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Cultural Differences in Business Communication

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There is no better arena for observing a culture in action than business. Cultures tend to reveal themselves in situations where much is as stake, because it is here that their resources are most needed. Marriage, family obligations, and such stressful experiences as illness and the death of a loved one bring out much of what is distinctive and fundamental in a culture. The same is true of business, because economic survival is at stake. Business practices are shaped by deeply-held cultural attitudes toward work, power, trust, wealth—and communication.

Communication is fundamental in business, because business is a collaborative activity. Goods and services are created and exchanged through the close coordination of many persons, sometimes within a single village, and sometimes across global distances. Coordination of this kind requires intense communication. Complex product specifications and production schedules must be mutually understood, and intricate deals between trading partners must be negotiated. Communication styles vary enormously around the world, and these contribute to a staggering variety of business styles.

Probably the single most useful concept for understanding cultural differences in business communication is Edward T. Hall's (1976) distinction of low-context and high-context cultures. It explains much about how negotiation proceeds, how agreements are specified, and how workers are managed. Yet this distinction, insightful as it is, is derivative. It is best understood as reflecting a more fundamental distinction between rule-based and relationship-based cultures, which is in turn grounded in different conceptions of human nature. The discussion here begins by showing how business practices reflect low-context and high-context characteristics, but it subsequently moves to the deeper levels to explore how communication styles are integrally related to other characteristics of the culture.

High and Low Context Communication

In high-context communication, the message cannot be understood without a great deal of background information. Low-context communication spells out more of the information explicitly in the message. Let's suppose I would like to drink some Löwenbräu Original beer with 5.2% alcohol content by volume. If I order it online, I specify all these details. This is low-context communication. If I am sitting in a Munich

biergarten, it may be enough to say, "*Noch eins, bitte*" ("Another one, please"). The waiter knows that I just drank a stein of Löwenbräu Original, or that customers who speak with a foreign accent nearly always want the city's most famous beer. Because my remark is meaningful only in context, it is an example of high-context communication.

As a rule, cultures with western European roots rely more heavily on low-context communication. These include Australia, Canada, New Zealand, and the United States, as well as much of Europe. The rest of the world tends toward high-context communication. Naturally, high-context communication can occur in a low-context culture, as the German *biergarten* illustrates. Communication within a family or close-knit group is high context in almost any part of the world. Conversely, low-context communication is becoming more common in high-context cultures, due to Western influences and a desire to accommodate travelers and expatriates.

One of the more obvious markers of a low-context culture is the proliferation of signs and written instructions. If I step off the train in Munich, there are signs everywhere to direct me to the taxi stand, public transportation, ticket offices, tourist information, and lavatories. Detailed street maps of the area are mounted on the walls, and bus and tram schedules are posted. In much of the high-context world, there is little such information. Nonetheless everyone seems already to know where to go and what to do. Much of what one must know to operate is absorbed from the culture, as if by osmosis. In these parts of the world, my hosts normally send someone to meet me on the platform, partly as a gesture of hospitality, but also because they are accustomed to providing information through a social context rather than impersonal signs. I am much less likely to be greeted in a German airport or station, not because Germans are inhospitable, but because they transmit information in a different way.

It may appear that low-context communication is simply an outgrowth of urbanization and international travel, rather than a cultural trait. These are certainly factors, but there is an irreducible cultural element as well. The smallest town in the United States carefully labels every street with a street sign and numbers the buildings consecutively, even though practically everyone in sight has lived there a lifetime and can name the occupants of every house. Yet very few streets in the huge city of Tokyo are labeled or even have names, and building numbers are nonexistent or arranged in random order. The United States and Japan are perhaps the world's most extreme cases of low-context and high-context cultures, respectively.

International travel and migration likewise fail to explain low-context and high-context behavior, even if they are factors. It is true that international airports are now well signed in most of the world. Yet there are few areas with a more transient and multicultural population than some of the Arab Gulf states, in which perhaps less than twenty percent of the population is indigenous. Communication nonetheless remains largely high context. Local authorities may post directional signs at roundabouts, in an effort to accommodate Western tourists and expatriates, but these are remarkably useless—no doubt because the local people never rely on signs and therefore do not really know what it means to navigate by them.

Regulating Behavior

Low- and high-context communication styles are, at root, contrasting approaches to regulating behavior. One way to identify a low-context culture is that behavior norms are often communicated by putting them in writing them rather than through personal enforcement. If I am not supposed to enter a particular area or smoke there, posted signs will let me know. In a high-context culture, there may be no signs, but a guard or employee may accost me if I break any of the rules. I may take offense at this, because in a Western country, being called down for bad behavior implies that I should have known better, and I normally cannot know better unless someone writes down the rules. But in high-context cultures, being corrected by other persons is a normal procedure for regulating behavior.

Whereas Westerners live in a world of rules and instructions and are lost without them, many others live in a social context. A Western or international airport is full of signs and display screens that direct passengers to the correct check-in counter and gate, update departure times, and so forth. However, if I enter a crowded departure lounge in a regional, non-Western airport, I may find no signs or displays to indicate which gate corresponds to which destination, or if the displays exist, they may be blank or incorrect. Airline employees standing at the doorways may announce the flights, but they are inaudible in the din. Somehow, everyone knows where to go. They pick up cues from the people around them. For example, they may have unconsciously noticed who was in the queue with them when they checked in, and gravitated toward these same people when they reached the departure lounge.

