



# **Intercultural Communication for Global Business**

## How Leaders Communicate for Success

Second Edition

Elizabeth A. Tuleja

# Intercultural Communication for Global Business

As concise and practical as ever, this new edition brings together principles and new theories in intercultural communication, focusing on communication as the foundation for management and global leadership.

Grounded in the need for building awareness and knowledge, practicing mindfulness, and then working on skill development, this text examines the concepts associated with understanding culture and communication in the global business environment to help readers:

- understand intercultural communication processes;
- improve self-awareness and communication in intercultural settings;
- expand skills in identifying, analyzing, and solving intercultural communication challenges at work; and
- evaluate whether one's communication has been effective.

This fully updated new edition also includes updated case studies, with an increased emphasis on non-US perspectives, to show real-world applications across the globe.

Richly illustrated with new examples and activities, this text is the ideal companion for any business student or manager dedicated to communicating more effectively in a globalized society.

**Elizabeth A. Tuleja**, Ph.D., is founder and president of The Intercultural Leader Institute™, LLC, an online executive education platform that provides cross-cultural assessment, courses, coaching, and consulting globally. She teaches and consults in the USA, China, and around the world.

"Elizabeth Tuleja has written an excellent and balanced introduction to cross-cultural behavior. She interweaves cross-cultural anecdotes, longer cases, and a firm grasp of the major theories and approaches in the cross-cultural area to produce a highly readable, sensitive, and insightful introduction to this amazingly complicated area. Professor Tuleja has also expanded the number of examples to include those describing European, New Zealander, and Australian issues. As well, she theorizes about the influence that Covid-19 is exerting on cross-cultural behavior. In every substantive chapter she has also introduced a unique feature, 'In My Own Words: Cross-cultural experiences of people from around the world.' I highly recommend this new edition."

**Martin J. Gannon**, *University of Maryland and California State University San Marcos, USA*

"Elizabeth Tuleja brings a unique and welcome intercultural communication perspective to the field of global business. Her extensive background and mastery of the literature has resulted in an engaging book full of useful concepts, models, and real-life examples and cases that are suitable for both newcomers to the field and experienced practitioners."

**Joyce Osland**, *Professor Emeritus, San Jose State University, USA, and Senior Partner, Kozai Group*

"This excellent book on intercultural communication for global business is a tool that will enhance your mindset and skill set in a way that develops cultural intelligence. It is my opinion that every business leader, politician, salesperson, negotiator, and diplomat should own a copy of this book and read it well. Just as Emotional Intelligence can be developed, so too can Cultural Intelligence be developed, and as much as we need Emotional Intelligence in our world today, we also definitely need Cultural Intelligence if we hope to lead well in this new globalized reality. This is a book you must own, and once you own, make the contents your own!"

**Rob Elkington**, *CEO and President, Global Leadership Initiatives; Ontario Tech University Faculty of Education, Stellenbosch University School of Public Leadership; Trent University Faculty, Master of Management*

"Tuleja provides a lucid and timely compass for navigating cultures in a rapidly globalizing, often polarizing world. Practical intercultural tools, fresh thought-provoking case studies, and engaging activities offer students and professionals lit pathways for effective communications across a dizzying array of clashing cultures. Don't leave home without it!"

**Joe Lurie**, *Award-Winning Author and UC Berkeley International House Executive Director Emeritus*

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*To Susan, the wind beneath my wings*

*And in memory of Professor Geert Hofstede (1928–2020)  
for his life and legacy*





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# Foreword

There are those who believe that in a fast-paced, competitive world, learning about culture is a waste of time. The contrary is true. The importance of cross-cultural communicative skills is on the rise and will continue to do so as the fates of people and societies become more intertwined. The world faces huge challenges in the coming generations, and both private and public sector actors will have to rise to them.

This book does not pretend that cross-cultural competence is easy to acquire. It does not come with shallow promises. Instead, it delivers real value to those willing to make the effort. Knowledge, awareness, and skills are dealt with. It is a rich, honest book, by a very well-travelled author. It makes a wide sweep across theories and subject areas. I particularly like that it also tackles the existential nature of culture, as a system of answers to deep questions about life and purpose. On top of these qualities, the visuals and the many anecdotes and cases make this a most engaging book.

The book is subtitled “how leaders communicate for success.” I would urge the reader to adopt a wide understanding of this sentence. If you want to lead your working life interculturally, then consider yourself a leader.

I’ll grant to business readers that, depending on one’s culture and experience, one could perceive a certain paradox about learning cross-cultural skills. Who wants to sit down and study when they could be out there in the arena? A level of reflection and pondering is required though, in order to be able to effectively act in an unmerciful global scene. As the French saying goes: *il faut reculer pour mieux sauter* (you need to step back in order to jump). This book will help you jump farther.

Gert Jan Hofstede  
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# Preface

*Intercultural Communication for Global Business: How Leaders Communicate for Success* brings together both old and new theories in intercultural communication in a concise and practical manner. It specifically focuses on *communication* as the foundation for all management and leadership capabilities. As a result, this text deals with the underlying theories of intercultural communication and their practical applications in the workplace. Its purpose is to give readers—whether business students or professionals—the essentials for communicating and engaging effectively in a globalized society.

While this text focuses on communication in business it can be applied to any profession whether you work across cultures or within your own borders at home. The book is about understanding and embracing the diversity of different values, beliefs, attitudes, and behaviors, and specifically deals with the concept of CQ-Cultural Intelligence for personal leadership development.

Each chapter follows a systematic delivery of core concepts based upon the author's many years of teaching intercultural communication to students, managers, and executives. It begins with the fundamental question of "What is culture?" and answers the "So what?" regarding the important intersection of culture and business throughout the text. It asks each of us to examine our sociocultural identities; then delivers the fundamental frameworks that provide a common language for discussion; and offers multiple workplace examples across many different cultures.

Another distinguishing feature of this text is about discovering your own preferences for communicating—and reflecting on who you are as leader. Much of the current business literature calls for leaders to take the time to step back and reflect on problems before acting on them. This text does just that—it encourages the reader to use numerous popular models from the intercultural literature to facilitate self-discovery and individualized learning.

New to this addition is a section at the end of each chapter, *In My Own Words: Cross-cultural Experiences of People from Around the World*, which provides personal reflections written by cross-cultural experts based on their real-world experiences. Each chapter contains current business examples and in-depth case studies, exercises for personal self-reflection, and many resources for further reading.

If used in a university or college setting, the instructor materials provide suggested activities complete with instructions and debriefing questions, a test bank, as well as PowerPoint slides, and suggested syllabi for modular and traditional semester course planning.

The text is developed the way that the author progressively teaches throughout the learning journey—one concept building upon another.



## Preface

*Intercultural Communication for Global Business* uses this developmental process to help learners grasp both theories and application. Some have asked the reason for putting a chapter on leadership at the end of the book. Actually, the entire book is about global leadership but through the lens of *communication*. The final chapter provides information—both theoretical and practical—specifically related to the development of global leadership as developed by researchers over the past few decades.



This book looks at both culture-general and culture-specific applications to business in particular and the professions in general. The culture-general approach acknowledges that it is not possible to know everything about everyone. Each chapter presents some of the latest theories on cultural dimensions based upon research in anthropology, sociology, psychology, and communication. Having a general knowledge about culture provides the foundation for how a society interacts and is the first step towards moving beyond minimization of cultural differences to interaction with such differences. It also presents ample culture-specific information based upon real-life examples from around the world.

The specific focus on communication in this text is critical to helping us develop our cultural intelligence by assessing our own awareness as well as an awareness of others. Without it, simply relying on our particular functional expertise will cause us to encounter many obstacles and challenges. Through definitions, examples, and illustrations, we will chart the course for our own learning and development. The text is divided into four parts: Part I focuses on the foundations of intercultural communication; Part II, self-awareness, and intercultural communication; Part III, concepts of intercultural communication; and Part IV, applications of intercultural communication.

*Chapter 1, Culture in Business Contexts*, lays the foundation for the text by discussing the nature of globalization and evolving demographics. It provides a rationale for culture learning—for the twenty-first century—and attempts to define the elusive nature of culture.

*Chapter 2, Cultural Competence for Leaders*, examines the latest research regarding Cultural Intelligence (CQ) and highlights several models. The Model of Cultural Intelligence is the process whereby we can develop awareness and understanding, reflect on it in a mindful way, and then practice the skills to become competent.

*Chapter 3, Culture and Identity*, asks the question—what are your sociocultural identities which include cultural, personal, and relational aspects of how you were socialized while growing up. The chapter examines such influences as ethnicity, language, gender, age, disability, social class, education, religion, and roles.

*Chapter 4, Cultural Frameworks and Foundations*, explains the theory behind cultural dimensions and looks at how central tendencies of a nation's values can be used as a starting point in order to understand differences. Dutch interculturalist, Geert Hofstede, is famous for his initial 1970s study on workplace values that shed light into the prominent tendencies in any cultural group for power, identity, gender roles, uncertainty, time orientation, and indulgence.

*Chapter 5, Culture and Communication*, is about the sociocultural aspects of using language to communication meaning across cultures. This chapter continues the discussion of cultural dimensions by examining Edward T. Hall's famous work on high and low context in communication, polychronic and monochronic time, and spatial distance.

*Chapter 6, Culture and Worldview*, returns to the discussion of values, beliefs, and attitudes by looking at the concept of world view. This chapter asks the questions that define worldview: What is reality? Who are humans? What is truth? What values are important?

