Cultural Differences: Make Them an Asset Not a Barrier

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Agenda

I. Blunders in International Business - Introduction to Cultural Differences

II. Culture: An Overview

III. Introduction to Geert Hofstede's Cultural Dimensions and the Impact of Culture

IV. Summary: Lessons Learned

V. ITAP and Strategic Partner Capabilities

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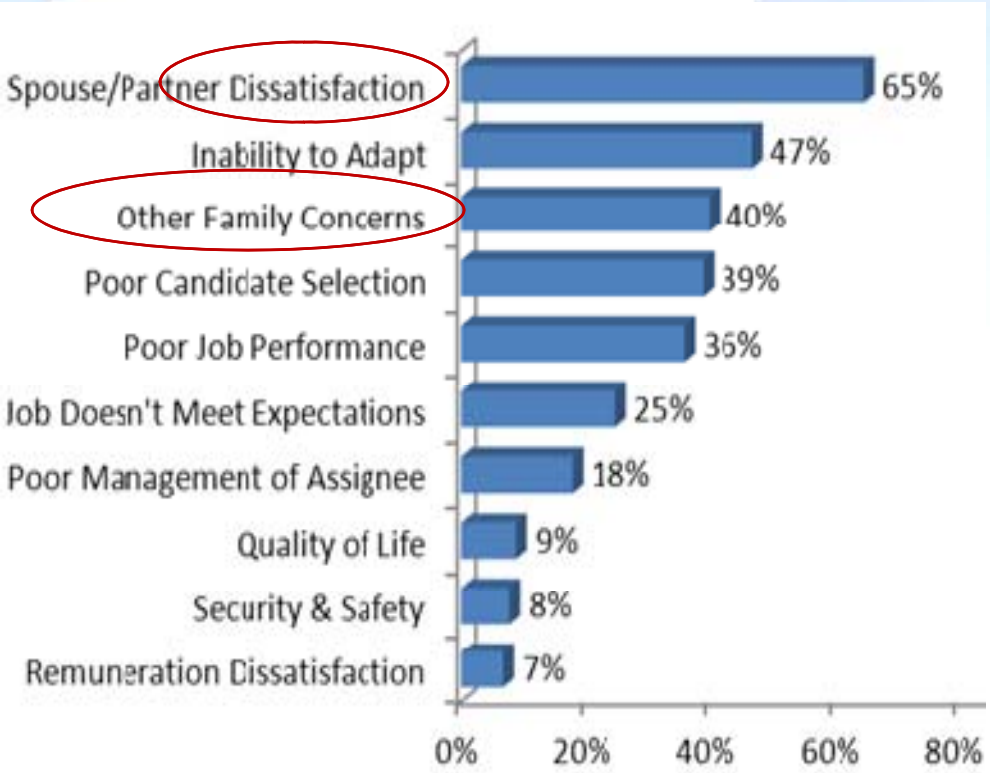
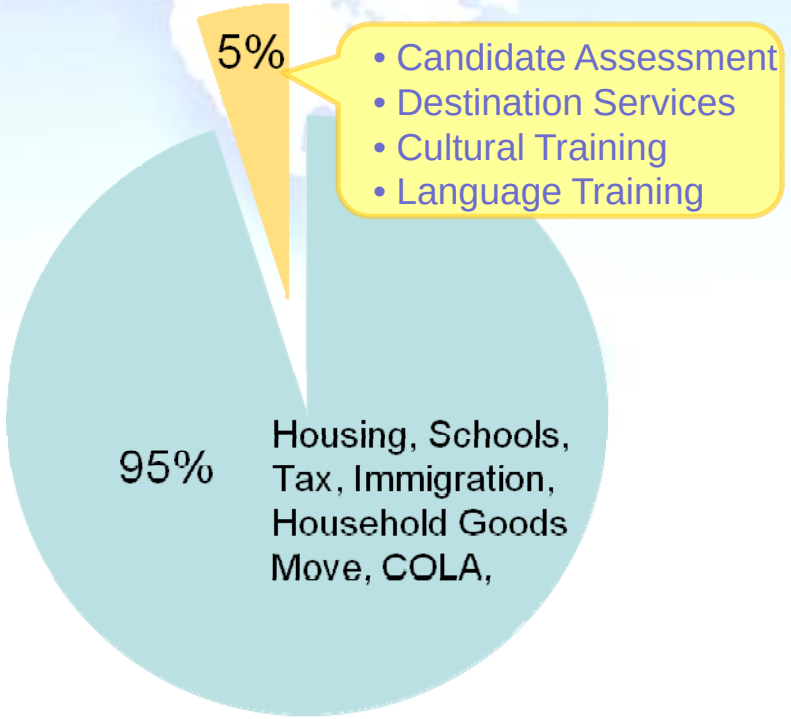
Return on Investment

Reasons for Expat Assignment Failure*



Cost of Expat Assignment



* Brookfield Global Relocation Trends Survey 2010

Cost of Failed Assignments

"…the <u>average</u> cost of [each] failed relocation assignment if they leave voluntarily is $400,000."

SOURCE: Drake Beam Morin executive,
John Bahouth, SVP
Global Learning and Human Resources (2003)

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I. Blunders in International Business - Introduction to Cultural Differences

Others
You/Your
Organizations?

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Blunders in International Business

In an advertisement, the Helmsley Palace compared itself to the Taj Mahal …

…which is a mausoleum.

Coke introduces the product Fresca to Mexico…

…where a “fresca” is a lesbian.

A Mexican manager was criticized by a director who saw the manager repeatedly touching a potential client…

…touching is very natural (and expected) in Hispanic cultures.

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Blunders in International Business

An ad, "**When** I used this shirt, I felt good…"

… translated into Spanish as, "**Until** I used this shirt I felt good."

A US manager gave his Chinese employee a poor rating for not participating in meetings…

…the employee was trying to be polite so he waited for silence (to indicate others were finished) before offering his opinion.

Company invested in relocating executives, had 100% turnover within 8 months of the return from the overseas …

…there was no value placed on the investment, time spent or knowledge gained

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More About You…

1. Require contracts in your business?
2. Identify the decision maker so you can “sell” to him/her?
3. Know how to say “hello,” “good morning,” and “thank you” in more than one language (and use this in your business)?
4. Use the metric system measurements when describing space to international clients?
5. Know the naming conventions for Latin America and Japan?