There are clear implications for business communication. A manager in New York City transmits behavior norms through employee manuals and official memos. Employees who want a week off, for example, are expected to consult these sources, or perhaps their employment contracts, for whether they are entitled to a holiday. They follow prescribed procedures for filing a request, which is granted according to company policy. How employees make use of their holiday is of no consequence. In fact, managers typically want as little discretion as possible to evaluate the merits of the case, because they feel more comfortable applying rules than exercising personal judgment that they may have to defend. Employees in Bogotá, by contrast, will more likely approach the boss, or a friend of the boss who can plead their case. They will explain how important it is to attend a niece's wedding in Miami or grandfather's funeral in Buenos Aires. The boss is willing to make such decisions, because this is what it means to be a boss. Ironically, it may also be necessary to follow bureaucratic procedure that is even more tedious than in New York City, but the request is ultimately granted on the basis of personal decision. The role of bureaucracy in high-context cultures is an interesting issue and will be taken up later.

Because company norms in a high-context culture must be communicated personally, close personal supervision is essential. Rules that are not personally enforced may be seen as non-binding. The company may not want employees to use company cars for

personal business, but a failure to monitor vehicle use may be interpreted as granting them permission. A similar principle applies in education. The instructor may tell students not to copy homework solutions from their classmates and state this policy clearly in the course syllabus. Yet if it is easy to copy solutions without getting caught, the students may feel free to do so. They reason that if the instructor really cared about copying, he or she would not allow it to occur.

Contracts

The difference between low- and high-context communication is particularly evident in the area of contracts. Western contracts are marvels of thoroughness. So simple a transaction as renting a bicycle for a day may require three pages of fine print to spell out how to deal with every possible contingency. Once a contract is signed, there is no flexibility in the terms unless both partiers agree to renegotiate. If a party fails to deliver, the legal system is expected to enforce compliance.

Contracts in high-context societies have a different character, for two reasons. One reason traces directly to the high-context nature of communication. It is not necessary to write everything (or perhaps anything) down, because mutual understanding and a handshake suffice. When there is a written contract, it may be more a memorandum of understanding than a binding legal document. Because the terms are vague, there is room for adjustment as the situation develops. As for compliance, the parties are more likely to rely on a pre-existing trust relationship than a legal system.

A second reason for the lack of detailed contracts is that the very idea of a contract is central only in certain cultures, primarily those historically influenced by the Middle East. A Westerner, for example, sees doing business as synonymous with making deals. The idea of a covenant is fundamental to the culture and even governs the relationship between God and humankind in the Christian Old Testament. In a Confucian culture, by contrast, doing business is primarily about developing personal relationships. These can be based on family or clan connections, or on relationships of mutual obligation popularly known as *guānxì* (a Mandarin Chinese word for “connection”). Business plans develop along with the relationship rather than through formal communication in written contracts. Managers may draw up contracts to please their Western business partners, but one should not be surprised if they want to alter the terms the day after the document is signed. Why enslave oneself to a piece of paper, when the world constantly changes?

Negotiation and Decision Making

Every cross-cultural business manual cautions Western negotiators that, in much of the world, “yes” does not necessarily mean yes, and “maybe” can mean no. “Yes” can be a way of indicating that one understands or acknowledges a proposal. If the proposal is unsatisfactory, the response is likely to be indirect, perhaps consisting of such statements as, “we will think about it,” a period of silence (as in a Japanese setting, where silence can have other meanings as well), or simply a failure to pursue the matter in subsequent meetings.

This kind of indirect speech relies on high-context communication to get the message across, but there is more involved than simply a tendency to engage in high-context communication. There is a desire to save face or otherwise avoid giving offense. Indirect speech occurs generally in situations where parties may disagree, not only in negotiation, but also when a decision is being discussed or conflicts must be resolved. Westerners tend to be frank in such settings. Parties who disagree state their views openly, because their differences are resolved by what are regarded as objective standards. The winning view is the one backed by the stronger argument, spreadsheet calculations, or the logic of market forces. The losers may find their predicament unpleasant, but they are expected to subjugate their personal feelings to objective criteria.

In much of the world, however, there is no such faith in objectivity. Life revolves around human relationships rather than what are seen as universal rules of logic. Because there is no independent standard by which to resolve conflicts, it is important not to give offense in the first place. Such scruples may not apply during transient interactions with strangers, as when bargaining in a street bazaar. But when dealing with business associates with whom one must maintain working relationships, it is necessary to preserve harmony through deference, courtesy, and indirection.

One result of this dynamic is that business meetings tend to serve different purposes in different parts of the world. In low-context cultures, meetings provide an occasion for the company to consider pros and cons and perhaps even arrive at a decision on the spot. Participants in the meeting are expected to express their opinions openly, provided they back up their views with facts and arguments. In high-context cultures, deliberation and decision-making tend to take place behind the scenes and at upper levels. A meeting might be an occasion to announce and explain the decision.

