Cultural Differences in Business Communication

John Hooker
Carnegie Mellon University

University of Pittsburgh, April 2010
Two types of cultures

- There are 5000+ cultures in the world, all very different.
- But they can be classified roughly as:
  - relationship-based
  - rule-based.
Relationship-based = life is organized primarily around personal relationships.

Africa, Asia, Middle East, South America
**Rule-based** = life is organized primarily by **rules**.

- Australia, Europe, North America
Low and high context

Rule-based cultures:
- **Low-context** communication
- Information is explicit in the message.

Relationship-based cultures:
- **High-context** communication
- Much information implicit in the social context.

Edward T. Hall
Low and high context

- **Low-context** communication
  - Information is *explicit* in the message.

- **High-context** communication
  - Much information *implicit* in the social context.

Photo courtesy of Kathryn Sorrells, 1998

Edward T. Hall
Low and high context

Low-context message:

“I would like a pint of 5.2% Löwenbräu Original beer.”

High-context message:

“Noch eins, bitte’
(Another, please.)
...spoken in a bar.”
Low and high context

**Low-context cultures.**
- Compliance ultimately based on respect for rules.
- Behavior norms are spelled out.
- People pay attention to written instructions.
Low and high context

**Low-context cultures.**

- Organizations run by the rules.

human-resources-policies.net

**EMPLOYEE BENEFIT PROGRAM POLICIES**

**Vacation Policy**

Regular Full-Time employees are eligible to receive paid vacation based on their length of service with the Company. Vacation may be scheduled at the start of the calendar year based on the following schedule.

<table>
<thead>
<tr>
<th>Length of Service (Years)</th>
<th>Max. Annual Vacation (Days)</th>
<th>Accrual Rate (Days/Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;# year/s&gt;</td>
<td>&lt;# vacation days&gt;</td>
<td>&lt;accumulation rate&gt;</td>
</tr>
<tr>
<td>&lt;# years&gt; to &lt;# years&gt;</td>
<td>&lt;# vacation days&gt;</td>
<td>&lt;accumulation rate&gt;</td>
</tr>
<tr>
<td>&lt;# years&gt;</td>
<td>&lt;# vacation days&gt;</td>
<td>&lt;accumulation rate&gt;</td>
</tr>
</tbody>
</table>

All vacation must be taken in a maximum of full day increments. Employees <may or may not> carry over to the next calendar year <a maximum of one-half of their current annual vacation benefit>. Employees are encouraged to request and schedule vacation each year in January with an immediate supervisor. Supervisors will carefully monitor the use of time off and will take into consideration seniority, special skills, etc., when granting vacation.
Low and high context cultures.

- Infrastructure.
- Rule-governed explicitly.
- Information transmitted.
Low and high context

- Low-context cultures.
  - Long, detailed contracts.
    - Inflexible.
    - Enforced by legal system.
Low and high context

Low-context cultures.

- Light supervision.
  - Compliance based on guilt, fear of being caught.
Low and high context

Low-context cultures.

- Transparency possible and necessary in business.
  - Impractical to work through friends, family.
  - Public information necessary.
Low and high context

- **High-context cultures.**
  - Compliance based on respect for significant others.
  - Behavior norms are transmitted by authority figures.
Low and high context

High-context cultures.

- Norms tend to be implicit in the cultural context.
- Organizations built around persons, infrastructure based on negotiation.
Low and high context

- High-context cultures.
  - Organization run by the boss.
  - Particularist orientation rather than universalist.
Low and high context

High-context cultures.

- Courtesy, face saving avoids disputes.
- More important to be nice than to be right.
  - Japanese example.
Low and high context

High-context cultures.

- Reliance on personal trust rather than the system.
- Working agreement, business relationship rather than explicit contract
Low and high context

High-context cultures.
- Close supervision.
- Compliance based on shame, loss of face.
- Transparency difficult and less important in business.
  - Work with family and friends.
Negotiation

Low context.

Negotiation as poker game.

- Bluffing, etc.
- But governed by rules
Negotiation

• Low context.
  • Parties state their views openly.
  • Belief in objectivity, possibility of “fair deal”
    • Differences resolved by better arguments, spreadsheet calculations, logic of market forces
Negotiation

High context.

Indirect speech.

• No “no”
• “Yes” ≠ yes
• Silence, body language
Negotiation

- High context.
  - Indirect speech.
    - No “no”
    - “Yes” ≠ yes
    - Silence, body language
  - Truth may be negotiated
    - E.g., Middle East
Negotiation

High context.