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More About You…

6. Shake hands with Hindu or Muslim clients?
7. Feel it is important to say something when the client is silent?
8. Use the “time is running out” technique when selling or closing an arrangement?
9. Know the symbols, numbers and flower types that connote death in various cultures?
10. Use the globe as a symbol on your collateral material or website?
11. Call yourself an American?

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II. Culture: An Overview

Definitions
Important
Perspectives
Iceberg

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Culture…

“All people are the same. It is only their habits that are different.”

Confucius

"What is truth on one side of the Pyrenees is error on the other.”

Blaise Pascal

“Culture distorts how we see the world and how the world sees us… We have a blind spot when we look at ourselves. We evaluate the behaviors of others against what we perceive as normal…”

Schneider and Barsoux

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Culture is…

"…a set of basic assumptions [worldview]…that have evolved over time and are handed down from one generation to the next."

Edgar Schein

"…a set of shared values, assumptions and beliefs of a group of people resulting in characteristic behaviors."

SOURCE: Craig Storti, *Figuring Foreigners Out*

"… the collective programming of the mind that distinguishes the members of one group or category of people from others."

SOURCE: Geert Hofstede, *Cultures and Organizations: Software of the Mind*

"Culture is…a system of expressive practices…, a system of symbols, premises, rules, forms, and the … mutual meanings associated with these."

SOURCE: Donal Carbaugh, *Intercultural Theory*

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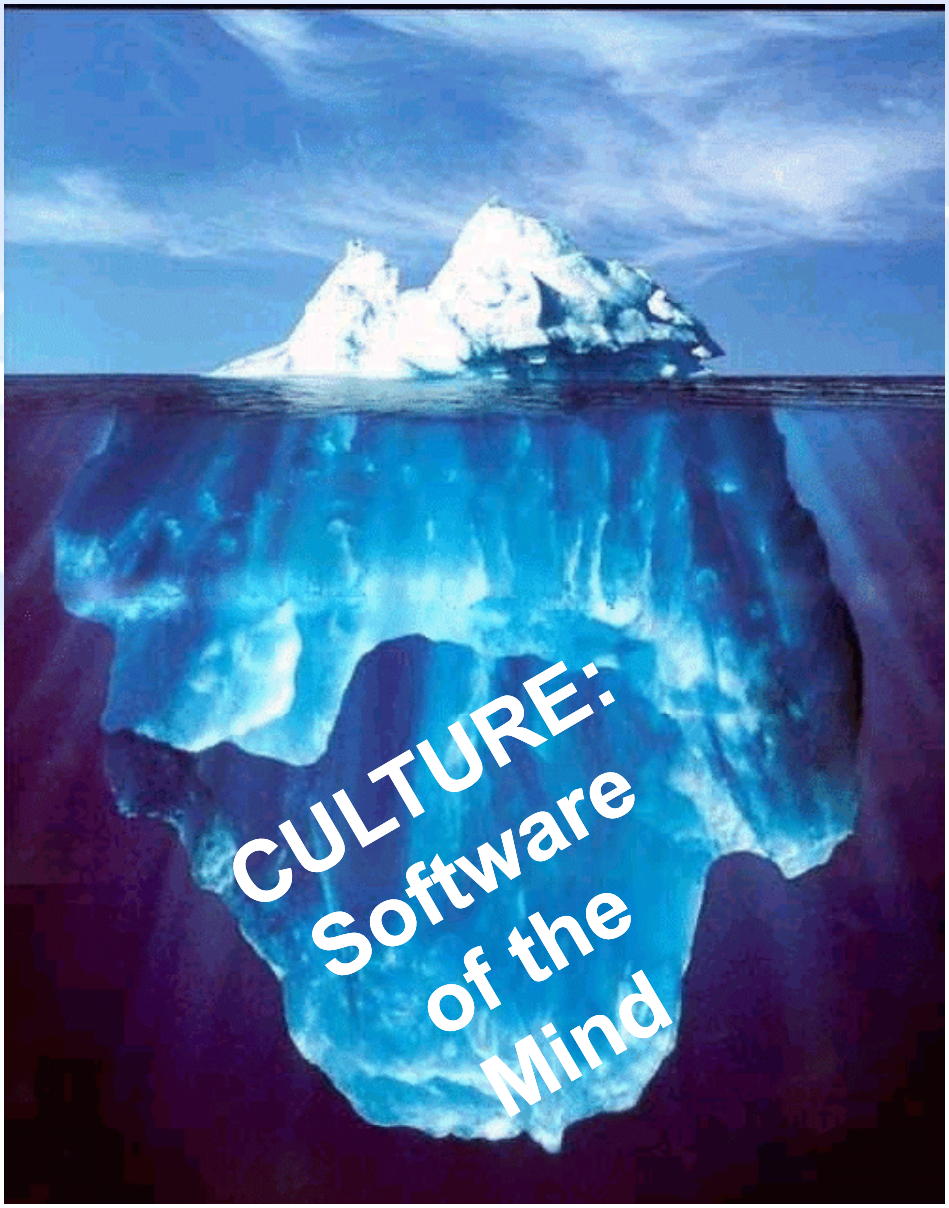

Visible

Cultural signs and symbols - language, food, clothing, art, architecture, music.

Beneath the surface

1. **More extensive…**
2. **We give little thought about the impact of cultural upbringing on assumptions and values**
3. **Attitudes and behaviors – are shaped by our values**

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III. Introduction to Geert Hofstede's Cultural Dimensions and the Impact of Culture

Individualism
Power Distance
Certainty

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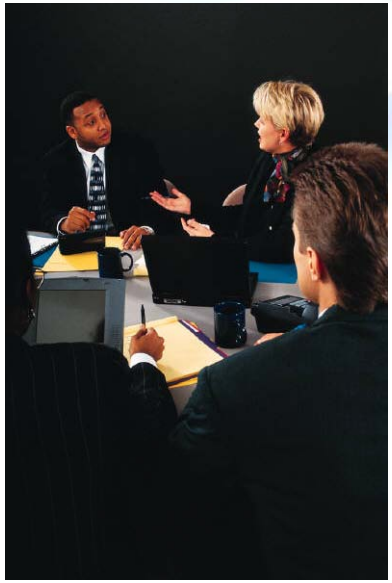
Individualism…

…the degree to which decisions are made for the benefits of the individual, or for the benefit of the group.

INDIVIDUAL ORIENTATION

Look out for #1.
If you want something done right, do it yourself.



GROUP ORIENTATION

Two heads are better than one.
Many hands make light work.