*Chapter 7, Culture and Cognition*, looks at non-Western views of intercultural communication by providing culture specific examples to illuminate human cognition across cultures and why this matters in business, such as Richard Nisbett's classic study on differences between Eastern and Western thought.

*Chapter 8, Culture and Leadership*, examines the work of two decades regarding the GLOBE Study and defines global leadership based upon new findings in cultural dimensions, leadership scales, and organization of cultures according to country clusters.

In a nutshell, this book is about developing awareness that will lead to one's curiosity for gaining more knowledge—both general and specific—for reflection and practice. The ultimate goal is to develop competence in dealing with cultural differences regardless of the context or situation. Interactions with others, even those who are the most like us, are not easy. This book helps the reader identify, sort through, and put into perspective a repertoire of ways for developing cultural intelligence, which is the ability to know oneself, understand others, and then deal with the complexity associated with our globalized world. It's a roadmap that helps guide its readers towards a better understanding of the complexity and challenges in our current world so that the reader can better manage cultural issues domestically and internationally.



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## Part I

# Foundations of Intercultural Communication





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# Chapter 1

## Culture in Business Contexts

### Chapter Overview

*Chapter 1, Culture in Business Contexts*, lays the foundation for this text by examining the questions: As leaders why should we care about the intersection of culture and business? Why are globalization and evolving demographics increasingly more complex? What is culture? How do we identify, let alone define, something so complex and abstract?



**Figure 1.1** Chinese fans—the beauty of diversity

Source: Author.

### Learning Objectives

Understanding the nature of globalization and evolving demographics is critical for global leaders. You will examine the rationale for culture learning—the cultural imperative of the twenty-first century—and attempt to define the elusive nature of culture. To make a case for the cultural imperative, this chapter explains the historical foundations of intercultural communication by mentioning the classic works of Hall, Hofstede, House, Kluckhohn, and others.

### Key Takeaways

- Become aware of your own attitudes and assumptions about the importance of culture in leadership.
- Understand that concepts developed within the fields of anthropology, psychology, sociology, and intercultural communication contribute to global leadership principles.

### Leadership Applications

- Functional skills are not the same as interpersonal and intercultural skills.
- Leaders need to understand the impact of the “shrinking” world since they must engage people from diverse backgrounds.

## Introduction

### A Cultural Faux Pas

When Bill Gates, founder of Microsoft, was in South Korea and met the then President Park Geun-hye for the first time, critics were “up in arms” about his behavior. He was there to build relationships, talk about nuclear energy, and promote his new start-up, TerraPower. But why was there a media frenzy?

Gates was criticized for being too casual in his initial contact with the President. When shaking her hand, he kept his left hand in his pocket. Some of the press read: “The handshake that has bruised a nation”; “Plain rude”; “Ignorance or just plain disrespect?”; “Cultural difference or bad manners?”; “A disrespectful handshake or a casual friendly handshake?” There was notable disdain for how Gates went about establishing relationships in the East (Cho, 2013).

Why would something so seemingly harmless as leaving one hand in a pocket offend someone? This is often our reaction when we do something that contradicts someone else’s expectations of proper behavior—we are incredulous that *they* don’t understand *us*. Well, from a monocultural perspective, which is looking at things from one’s myopic perspective, it shouldn’t bother anyone! However, from a multicultural perspective (being able to see things

from multiple angles regarding cultural differences), one would have to reassess exactly *why* the action might have caused disrespect.

In Korean culture, using one hand to shake someone else's is considered too casual, something you would do with a good friend or a younger person. The other hand in the pocket symbolizes superiority and can be potentially rude when used in the wrong context or situation. South Korea is a hierarchical culture where rank and position of a person must be respected *and* acknowledged. In fact, Koreans have a complex system of how they address people and construct identity, called, "honorifics," which uses different words to emphasize the importance of people who are older and in higher positions (Yoon, 2015).

## Whose Rules?

Some argued that you can't expect a Western person to follow an Eastern culture's rules nor be judged by its cultural standards. Others reasoned that he is a "casual man ... not bound by customs" or that he is "one of the richest men in the world and can do whatever he wants." But there is an appropriate protocol for such occasions when meeting with heads of state—regardless of how rich or down-to-earth you are. Knowing the code of behavior is essential in creating goodwill and developing lasting relationships—especially if you are trying to cultivate them. You need to consider a person's status, gender, and even religion, all of which are important (Irvine, 2013).

It has often been said that "When in Rome do as the Romans do." This adage is originally attributed to St. Ambrose in his liturgical advice to St. Augustine who had asked if he should fast on Sunday as he did in Milan—or on Saturday as was customary in Rome (Schaff, 1886). St. Ambrose replied, "If you are in Rome, fast in the Roman way; if you are elsewhere, live as they do there" (WordSense, n.d.). You'll find many sayings like this in other languages. In Chinese, the translation is "*Enter village, follow customs*"; in Russian, "*Don't go with your own rules to someone else's monastery*"; in Polish, "*When you fly among crows, you should caw like them*"; and in Spanish, "*Wherever you go, do as you see*."

Whether we shake hands, bow, or kiss someone on the cheek, it is important to be aware of the symbolism conveyed in the actual gesture. It's not only good etiquette, but smart business. Being aware of a counterpart's specific cultural norms demonstrates respect—and that you have spent time learning their customs in order to develop a lasting relationship. In Japan, the subordinate is expected to bow lower than the boss. In France, you kiss a friend on each cheek, but in the Netherlands, three times. In China, you are expected to give and receive business cards with both hands while commenting on the other person's impressive credentials. It's not the actual gesture that contains meaning, but what is in that person's mind. People create the meaning that is attached to gestures.

Can a cultural faux pas break a relationship or potential business deal? It depends. Can you be forgiven for a social or cultural faux pas? Of course. However, if you are to be successful as a global leader you must develop an awareness of cultural practices that carry important meaning to the people with whom you interact. You may not always get it right, but it's important to be alert and ready to adapt to the customs and practices of the people and the place you are visiting. Anything that we can do to promote respect toward someone's culture or traditions is vital. So, is greeting someone correctly a social necessity? Yes, absolutely!

This book uses examples such as this and explains the conceptual and theoretical aspects behind them for practical application. It's important to lay these foundations, because often the soft skills of doing business are overlooked in terms of the functional aspects. We'll explore the meanings that support such foundations because this brings credibility to you as a business leader. As you will see toward the end of this chapter, the field of management is made up of a variety of disciplines—sociology, psychology, and yes, communication. All the functional

## Foundations of Intercultural Communication

skills such as knowing accounting practices, building financial models, or developing acquisition strategies don't matter much if you can't communicate successfully. In order to lead people, you need to develop the critical skill of communication—and that is what this book is about—helping you begin to be aware of, understand, and then put into practice communication and engagement skills that are developed within an intercultural framework.

### Our Changing World

Our world has shrunk dramatically. With our ability to communicate 24/7 with anyone, anywhere via the Internet and smartphones; with one keystroke that brings us immediate, streaming news from all over the world; with easy access to cheaper, faster, more comfortable air travel, we have traversed the four corners of the world. Somehow, we have acquired a misguided notion that because the world has shrunk then it will be simpler, easier, and less complicated to interact with others. However, this is far from the truth. Despite technology, trade, or travel, our world is more complex, ambiguous, and fast-paced than ever—and it is harder to keep up no matter how fast one's Internet connection is. Now we see this most strikingly due to the global Covid-19 pandemic, which has demonstrated just how interconnected our economies are while accentuating how different national responses to the crisis have been. Regardless of human advancements we have been reminded of our human vulnerabilities and the need to work together despite political or economic viewpoints (Figure 1.2).

We are at a point in history where it is no longer possible to minimize cultural differences—it has been too easy to overemphasize commonalities and underestimate differences, and we have done just that. We are experiencing a new way of living and have reached a point of no return with the cultural imperative—it is unavoidable, it demands our attention, it is an obligation, and



**Figure 1.2** Coronavirus world

*Source: AdobeStock\_327996305*

it is a necessity if we are to survive. Communicating and interacting with people from diverse backgrounds and parts of the globe are the new normal.

So, what does this have to do with business? Everything! On an organizational, team, and individual level, it means that we are now required to interact with people who are quite different from us. We must learn to speak, listen, and write with a greater sensitivity, flexibility, and openness to doing things on other people's terms, not necessarily our own.

## Why Is Culture Important in Business?

### Globalization and Business

What is globalization? In business, it is when technology, communications, trade, tariffs, migration, and labor markets open across borders so that free trade and capital flow unhindered by national boundaries. A more technical definition would describe globalization as: the increasing interdependence among national governments, businesses, non-profit organizations, and individual citizens. The drivers facilitating globalization are: (a) the free movement of goods, services, knowledge, and communication across national boundaries; (b) the development of new technologies—think high-speed Internet and air travel; (c) the lowering of tariffs and other obstacles to such movement; and (d) human migration, especially from developing to developed countries (Gannon, 2008).