- No belief in objectivity.
- Differences cannot be resolved this way.
- Avoid giving offense in the first place.
- Negotiation itself is problematic.
- Confrontational
Negotiation

High context.

Street bargaining is different.

- No need to maintain relationship
- Still, high-context to conceal what you are willing to pay
Transparency

Low context.

- **Transparent investment**
  - Invest in strangers rather than through relationships

- **Accounting statements**
  - GAAP
Transparency

High context.

Invest through relationships

• E.g., family, guānxi in China.
• Slow but stable
• Asian financial crisis was due to Western-style financing.
Marketing

 Culturally specific.

 Advertisements are **not** homogenizing globally

 - Even among Westernized elites.
 - Technology supports finely segmented markets.

Kuwaiti ad for mango juice
Marketing

High context.

Mass consumer advertising is unnatural

- People prefer to rely on advice from trusted friends, family.
- Ineffective regulation for truth in advertising, etc.

Meri Saheli, Hindi women's magazine
Marketing

High context.

Even relationship marketing is different

- Western-style networking is through casual acquaintances, facebook
- Non-Western networking is through extended family, friends
- This can be very effective.
Marketing

High context.

Background and context can send unintended message

- Symbol may be more important than image
- E.g., colors in Confucian culture
  - Red = happiness
  - White = mourning
Transparency

High context.

Symbol vs. image

- Symbol = concrete representation of abstract idea
  - E.g., Nuestra Señora de Guadalupe
Transparency

High context.

Symbol vs. image

- Image = abstraction of the concrete
  - E.g., Cowboy image
**Power distance**

- Relationship-based cultures.
  - Necessary for direct, personal supervision.
    - Personal authority must be respected
Power distance

Honorific language

- Japanese
  - Sales clerks may be trained to use *keigo*

- Korean
  - Age sensitive
  - Honorific inflections
  - 7 speech levels
Power distance

Body language

- E.g., Middle East
  - Good posture shows respect to superiors
  - Holding hands shows friendship between equals
Power distance

Body language

E.g., Shona people in Zimbabwe

- Women and children clap when receiving gift.
Power distance

Body language

- Bowing
- Business card ritual
**Bureaucracy**

**Ritual function**
- In uncertainty avoiding cultures
- Provides predictability.
Rule-based variations

Giving a talk

- USA
  - Start with a joke
  - Buzzwords
- Germany
  - Start serious
- Scandinavia
  - No buzzwords
Rule-based variations

Conversation.

Britain
- Quiet & reserved, but brutally frank.

France, Italy
- Emotional, but ultimately logical.
Relationship-based variations

- Saving face.

  - Confucian cultures
    - Respect superiors.
    - Respect subordinates unless they have already lost face

  - Arab, Latin American cultures
    - *Machismo*, or male honor.
Relationship-based variations

- Group harmony.
  - Bantu cultures
    - Greeting rituals.
  - Japan
    - Nemawashi
Information technology

Deglobalization.

Communication technology reinforces cultural divergence.

- Rather than homogenizing the world.

In two ways:

- Market microsegments
- Support for high-context as well as low-context communication
Information technology

Market microsegments

- Satellite channels.
  - Easy to set up
  - Can cater to every ethnic group
    - 350+ Arabic-language channels
Information technology

- Culturally-specific websites.
  - e.g., 275+ Google sites
Information technology

Support for high-context communication

Connectivity

Close supervision
Information technology

- **Mobile phones.**
  - Constant contact with associates.
    - After Finland, took off in Asia.
  - Close and constant supervision
    - By parents.
    - By employers.
Information technology

- Smartphones
- Instant messaging
- Email
- Text messaging, etc.
Information technology

Networking websites.

*Low context*

- **Facebook**
  - Facebook helps you connect and share with the people in your life.

*High context*

- **Orkut**
  - Connect with friends and family using scraps and instant messaging
  - Discover new people through friends of friends and communities

Wildly popular in Brazil.
Information technology

Networking software & services.

- XHTML Friends Network
- Ryze, XING, LinkedIn (business)
- Digg, StumbleUpon, reddit (social bookmarking)
- Virtual worlds (populated by avatars)
Stability

High-context approach is more stable.

- **Asian financial crisis.**
  - China, Taiwan escaped it.
  - Family-based finance.
- **Current financial crisis.**
Conclusion

Cultural deglobalization.

- Powered by **cultural comparative advantage**.
- Enabled by **information technology**.
- With the added benefit of greater **stability**.