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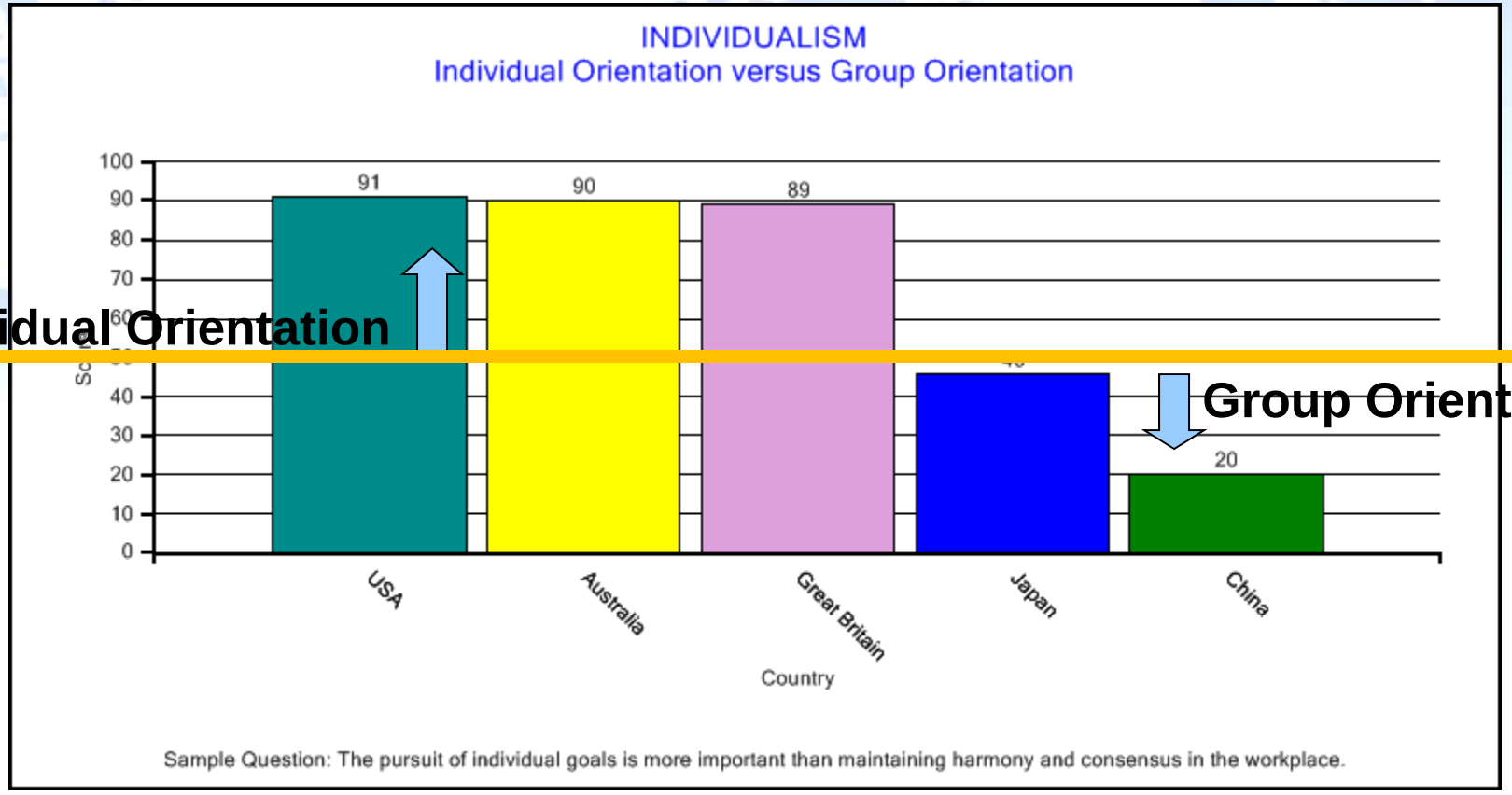
Individualism Dimension



Individual Orientation

Group Orientation

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Impact in Your World

- Task (Individual Orientation) vs. relationship (Group Orientation)
- Decision making
  - Group or individual decision?
  - Who is responsible for what?
- Teams

(…and it is not just those from other countries – look at what your colleagues need…)

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Power Distance…

…the degree to which inequality or distance between those in charge and the less powerful (subordinates), is accepted.

HIERARCHICAL ORIENTATION

Even better than respect is obedience.
The highest duty is to respect authority.

PARTICIPATIVE ORIENTATION

Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.

The key to successful leadership today is influence, not authority.

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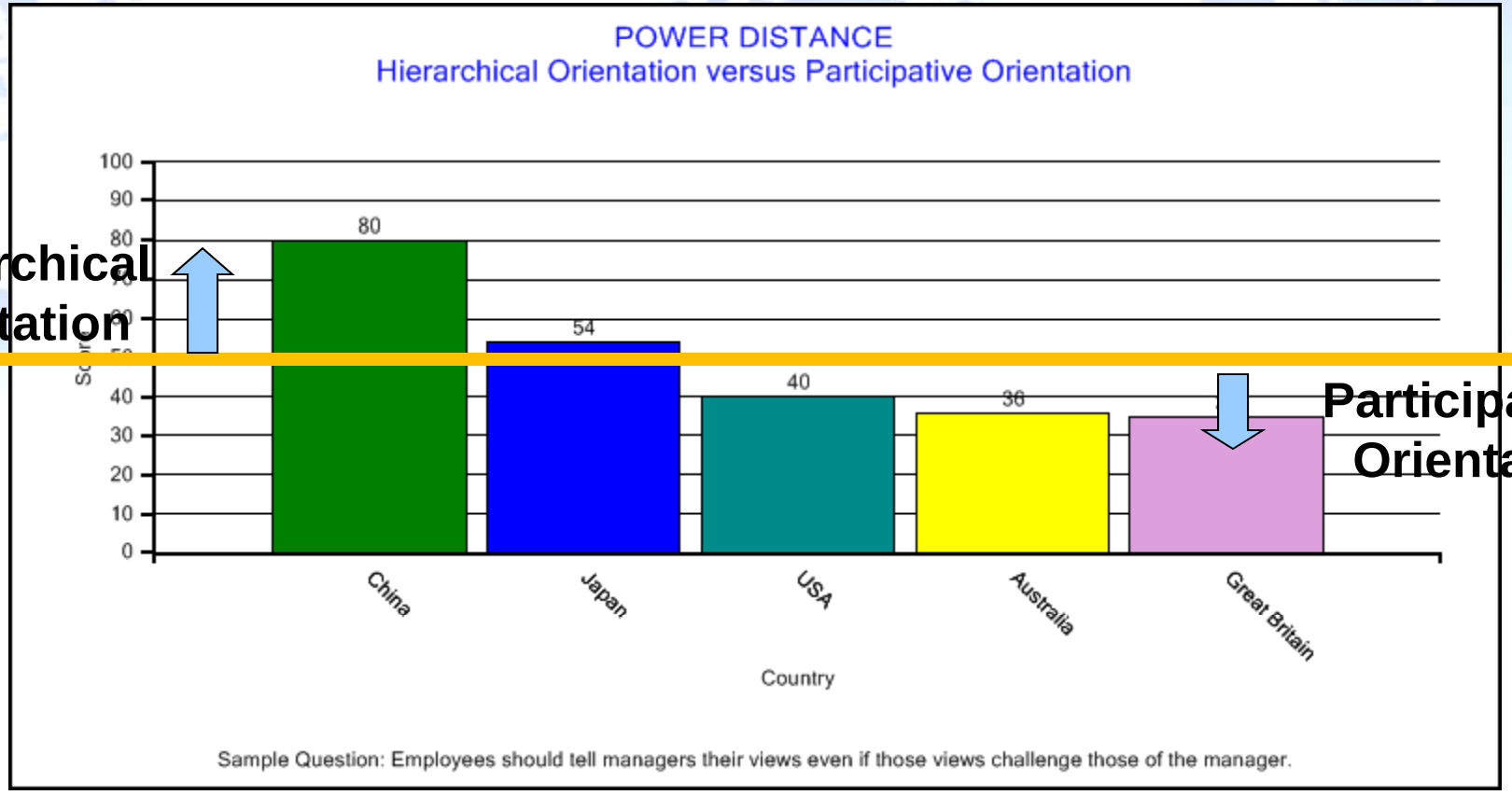
Power Distance Dimension