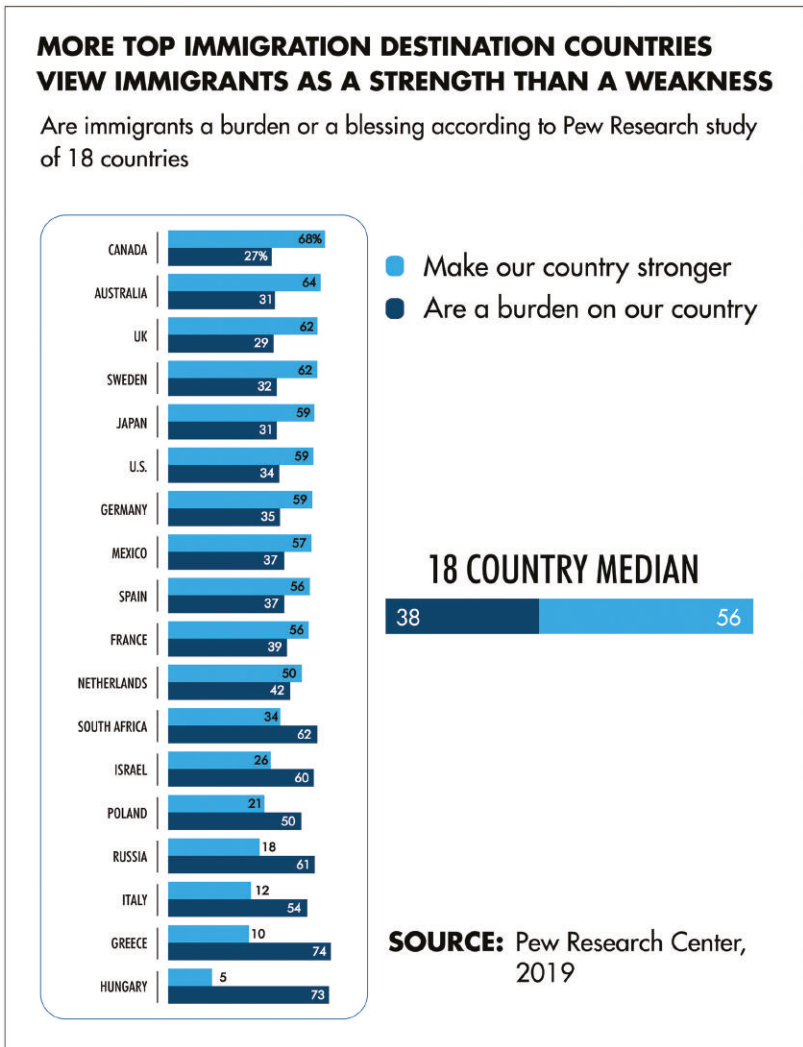
### Globalization and Society

Globalization impacts us in social and political ways as well. In the twenty-first century, our organizations, schools, and neighborhoods are increasingly multicultural—we work with people of different nationalities, ethnicities, and faiths. Chances are that the person in the cubicle next to us grew up with a different language. We have round-the-clock communication—the 2020 enforcement of a National Security Law to combat protests happening in Hong Kong at 7:00 pm in the evening is broadcast as people in Banff, Boston, or Bogota are starting their day. From NYC we can hop on a plane and be in London in 6 hours, Dubai in 13 hours, Shanghai in 14 hours, or Sydney in about 20 hours.

Global trade and commerce have grown more interdependent as one country depends on the other, as experienced with the world financial crisis, the Eurozone crisis, Brexit, and the U.S.A.-China trade wars, to name a few. Migration continues to surge as people are dispersed, seeking a better life because of economic, religious, or political reasons—whether it is immigrants from Latin America, sub-Saharan Africa, or Syria, we can no longer turn away.

According to the UN Global Migration Statistics, in 2019, 272 million people left their homelands in search of a better life elsewhere, an increase in 51 percent since 2010 (UN Department of Economic and Social Affairs: Population Division, 2019)—that is 3.5 percent of the world's population compared to 2.8 percent in 2000. Since 2019, regionally, migrants in Europe comprise 82 million; North America 59 million; and North Africa and Western Asia 49 million (Figure 1.3).

Movement of people from one nation/territory to another brings all sorts of disparities regarding language, religion, employment, housing, education, and socialization. As we will see in the next chapter, human beings by nature prefer to form groups with people who are like them, not the other way around. As expected, responses by nationals toward immigrants are mixed. The Pew Research Center's 2019 study on immigration found that smaller countries such as Hungary, Greece, South Africa, Israel, Italy, and Poland view immigration as negative; and the Netherlands is divided. However, the study also produced some positive findings that 10



**Figure 1.3** Immigrant population in top ten countries by millions (Pew Research Center Global Attitudes and Trends)

Artwork: Kamal D.@GraphicsFamily15.

out of 18 the countries surveyed viewed immigrants as a strength rather than a burden. What is significant is that six of these countries (Australia, Canada, France, Germany, U.K., and the U.S.A.) host the largest number of immigrants in the world. Yet, these findings don't tell us the whole picture, as tensions simmer below the surface. For example, in the U.S.A., while a majority of citizens hold positive views of immigrants from Mexico and Central America, this differs based upon political affiliation and became a major contention during elections regarding "building the wall" (Pew Research Center, 2019) (Figure 1.4).

Since the 2015–2016 refugee crisis across Europe, the influx of immigrants has stirred up nationalistic fears, especially in the U.K., Germany, and France, as these governments try to absorb the massive number of refugees and asylum seekers flowing in from the Middle East,





**Figure 1.4** Entering global village

*Source:* Author.

Africa, and Central Asia (TCF). Governments must find ways to integrate people from different lifestyles, faiths, and languages into their communities. In addition, concern over terrorism creates tensions and reservations as marginalized people groups fuel the fire of radicalism (TCF/ Lily Hindy, 2018).

One intercultural success story comes from Mechelen, Belgium, where the Mayor, Bart Somers, found a way to successfully integrate those who have been marginalized due to culture and language barriers. A number of years ago the small town of 86,000 people invested in education incentives that included both national and international children in the same classroom, programs aimed at integrating new members into the community, and increased security measures. This was no small feat at that time when the city's inhabitants came from 138 cities, with one in two children having immigrant status, and 20 percent of the population being Muslim (Inter Press Service). Through constant persistence, community involvement, and the belief that all humans deserve the chance to be an active part in strengthening the community in which they live, programs succeeded, crime was down, and Mr. Somers's popularity continued with his more than 20 years of service. If asked about the immigrants in his city, he would reply, "there are no immigrants in Mechelen—everyone is first and foremost a citizen of the city" (World Mayor, 2016) (Box 1.1).

### Box 1.1 Bart Somers

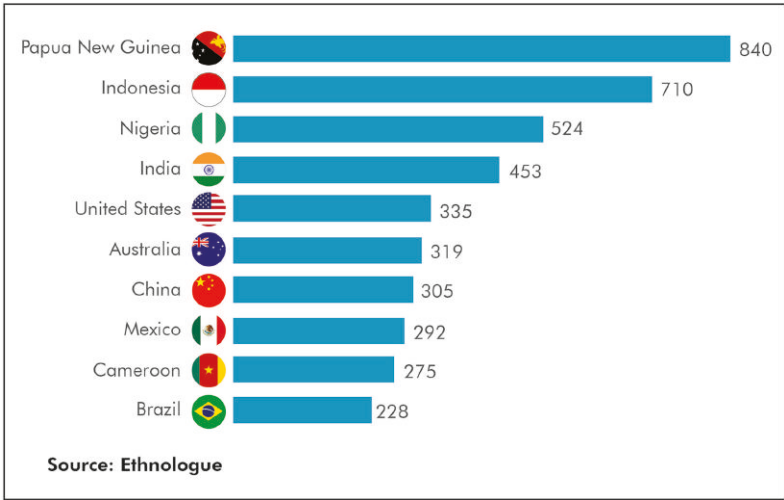
Bart Somers, the Mayor of Mechelen (population 86,000), Belgium, has been awarded the 2016 World Mayor Prize. Since becoming mayor in 2001, he has transformed a rather neglected city into one of the most desirable places in Belgium. Over the same period, he has achieved that residents of North African origin are recognized and see themselves as full citizens of Mechelen. Mayor Somers frequently reminds everybody in his city that citizenship provides entitlements but also involves obligations.

(World Mayor, 2016)

Globalization and Language

With increasing diversity comes an increase in the number of languages spoken by a country’s people, so the question arises, can one language serve everyone’s needs? A recent study shows that across the business world companies are incorporating global development programs which include the promotion of learning additional languages as a necessity for workplace functionality (BBC: Work Life). It has been argued by many that English will continue to be the dominant world language. However, studies contest this due to population growth in developing countries and that there will be a new linguistic order (Skapinker, 2007). By the mid-twentieth century only about 9 percent of the world’s population spoke English as their native language, but by 2050 this will shrink to 5 percent. Actually, more people speak Mandarin Chinese than any other language (English, Spanish, Hindi/Urdu, and Arabic). While English will continue to be the language of the world’s commerce and investments, it won’t dominate by the number of people who speak it (Lovgren, 2004). In fact, many countries have hundreds of languages that are mutually unintelligible, which creates the need to learn several in order to communicate within the community, the marketplace, and at work (Figure 1.5).

For those who depend only on the English language it can be taken for granted that most people throughout the world can speak multiple languages. Multilingual ability is a necessity for living and working in Europe because of the geographic proximity of many countries bordering on each other, which makes it necessary to speak other languages in order to survive. People from European Union countries who speak multiple languages have a distinct advantage in finding jobs. To accommodate the flow of people over borders, nations can adjust visa rules such as in most of the European Union’s Schengen Area which is the largest visa free zone in the world. Twenty-six countries allow free and unrestricted movement across borders without the need for a passport (Schengen Visa Info).



