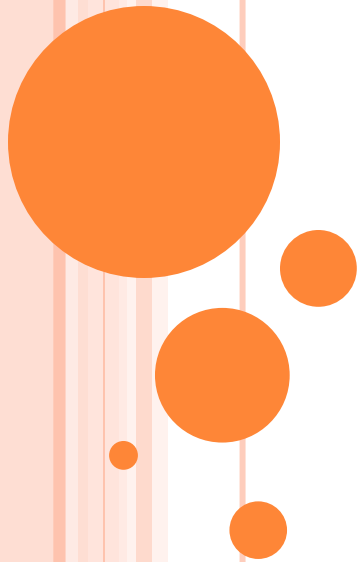


INTERNATIONAL BUSINESS & INTERNATIONAL MANAGEMENT



Differences into cultures

Relationship exists between **CULTURE**
and ...

The cost of **DOING BUSINESS** in a
country or region



WHAT IS A CULTURE? (1)

- *“A complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”*, Edward B. Tylor (1870)
- *“A collective programming of the human mind that distinguishes the members of one human group from those of another”*, Geert Hofstede (1982)



WHAT IS A CULTURE? (2)

- Umbrella term often used for differences in:
 - Etiquette (greetings)
 - Individual customs (sleeping, bathing, ...)
 - Ways of thinking
- The **way people understand their world** and make sense of it, a shared system of meanings
- Culture is **learned and imprinted** – collective –
- Cultural programming deals with both **VALUES** and **PRACTICES**
- Different **LAYERS**: national, regional, corporate, ...



WHAT IS A CULTURE? (3)

- Systems of ideas, norms => constitutes a design for living
- **VALUES**: ideas believed to be good
- **NORMS**: social rules, guidelines, appropriate behaviour
- **SOCIETY**: group of people sharing values & norms



VALUES & NORMS

Bedrock of CULTURE: the context !

- **VALUES**: as individual freedom, democracy, truth, justice, honesty, loyalty, role of woman, love, sex marriage, ...

WE CAN ARGUE, FIGHT or DIE for them

- **NORMS**:
 - Folkways: routine, conventions, attitude (time, gift giving, business card exchange)
 - Mores: central norms, greater significance – alcohol, cannibalism, ...



SOCIETY VS NATION

- Society (social aspects) Vs Nation (political aspects)
- A **nation** is gathering different **societies** (Iraq situation)
- American culture with different societies !



CULTURE IS DIFFICULT TO STUDY ...

- Ethnic, religious, class, age and other sources of **heterogeneity** !
- Individual variation within groups
- Danger of ethnocentric **STEREOTYPES**
- Intracultural Vs cross-cultural behaviour
- Evolution as circumstances change