Hierarchical Orientation

Participative Orientation

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Impact in Your World

- Age, education, experience, expertise – who is selected for relocation assignments? (set-up for failure?)
- Decision making
- Leadership
- Performance Management Systems

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Certainty…

…the extent to which people prefer rules, regulations and controls or are more comfortable with unstructured, ambiguous or unpredictable situations.

NEED FOR CERTAINTY

Do it by the book.

Better safe than sorry.

TOLERANCE FOR AMBIGUITY

Rules are meant to be broken.

Nothing ventured, nothing gained.

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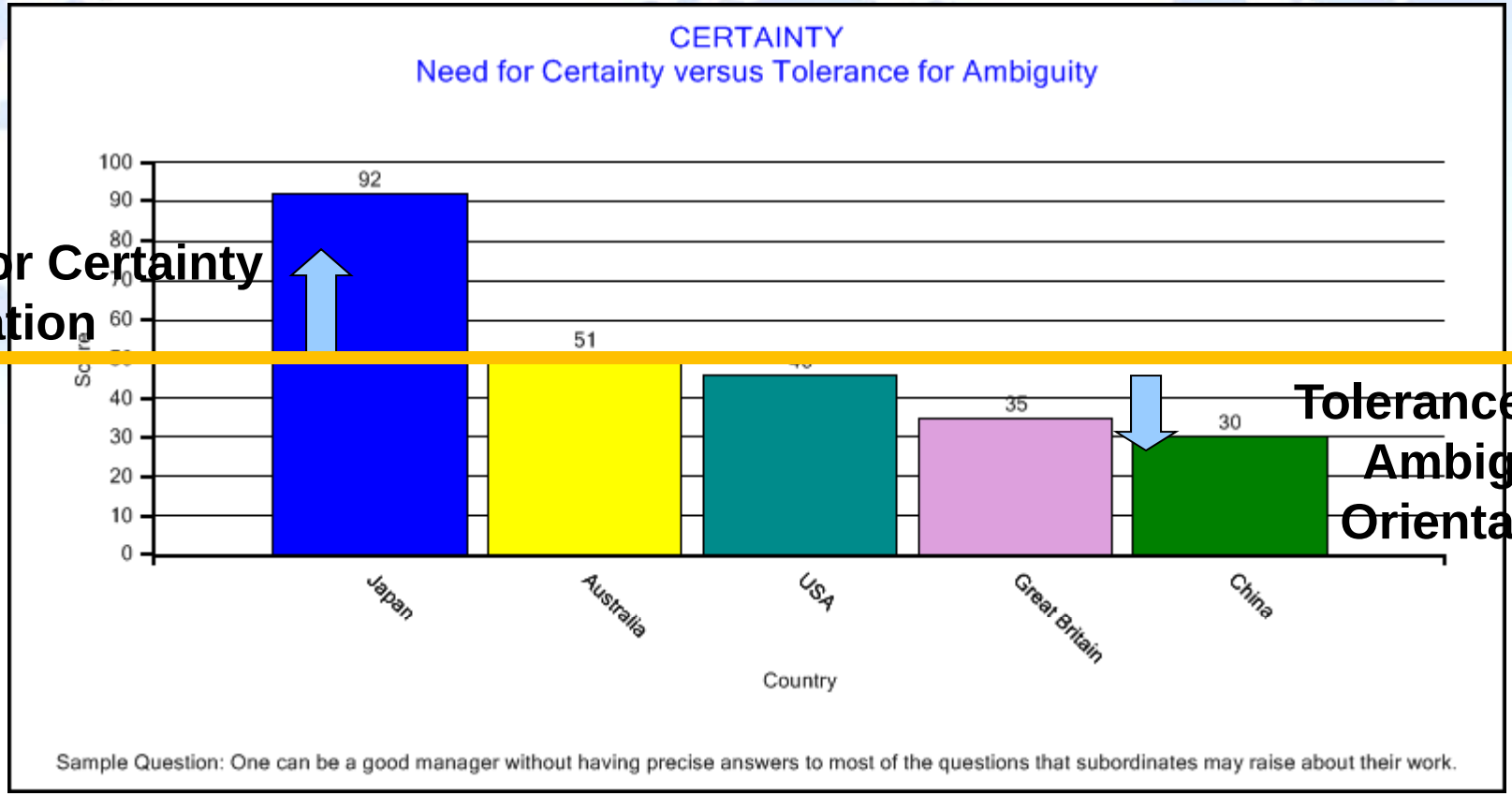
Certainty Dimension



Need for Certainty Orientation

Tolerance for Ambiguity Orientation

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Impact in Your World

- Contracts
  - Ask lots of questions; need more (and then more) information
  - Clarity is important
- Provide context
  - US uses bullets; others need MUCH more
- When English is an acquired language there needs to be more time given to review documents