**Figure 1.5** Countries that have the most languages as of 2019  
*Graphics: Kamal D.@GraphicsFamily15.*

For example, Switzerland is surrounded by four countries—Germany to the north, Austria to the East, Italy to the South, and France to the West. Depending on where you live you will probably learn the language of the bordering country: Standard German, Swiss German, Swiss Italian, or Romansh. Swiss people are taught Standard German (used in business, government, and written publications such as newspapers) but over 60 percent will also speak Swiss German, which has many variations. The country boasts a multilingual identity whether in the big cities where international companies, banks, and scientific enterprises abound, or in the countryside high in the Swiss Alps. Swiss people become multilingual from a young age where children must learn at least one other national language in school as well as a foreign language, which is usually English (Babbel Magazine, 2018) (Figure 1.6).

Luxembourg is another example of a multilingual country. Even smaller than Switzerland, it is said that multilingualism is in Luxembourg's DNA. Both French and German are written into its constitution and are two of the three official languages along with Luxembourgish (Lëtzebuergesch, a mixture of French and German) being the third. Nestled in between France, Belgium, and Germany two-thirds of all Luxembourgers proudly speak at least four languages (Delano, 2017).

National standards for foreign language study exist throughout Europe since all students between ages 6–9 begin a foreign language and continue throughout their primary, lower secondary, and upper secondary years. Students are also required to complete at least one year of a second foreign language before graduation (English, French and German being the most popular). And this doesn't account for the languages learned at home outside their formal schooling. European language study, mandated by each government boasts a median of 92 percent for all students in primary through secondary school; whereas the U.S.A.'s median is



**Figure 1.6** Switzerland and its languages

Source: Adobe Stock 314675304

only 20 percent since language learning isn't mandatory and each state or school district can set its own standards (Devlin, 2018).

Perceptions elsewhere around the world are still utilitarian, but for the opposite reason as reflected in U.S. American's perspective of what skills a worker needs. Eighty-five percent say it is very important/extremely important to be able to work with those from diverse backgrounds yet only 36 percent said a foreign language was necessary (Devlin, 2018). In countries like the U.S.A., Australia, and New Zealand, there is little incentive to learn other languages because English is the lingua franca of business. Foreign language study is simply not a priority. Even in the U.K. this accounts for the relative lack of bilingualism compared to its neighboring European countries.

In order to communicate across borders and within, both language ability and cultural understanding are critical. The notion of the global village where the world is getting smaller because of this constant contact with people from different cultures and language groups might seem quaint. However, the idea of a village doesn't equate harmony, peace, and understanding among diverse peoples just because "village" implies small. The world "village" is complicated because we need to get to know our neighbors who come from many different backgrounds and who hold unique worldviews. As a result, if we are to thrive and not just survive, understanding diversity is a current reality for all of us. We are business people, community leaders, colleagues, classmates, and neighbors, and we all must interact each day with others from a variety of ethnicities and backgrounds. The global nature of our daily lives is here to stay (Box 1.2).

### Box 1.2 One of Europe's Most Homogenous Countries Is Becoming Multicultural

For a glimpse of how immigration is changing Poland, head to Hala Koszyki ... a food hall in the middle of Warsaw. Take an Uber and there is a good chance the driver will be from Belarus. Inside, Ukrainian waiters and chefs toil over sushi and tapas. Outside, straddling their scooters, a group of UberEats riders from India and elsewhere in South Asia wait to take orders from any Varsovians [Warsaw residents] who fancy a night in.

Poland, one of the EU's most homogenous countries, is becoming a country of immigration. It took in more workers from outside the EU in 2018 than any other country—nearly five times more than Germany—and is likely to have repeated [this] again in 2019. Nearly 2m Ukrainians have arrived since 2014, pushed by a [weak] national economy and a war in the country's east, and pulled by higher wages in Poland. They are not alone. In the past three years 36,000 Nepalese, 20,000 Indians and 18,000 Bangladeshis have moved to Poland. It is a big shift: Poland, a country of 38m inhabitants, had only 100,000 foreigners ... in 2011.

(Economist, 2020)

Because of how our world has changed, we can cross borders with our communication, our products, our services, and our creativity through technology, travel, lower tariffs, and human migration. Therefore, if we are living in a side-by-side global marketplace, then we

need global leaders who can identify and interact with people who have different norms, perspectives, and ideologies. Leading people is hard enough when dealing with personality styles, work preferences, and life experiences. But by adding an extra layer of complexity that comes with leading people across borders, you will be challenged by language differences and cultural values that guarantee the potential for misunderstanding and even failure. In a nutshell, we could define a global leader as someone who deals with complexity, uncertainty, and risk (Box 1.3).

### Box 1.3 Starbucks' China Club

In 2006, Starbucks started a "China Club" and enrolled 300 senior officials so that they could study Mandarin language and Chinese culture. When CEO Howard Schultz was interviewed by Piers Morgan (CNN's *Piers Morgan Tonight*) in the middle of 2011, Schultz explained that Starbucks had 900 stores in Greater China and 450 on the Mainland. He said:

I think given the opportunity and the size of what Starbucks could be in China, and the amount of Chinese Americans we have working for the company—someone came up with the idea to start a club in which we could understand with great sensitivity and respect the Chinese culture.  
(CNN, 2011)

*Asia Times* reported:

In Starbucks' headquarters in Seattle, a group of company executives meet regularly, but not to discuss new items on the menu or what marketing campaign should be adopted. Instead, their topic of conversation is China.

They are part of the "China Club," established by more than 300 senior company officials at the US coffee company. Learning to speak Mandarin recently became a new part of their routine.

Starbucks chairman Howard Schultz is one of the club members. "In our Seattle office there has been such great enthusiasm and excitement for Starbucks in China. If I am not traveling, I always try to be at the meetings," Schultz said. Although China accounted for less than 10% of Starbucks' US\$6.4 billion global sales in 2005, Schultz says the country will soon become the firm's largest market outside of North America. "We look at this market in terms of how quickly Starbucks has been accepted in just a few years. The market response has exceeded our expectations," Schultz said.

(*Asia Times*, 2006)

Learning a language is not only helpful when doing business abroad, it is critical to one's survival—not just on a day-to-day basis—but for credibility's sake as well. Even learning a small amount to show goodwill can go a long way to better cultural understanding and interaction.

As Starbucks grows within China, it focuses on communication needs and learning about Chinese culture as employees become engaged within the communities it serves. Whether abroad or within its own borders, Starbucks' vision is "To inspire and nurture the human spirit—one person, one cup and one neighborhood at a time." The company's vision includes being involved in the communities where there are stores. For example, they have several stores that use sign language as an inclusive means for hearing impaired people, which includes both the U.S.A. and Malaysia (Starbucks' Stories).

## A Rationale for Culture Learning

### What Is Culture?

In order to discuss intercultural communication, we must first define the concept of culture. Culture affects the norms of every group. These norms, or unstated rules, are the accepted and expected ways of behaving and interacting with other people. But culture is something that we don't always see. Culture is something that we learn. Starting from infancy, we are conditioned to act, react, and learn about how people in our world behave by watching them, conversing with them, and interacting with them. Culture consists of a group's communication patterns, how a group solves problems, and how a group perceives and passes on its shared values, beliefs, attitudes, and behaviors, including its perception of self, group, environment, authority, and power.

The word "culture" comes from the Latin, *cultura*, which means to grow or to cultivate. The closest meaning that the Romans might have attached to our understanding of group interaction would be *humanitas*, which was associated with human events and therefore culture. *Humanitas* is the engagement of one human being with another. Thus, knowing something about these roots can help us understand another person's worldview and the most basic assumptions they hold about others who might be different (*The Free Dictionary*, n.d.) (Figure 1.7).

Over the last century, key thinkers on culture, including anthropologists, sociologists, psychologists, communication specialists, and business experts, have attempted to define culture from various perspectives and frameworks. The notion of culture is so abstract and complex that there is no end to the number of ways to define this multifaceted human phenomenon.



**Figure 1.7** Aspects of culture

Source: Adobe Stock 212078471

### Some Definitions

Anthropologist Edward T. Hall says that culture is about how we communicate and that it is governed by hidden rules (the silent language and hidden dimensions) which are reflected in both language and behavior (Hall, 1959). Interculturalist Fons Trompenaars says that culture is reflected in how a group approaches problem solving (Trompenaars and Hampden-Turner, 1998). Social psychologist Geert Hofstede argues by analogy that culture implies a kind of collective “software of the mind,” learned over a lifetime of “programming” the way we do things (Hofstede, 1997). Clyde Kluckhohn and Fred Strodtbeck, anthropologists of the 1960s, construct their definition of culture around six dimensions that delineate cultural differences. Their framework focuses on value orientations that they believe all humans share in one way or another: environment, time, people, activity, responsibility, and space, which have become the basis for much of today’s research on intercultural communication (Kroeber and Kluckhohn, 1952).

Current definitions of culture abound depending on different disciplines. For example, the *systems* approach includes various elements of a culture and its society, such as knowledge, beliefs, customs, and habits. Viewing culture as a *patterns* approach looks at how a society would organize the behavior of its people with consistent patterns of thought and action that develop over time and are transmitted from one generation to the next. A *group-membership* perspective of culture is about how people identify and relate to others within their in-group and how they develop their sense of belonging. For the purposes of this book, culture will be defined as the values, beliefs, attitudes, and behaviors of a group of people (Baldwin et al., 2006) (see Box 1.4) (Tuleja, 2015).

