

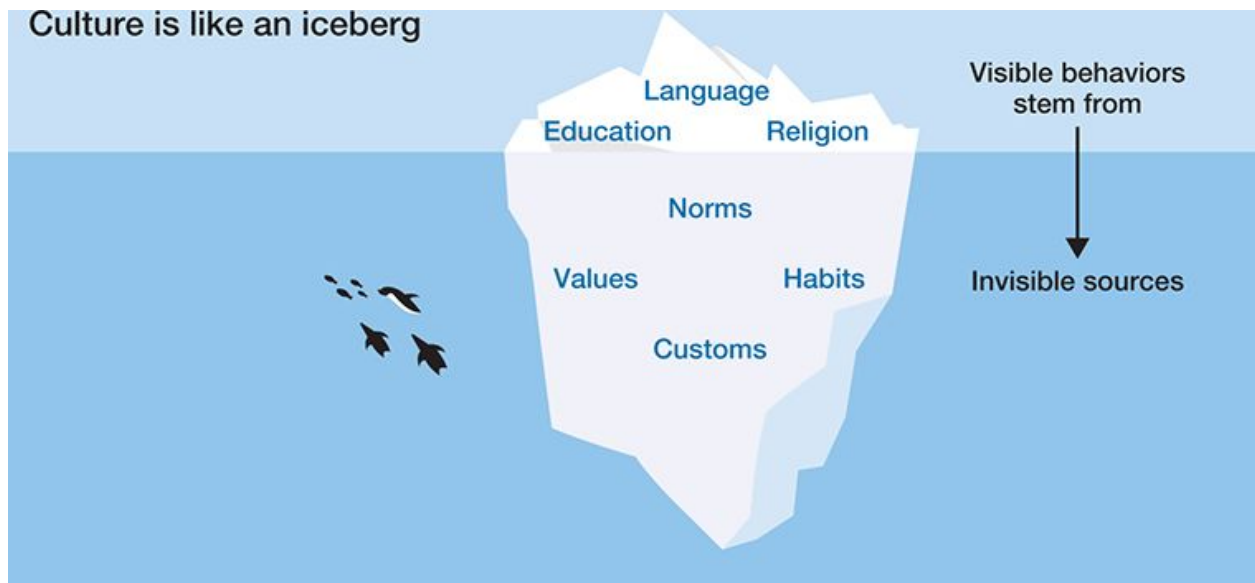
Summary

LEARNING OBJECTIVE 8.1 Define *culture* and describe its characteristics.

Culture is a society's unique set of values and norms, which governs how people live and interact with each other. Values are a society's guiding principles about what is good, right, and desirable. Norms are the social rules that govern people's interactions; these can be customs or social mores. Language, religion, and education are three measurable factors that influence culture, with other factors operating behind the scenes.

Culture: a society's unique set of values and norms that govern how people live and interact with each other

- Think of it as an iceberg



A society's **values** are its backbone, the shared assumptions that identify what its members believe is good, right, and desirable

Norms are the social rules that govern people's interactions within that culture

- Can either be customs, or social mores

Customs socially approved standards of behavior that are not morally significant

- how to dress, what to eat, and how to behave toward neighbors

Social mores are strict norms that control moral and ethical behavior in a culture.

- include feelings about such things as murder, theft, adultery, incest, and cannibalism

- U.S. adults generally accept the consumption of alcohol, whereas in many parts of India it is viewed as a violation of important social mores and is punishable by law

Determinants of culture

1. Language

- a. language helps us define and comprehend our reality
- b. the language of Sanskrit, which traces its origin to India and Iran, has 96 words for love; ancient Persian has 80, Greek has three, and English only one
- c. 7102 languages spoken in the world

2. Religion

- a. **religion:** a system of shared beliefs and rituals expressing the way adherents interpret their place in the universe
 - i. **Christianity #1**
 1. property and all other material goods are believed to originate from God
 2. profiting from property is acceptable, but money should be used in a righteous, socially beneficial, prudent manner
 - ii. **Islam #2**
 1. When you borrow money from an Islamic bank, it will therefore not charge you interest, but under the terms of a contract called a mudarabah, it will ask for a percentage of the profits you earn from the loan
 - iii. **Hinduism #3**
 1. From a business perspective, **dharma** roughly translates into your moral obligation to be productive and contribute to the greater good of society
 - iv. **Buddhism #4**
 1. Buddhism represents the middle way between the competing models of capitalism and socialism
 2. supports the conventional forces of a free market and competition so long as they don't destroy either nature or human society
- b. **Ethical systems:** are sets of moral principles or values that guide and shape behavior, ensuring people can interact and live together effectively

3. Education

- a. It helps instill cultural norms and values in individuals, maintaining and sustaining a society's culture

LEARNING OBJECTIVE 8.2 Describe the business implications of culture.

Because international businesses span geographic and cultural boundaries, culture plays a critical role in determining the appropriate approach for business leaders in foreign markets. Cultural factors such as social stratification, work motivation, relationship preferences, risk-taking behavior, and information and task processing have huge implications for the ways employees and consumers interact with their environments. Ignorance or disregard of these factors can easily lead to business failure.

Social stratification: Social stratification is the hierarchy created by society to cluster people into groups according to characteristics such as status, power, and wealth.