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Characteristics: Relative to US

	Individual or Group?	Hierarchical or Participative?	Need for Certainty or Tolerance for Ambiguity?	Achievement or Quality of Life?	Long-Term Orientation or Short-Term Orientation?
Great Britain	Similar / Individual	Similar / Participative	Similar / Tolerance for Ambiguity	Similar / Achievement	Long-Term Orientation
China	Group	Hierarchical	Similar / Tolerance for Ambiguity	Similar / Achievement	Long-Term Orientation
Australia	Similar / Individual	Similar / Participative	Need for Certainty	Similar / Achievement	Similar / Short-Term Orientation
Japan	Group	Hierarchical	Need for Certainty	Similar / Achievement	Long-Term Orientation

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Clusters

Family Cluster: ***(Singapore, China, Indonesia, India, and the Philippines)***

- *They rely on religion and their in-group. People value and uphold structures that maintain stable relationships.*

Contest Cluster: ***(USA, the English-speaking part of Canada, UK, Australia, New Zealand, and Ireland)***

- *People value competition, autonomy and self-reliance. They see competition as a catalyst.*

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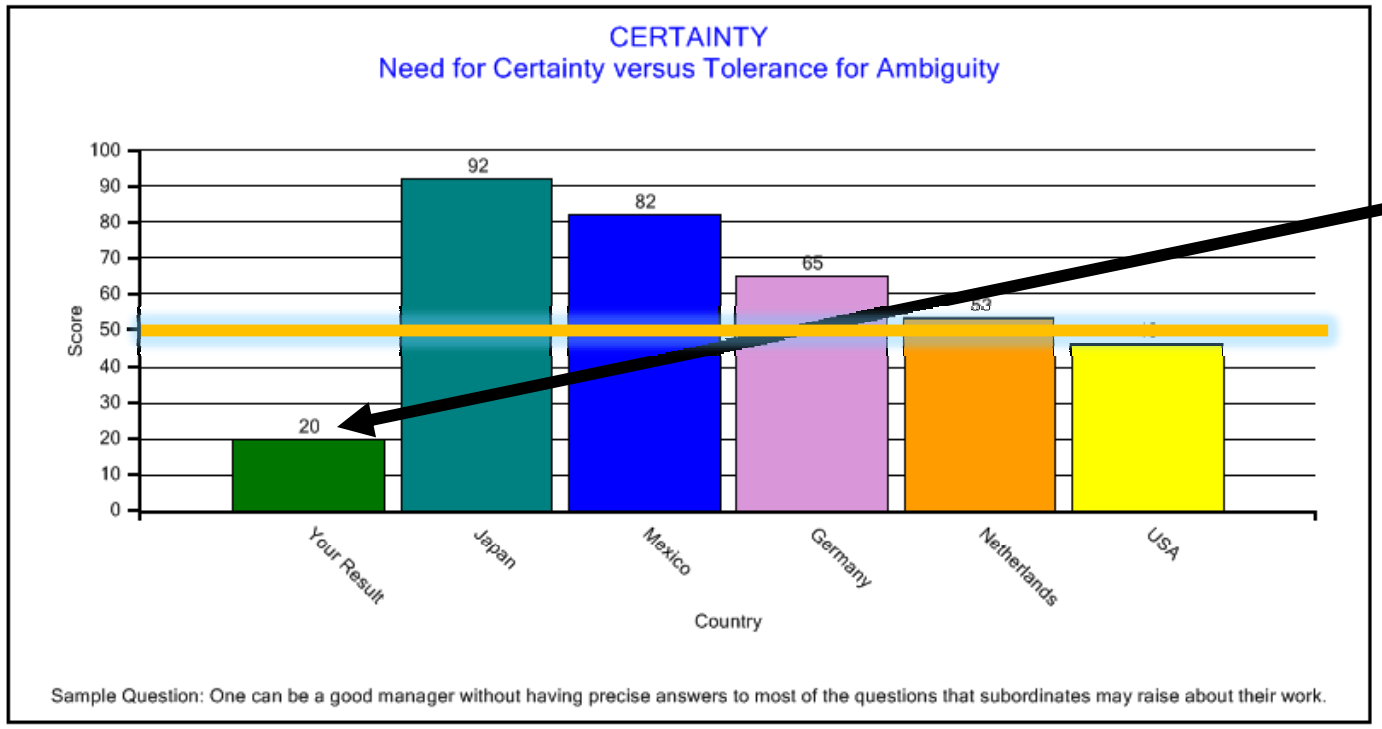
Certainty - the extent to which people prefer rules, regulations and controls or are more comfortable with unstructured, ambiguous or unpredictable situations

Certainty



The higher your score, the higher your preference for Need for Certainty. A score of 50 or lower means more of a preference for Tolerance for Ambiguity.

Interpreting your results

Your score is at the low end of the Certainty dimension and indicates a strong preference for tolerance for ambiguity. People with a high tolerance for ambiguity appreciate organizations that encourage individuals to take initiatives and use creative approaches. They believe that there should be no more rules than is strictly necessary, and that rules may be broken for pragmatic purposes. It is acceptable to challenge and question "the way things are done." There is a tolerance of differences, innovative ideas and a wide range of behaviors. Managers are mainly concerned with strategic issues and it is accepted that they may not have all the solutions at any given time.

Definition

Your results compared to country averages

Your Interpretation

Personal Cultural Profile - CWQ

- Free **Culture in the Workplace Questionnaire™** - personal cultural profile
- Leave me with your business card
- Write "**CWQ**" on the back of your card

IV. Summary: Lessons Learned

Strategies

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…when Communication is Cross-cultural

Culture impacts barriers, filters, noise

Culture impacts encoding

Culture impacts decoding

Impact of Culture: the Receiver…

- …**decodes** the message – his/her culture may transform it
- …**explains** the behavior/message of the others from their own cultural context
- …**perceives** meaning based on influences e.g., nation, religion, tribe…
- …**perceives** meaning based on his/her understanding of a manager's or subordinate's role
- …**reasons** through the message based on different assumptions