## Box 1.4 The Building Blocks of Culture

### Values, Beliefs, Attitudes, Behaviors

#### Values

The most basic of those structures are our *values*: those fundamental, unmovable tenets that make us who we are and that shape all other structures in our attitudinal system. They’re a psychological assessment of those things, those concepts, and those ideas most dear to us. We acquire them at an early age from people we trust before rational thought begins to play a role in what we know and hold to be true. The world is a particular way for us because that’s what our parents, our teachers, our coaches, and our religious figures have told us. We’re not in a position to challenge such beliefs—we simply accept them for what they are. However, such values can (and do) change, but they do so slowly.

#### Beliefs

Values provide the basis for our *beliefs*: those truths we hold to be self-evident because they are based on our values. If friendship, for example, is a fundamental value for us, then we believe that genuine friends will behave in certain ways and will expect certain things of us. We, in turn, can expect certain things of them and will be more than willing to go out of our way to help our friends—because we believe in them. Beliefs consist of what is right or wrong; true or false.



### Attitudes

*Attitudes*, in turn, arise from and are consistent with those beliefs. It's a navigational term meaning orientation or position. Thus, an attitude gives some meaning and direction to our beliefs, serving as a guide to general thinking and our views of life over the near term. If a fundamental value of ours tells us that living a healthy lifestyle is important, then a consistent belief might be that smoking cigarettes isn't a good idea. The attitude that arises from that belief would tell us, for example, that we not only shouldn't smoke, but that we should encourage others—our children, our employees, and our friends—not to smoke.

### Behaviors

*Behavior* is the direct result of all these. It not only gives meaning and life to our more basic attitudes and beliefs, but it is the most visible portion of our system of beliefs. It may be hard to tell what a friend is thinking, but it's fairly easy to see what she or he is doing. We observe behaviors and infer the attitudes and beliefs that animate them. Behavior is often expressed in the form of an *opinion*: for the moment, at least, it's our opinion that we will vote for this person, dine at that restaurant, or purchase a particular brand. It's all subject to change, of course, and is less predictable than the underlying values, beliefs, and attitudes that support it.

(Tuleja, 2015, pp. 14–15)

Let's continue to explore the definition of culture from the perspective of Marshall Singer, an expert in international political analysis and intercultural communication. He makes an interesting point regarding culture:

[B]ecause no person is a part of all, and only, the same groups as anyone else and because each person ranks the attitudes, values, and beliefs of the groups to which he or she belongs differently, each individual must be considered to be culturally unique ... I am not arguing that every person is a culture unto herself or himself. Culture ... is a group-related phenomenon ... each individual in this world is a member of a unique collection of groups. No two humans share only and exactly the same group memberships, or exactly the same ranking of the importance, to themselves, of the group membership they do share. Thus, each person must be culturally unique.

(Singer, 1987, p. 3)

However we choose to define culture, it is about looking beyond our own cultural habits and biases (we will discuss this in Chapter 2) and trying to grasp the fact that everyone has different values, beliefs, attitudes, and behaviors. Culture is hard to define—it is like a puzzle—we piece it together bit by bit until we get the full picture.

The theatrical metaphor of “front-stage/back-stage” culture is helpful in explaining the elusive nature of culture (Varner, 2001). When we view a theatrical production, we are merely passive spectators observing the illusion of real events as portrayed by the actors on stage. While this can be enjoyable and entertaining, we miss out on all of the action going on behind the curtain. Perhaps we have read up on the playwright beforehand or know something about the play's theme and meaning. This understanding will surely help with the overall enjoyment of



**Figure 1.8** Frontstage/backstage culture

Source: Fotolia © Diego Cervo.

what is happening. But this isn't the full view. If we have any curiosity about theatrical workings, we might choose to go backstage after the curtain call and steal a glimpse of all the props and mechanical devices that go unnoticed throughout the production. Or, we might have the opportunity to become stagehands ourselves and learn the inner workings of how the production is fabricated. In essence, we are able to understand not only *what* is happening, but *why* it is happening because of our insider's view and understanding of what is going on behind the scenes. By going backstage, we have become participants. In sum, front-stage culture is *what* you see on the surface—the behaviors and practices, such as customs, food, dress, holidays, religious practices, symbols, and greetings to name a few. Back-stage culture is the "*why*" behind the "*what*" of the hidden dimensions of culture (Tuleja, 2008) (Figure 1.8).

There is a wonderful scene in the film *The Lion the Witch and the Wardrobe*, based on the book by C. S. Lewis, where Lucy meets the faun Mr. Tumnus. The meeting of this little girl and a mythical figure is quite endearing as each try to figure out the other:

"What are you—some kind of beardless dwarf?" asks Mr. Tumnus.

Lucy holds out her hand in a gesture of friendship and he is perplexed. Sensing his hesitancy,

Lucy says, "You shake it."

"Oh, but why?" replies the faun.

"Well, actually ... I don't know," says Lucy.

Culture is invisible to us—we don't realize that we do things a certain way, and when asked, we really don't know the *why* behind the *what*.

## Cultural Metaphors

Since we are on the topic of metaphors, we'll look at another one: the iceberg metaphor, which is the most popular rendition of culture. Most of an iceberg—90 percent—is submerged below the water line, so what we see is its tip (Bruneau, n.d.). Interculturalists will describe behavior

# The Hidden Dimensions of Culture

## Behavior

what we see, do, and hear; language, food, clothing, artifacts, etc.



## Attitudes

**what we think or feel about  
things; like or dislike**

## Beliefs

what we believe is right or wrong;  
true or false

## Values

**a person's principles or standards of behavior; what is important in life**



### Figure 1.9 Culture iceberg

Source: Fotolia, © Andrew7726.

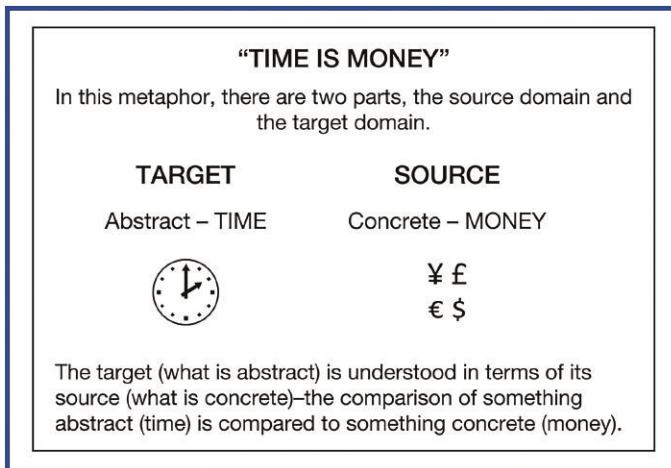
as being the tip of the iceberg. It is what we see most readily—nonverbal gestures, language, how people dress, the foods they eat, and what customs they practice. But it is what is below the water line, what we can't see, that creates the challenge of understanding someone else's culture—the values, beliefs, and attitudes that support what people actually do. Understanding what is below the water line helps us begin to decode the *why* behind the *what* (Figure 1.9).

## Significance

A metaphor is a figure of speech that is representative of something else. Metaphors help us compare one thing to another—they are figurative comparisons, and like mental schema, can help us make sense out of something abstract or unfamiliar. Metaphors are abundant in human communication exchanges and we take them for granted, unaware of how much we use them. Metaphors help us make sense of common experiences and when we use them our understanding is automatic as long as we understand the connotation behind them. Every language has the possibility of containing innumerable idiomatic expressions, which lends to the creativity of how we use language (Lakoff, 1993).

Metaphors are powerful meaning-making devices and there has been a significant amount of scientific research dedicated to understanding them. We use metaphors more than we realize in our everyday life. Such metaphors are conceptual devices that aid us in transferring abstract ideas into concrete understandings. We are told that:

- Metaphors structure thinking.
- Metaphors structure knowledge.



**Figure 1.10** Conceptual metaphor

Source: Author.

- Metaphors are central to abstract language.
- Metaphors are grounded in physical experience (Deignan, 2005).

## What We Can Learn

When we encounter something new, unfamiliar, or confusing, we automatically make assumptions about our experiences by applying them to more concrete concepts. In this sense, metaphors can actually shape our perception and communication. For example, we use the saying, “time is money.” Time is abstract but money is concrete. We understand this intuitively and could also say, “Don’t *waste* my time,” “I don’t *have* time,” or that someone is “living on *borrowed* time” (Deignan, 2005) (Figure 1.10). Using such metaphors instill in us a sense of urgency and a feeling that we must be careful when dealing with time.

The scientific study of the theory of conceptual metaphor has determined that metaphors aren’t simply rhetorical devices but conceptual tools that are linked to our thoughts, perceptions, and understanding. In other words, we use metaphors to help conceptualize our experience—and the concepts we use help to structure how we perceive and relate to everyday life. Metaphor analysis is a starting point for understanding culture’s influence on who we are and how our societies function, by providing insight into understanding the elusiveness, complexity, and paradoxical nature of culture (Kövecses, 2005). For an in-depth examination of how cultural metaphors can help us understand cultural aspects of national cultures, there is an engaging book, *Understanding Global Cultures: Metaphorical Journeys through 34 Nations*, by Gannon and Pillai (2015).