As for negotiation, the very concept, at least as it is understood in the West, may be problematic in a relationship-based culture. It may be seen as a form of confrontation that undermines harmony. Westerners view negotiation as a poker game in which players can lose without hard feelings, as long as everyone plays by rules that are somehow writ in the sky. Yet when no such rules are acknowledged, and only human relationships are recognized as real, it is best to foster these relationships and build trust. If there is common ground for business, it will develop along with the relationship.

Confrontational bargaining can be appropriate in high-context cultures, but again, only in such settings as a street market, and not between colleagues. High-context communication remains part of the picture, but it has a different purpose. The object is not to avoid giving offense but to arrive at a price with as little information exchange as possible. As a Westerner, I may regard “haggling” as a waste of time, because I believe the price should be dictated by the logic of the market. However, if there is no well-defined market price, a price below my maximum and above the seller’s minimum must somehow be arrived at. This is impossible if I reveal my maximum and the seller reveals her minimum, because I will insist buying at her minimum, and she will insist on selling at my maximum. Bargaining tends to be a ritualized activity that reveals just enough

information about the seller and me to allow us to identify a price in this range, or discover that there is no mutually agreeable price. Hand and facial gestures, tone of voice, and walking out of the shop can signal intentions that are not explicit in verbal comments. Westerners often ask how they should bargain in a traditional market, but it is impossible to say in general. The conventions are very specific to the culture and must be learned over an extended period, perhaps by going to market with one's parents.

One-on-one bargaining of this kind can actually be more efficient, in an economic sense, than low-context Western commerce that explicitly reveals an equilibrated market price on a price tag or web site. Negotiation may discover a price on the seller and I can agree, allowing mutually beneficial trade to proceed, even when one of us is dissatisfied with the market price and no trade would occur in a fixed-price system. In fact, some recent online auctions and trading are beginning to resemble traditional practices more than transparency-based Western commerce.

Relationship-based and Rule-based Cultures

This is a good point at which to examine the cultural mechanisms that underlie high- and low-context communication styles. They may be roughly categorized as *relationship-based* and *rule-based*. Each is associated with a suite of practices that regulate interpersonal relations and deal with the stress and uncertainty of human existence. This deeper perspective allows one to understand business communication patterns that are not fully explained as deriving from high- and low-context communication styles.

Behavior in relationship-based cultures is regulated through close supervision by authority figures. This requires that authority be respected, and it therefore resides in persons with whom one has significant relationships, such as parents, elders, bosses, or even departed ancestors. Improper behavior is deterred by shame, loss of face, punishment, or ostracism. Because the authority figures are close at hand and form an integral part of the social environment, behavioral norms are usually implicit in the cultural situation and need not be spelled out explicitly. Relationship-based cultures therefore tend to rely on high-context communication.

Behavior in rule-based cultures is based on respect for rules. This is not to say that rule-based cultures have rules and relationship-based cultures do not; both do. Rule-based cultures are distinguished by two characteristics: (a) people respect the rules for their own sake, while rules in relationship-based cultures derive their authority from the persons who lay them down; and (b) compliance with rules is often encouraged by guilt feelings and fear of punishment if one happens to be caught violating the rules, rather than shame and constant supervision. Because personal relationships are relatively unimportant in the enforcement of rules, the rules tend to be spelled out explicitly, and people are taught to pay attention to them. The result is low-context communication. One can now begin to see why high- and low-context communication styles are, at root, contrasting approaches to regulating behavior.

The distinction of relationship-based and rule-based cultures also underlies differences in negotiating styles. The frankness of rule-based cultures is possible because of an underlying confidence that rules have objective validity and can therefore serve as a basis for resolving disputes. The absence of such confidence in relationship-based cultures requires that they fall back on courtesy and face saving.

Relationship- and rule-based mechanisms deal with the stress and uncertainty of life as well as regulate behavior (Hooker 2003). Family and friendship ties provide a sense of security in relationship-based societies. Loyalty obligations to family and cronies are therefore strong and may take precedence over one's own welfare, but it is loyalty well invested, because these institutions provide a refuge in difficult times.

The ruled-based stress management mechanism is less obvious but equally fundamental to cultural success. Because social control does not rely so totally on personal relationships, these tend to weaken, and people must seek security and predictability elsewhere. Fortunately, the very rules that regulate behavior provide a basis for imposing order and predictability on society as a whole. The search for universality also leads to the discovery of scientific laws, which provide a basis for engineering the environment for even greater predictability and control. Rule-based peoples therefore turn as much to the system around them for security as to family and friends, or even more so. The systemic resources range from advanced medical technology to deal with disease to legal systems to resolve disputes.

Transparency

The issue of transparency comes to fore most obviously in finance and investment, and it likewise reflects an underlying orientation toward rules or relationships. Western-style investment places a premium on publicly available information. A capitalist may invest in family members or friends, but this is not the general pattern and may cause more strain that the relationships can bear. It is also argued that capital markets are more efficient if money can flow from any investor any firm that can use it productively, rather than being restricted by personal connections. Investors must therefore have access to publicly available information about the condition of a firm and its plans for the future.