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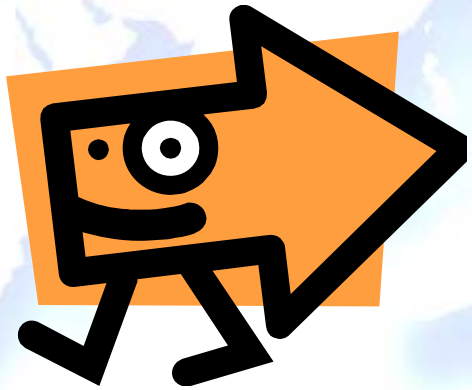
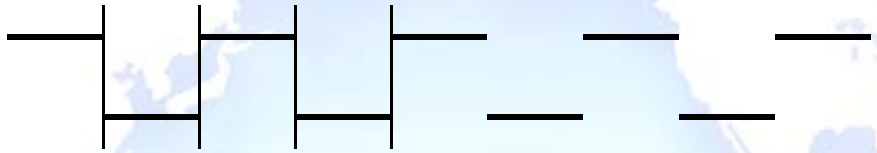
Direct vs. Indirect Communication

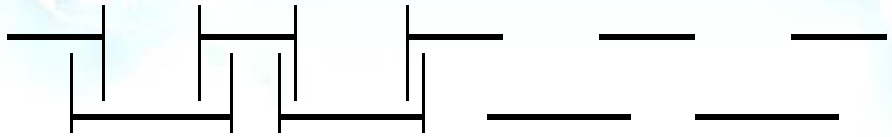


Pacing: Language/conversation

- Anglo



- Latin



- Asian

Source: ***Riding the Waves of Culture: Understanding Diversity in Global Business****, by Fons Trompenaars and Charles Hampden-Turner*

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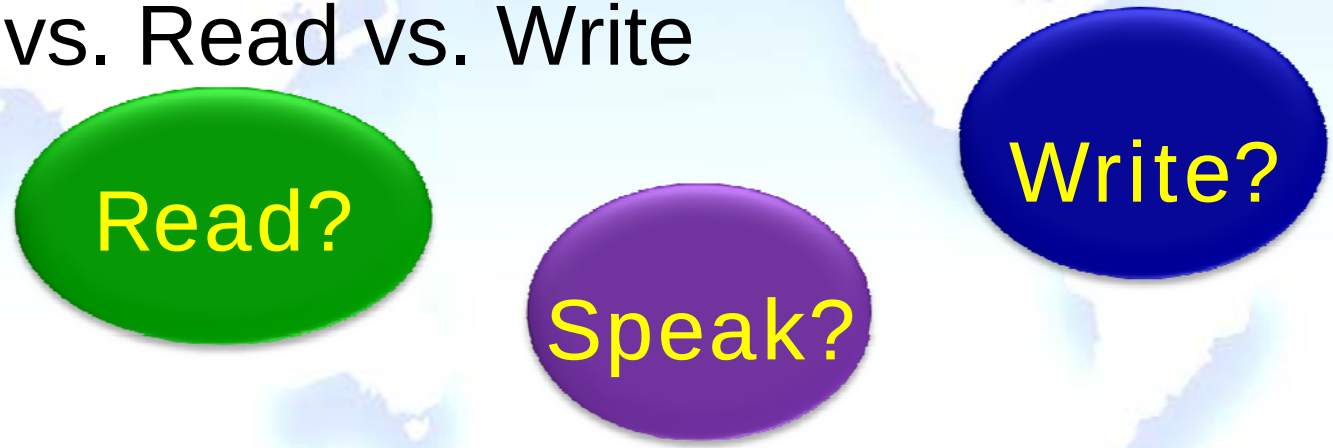
Language Capability

Which is more difficult…

They Understand English

- Simplicity vs. complexity
- Speak vs. Read vs. Write



- First definition - lacks subtlety
- …we speak “US English”…most of the rest of the world speaks British English

Attitudes Towards Time

Culture impacts the relative importance of past, present and future

- US Americans (short history) - Past is unimportant. (“No use crying over spilled milk.”) Time is valuable (“Time is money.”)
- Europeans / Asians (longer history) – they see the importance of past and of tradition, context…
- For Latins, time is a relationship issue

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Meet and Greet…

Business cards / introductions - differences

- Japanese / French / US – content
  - How to present
  - Both sides

Kiss, bow or shake hands?

What's in a Name?

- Korea
  - Family (Han), generational (Sae), birth name (Hi)
  - Han Sae Hi = Mr. Han
  - Bing Mercer Catherine = Mrs. Bing
- Spanish
  - Take both the father and mother's surnames
  - **Señor** José Antonio **Martínez** de García = Señor Martínez; **Señorita** Pilar María **Nuñez** de Cela = Senorita Nunez – and if they married…
  - **Señora** Pilar María Nuñez Cela de **Martínez** = Señora de Martínez or, less formally, Señora Martínez

If you don't know, ask!

Dates…

- In October 2001, a news organization did a survey in Africa. Respondents were asked if they knew the significance of 9/11/01?
- Because they did not know the significance of 9/11/01, this was used to prove the backwardness of Africa…
- Rest of the world uses day, month, year (smallest to largest number) – we use month, day, year…

Strategies on Clarity

- Keep the messages short and simple
- Do not assume others can read or write at a high level
- Use the written word to support what was spoken
- Select words that are most commonly used
- Use appropriate greeting, currencies and measurement dimensions (e.g. metrics) and date conventions
- Cite examples/use appropriate visuals and graphics
- Use appropriate colors (white is symbolic of death in many Asian cultures; red is auspicious)
- Repeat important points

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V. ITAP and Strategic Partner Capabilities