## Historical Foundations of Intercultural Communication

### Understanding the Field of Management’s “Four Legs”

Why the study of communication and business? If you think about the fields of management or leadership—and this book *is* about management and leadership from a communication perspective—it is a combination of several fields that make it what it is (anthropology, sociology,

## Foundations of Intercultural Communication

psychology, and communication). Let's break down these fields of research in the social sciences in order to see why communication in business is critical to one's ability to both function and succeed as a manager or leader:

- Anthropology: is about the study of human nature—both past and present—and it builds on knowledge from the social, biological, and physical sciences.
- Sociology: examines social behavior that enlightens us about how people act and change within society over time.
- Psychology: involves the study of mental functions, feelings, and behaviors.
- Communication: provides insight into the processes of human communication—how we create and decipher meaning.

So, in business when we interact with and manage people, we are employing all four of these sciences combined. In order to be effective we need to understand human nature, social behavior, mental behavior, and how we use communication to interact with others. Think of the fields of management or leadership as being the seat of a chair and the four legs (notice the metaphor used here) are these four streams of inquiry that support it—without these four legs, there would be no management or leadership!

## Edward T. Hall

All of these fields of scientific inquiry had key thinkers who contributed to our understanding of the human condition:

- Franz Boas, Margaret Mead, and Ruth Benedict: anthropology.
- Karl Marx: sociology/economics; Sigmund Freud and psychology.
- Charles Darwin: biology/ethology (study of animal behavior and then human social organization from a biological perspective).
- Edward Sapir and Benjamin Whorf: linguistics.

These key figures all had an influence on Edward T. Hall, who is credited with beginning the field of intercultural communication. Hall was an anthropologist who lived in the multicultural state of New Mexico and worked with the Hopi and Navajo tribes.

Because of his diverse experience growing up in the Southwest and Midwestern parts of the United States as well as in Europe, his work focused on decoding what he coined as the “hidden dimensions of culture” (Hall, 1992). After World War II (having been deployed to the Philippines and Europe), he worked for the State Department and trained Foreign Service officers en route to developing countries. Hall's main teaching (based upon his research) about how different people groups view time, space, and relationships—was unheard of at that time—and quite controversial. Hall took what was theoretical (as in the discussion above) and made it practical upon writing his book *The Silent Language* (1959), which has led to this interdisciplinary field. Today, the Foreign Service Institute requires his readings for all recruits.

Intercultural communication is about using communication with people who are different from us. It is about how we use our collective or individual efforts; how we use power; how we interpret time; how we define social identities; how our worldviews affect perceptions; how we persuade, negotiate, and deal with conflict. The common denominator of culture is the human condition—the variable is the mindset—or frame of reference of the individual or group of people and how they have been programmed to behave based upon the influences of culture.

## Defining “Intercultural,” “Cross-Cultural,” and “International”

Now that we have clarified the meaning of culture and looked at the foundations of intercultural communication, it's important to make some distinctions. When we talk about intercultural communication, cross-cultural communication, and international communication, these terms don't mean the same things but are often used interchangeably.

*Intercultural* communication is the communication exchange between people who are different culturally—it examines how the specific cultural differences affect the interactions of the people engaged. For example, if you are from São Paulo and your colleague is from Singapore, the interaction would be intercultural because the communication strategies each person uses are different based upon their cultural background. The focus is on the individual as the unit of analysis.

*Cross-cultural* communication isn't about the interaction of people from different cultures communicating, but the *comparison* of their differences across culture. So, if we look at our communicators from São Paulo and Singapore, and compare their communication patterns, we would be talking about a cross-cultural comparison. The study of cross-cultural communication comes from anthropology and is usually comparative in nature (Gudykunst and Mody, 2002).

*International* communication (global communication/transnational communication) comes from the increasing influences of globalization. It also involves the interaction of people from differing cultures, but it is focused on macro issues, such as governmental or political influences that affect the communication processes as people interact with each other across borders. For example, what is the government's influence on the process of people communicating from São Paulo and Singapore? International communication is about the power, politics, and processes of one nation influencing another. This type of communication originally comes from the study of international propaganda during World Wars I and II. The unit of analysis is therefore dependent on the country, the organization, or world systems (Gudykunst and Mody, 2002) (Box 1.5).

### Box 1.5 Is It “Intercultural” or “Cross-cultural?”

The terms “intercultural” and “cross-cultural” are often used interchangeably. One anthropologist, William Gudykunst, has made this distinction: intercultural involves communication *between* people from different cultures (examining the specific cultural characteristics of the people engaging in interaction). Cross-cultural involves comparisons of communication *across* cultures (examining the behavior of multiple cultures). The difference is between *interactions* and *comparisons*.

(Gudykunst and Mody, 2002, p. 34)

Many of the same principles and concepts of multiculturalism and diversity are similar to issues in intercultural communication (Beamer and Varner, 2010). However, multiculturalism deals with issues primarily regarding race, ethnicity, and gender in the fight against prejudice, bias, and discrimination that affect people who aren't in a position of privilege or power. In this book, we will examine national cultures—the norms of large groups of people and how those values, attitudes, and beliefs shape behaviors—in order to understand the differences that exist. As we will discover in the following pages—the issues of individualism or collectivism; power

and authority; or our perceptions—all affect how we view others, communicate, persuade, and negotiate. This book focuses on multiple dimensions of dealing with differences among people from many nationalities (Box 1.6).

## Summary

### Putting Things into Perspective

So why does this matter? Isn't this discussion rather academic and what does it have to do with the business professional? All of our learning comes from somewhere and it is important for the business person to understand the strong foundation of theories and concepts that support what happens during the communication process. As human beings we must interact with people who are different from us and, as this chapter has demonstrated, this is a challenging task.

In this chapter we have specifically examined why culture is important in business contexts and how rapid globalization is creating a cultural imperative for greater cultural competence. We looked at the history of the field of intercultural communication in order to demonstrate its importance in the business world. We also discussed what culture is and some of its definitions so that we can begin to take what is rather abstract and make it concrete for daily use. As we wrap up this chapter, it will certainly prove useful to provide some vivid examples of what our world looks like.

UNICEF provides us a personal and purposeful definition of globalization by looking at the global citizen: "Someone who understands interconnectedness, respects and values diversity, has the ability to challenge injustice, and takes action in personally meaningful ways" (n.d.). This definition personalizes what it means to be part of such a big world. It isn't just about trade, technology, and tariffs. Yes, the world is small because we are more interconnected than ever, but more importantly, globalization is about the fact that people matter.

In 2011 the world's 7 billionth human being was born. Compare this with 1968, when there were half as many people (7BillionWorld.com, n.d.). Today, there are more than 7.8 billion people on the earth (Worldometer). That is an 11 percent increase in less than a decade. By 2030 predictions estimate 8.5 billion, creating a 9 percent increase (United Nations, 2019).

### Box 1.6 Graphic Representation of Our 7 Billion+ World

For graphic representations of our huge population in a shrunken world, visit this website for some astounding facts: [www.7billionworld.com/](http://www.7billionworld.com/).

[www.youtube.com/watch?v=sc4HxPxNrZ0](http://www.youtube.com/watch?v=sc4HxPxNrZ0)

[www.youtube.com/watch?v=VcSX4ytEfcE](http://www.youtube.com/watch?v=VcSX4ytEfcE)

<http://ngm.nationalgeographic.com/7-billion>

It's hard to wrap one's mind around this, but an excellent visual is available at [www.7billionworld.com](http://www.7billionworld.com) and is worth viewing. If this visual was laid out flat for viewing purposes, it would be about 1 mile (1.6 km) high and 800 feet (250 m) wide! To put this in perspective, according to *National Geographic*,

- It would take 200 years just to count out loud to 7 billion.
- It would take you 7 billion steps to walk around the world 133 times.



- It would take 7 billion people shoulder to shoulder to fill the city of Los Angeles (469 square miles, 1,215 square kilometers (km<sup>2</sup>); LA has 4 million people).
- 7 billion people speak more than 7,000 languages and live in 194 countries.

The shrinking world has become a cliché in recent times because the world isn't shrinking; it has already shrunk! Because of the ease of travel, communication, and movement of goods, services, and people, globalization has created the need for greater competence when communicating across cultures. Whether we do business across borders or within our own communities, chances are that we interact with at least someone who doesn't share the same language, background, or worldview.

Interculturalist Marshall Singer believes that the goal for intercultural communication is not simply better communication; rather successful interaction with those who are different comes through better understanding of self in relation to others. Conflict and misunderstanding will always be a part of the human condition and, while we can never eliminate misunderstandings because of cultural differences, misperception is less likely if we are aware of the tacit subtleties that create the potential for conflict (Singer, 1987). And more importantly, it takes courage to be willing to learn about oneself in order to improve communication and interaction. It starts with being open to discovering your blind spots; then being willing to work on your weaknesses; and all the while having curiosity to propel you forward to make attitudinal and behavioral changes (Tuleja, 2018). Gandhi said it best, when he encouraged people to look within to change themselves while working together to make an impact.

We but mirror the world. All the tendencies present in the outer world are to be found in the world of our body. If we could change ourselves, the tendencies in the world would also change. As a man changes his own nature, so does the attitude of the world change towards him. This is the divine mystery supreme. A wonderful thing it is and the source of our happiness. We need not wait to see what others do.