These conditions give rise to the Western business world's most distinctive form of communication, the accounting statement, as well as such documents as the prospectus and the annual report. All rely on strongly rule-based activities and are therefore possible only in rule-based cultures. Accounting, in particular, relies on an entire profession that develops intricate reporting standards in the form of Generally Accepted Accounting Principles (GAAP) and certifies its practitioners with grueling examinations. Prospectuses and corporate annual reports are regulated by law to ensure transparency.

Investment in a relationship-based society typically occurs through pre-existing trust relationships. The phenomenal growth of the Chinese economy in recent decades, for example, has been fueled largely through family-based investment, much of it coming from overseas Chinese communities in Canada, Indonesia, Malaysia, and North America.

Investment can follow *guānxì* relationships as well. The process is anything but transparent, and financial statements are of secondary importance. It may even be insulting to one's business partners to ask for them.

One must not assume, as is often done in the West, that transparency-based investing is necessarily superior. Both systems can generate spectacular success, as witnessed by Western economies on one side and the explosive growth of the Chinese and Korean economies on the other. Attempts to import Western-style finance can bring disaster, as demonstrated by the Asian financial crisis. Asian economies that converted quickly to Western-style loans and equity shares in the late 1990s lacked the cultural support for transparency. Loans and stock portfolios were poorly selected, and collapse was inevitable. Meanwhile, China and Taiwan largely averted the crisis by sticking primarily with traditional finance.

Transparency-based finance has the efficiencies already mentioned, but it tends to be unstable because it is prone to massive movements of capital (a key factor in the Asian crisis) and relies on sometimes fragile public institutions to implement its rule-based structure. Relationship-based finance requires slow cultivation of trust, but it can be remarkably stable in the presence of institutional turmoil. China was the world's largest economy for eight of the last ten centuries (and will become so again in the present century), despite the succession of many dynasties and much political unrest.

Marketing and Advertising

One might expect global marketing and advertising to homogenize as business globalizes. There is mounting evidence, however, that this is not the case (Dahl 2004, De Mooij 2003). One might also expect demand patterns and advertising content to become increasingly Westernized in populations of growing affluence. Again, the reality appears to be precisely the opposite (De Mooij 2000). Marketing technology supports this tendency toward heterogeneity by allowing the delivery of different messages to many subcultures and market segments, even when they live amongst each other.

Although there is a tendency to associate Western marketing with mass advertising, there is a well established Western practice of "relationship marketing" in business-to-business commerce, and it can provide a doorway to culturally appropriate marketing elsewhere. Even here, however, business networking styles differ. Networking in the West often involves approaching strangers at a trade fair or cocktail party, and the relationship rarely develops beyond a casual acquaintance. Networking in a relationship-based business system works through pre-established connections with family and friends to cultivate new partners and build trust relationships.

A relationship-based style can be very effective for consumer marketing as well, even in the West, as for example when movies become popular through "word of mouth." This approach is particularly appropriate in high-context countries where people are extremely well connected, and word can spread with remarkable alacrity.

Mass consumer marketing is relies on low-context communication and for this reason alone is unnatural for relationship-based cultures. People in these cultures traditionally prefer to take advice from someone they know and trust than from impersonal advertisements. Most of the world is now accustomed to mass advertising, but the legal infrastructure for regulating its content and accuracy may be much less effective than in rule-based cultures.

When Western-style mass advertising is used in high-context cultures, one must obviously take care that it conveys the intended message. The background and context can embody more information than the verbal message, perhaps the wrong information. This is not only due to a general sensitivity to high-context communication, but to the generally larger role of symbols in many non-Western cultures. Symbolism is at work in all cultures, as emphasized by Clifford Geertz (1973), in the sense that practices and institutions have meaning beyond themselves. But most world cultures are more alert to symbolic meaning than Western European and North American cultures, which are more sensitive to visual impressions. Thus certain colors may be chosen in a Western advertisement to give it the right kind of look, while in much of Asia colors powerfully symbolize abstract qualities—red for happiness and marriage, white for mourning, blue for immortality, and so forth. The Japanese present an interesting exception, because they are as visually oriented as the French (which may help to account for the French fascination with things Japanese), to the point that the appearance and layout of a Japanese meal are more important than the taste.

Conceptions of Human Nature

The distinction of relationship-based and rule-based cultures sheds light on why the former prefers high-context, and the latter low-context, communication. It explains the necessity of indirect speech and face saving in the former, and the preference for frankness and logic-based argument in the latter. To use the terms of Trompenaars and Hampden-Turner, it explains why relationship-based cultures are *particularist*, meaning that judgments are relative to the social situation, while rule-based cultures are *universalist*, meaning that judgments must conform to the universal standards.

It remains to be explained, however, why relationship-based cultures are willing to recognize the centrality of relationships, and rule-based cultures are willing to recognize the universal validity of certain rules. This can be accomplished by moving to a yet deeper level of analysis that recognizes differing conceptions of human nature. This maneuver will also justify the differing conceptions of power across cultures, which play an important role in business communication.

