Cross-cultural business

- To understand the enormous variation in **business practice** around the world…
- You must understand the **cultures** that shape business practice.
- In **Doha**, you can work with people from countries around the world.
Cross-cultural business

- The aim is not to say that one culture is better than another.
- The aim is to show how one culture is different from another.
  - Very different.
- Every culture has a logic of its own.
Cross-cultural business

- There are at least 5000 cultures in the world.
- But they can be roughly classified as relationship-based and rule-based.
- The most important differences lie in how people think.
  - Not what they wear, what they eat, or what language they speak.
Relationships vs. rules

- *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

- Many cultural traits **correlate** with these two.
<table>
<thead>
<tr>
<th>Relationship-based</th>
<th>Rule-based</th>
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<tbody>
<tr>
<td>High power distance</td>
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Relationships vs. rules

- Business meetings
- Business deals
  - Personal trust vs. contracts & law
- Traffic behavior
  - Negotiation vs. regulation
- Dealing with stress
  - Family & friends vs. technology & engineering
Power distance

- **High power distance** = hierarchy, authority are accepted
- **Low power distance** = equality preferred
- Parents
  - Authoritarian vs. lenient
  - Protection vs. independent.
- Government
  - Personal authority vs. legal authority.
Shame vs. guilt

- **Shame-based** = behavior is regulated by personal supervision
- **Guilt-based** = behavior is regulated by guilt.
- Employee supervision
  - Constant vs. occasional
- Security
  - Personal presence vs. laws
Context

- **High-context** = information about what to do is implicit
- **Low-context** = information about what to do is spelled out
- Signs & instructions.
- Personnel management
  - Personal decision vs. company policy
Time

- **Polychronic** = people do many things at once.
- **Monochronic** = people do one thing at a time.
- Queues
- Appointments and punctuality
- Mobile phones
Courtesy

- In a **polite** culture, people are courteous to associates and deferential to superiors.
  - But rudeness to *strangers* may be tolerated.
- In a **rude** culture, people are more interested in being right than being nice.
  - But courtesy to *strangers* may be required.
- Saving face vs. in-your-face.
Corruption

- Corruption as **bribery**
  - Short cut to relationship building.

- Corruption as **cheating**.
  - Violation of rules.

- Business dealings and hiring
  - Nepotism & cronyism vs. transparency

- Plagiarism.