(Gandhi, 1965)

Over the years, this quote has been condensed into a shortened version attributed to him: “If you want to change the world, start with yourself.” While Gandhi never actually said this, it captures the essence of his meaning.

## Box 1.7 Gandhi

Gandhi is telling us that personal and social transformation go hand in hand, but there is no suggestion in his words that personal transformation is enough. In fact, for Gandhi, the struggle to bring about a better world involved not only stringent self-denial and rigorous adherence to the philosophy of nonviolence; it also involved a steady awareness that one person, alone, can't change anything, an awareness that unjust authority can be overturned only by great numbers of people working together with discipline and persistence.

(Morton, NYT, 2011)

The goal of this book is to help you develop your leadership potential—by understanding the critical impact of culture on communication and social interactions—for more successful intercultural interactions. This book isn't a quick fix with instant recipes for do's and don'ts of culture; rather it is a road map that you can spread out on your table to study, to contemplate, and to choose your best route.



We will examine the basic foundations of culture learning by looking at culture-general concepts in order to apply them to culture-specific situations. Our aim is to help you cultivate an awareness of yourself, of others, and to acquire and use information that will equip you to take action every time you interact with someone who approaches life differently because of their values, beliefs, attitudes, and behaviors.

The next example examines a point of view about how to work in a team where the leader is treated a certain way. After reading, take some time to reflect on the workplace values, beliefs, attitudes, and assumptions of the role and function of leaders in your country. What can you learn from this?

# In My Own Words 1: Cross-cultural Experiences of People from Around the World

## Project Management in Germany and the Netherlands: Machine vs. Network Cultures

By Brigitte Opel, Consultant for Intercultural Communication and Leadership, used with permission

### My New Career

When I started my corporate career at the age of 28, I had already traveled extensively and lived and worked in countries on four different continents. My main motivation was that I wanted to experience the cultural differences first-hand in all these places. So, when my employer suggested that I move from my home country of Germany to the Netherlands, I expected to experience few surprises. After all I thought, the Netherlands is just another country in Western Europe. That was the full extent of my preparation for living in the Dutch culture.

As the first few months went by, I explored my new neighborhood, learned the language, and submerged myself in the pan-European project to which I was assigned. Quite quickly I was promoted to project leader even though my Dutch was not fully up to speed. This promotion led to my first surprise as it clearly had cultural ramifications. Dutch culture prefers everyone to be at the same level with no one higher or lower than another. Since a leadership position means that a person must assume a superior position compared to the others, colleagues, in turn, would do anything to bring that person back down to earth. As a result, people hesitate to take a lead role, even if they are assigned project leader.

### Mental Images

Cultures can be described by mental images (Wursten, 2019), which is a creative way that considers the six cultural dimensions (Hofstede, 1997) interaction with each other (power distance, individualism, masculinity, uncertainty, time orientation, indulgence). For example, Network cultures consist of Scandinavia and the Netherlands where everyone is involved in decision-making (highly individualistic “feminine” societies with low power distance (see Chapter 4 for a complete discussion of these concepts). Machine cultures (Germany, Austria, Czech Republic, Hungary) seek balance regarding procedures and rules (low power distance and high uncertainty avoidance).

### Different Expectations of Leadership

Being German I have grown up to appreciate leadership and if there is a leadership void, I would try to fill it. In this instance the appointed project leader failed to fill the role as strongly as I would have expected. So, I tried to introduce a few changes in the project as diplomatically as my German language would support, and I found myself in the lead role. Since no Dutch colleague would question or challenge my role, I had a great time pushing the project forward.

However, every now and then a remark would be made (that was supposed to be disrespectful) just to remind me that I wasn't any better than the others in order to bring me back to the same level: pointing out that my watch wasn't any better than theirs as it showed that exact same time. I remember being bewildered by these remarks but didn't take them personally. Just to be on the safe side, I checked with my colleagues to make sure that the project plan and approach were generally accepted.

### Consensus versus Procedure

The next surprise came when a technical decision had to be taken regarding the project. In Germany I would talk to the experts in the specific area to gather their expertise and experience in order to prepare a list of pros and cons. Next, I would organize a decision-making meeting with all the stakeholders to make sure they were sufficiently prepped. Finally, I would create a detailed presentation covering all the relevant points in order to reach a decision at the end of the meeting.

I followed this course of action for one particular decision-making meeting in Amsterdam. I talked everybody through the pros and cons that I had listed in my presentation and asked the stakeholders for a decision. Their reaction was to ask whether I had also consulted the IT architect on the third floor. I was flabbergasted! This IT architect was not involved in the project and his field of expertise was not relevant to the proposed change. However, they insisted that he might have an opinion about the change and maybe have some valuable input that should be considered.

In order to proceed swiftly I consulted with the IT architect, and he was happy that he was asked but had no further input. In the following decision-making meeting, I again covered the pros and cons, this time a bit quicker than the first, only to reach the question of whether I had asked the process specialist on the fourth floor for his input. Once again, he was not involved nor affected by the change; however, in the Netherlands a decision can only be taken if everybody who might have an opinion, or any useful input, has been consulted.

In this style of process, a decision is "formed" rather than taken. The options are weighed, the various aspects considered and checked, and the possibilities continuously shaped until one solution emerges. This consensus process usually takes longer than decision-making in Germany, which is based on weighing benefits and risks, but it does make sure that everybody knows about the change when the outcome becomes clear and any actions have to be taken. As the decision-making resembles more of a growth process by the entire group than an action by an individual, nobody can be held accountable for the decision. So, if you want to re-evaluate or double-check the decision, you might have to involve the entire group again.

### Time for a Decision

In the end we had reached a decision and it was time to take the actions to implement the plan. Since the change had been discussed with the entire project team (and all the experts on the third and fourth floor!), I thought that everything would run smoothly once I announced the agreed change. A few weeks later, I asked the developers for a status update. They replied that they had gotten the first version nearly ready when they happened to talk to someone else who had a different perspective and a suggestion on how to make this a much better solution. So, that was what they were working on now. I was lost for words!

In my world, a decision taken is sacred and meant to be implemented; you don't go about changing it just because someone mentions a different approach. If you want to change a decision in Germany, you convene with the entire decision-making group, re-evaluate the old and the new input, and come up with a new decision.

However, the Dutch are proud of their ability to fine-tune and improve decisions based on new insight, as they go along. They even have a word for it: "voortschrijdend inzicht," which means, "growing insights." In fairness, it probably does ensure that decisions made are implemented correctly, work properly, will deliver the expected effect, and maybe even solve interconnected problems. However, it is a nightmare for any strictly organized project manager, which of course is what I was.

### Concluding Thoughts

Over time, I have learned to play the decision-making game the Dutch way. This involves a lot of walking around, chatting to various people, making sure that people can find you if they want to voice their concerns, and spending a lot of time at the coffee machine to make sure everyone has been heard and has provided his or her input. In order to avoid surprises during the implementation of a decision, I organized weekly status meetings with the entire project team. It was an opportunity for everyone to ask questions, share any new insights, re-consider the project plan, and discuss the next steps. The meetings had an agenda and minutes, just like a proper meeting, that could be shared with the larger team and the stakeholders so that we could also document and monitor overall progress.

My modified approach turned out to be a good combination of punctual German project management while satisfying the Dutch need for consensus.

### Questions for Reflection and Discussion

1. How does this essay fit into the overall theme of the chapter?
2. What were some of Brigitte's assumptions before working in the Netherlands?
3. What were some cultural differences (and similarities) working across German and Dutch cultures?
4. What were key takeaways for Brigitte from her crossborder experience?

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## Case 1

# Wal-Mart in Germany

## Corporate Formula Does Not Fit the German Culture<sup>1</sup>

### Abstract

In the United States, Wal-Mart customers are greeted with a smile, escorted to the item they're looking for, and watch their purchases being bagged by an employee. These aspects of Wal-Mart's culture were a complete failure in Germany, however, when the company expanded there in 1997. Wal-Mart also failed on other counts, such as recognizing the status of unions in Germany and the importance of store location. What eventually happened to Wal-Mart in Germany, and how could it have been prevented? What did Wal-Mart learn? This case examines the cultural mishaps of America's largest discount retailer.

### Introduction

Wal-Mart has become a household name in the United States, and in some parts of the world outside the United States. With low prices and a large array of products, Wal-Mart superstores have become the chosen "one-stop shop" for many consumers.

Germans, however, don't view Wal-Mart in the same way. In late 1997, Wal-Mart decided to expand into Germany by first acquiring two retailers for a total of 95 store locations. But Wal-Mart soon learned that its American model simply didn't work there. On so many levels and in so many ways, it was an abject failure.

## Brief Overview of Wal-Mart

Sam Walton and his brother opened the first Wal-Mart store in Rogers, Arkansas in 1962, generating more than \$1 million in sales during the first year of operations. Wal-Mart expanded quickly and, by 1967, the brothers owned 24 stores with sales over \$12.6 million. The company incorporated in 1969 and was listed on the New York Stock Exchange two years later. Focusing operations in small towns, in 1977, the company expanded into Michigan and Illinois and by 1980 there were 276 Wal-Mart stores across the United States (Wal-Mart Stores, 2016).

Today the company has expanded internationally and has more than 8,400 retail stores in 15 different countries and employs over 2.1 million employees across the world.