In relationship-based cultures, the unit of human existence is larger than the individual, perhaps encompassing the extended family or the village. Ostracism from the group is almost a form of death, because one does not exist apart from one's relatedness to others. In the Confucian ideal, for example, taking care of parents and grandparents comes first, followed by caring for one's children, and only then oneself. Bantu cultures identify individual welfare with that of the village. The greeting ritual of the Shona people, for

example, begins *Maswere sei* (How is your day?), to which the response is *Ndiswera maswerawo* ("My day is OK if yours is"). The principle is not simply that loyalty to the group entitles one to loyalty from the group. Loyalty to the group is loyalty to oneself. Neglecting other members of the group is like neglecting parts of one's body. The most extreme example is perhaps the pantheistic doctrine of Hinduism, which regards all minds as manifestations of a single underlying *atman*. The centrality of relationships in relationship-based cultures therefore has an ontological basis, specifically in communal conceptions of human existence.

Because relationships are fundamental, social control is exercised through relationships. Certain figures must have inherent authority over others to whom they are related, much as the head has authority over the body. Parents have authority over children, husbands over wives, older siblings over younger siblings, village elders over their neighbors, and so forth. This gives rise to a *high power distance* culture, in which the subordination of some people to others is accepted, even by subordinates, as natural and inevitable.

Rule-based cultures regard human beings as autonomous individuals. Autonomy means in part that no individual has natural authority over another. Social cohesion therefore demands that there be some authority that is apart from any individual. Originally this was the godhead in the monotheistic theology that so heavily influenced the West, but because the godhead was understood as a lawgiver, the conception evolved into governance by universal rules of conduct. The Greek conception of individuals as rational beings reinforced this solution by allowing the rules to be understood as self-justifying because they are inherently logical. The centrality of rules in rule-based cultures therefore has an ontological basis, namely the conception of human beings as autonomous, rational individuals.

Due to the fundamental equality of autonomous individuals, rule-based cultures tend to have *low power distance*, meaning that no individual is seen as having an inherent authority over others. This raises a problem of leadership, because it is often necessary for someone to take charge. Various solutions have evolved, such as the European concept of aristocracy (rule of the excellent), whereby some individuals earn the right to lead by virtue of superior talent and learning, or the American idea that people take turns in positions of power and return to ordinary status as soon as the term of office expires.

Deference

Power distance has a pervasive effect on communication patterns in relationship-based business. The effect can be seen in both verbal communication and in such nonverbal signals as body language and other kinds of behavior.

Perhaps the most elaborate verbal cues for power distance are the grammatical inflections found in such languages as Japanese and Korean. Japanese has special word forms that show respect or reflect greater formality and politeness. Usage can also depend on whether one is addressing members of an in-group or an out-group. It is vital to observe these niceties in business, and companies may even train employees how to use proper

language to show respect to customers or superiors. Korean culture is strongly age sensitive, and an age difference of a year or less may require deferential language from the younger party. Two classes of inflections are used: honorific inflections to show respect to the persons mentioned, and no fewer than seven "speech levels" to show different degrees of respect to the listener. Nearly every language has resources for showing deference, if not to the extent of Japanese or Korean, and these tend to be important in business settings.

Deference is also shown by avoiding remarks that could embarrass superiors or cause loss of face. High-power distance cultures can operate only so long as authority figures are respected, and respect is difficult to maintain when the boss appears to be a bungler. Subordinates may take care not to express their opinions in front of the boss until they learn what the boss thinks, because a disagreement could be viewed as finding fault with the boss. Subordinates do not openly point out the mistakes of superiors or even describe problems in the company, because this could suggest that the boss has failed to manage properly. It is obviously important for managers to be aware of problems, but these can be communicated in private or through a third party. In some high-power distance cultures, it is appropriate for employees to bring problems to management collectively, as in a petition from the labor union, because this does oblige any employee to challenge the boss as an individual.

Deference is also shown in body language. Well-known examples include low bows or lowered eyes in some Asian countries. While Westerners see direct eye contact as indicating honesty, it may be unconsciously interpreted as threatening in East Asia. Guidebooks for travelers in the Middle East frequently warn against crossing one's legs, because pointing one's foot toward another is presumably offensive. A more general principle is that a slouch or relaxed posture reflects the confidence of a highly-ranked person, while an upright seated posture with feet on the floor are seen as showing deference. In Turkey, subordinates may be expected to keep their coat jackets buttoned in the presence of a superior, and in some traditional Bantu cultures, women and children kneel and perhaps clap their hands when receiving a gift.

The famous business card rituals of East Asian countries can also signal deference. The cards are always received, and normally given, with both hands, held at the corners between thumb and forefinger. The card is oriented so that the recipient can read it, preferably in his or her language. The recipient should take a moment to read the card and treat it with respect rather than stuffing it in a pocket. These practices are independent of rank, but one can show deference by presenting cards to more highly ranked individuals first. In Japan, the lower ranking person holds the card (*meishi*) at a lower level than that of the higher-ranking person. The underlying principle is that in Japan, and to a lesser extent in Korea and China, the business card contains a little bit of the owner's soul and must be treated accordingly.