- **ascribed:** characteristics an individual is born with
- **acquired:** characteristics an individual takes on through experience

Work motivation

- **materialism**, or the ability to buy and own property and merchandise.
 - This materialistic drive in a culture is likely to lead to more development and to foster economic growth, but it also is likely to lead to greater concentration of wealth and higher income disparity.
- **increasing** the opportunity for **leisure** is a motivator for work in countries that highly value spare time
 - The **French** have 25 days of mandated vacation time, compared with the 0 days mandated in the United States. Full-time work in France consists of 35 hours a week, compared with 40 hours in the United States.

Relationship preferences;

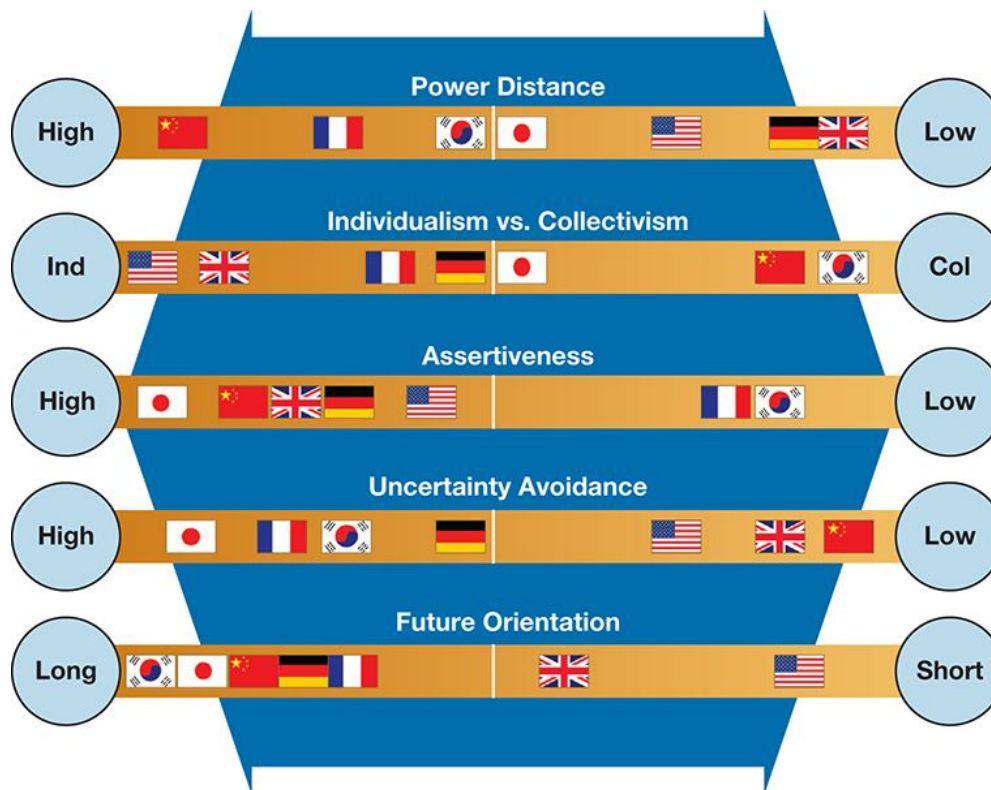
- **power distance** the degree to which subordinates in an organization accept that power is distributed unequally
- **individualism** a concept that gives preference to individual freedoms, liberties, and rights
- **collectivism** the belief that people should prioritize the good of society above the advancement of the individual

Risk taking behaviour

- **uncertainty avoidance** a business-related aspect of culture that measures how persons deal with an unknown future
- **future orientation** the degree to which a culture chooses future rather than immediate results
- **assertiveness** a measure of how competitive and aggressive a culture is

Information

- **low-context cultures** cultures that rely on the direct means of conveying messages with little background information
 - North America and Western Europe
- **high-context cultures** cultures that rely on implicit messages and contextual elements to convey information



LEARNING OBJECTIVE 8.3 Identify ways to manage cultural differences in the workplace.

To conduct business across cultural boundaries, managers need to build common ground. They can do so by recognizing that differences exist, respecting and even embracing those differences, and then reconciling differences to build a framework that both sides understand and can operate within.

Recognize differences

- begins with assessing your factual knowledge about the other culture
- Recognizing differences consists of first selecting which cultural dimension(s) to examine and then assessing their impact on the specific business you are attempting

Respect differences

- Respect is defined as esteem for the worth of a culture

- To **decenter** means that you take what you have learned about another's culture and use that knowledge to adapt your own behavior and thinking
- **Recentering** is finding or creating shared ground, or areas of overlap between old and new behaviors and understanding.

Reconcile differences

- you need to apply knowledge and cultural empathy to the task of reconciling differences
- **not-invented-here (NIH) syndrome**: a process in which a person or group resists accepting new ideas from culturally different persons or groups inside or outside the organization

LEARNING OBJECTIVE 8.4 Discuss how to adapt to different cultures.

Cultural intelligence (CQ) is a measure of an individual's cultural awareness. It represents the ability to distinguish cultural traits from those that are universal and those that are specific to a given individual. CQ has three aspects: cognitive, behavioral, and motivational. Managers can cultivate CQ by taking assessments or getting other feedback, undertaking training to remedy weaknesses, and then organizing daily activities to reinforce that training.

Cultural intelligence: the knowledge to function effectively across cultural contexts

- **Cognitive CQ** is our level of understanding about how cultures are similar and different
- **Behavioral CQ** measures your ability to do this[^]
- **Motivational CQ** assesses your level of interest, drive, and energy to adapt cross-culturally; this can come from both an innate (intrinsic) desire as well as external (extrinsic) forces