Wal-Mart opened with the intention of helping people save money on household goods and by doing so, helping to improve lives. Today the company continues to offer the lowest prices in most markets, relying on buying power with their strong supply chain. Recently, Wal-Mart focused domestic growth on the creation of supercenters, which has proved wildly successful. Additionally, the company has made significant strides toward becoming a leader in sustainability and corporate philanthropy, despite past criticism about labor practices and exploitation of suppliers.

## International Development

“All around the world we save people money, so they can live better. That’s good news—in any language.”—Wal-Mart Stores, Inc. (Arunmaba, 2011). In the United States, Wal-Mart customers cite low prices as the most important reason for shopping there. Its lean business model, plus the ability to reach historically high economies of scale, allow the company to dominate supplier networks.

Because of Wal-Mart’s market power in the United States and its domination of supplier networks, it can continuously drive down product prices. In addition, Wal-Mart sells a full range of household products and groceries, allowing customers the increasingly ubiquitous one-stop shopping experience.

In the early 1990s Wal-Mart announced plans to take their operations global due to tough competition in the U.S. markets and the opportunities available in new markets across the world. The company realized that the United States contained only 4 percent of the world’s population and that confining sales to the United States would significantly limit their ability to grow and dominate the market (ICMR, 2004).

To fulfill their global expansion goals, the company created Wal-Mart International which has grown into a \$63 billion business and is the fastest-growing part of the company (Landler and Barbaro, 2006). Most of Wal-Mart’s international growth comes from acquisitions, differing from their domestic strategy of building new stores. This has allowed them to penetrate new markets quickly and easily. Wal-Mart international operates in 15 markets, with a similar goal throughout—to maintain low prices by controlling cost procedures.

There are wholly owned operations in Argentina, Brazil, Canada, Puerto Rico, and the United Kingdom. In addition to its wholly owned international operations, Wal-Mart has joint ventures in China and several majority-owned subsidiaries. Wal-Mart’s majority-owned subsidiary in Mexico is Walmex. In Japan, Wal-Mart owns about 53 percent of Seiyu. In Central America, Wal-Mart owns 51 percent of the Central American Retail Holding Company (CARHCO), consisting of more than 360 supermarkets and other stores in Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica (Daniel, 2012).



## Expansion into Germany

Most U.S. companies begin their international expansion in the United Kingdom due to many perceived cultural similarities to the United States. In late 1997, Wal-Mart instead opted to begin in the German market by acquiring two German retailers, Wertkauf and Interspar. Wal-Mart purchased 21 stores from Wertkauf which offered food and general merchandise to customers in the southwestern side of Germany.

This purchase wasn't enough to fully penetrate the German market, so Wal-Mart acquired 74 Interspar stores in 1998, which increased the total number of Wal-Mart stores in Germany to 95, making Wal-Mart the fourth largest hypermarket retailer in Germany. Wal-Mart was attempting to implement its U.S. business model, characterized by low prices, location strategy, supply-chain management, and a corporate culture that highly values hard work, conformism, and friendly customer service (Gereffi and Christian, 2009).

Following the quick purchases, Wal-Mart realized that the cultures of the newly acquired companies were extremely different from the U.S.-based Wal-Mart culture, and the stores they took on weren't necessarily in the most convenient locations for customers.

In addition, Germany has stringent planning and zoning regulations, and thus Wal-Mart was unable to expand the stores' sizes to reach its economies of scale. Difficulties with local suppliers further perpetuated their logistics issues, so much so that suppliers delivering products to the distribution centers had to wait for hours to unload their cargo. This is an operational characteristic of the German distribution system that is quite different from the U.S. efficiency of lean operations.

Germany is the most price-conscious country in Europe and while Wal-Mart is known for their low prices in the United States, they couldn't generate the advantage of economies of scale necessary to be the low-price leader. Wal-Mart totaled only 95 stores, paling in comparison to their direct competitors Aldi and Lidl, both of whom have over 500 retail locations (Landler, 2006).

These factors made it impossible for Wal-Mart's U.S. business model to compete in Germany and the firm was unable to turn a profit. After years of struggling, Wal-Mart eventually halted their German operations at an estimated cost of \$1 billion.

## Problems and Reactions

After launching its international operations in Germany, it didn't take long for Wal-Mart to see that its company culture wasn't catching on, nor were customers increasing their shopping at the German locations. Wal-Mart hadn't fully understood the cultural traditions of retail shopping in Germany before entering the market, and as a result saw resistance to its stores. Wal-Mart was forced to rescind some of its policies to better fit the German business model. There were seven basic reasons for the cultural clashes.

The first reason was that in the United States, Wal-Mart has a greeter at the entrance to the store that is responsible for smiling and welcoming people into the store (Nussbaum, 2006). This practice flopped because Germans typically find smiles from strangers artificial. Some male shoppers even interpreted this smiling to be flirting (Landler and Barbaro, 2006). In order to adapt to this cultural difference, Wal-Mart was forced to remove this greeter position from its German stores. Similarly, the cheer that Wal-Mart workers in the United States typically do each morning was strange to German employees. The practice was discontinued as well.

A second reason was that in Germany, unions are particularly important, whereas Wal-Mart is used to being able to demonstrate and exercise its power rather than having to give in to pressures from outside sources. One of the biggest unions in Germany, the *ver.di union*, received many complaints about Wal-Mart regarding their lack of concern for the voices of the German



employees. Germany has many co-determination rules which allow employees to have a voice in management decisions and to participate, whereas Wal-Mart typically ignored the German employees' input, which could have prevented many of these misunderstandings in the first place. Additionally, the *ver.di union* complained that Wal-Mart didn't keep it adequately updated on store closings. In general, Wal-Mart didn't understand the expectations nor cooperated with the union to keep workers happy and motivated, producing a negative view of Wal-Mart among many Germans.

A third reason for misalignment came in 2005 when Wal-Mart released a new ethics code for its German employees. Unfortunately, the translations within the manual were far from perfect, and didn't clearly translate the message that Wal-Mart was trying to send. One section advised employees to take caution with supervisor–employee relationships, which the Germans interpreted as a ban on interoffice romance.

Another section of this code of ethics disclosed how to report unethical behavior of co-workers and was interpreted as how to tattle on fellow employees. These types of misinterpretations stemmed from miscommunication regarding cultural values in the workplace along with improper translations. As a result, this ethics code caused much discontent from the German employees (Ewing, 2005).

A fourth reason was that Wal-Mart found its brand name to be particularly important in the United States and used it to attract customers who knew it for its low prices and to build customer loyalty. Through its experiences in the German market, Wal-Mart came to realize that the Wal-Mart name wasn't as important to customers, and that this assumption had cost them greatly in terms of attracting and retaining customers (Bhan and Toscano, 2006).

A fifth reason was insufficient understanding of the location of stores. As a result, many of the supercenter stores were situated on the outskirts of town, in places that people could only reach by driving long distances, which was not typical of many city dwellers. These locations weren't convenient for German customers, and many found that they could get the same products for similar, if not cheaper, prices at a neighborhood location that was much more convenient.

A sixth reason for failure was that Wal-Mart initially copied their usual tradition by having employees bag the groceries at the end of each checkout lane. This practice was odd because the German customer didn't want a stranger touching their groceries. As a result, this practice became one more reason for Germans to choose to shop somewhere else (Landler and Barbaro, 2006). Additionally, store hours in Germany are usually shorter. Germans don't like to have to wander around a giant store looking for one thing, and didn't like help finding what they need, so the help of friendly Wal-Mart employees wasn't popular in Germany.

The seventh change that Wal-Mart tried to implement was centralizing its German headquarters. Wal-Mart shut down one of the headquarters early on, forcing employees to relocate in order to keep their jobs. While this is a normal occurrence in the United States, it's not in Germany and many of the top employees chose to quit rather than move. This resulted in Wal-Mart losing many talented executives due to its inability to cooperate and listen to employee needs (Landler and Barbaro, 2006).

As a result of so many of these clashes of culture, Wal-Mart didn't establish a good reputation among German customers or employees. Wal-Mart found that its stores in Germany were doing nowhere near as well as its stores in other markets mainly due to its lack of attention to cultural detail when originally implementing its plan. By the time Wal-Mart figured out its many mistakes and where they could improve, it was too late to recover.

## Outcome

Wal-Mart finally decided to exit the German market in mid-2006. It sold its 95 stores to the German company METRO AG, a big retailer in Germany. This sale resulted in a \$1 billion pre-tax loss (Zimmerman, 2006). This loss doesn't even include the millions, and possibly billions, of dollars lost in sales each year from futile efforts to succeed in Germany.

Despite its mistakes in Germany, Wal-Mart continues to try to expand into other international markets, particularly in China. Unfortunately, Wal-Mart's missteps in Germany were costly; however, hopefully it will force them to be more culturally sensitive in future expansions.

## Discussion Questions

- 1 Who was most affected by Wal-Mart's mistakes?
- 2 What sources or models could Wal-Mart use to research cultures and understand what strategies to use?
- 3 What considerations should Wal-Mart consider as it tries to expand in other countries?
- 4 In looking at the Iceberg Model, what were some of the values, beliefs, attitudes, and norms that affected business?
- 5 Knowing this, how could Wal-Mart have altered its international expansion strategy to account for these differences?

## Note

- 1 Authors: Chen-jun Yu, G., Langhamer, T., Powelson, S., Foosse, B., Ripple, M., O'Neill, B., and Tuleja, E. A. (Ed.) (2015).

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