Punctuality is another way of acknowledging rank. Punctuality is generally more important in what Edward T. Hall (1959) calls *monochronic* cultures, which are those in which people generally do one thing at a time, and less so in *polychronic* cultures in

which people deal with several tasks at once. The underlying causes are again rule-based and relationship-based mechanisms.

People in rule-based cultures seek security and predictability by structuring their environment, and in particular by structuring their time. They tend to set aside a time slot for each activity, resulting in appointments and strict schedules. This kind of structuring can succeed only if people are reasonably punctual. Punctuality is not required as a stress-management tool in relationship-based cultures, but it can nevertheless mark rank. Subordinates may show up on time to make sure the boss is not kept waiting, while the boss may show up late to make sure there is no loss of face by having to wait, or simply to display superior status. Supervisors in Indonesia, for example, may habitually arrive half an hour late to meetings, with the ritual excuse of being held up in traffic. One should be cautioned, however, that punctuality may be expected of everyone in some relationship-based countries, such as China and particularly Japan.

Bureaucracy

It was noted earlier that high-context societies may require greater paperwork and bureaucracy even though they take written rules less seriously. Boye Lafayette De Mente (1994) reports that, at one point, the U.S. government required the filing of twenty-six documents, in the course of nine administrative procedures, to approve a joint venture in pharmaceuticals. For the same type of venture, Japan required 325 documents in forty-six administrative procedures, and South Korea required 312 documents in sixty-two administrative procedures. Bureaucracy is bad enough in low-context cultures, but it tends to be even worse in high-context cultures.

There are several reasons for this paradox. One is the necessity of close supervision in relationship-based societies, which is often reflected in multiple layers of bureaucratic checks. A public employee in Mexico who wishes submit a claim for a travel reimbursement may be required to submit one set of forms to immediate supervisors and additional forms to a national office in Mexico City. The supervisors relay copies of their forms to Mexico City, where functionaries compare them with the employee's forms and further paperwork obtained from vendors. The goal is to minimize corruption, and if everything checks out, there is an eventual authorization to reimburse the traveler. The process can take months.

Another reason is that rule-based societies actually run themselves largely through written rules, and the bureaucracy must work. If the paperwork gets too complicated, the system will grind to a halt, and customers or the public will demand better service.

In relationship-based societies, the bureaucracy primarily serves purposes other than straightforward functionality. One purpose is to cement the power of important individuals. A department head who signs off on more forms has more power, and so there is constant maneuvering to enlarge one's turf in this way. This occurs in all bureaucracies, but it is less likely to be checked in an organization in which things actually get done through personal relationships rather than bureaucratic procedure. In

addition, Hall points out that polychronic cultures are already inclined to have bureaucracies that are organized around personal power than around logical organization as in Germany or Scandinavia. The networks of personal influence tend to grow like vegetation, resulting in a sprawling and complex bureaucracy.

Bureaucracy serves still another purpose in what Geert Hofstede (2001, 2004) calls uncertainty-avoiding cultures. These are cultures in which people feel uncertain about life and seek reassurance in a predictable or low-risk lifestyle. The notion of classifying certain countries as uncertainty avoiding is somewhat problematic, because all cultures have mechanisms for alleviating uncertainty, and it is only a question of how they do it. Nonetheless, societies that Hofstede classifies as uncertainty avoiding commonly find reassurance in ritual, which can be remarkably complex and exacting. Strange as it may seem, bureaucratic procedure can be experienced as a form of ritual and can to that extent be reassuring, not only to the functionaries to whom it provides reliable employment, but to anyone who seeks predictability in procedures that are, by definition, always the same. This is perhaps why military organizations, which must deal with the stress and uncertainty of conflict, are highly bureaucratic even in a rule-based country like the United States. One in fact sees dysfunctional bureaucracies in uncertainty-avoiding countries, such as Greece, Portugal, Russia, several Latin American countries, and so on down the list, although these are scarcely the only countries to be so endowed.

Variations among Rule-based Cultures

Business communication styles can differ markedly even among rule-based cultures, and similarly among relationship-based cultures. Consider, for example, a typical business presentation in which the speaker is trying to attract funding for a business venture. The presentation would have a very different character in the United States than in Germany, even though both countries have strongly rule-based cultures.

The American speaker begins with a small joke to “break the ice,” while this is inappropriate in Germany. Germans wish to be reassured by the professionalism and seriousness of the speaker. Humor suggests casualness that might translate into an ill-considered undertaking. The American’s slides contain flashy visuals with such phrases as “fantastic opportunity,” which strike the Germans as childish. They prefer graphs and charts to reassure them that proper market research has been conducted. These differences are due to the fact that Germany is an uncertainty avoiding culture, while the United States is not. Indeed, the American audience probably contains venture capitalists who are willing to fund risky startups, while the German audience is more likely to consist of stolid bankers. The desire for security and predictability go far beyond the business meeting. Germans pay a premium for high-quality products that are less likely to break down, and they invest heavily in a highly-engineering physical and social infrastructure on which they can rely.

The American presentation could also cause problems in Scandinavia. The speaker delivers a hard sales pitch, sprinkled with buzz words and such terms as “aggressive,” while Scandinavians prefer a low-key presentation couched in plain language. The

American approach reflects a “masculine” culture that values competition and aggression, whereas Scandinavian culture is “feminine” and emphasizes cooperation more than competition.

