

Working Across Cultures

MARKET LEADER



Business English

Adrian Pilbeam



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This unit considers the cultural issues which can arise when a company starts working internationally.

BEFORE YOU READ

Discuss these questions.

- 1 What are the main reasons for a company to start looking outside its domestic market?
- 2 What are some of the problems that might arise when marketing and advertising products in different countries?
- 3 What kind of cultural problems can arise when a company starts working internationally?

READING

A Understanding the main points

Read the article on the opposite page and say whether these statements are true (T), false (F) or there is not enough information given (N). Identify the part of the article that gives this information.

- 1 Most companies only start working internationally when they have fully exploited their domestic market.
- 2 The best way to enter foreign markets is to set up subsidiaries in those countries.
- 3 Geert Hofstede was the first person to study the impact of culture on working internationally.
- 4 Geert Hofstede found that values and beliefs in different parts of IBM across the world were different.
- 5 The biggest problem when working internationally is getting the marketing right.
- 6 China is the most difficult foreign country for Western companies to do business in.
- 7 Cultural diversity can be a benefit as well as a problem.

B Understanding details

Read the article again and answer these questions.

- 1 What is Geert Hofstede's nationality?
- 2 When did Hofstede carry out his research at IBM?
- 3 Why was IBM a good company to choose for his research?
- 4 Why was 'Nova' a bad name for a car in Spanish-speaking markets?
- 5 Why was the Lexus luxury car less successful in Europe than in the US?
- 6 What can companies do to be more successful when marketing products internationally?
- 7 Why do Western companies have problems operating in China?
- 8 What are some of the benefits of working across cultures?

Barriers can give a competitive edge



by Morgan Witzel

A Sooner or later, the growing company will reach market saturation in its domestic market, and there will be little choice but to move into overseas markets.

B Most companies, in fact, start dipping their toes into foreign waters long before they reach domestic saturation, to exploit other profitable markets and give themselves experience of working abroad.

C Whether the company is trading abroad or establishing foreign subsidiaries, the issue of national culture assumes great importance. It had been known for years that working across cultures poses special problems, but the work of Geert Hofstede, the Dutch management theorist, in the 1970s and 1980s showed just how diverse and various cultural influences can be.

D Working across a single global company – IBM, a business noted for the uniformity of its corporate culture –

25 Hofstede showed that a huge variety of beliefs and values were present in the workplace, not just between the US, Europe and Asia, but within regions as well.

E Globalisation is said to be leading to cultural convergence but, as Hofstede and many later studies have shown, full convergence is still some way away.

F Companies moving into international markets will usually first feel the effects of culture on their marketing and advertising. Every international marketer has their collection of mistakes, where the values of one culture fail to translate into another. Sales of the Vauxhall Nova in Hispanic-speaking countries, for example, suffered because in Spanish, *no va* means ‘won’t go’.

G Other failures are more complex and based on deeper cultural divides. Toyota’s luxury car, the Lexus, was an immediate hit in the US, where the luxury-car market had been the preserve of a few domestic companies,

and the Lexus offered something appreciably different. The Lexus has been much less successful in Europe, where there is a stronger tradition of luxury car-making and strong loyalty to local brands on the part of their buyers.

H Cultural barriers in marketing can be overcome by repositioning brands, changing advertising and product features to suit local sensitivities and so on. Much more difficult to manage are the cultural differences that arise when companies establish multinational subsidiaries and then expect members of different national cultures to work together. This is especially the case with Western companies establishing subsidiaries in China.

I Chinese workers often prefer strong, directive leadership to the more democratic model now common in the West. They also rely much more on senior managers to sort out problems, including problems in the workers’ private lives. Linguistic confusion is also compounded by quite different attitudes to issues such as ethics, reporting and control, and workers’ rights and responsibilities.

J What appears to be a barrier, however, can actually be a source of competitive advantage for those companies and managers that learn to work with cultural differences and benefit from them.