ITAP Alliance

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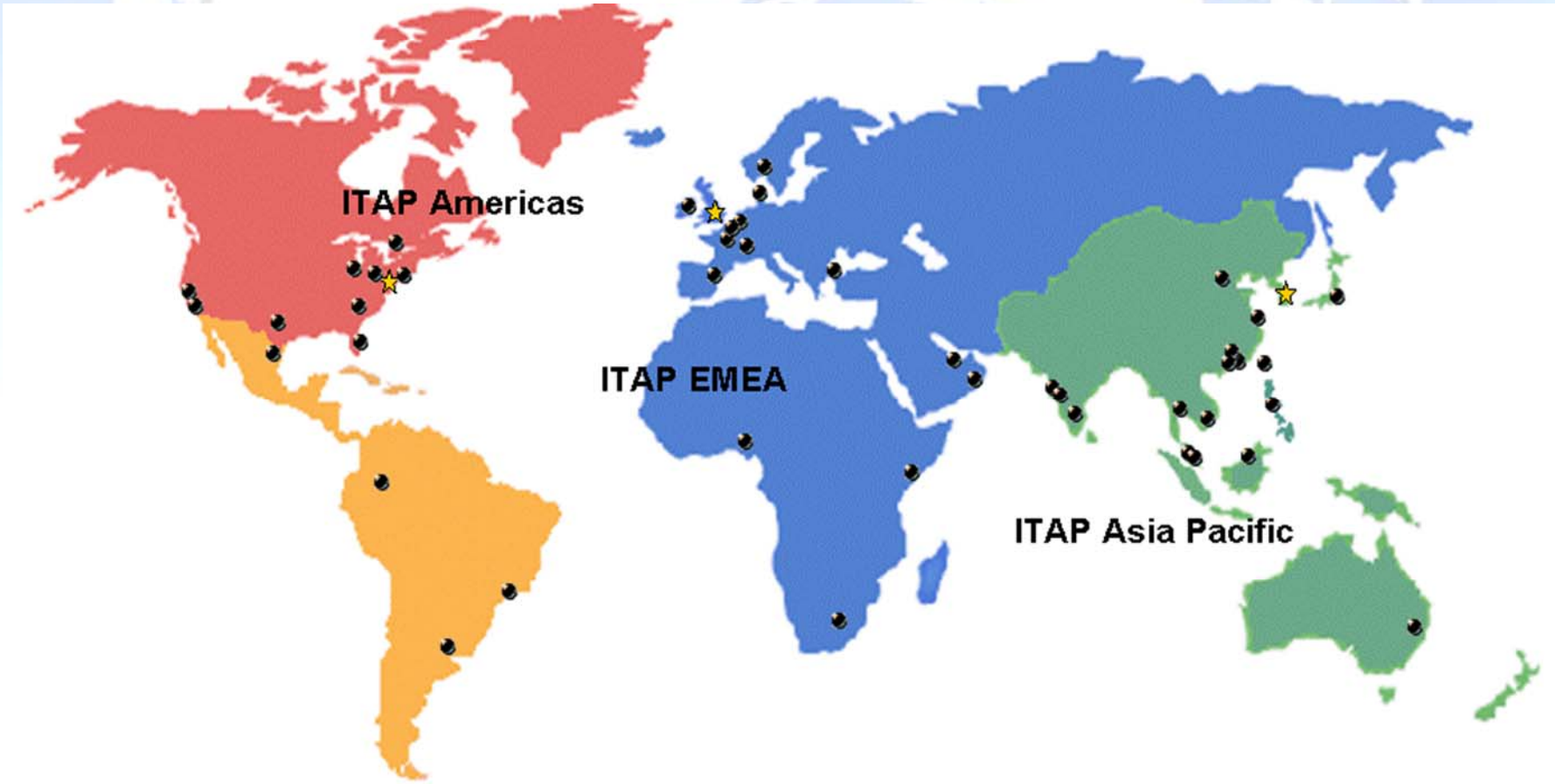
ITAP Serves Clients in Major Business Centers of the World



ITAP has ITAP Alliance presence in over 27 countries world-wide

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What the ITAP Alliance Offers

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ITAP Network Service Languages

REGION	LANGUAGES IN THE REGION
EMEA	Albanian, Arabic, Belarusian, Bulgarian, Croatian, Czech, Dutch, English, Estonian, Finnish, Flemish, French, Georgian, German, Greek, Hausa, Hungarian, Igbo, Italian, Latvian, Lithuanian, Macedonian, Polish, Portuguese, Romanian, Russian, Serbian, Slovakian, Spanish, Ukrainian, Yoruba
ASIA-PACIFIC	Bengali, Chinese (Cantonese), English, Gujarati, Hindi, Indonesian (and Bahasa Indonesian), Japanese, Kamada, Korean, Malay, Mandarin, Marathi, Pilipino, Tamil, Telegu, Thai, Vietnamese
THE AMERICAS	English, French, German, Portuguese, Spanish

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Analysis Informs Business Solutions – Alliance Tools

For Individuals and Teams:

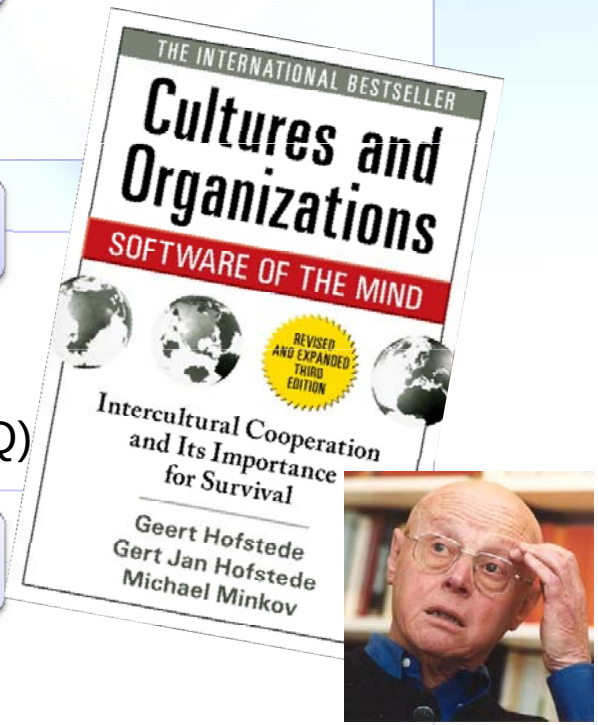
- The Culture in the Workplace Questionnaire™ (CWQ)
- Intercultural Development Inventory (IDI)

For Teams:

- Global Team Process Questionnaire™ (GTPQ)
- Organizational Team Process Questionnaire™ (OTPQ)
- Action Learning Team Process Questionnaire™ (ALTPQ)

For Organizations:

- Competency Software Suite
- Business-Aligned® Diversity & Inclusion
- E-Strategy Mapper
- TPQ Series of Tools (see list above in For Teams)



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Free Team Profile - TPQ

- One free **Team Process Questionnaire**™
  - Multi-cultural teams (**GTPQ**)
  - Mono-cultural teams (**OTPQ**)
  - Action Learning Teams (**ALTPQ**)
- Leave me with your business card
- Write “GTPQ, OTPQ or ALTPQ” on the back of your card

ITAP Strategic Partners

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Over 40 Years of Global HR Solutions