Western Europeans make much of their different styles, but one should see them as variations on low-context, logic-based communication. It is true that the British are normally reserved and understated, while the French gave us the very word *frank* (which refers to the Franks, an old word for the French). Yet British can deliver a devastating comment with scarcely an inflection of the voice. If French and Italians become animated or emotional in a business meeting, one must bear in mind that Descartes was French and Galileo was Italian, and at the end of the day the decision is likely to reflect the logic and pragmatism of a Glaswegian.

The situation changes somewhat as one moves east. Russian society, for example, is essentially rule-based, but business partners may find it more important to feel comfortable with each other than to get the financials right. Business people from abroad should be particularly cognizant of this, due to the uncertainty-avoiding culture and the tendency of Russians to feel apprehensive about foreigners. Frequent references to mutual Russian friends and contacts can be reassuring, as can participating in such rituals as vodka drinking and *banya*, the Russian sauna.

Variations among Relationship-based Cultures

Themes and variations also occur among relationship-based cultures, and one obvious theme is saving face. In Confucian cultures, for example, one never utters a word or takes an action without calculating the effect on face. This is obviously important when dealing with superiors or colleagues, as when verbal disagreements are muted and indirect signals are used in negotiation. Yet it can be equally important to respect the face of subordinates. These are high power distance cultures in which the boss is expected to be authoritarian, perhaps bark orders, and deal harshly with employees who disobey. Yet the boss should not embarrass employees in from of others when they make a good faith effort to do the job right—unless they have bungled so badly as to lose face already. This can damage morale and may even erode the boss’s authority in the eyes of other employees. Confucian authority carries with it a paternalistic duty, and careless disregard of face indicates lack of care for one’s subordinates. Face is a powerful force and must be used wisely.

Face is likewise important in the more conservative Latin American countries, such as Mexico, but it is manifested in a somewhat different form—namely, as *machismo* or masculine honor. A Mexican business conversation can be very different from one north of the border in the United Sates. The purpose of conversation is as much to build trust between business partners as to exchange information, particularly in the early stages of the relationship. There is much talk about family, because a good family man is a man of honor who can perhaps be trusted in business as well. The relationship is not based so much on mutual obligation, as in the case of *guanxi*, but at its best on an emotional bond of friendship. Whereas U.S. business people talk business in a business meeting,

Mexican business conversation is about the whole person. It is important to keep the emotional radar in operation to remain sensitive to how the other party is reacting. In particular, one should take care not to embarrass the other by alluding to mistakes or shortcomings, because this brings loss of honor.

Honor is the primary male virtue in *machismo* cultures. The very word *virtue* comes from the Latin for manhood (*vir*). Toughness and capacity for violence can be part of *machismo*, but only in service of an honorable cause, such as protecting one's family. *Machismo* evolved in treacherous environments where courage and a code of honor were necessary survival traits for men, and successful cultures have a way of making virtues out of necessities. The sense of honor and self-respect can be very finely tuned, which may create the impression that men are thin-skinned. In any event, it is essential to respect this sensibility. This becomes a particularly delicate issue when there are problems in the company, and so much as mentioning the problems may cast aspersions on managers who could be held responsible for them. One technique for broaching the topic is to blame it on outside forces, such as unreliable suppliers or corrupt politicians. These may not lie at the root of the problem, but blaming them at least allows the problem to be discussed.

The historical source of Latin American machismo is Arab culture, by way of the northern African influence on Spain. It remains very much alive in Arabic-speaking countries today, particularly in Saudi Arabia and the Gulf region. Warm personal greetings and ceaseless courtesy are a must in business dealings. It is a never a bad idea to preface one's remarks with some such nicety as, "Thank you for your comments," or, "I learned much from your report." An impractical proposal or a questionable statement should be ignored or smoothed over, so that no one appears foolish. The goal is to protect the male ego. Flattery that strikes Westerners as obsequious is perfectly appropriate, particularly where superiors are concerned. Power distance is very much part of the picture, and honorific terms and titles are expected. Such phrases as "Your Excellency" may be obligatory for government officials or members of a royal family.

Courtesy is integral to business relations throughout the Middle East. Arabic, Turkish, Farsi, and other Middle Eastern languages contain many resources for polite speech, and when speaking the languages one should take advantage of this. Above all, it is important to convey a message that one enjoys the company of one's business partners. The Western distinction of professional life from life as a whole is as foreign here as in Latin America.

A second theme is found in the communication styles that promote harmony and mutual support in group-oriented cultures. For example, the communalism of the Shona culture mentioned earlier is reflected in the importance of acknowledging others. If I pass a colleague in the hallway four or five times a day, I should take care to greet her every time. To walk past without acknowledgment is seen as cold and scarcely human. A short conversation with a clerk as I purchase goods in a shop would also be appropriate. (Situations in which a clerk or functionary deals with hundreds of people a day, so common in modern life, are experienced as highly unnatural because there is no time to

relate to them.) When making a presentation before coworkers, I should acknowledge by name any person in the audience who contributed to the project I am discussing at the moment.