K In terms of managing local subsidiaries, some global companies have learnt to adopt best practices from foreign companies and transfer these into the home market. This kind of cross-fertilisation has been taking place between Japanese and Western car-makers for decades, and has led to powerful innovations on both sides.

FT

VOCABULARY

A Understanding expressions

Choose the best explanation for each phrase from the article.

- 1 ‘... will *reach market saturation* ...’ (line 2)
 - a) start to lose market share
 - b) stop expanding its market share
- 2 ‘... start *dipping their toes* into foreign waters ...’ (lines 6–7)
 - a) making the first moves
 - b) carrying out test marketing
- 3 ‘... leading to *cultural convergence* ...’ (lines 30–31)
 - a) where everything becomes similar
 - b) where everything changes
- 4 ‘... will usually first *feel the effects of culture* on ...’ (lines 35–36)
 - a) have cultural problems
 - b) be influenced by culture
- 5 ‘... based on deeper cultural *divides*.’ (line 46)
 - a) differences
 - b) values
- 6 ‘... to *suit local sensitivities* ...’ (line 61)
 - a) adapt to different ways of doing things
 - b) try to change the local customs
- 7 ‘Linguistic confusion is also *compounded* by ...’ (lines 76–77)
 - a) made better
 - b) made worse
- 8 ‘... a source of *competitive advantage* ...’ (lines 82–83)
 - a) a reason for problems with competitors
 - b) a chance to be better than competitors
- 9 ‘... to *adopt best practices* from ...’ (line 89)
 - a) improve by constant practice
 - b) take good ideas from others

B Word search

Find words or phrases in the article which fit these meanings.

- 1 markets in foreign countries (paragraph A)
- 2 to use fully so you get as much advantage as possible from it (paragraph B)
- 3 companies that are at least half owned and controlled by another company (paragraph C)
- 4 causes (a problem) (paragraph C)
- 5 ideas that you feel to be true (paragraph D)
- 6 the principles that influence the way of life of a particular group or community (paragraph D)
- 7 place reserved for one special group (paragraph G)
- 8 being faithful to a set of beliefs or a country (paragraph G)

- 9 things that prevent or limit what you can do (paragraph H)
- 10 changing the way of marketing and advertising a product or a brand so that people think about it in a different way (paragraph H)
- 11 set up, create (paragraph H)
- 12 a style of management that shows you are clearly in charge (paragraph I)
- 13 to solve (paragraph I)
- 14 the mixing of the ideas of different groups of people, which often produces a better result (paragraph K)

C Sentence completion

Use words and phrases from Exercise B in the correct form to complete these sentences.

- 1 Multinational companies usually have in many parts of the world.
- 2 Some companies are more successful in markets than in their domestic market.
- 3 Having a presence in a market is the best way to it fully.
- 4 Sometimes it is necessary to a product or brand in a foreign market in order to avoid offending or confusing people.
- 5 To sell products successfully in foreign markets, it is usually necessary to local sales companies.

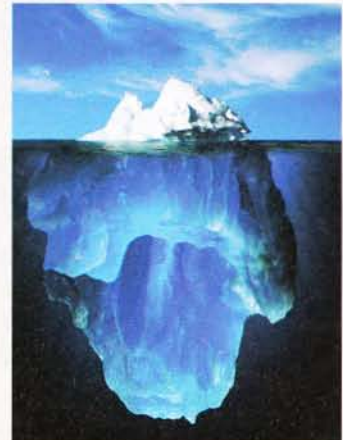
OVER TO YOU

- 1 What are the positive aspects of working across cultures?
- 2 What are the challenges or difficulties of working across cultures?
- 3 The words in the box are all associated with culture. How would you explain or define each of them?

artefacts assumptions attitudes behaviour beliefs
dress food language norms traditions values

- 4 A common image of culture is that of an iceberg. Look at the photo. Why do you think that is?
- 5 Which of the words in question 3 associated with culture are above the surface of the iceberg of culture and are clearly visible, and which are below the surface and invisible? For those below the surface, how far below the surface do you think they are? Say why.
- 6 What are some of the core values in your culture?
- 7 Some examples are given in the article about brands and products that have not transferred well to overseas markets. Can you think of others?