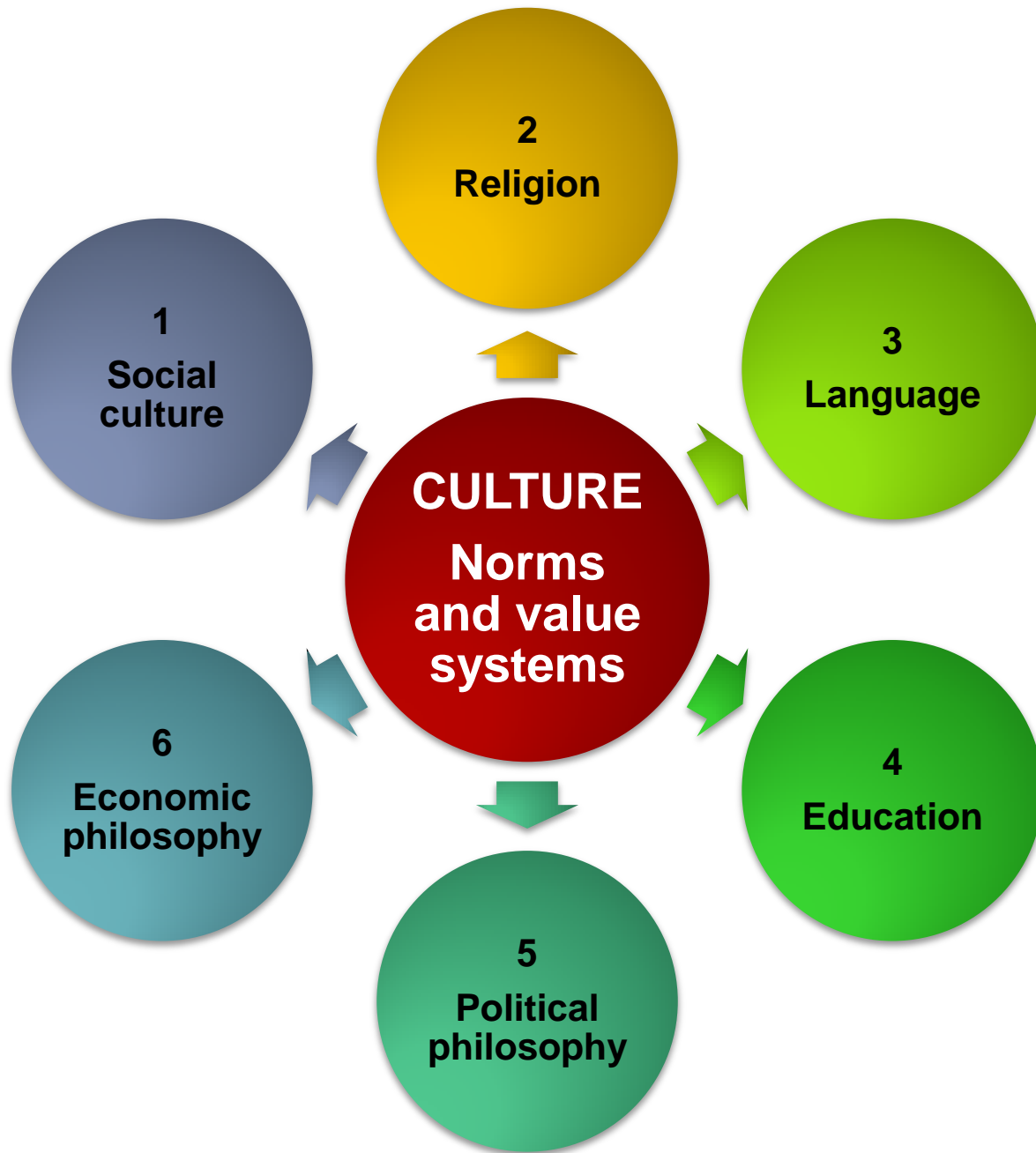
« MEASURING » CULTURE

- Cultural differences can be inferred from **data about a collectivity of people**:
- Direct measurement – questionnaire about values or beliefs
- Data « clustering » methods (tableau de croisement)
- Matched samples can be compared to discover similarities and differences
- At the **individual level**, we speak of cultural attitudes and orientations (representative of one's culture?)





DETERMINANTS OF CULTURE INFLUENCE THE VALUES AND NORMS



1 – Social culture

- Basic social organisation, individual vs group stratified into **classes** or « **castes** »: mobility level? Class consciousness?

2 – Religion

- System of shared beliefs and rituals/realm of the sacred – christianity (**catholic, protestant**)
- **Money taboo** Vs **Capitalism**
- **Islam, hinduism, buddhism, confusianism, ...**

3 – Language

- The most obvious ways in which countries differ: beware of translation mistakes (ads) **spoken** language – roles? Official? Local?or ...
unspoken: nonverbal, « body language »

4 – Education

- A **key role** in a society !
- Formal education: family, school, life
- Important factor for **national competitive advantage**

5-6 – Political & economic philosophy

- They are different factors linked with **political and economic systems**



CULTURAL CLASSIFICATION

SOME THEORIES

- HOFSTEDE – geert-hofstede.com
- Bond
- TROMPENAARS – 7d-culture.nl - These classifications show **similar dimensions** and classify countries in the **same clusters**.
- Ronen & Shenkar – « **country clusters** » based on multiple studies
- Hall - intura.meomec.net/



HOFSTEDE

- A study of **IBM employees** in **50 countries**
- Studying **VALUES**: « the brood tendencies to prefer certain states over others »
- **4 main dimensions** about:
 - Individualism
 - Power distance
 - Masculinity
 - Uncertainty avoidance



