

**(b)**

1. Intercultural transitions

2. Types of migrant groups

1. Migrant-host relationships
2. Models of cultural adaptation
3. Culture, communication and conflict. General overview.
4. Interpretive and critical approaches to social conflict
5. Three approaches to understanding conflict
6. Characteristics of intercultural conflict
7. Conflict as opportunity vs. conflict as destructive
8. Styles of managing conflict with regard to intercultural communication
9. Gender, ethnicity and conflict
10. Dealing with conflict
11. International business context
12. Culture specific business practices
13. The role of professionals in managing human resources
14. Styles and types of communication in the global firm
15. Managing alliances across cultures
16. Strategies of cross-cultural management
17. Factors and styles of negotiation
18. Intercultural negotiation
19. The role of business information
20. Making decisions in business based on ends and on means
21. Problem solving and conflict across cultures
22. Ethical consideration and intercultural ethic
23. Ethical considerations in intercultural business relations
24. A stakeholder approach and business ethics
25. Advertising across cultures
26. The influence of corporate culture on intercultural business communication
27. The effectiveness of intercultural business communication and business judgment
28. The outlook for intercultural business communication