The iceberg of culture



This unit describes how communication styles differ across cultures.

BEFORE YOU READ

Discuss these questions.

- 1 In what ways do you think working internationally has changed in recent years?
- 2 What personal skills and qualities are important if you want to work successfully with people from other cultures?
- 3 What examples can you think of where differences in communication styles might cause problems when working across cultures?

READING**A Understanding the main points**

Read the article on the opposite page and choose the statement that expresses the ideas in the article most accurately.

- 1 Europeans find it hard to work with people from the Middle East and Asia.
- 2 You need to adapt your behaviour and communication style when working across cultures.
- 3 Maintaining group harmony is the most important quality needed by international managers.

B Understanding details

Read the article again and answer these questions.

- 1 In what ways has the world of work changed in recent years?
- 2 How are some international software development projects run nowadays?
- 3 What is the result of increased interaction between colleagues from different countries?
- 4 What do organisations need in order to be effective in different countries?
- 5 What research did PDI carry out?
- 6 How big was PDI's survey?
- 7 What are 'The Big Five'?
- 8 What was one of the most important findings from the research?
- 9 How did managers from the UK score on the research?
- 10 How did managers from Saudi Arabia and Japan score?
- 11 What can happen when British managers come into contact with managers from Saudi Arabia or Japan?
- 12 What is one potential problem when British people work with the Chinese?

Communicating across the cultural divide



A Until quite recently, company leaders who worked closely with foreign colleagues either travelled regularly or were transferred overseas. But the world of work has changed dramatically. Now, many managers regularly interact with foreign clients, vendors or fellow employees without ever leaving their offices.

B For instance, an HR manager in London may, on the same day, talk with a colleague in Asia and a customer in the US. Or a software developer in Dublin can pass on an around-the-clock software project each afternoon to a colleague in California, and

get it back the next morning from a colleague in Bangalore.

C This increased interaction with colleagues in other countries can result in a dramatic contrast in styles, cultures and expectations. That, in turn, makes it more important to ensure your organisation has access to the interpersonal and management skills needed to be effective in the countries in which it operates.

D Research from global HR consulting firm Personnel Decisions International (PDI) suggests that there are significant differences in core personality traits between business leaders from different countries.

E PDI examined responses on its global questionnaire from nearly 7,500 managers and executives in more than 500 organisations across 12 countries. The survey looked at 39 specific traits that make up what industrial psychologists call 'The Big Five' – emotional balance, extroversion, conscientiousness, agreeableness and openness to new experiences.

F Chief among the research findings is the fact that agreeableness and emotional balance account for the biggest differences between managers and executives working across different countries.

G Business leaders in the UK had among the lowest scores on agreeableness – the tendency to seek group harmony – and received average scores in emotional balance. Executives in the UK, as well as other EU countries including Germany and the Netherlands, scored high on extroversion,

meaning they like to work in groups.

H In contrast, managers and executives in countries such as Saudi Arabia and Japan are more concerned about maintaining group harmony, and seem more in touch with their emotions and feelings, but they are less inclined to speak openly.

I Given increased international interaction and big differences in styles and cultures, it is important for you to be able to match your personal and communication styles with those of colleagues in other countries.

J 'Without realising it, you may not put as much emphasis on group harmony, so you are at risk of coming across as more abrupt or non-caring to managers in countries such as Japan or Saudi Arabia,' says Simon Callow, Vice-President and Managing Director of PDI UK.

K And there are other differences. A brainstorming session is a common exercise in the UK, where open group discussion is accepted. However in China, executives scored low on extroversion, preferring to work on problems alone rather than with others. If you propose a brainstorming session with Chinese colleagues, you could be met with great resistance, meaning your effort is likely to be a waste of time.

L To be successful when working across cultures, you need to recognise the differences in cultural behaviours and personality traits so you can learn how to adapt your behaviour and your communication style.

from *Personnel Today*