CULTURE & THE WORKPLACE

- **Impact: cross-cultural management**
- **Hofstede's model:** 4 main dimensions
 - 1) Individualism Vs collectivism
 - Relationship between individual fellows
 - 2) Power distance
 - Inequalities/capabilities
 - 3) Masculinity Vs femininity
 - Relationship between gender and work roles
 - 4) Uncertainty avoidance
 - Accepting ambiguous situation



IDENTITY

Identity focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships
– Link with wealth per capita –

Individualism

Vs

Collectivism



INDIVIDUALISM / COLLECTIVISM

	Individualism	Collectivism
Core value	Individual freedom	Group harmony
Core distinction	Me/others	In/outgroup
Key element	Explicit concepts are preferred in communication	Relationships are more important than the task
Countries	USA, UK, Australia, Canada, ...	Ecuador, Guatemala, West Africa, China, ...



POWER

Power focuses on the degree of equality or inequality of a society

– Power distribution –

High power distance

Vs

Low power distance



HIGH/LOW POWER DISTANCE

	High power distance	Low power distance
Core value	Respect for status	People's equality
Core distinction	Powerful/dependant	Whether or not responsible for certain task
Key element	Centralization	Decentralization
Countries	Malaysia, Arab countries, Mexico, ...	Austria, Denmark, Israel, New Zealand, ...



GENDER

Gender focuses on the degree of traditional gender role of achievement, control and power
– high assertiveness = femininity –

Masculinity

Vs

Femininity



MASCULINITY / FEMININITY

	Masculinity	Femininity
Core value	Winning	Caring for others
Core distinction	Man/woman	Care/need care
Key element	Material success is a dominant value	Caring for the weak & preservation is dominant
Countries	Japan, Mexico, Switzerland, ...	Sweden, Norway, Finland, Costa Rica, ...



UNCERTAINTY

Uncertainty focuses on the level of avoidance or tolerance for uncertainty and ambiguity within the society

— « **risk averse** » or « **risk taking** » —

Avoidance

Vs

Tolerance



AVOIDANCE / TOLERANCE

	Avoidance	Tolerance
Core value	Certainty	Exploration
Core distinction	True/false	Urgent or not
Key element	What is different is dangerous	What is different causes curiosity
Countries	Japan, Greece, Guatemala, Uruguay, ...	Jamaica, Singapore, Hong-Kong, Denmark, ...



Power Distance \ Uncertainty Avoidance	WEAK	STRONG
SMALL	US, UK, Denmark	Israel, Austria
LARGE	Singapore, Hong-Kong, Malaysia	Japan, Portugal, Mexico



TIME

Time focuses on the degree the society embraces long or short term devotion to traditional forward thinking values

Long time

Vs

Short time



LONG / SHORT TERM

	Long term	Short term
Core value	Long term benefits	Saving face
Core distinction	Serve goals or not	Proper or not
Key element	Thrift and saving are good	Quick results are expected
Countries	China, Japan, ...	USA, UK, ...



TROMPENAARS

- Individualism vs collectivism (cf. Hofstede)
- Universalism vs particularism
- Neutral vs affective relationships
- Specific vs diffuse relationships
- Achievement vs ascription



UNIVERSALISM / PARTICULARISM

- **Universalism** is the belief that ideas and practices can be applied everywhere without modification (Germany, UK)
- **Particularism** is the belief that circumstances dictate how ideas and practices should be applied (China, Hong-Kong, Venezuela)



NEUTRAL / AFFECTIVE

- **A neutral culture** is one where emotions are held in check, repressed (Japan, UK).
- **An affective culture** is one in which emotions are openly and naturally expressed (Mexico, Netherlands, Switzerland).



SPECIFIC / DIFFUSE

- Public vs private spaces
- In **specific cultures**, people tend to have a large public area and small private area. They prefer to keep private life separate (highly mobile, direct, open, « to the point »)
- In **diffuse cultures**, the private is usually larger while the public area is smaller and more guarded (low mobility, indirect, introvert).



ACHIEVEMENT / ASCRIPTION

- **Achievement**: people are accorded status based on how well they perform their functions (UK, Argentina).
- An **ascription culture** is one in which status is attributed based on who or what a person is (China).