Interestingly, this last example is not so much an affirmation of community as of individualism. Cultures that rely heavily on one principle tend to compensate by providing an outlet for its opposite. The communalism of many African cultures is often counterbalanced by occasions for ego recognition. It is on much the same principle that highly individualistic Western cultures may develop such communal mechanisms as volunteerism, patriotism, and support groups.

Another distinctive form of group communication is found in the Japanese practice of consensus building for a policy decision. The practice is traditionally known as *nemawashi* ("going around the roots"), which refers to the practice of preparing a tree for transplant, much as one prepares an organization for a new policy. A memo would be circulated among members of the group, each of whom would contribute ideas and identify them with his stamp. The object is to accommodate everyone's view and thereby maintain harmony. Consensus building through informal consultation remains an important process in the Japanese business world. Decisions in an organizational setting tend to evolve in the middle ranks and receive ratification by superiors, perhaps at a formal meeting. This is not a denial of high power distance but actually protects it, because if the decision turns out to be a mistake, it is impossible to hold a single decision maker responsible, and face is saved.

Intercultural Business Communication

The key to cross-cultural business is understanding one's business partners well enough to make cultural adjustments. This raises the issue as to which side should make the adjustments. A practical rule of thumb is that business transactions should favor the cultural norms of the social infrastructure on which they primarily rely. While Westerners sometime have the impression that business is a self-contained activity, in reality it depends radically on pre-existing cultural mechanisms to get anything done. If business is to tap these resources, it must respect the culture that provides them.

Thus if a Western multinational firm that operates in Malaysia is negotiating with local firms for construction labor, the Malaysian business style should dominate. Construction is not just a matter of hiring workers. It is a complex undertaking that requires intricate coordination of activities, sourcing of materials, supervision of workers, and hundreds of working relationships among the parties involved. All these will occur according to the norms of the local culture that makes them possible. Conversely, if a Malaysian business is seeking foreign capital from a multinational firm, it must acknowledge that this capital will be raised according to rule-based Western mechanisms that require transparency, accounting standards, detailed contracts, and legal enforcement. The conversation will therefore take place primarily in the Western mode.

The language of conversation is another matter. Cross-cultural business normally takes place in a trade language, regardless of which cultural norms otherwise govern the transaction. The use of trade languages is prehistoric, and bilingualism appears to be nearly as old as language itself. A trade language can either be the language of a dominant or once-dominant power, or a *pidgin* that combines two or more languages but is no one's native tongue (such the *lingua franca* that historically served as the trade language of the Mediterranean region). Pidgins become *creoles* when people start speaking them as a native language, a famous example being *Tok Pisin* ("talk pidgin") of Papua New Guinea. English is currently the leading trade language in most of the world, but regional trade languages include Swahili, Persian, and Mandarin Chinese. The choice of trade language is normally a matter of convenience, reflecting the competencies of the parties involved. Even when everyone seems conversant in a common language, it may be prudent to use interpreters, because some of the parties may be embarrassed to say they do not understand.

It is widely believed that globalization implies cultural homogenization, and that Western-style business is becoming the worldwide standard along with the English language. This judgment is at best premature, however. The world economic order is moving away from Western hegemony toward a multi-polar equilibrium, with such power centers as China, India, South Korea, and Brazil operating alongside North America and Europe. One might therefore expect a renewed tendency toward cultural pluralism, a process that one might call cultural de-globalization.

Information technology is widely supposed to hasten homogenization. Yet, it is also a force for cultural de-globalization, because it supports relationship-based communication patterns as readily as Western practices. Mobile phones provide an excellent case in point. Although they were initially popular in Finland, where snowstorms knock down land lines, they quickly spread to Asia, where they fit the culture hand-in-glove. The phones not only enable the constant personal interaction on which relationship-based cultures rely, but they solve the problem of how to provide constant supervision in a mobile age. Parents are on the phone with their children several times a day, even if they are overseas, to monitor their activities and make sure they do their schoolwork. Bosses on a business trip telephone subordinates incessantly to make sure they remain on task. Text messaging and video technology enhance these functions.

The Internet is equally adept at supporting multiple communication practices. Such web sites as Facebook and Myplace can facilitate Western-style networking with strangers, but they can equally well support the family and other trust relationships typical of relationship-based cultures. For example, the site orkut.com (introduced by a Turkish employee of Google) allows the user to "connect with friends and family," according to the masthead, as well as "discover new people through friends of friends." It is extremely popular in Brazil, where it ably serves a relationship-based culture.

Thus despite the globalization of commerce, intercultural communication skills remain important in business, and may become even more so in an increasingly multi-polar world economy.

Further Reading

Introductory treatments of cross-cultural business communication include Mattock (2003), Reynolds and Valentine (2003), Schmidt et al. (2007), and Sellin and Winters (2005). There are several sources for cross-cultural business in general that discuss communication issues in some detail, such as Ferraro (2005), Harris and Moran (2000), Hooker (2003), Lewis (2005), and Schneider and Barsoux (2002). A large collection of books give cultural advice for specific countries. A list of such books, classified by 134 countries, is provided in Hooker (2003) and updated online at http://web.tepper.cmu.edu/culture.

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