International Benefits and Payroll Services

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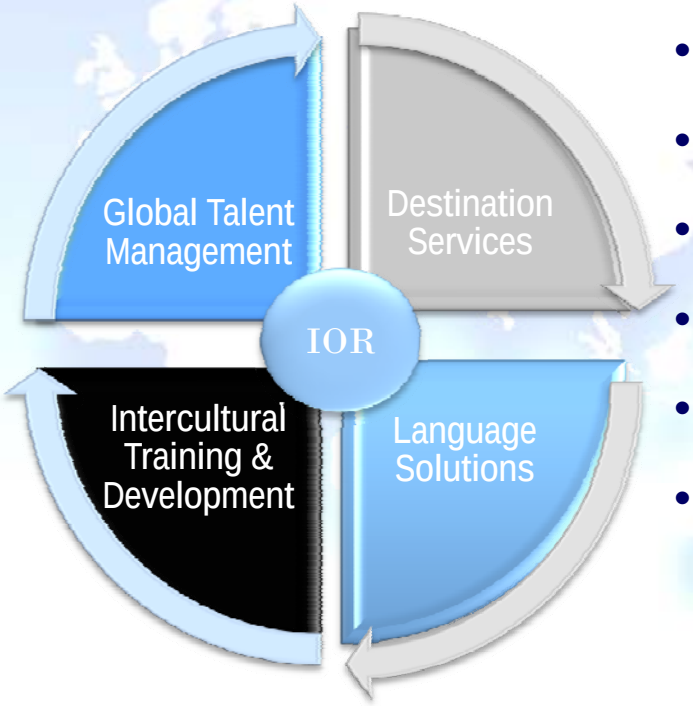
ONE SOURCE | TOTAL RECOGNITION

ITAP INTERNATIONAL

DVRC Delaware Valley Relocation Council

Destination Services

To provide stability in a mobile world



- **Area Orientation**
- **Home Search**
- **School Search**
- **Settling In**
- **Departure Assistance**
- **Extended Assignment Support**

"IOR offered great support and dedication to help us integrate and understand the relocation process."

Assignee - Agricultural Biotechnology Corporation

…because you are not just moving, ***you are moving forward***

Relocation Training & Development

To enhance intercultural competence

Training, Coaching & Development Programs for:

- Expatriates
  - Employee, Spouse, Children
- Repatriation
- Global Business Travelers
- Multi-cultural Workforce

Assessment Instruments

- Candidate Selection
- Development

"It is hard to really do justice to how much we enjoyed our intercultural class. Our trainer was great - a total professional. It was the most rewarding, enlightening and confidence building two days I have had in a while.

Assignee - Oil and Gas Exploration and Production Company

…to work more effectively across cultures

Rewards and Recognition

Locations

World Headquarters
545 5th Avenue
New York, NY 10017

Distribution Center
Long Island City, NY

European Headquarters
Wokingham, Berkshire, U.K.

3 PL Canadian Distribution Center
Burlington, Ontario, Canada

Awards & Accreditations

Certified WBENC Women's Business Enterprise
SAS 70
Ernst & Young Entrepreneur of the Year
HRO Today — Where Business Leaders Make HR decisions
EPA Green Power Partnership
The Stevies

Trade Associations

SHRM Society for Human Resource Management
WorldatWork The Total Rewards Association
Recognition Professionals International
FORUM For People Performance Management and Measurement
ashhra
ima

Global Customer Base

citi
United Technologies
Pfizer
i'm lovin' it
Kaiser Permanente
Morgan Stanley

Popular Programs

Service Anniversary
Onboarding
Online Nominations
Points Programs
Retirement
Safety
Wellness

Employee Recognition

Magic Box

Available in dozens of variations, our signature presentation piece comes complete with a personalized and signed congratulatory letter, a framed certificate, a small gift engraved with the company logo, a gift catalog and ordering instructions.

Lifestyles Recognition

A data-driven platform used to reward milestones such as service anniversaries, sales goals, safe driving miles, or retirement. Includes administrative services, gift fulfillment and advanced technology solutions.

Spark

Spark features themed gift cards that are designed to celebrate the moment, whether it's the achievement of a team goal, the celebration of a birthday or an employee service award. Employees can redeem cards online immediately for lifestyle gifts.

Early Engagement

Early Engagement uses a series of customized communications to engage your employees early and often. A campaign of emails, feedback questionnaires, and branded gifts ensures that new hires feel connected to your company immediately.

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Total Vision Recognition

A web-based points recognition system that manages all of your recognition programs on a single platform. Points can be redeemed for millions of rewards, including merchandise, travel, and experiences.

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Questions?

- …or see me during the closing reception

Thanks!

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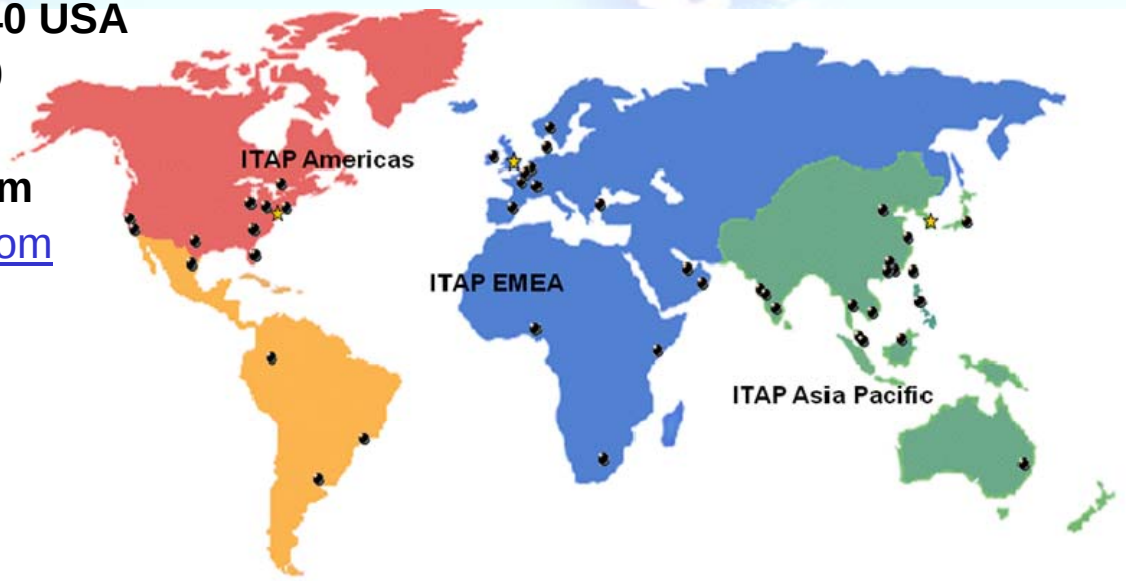

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