

# Why Culture Matters

## The Role of Culture in International Business

Presented by:

Luciano Brito

Echo International



# *What is Culture?*

---

*“Culture is the collective programming of the mind  
which distinguishes the members of one group  
from another”*

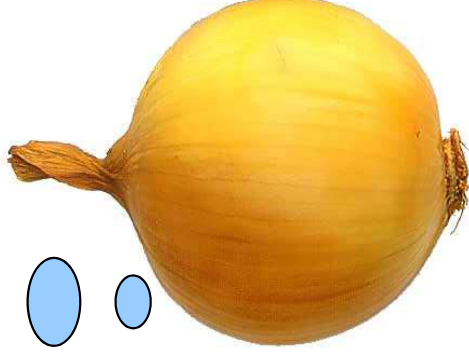
*~ Hofstede*

- Set of social behaviors
- Shared values, attitudes, beliefs of a group of people
- A way of interpreting the world, learned at an early age
- Provides structure, security, and stability for the group
- Based on history and developed over time

# *Culture is an Iceberg/Onion*



Dress, Etiquette, Laws  
(Written), Manners ...



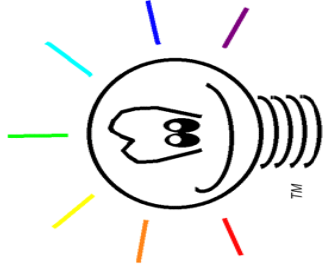
Values, Attitudes, Accepted ways  
of behaving, thought patterns ..

# *Stereotypes and Generalizations*

Stereotypes	Generalizations
Presents a fixed and inflexible image of a group	Are based on a large sample of a group
Ignores exceptions and focuses on behaviors that support the image they present	Provide general characteristics based on cultural and social factors Inform rather than prescribe

# 4 Levels of Cultural Awareness

www.cgstock.com



**Unconscious Competence**  
- Our communication skills are automatic

**Conscious Competence**  
We think about our communication and continually work to become more effective

**Conscious Incompetence**  
We know that we are misinterpreting others' behavior but don't do anything about it

**Unconscious Incompetence**  
- We are unaware that we're misinterpreting other behavior

# *USA and Latin America: Contrasting Styles of Business*

---

- Background: History and Religion
- Individualism ~ Collectivism
- Uncertainty Avoidance
- Power Distance
- Time Orientation
- Communication

- *Very distinct historical, religious, economic and social background:*
  - *Settlers vs. Exploiters*
  - *Protestantism vs. Catholicism*
  - *Strong economy vs. Emerging*
  - *British alignment vs. European mainland*
  - *Segregation vs. Miscegenation*

# *Individualism vs. Collectivism*

- USA work related characteristics:
  - Management of individuals
  - The individual is responsible for a mistake at work
  - Task completion is more important than relationship
  - Conflict or very direct communication is seen as normal
  - *Yet, Struggle with team*
- LA work related characteristics :
  - Management of groups
  - People succeed or fail as group
  - *Relationship is more important than task*
  - *Harmony should be maintained, conflicts should be avoided.*
  - *Yet, personal need to be different*

# *Uncertainty Avoidance*

- USA work related characteristics:
  - Comfortable in ambiguous situations and willingness for risks
  - Trust their ability to “get things done”
  - Higher job mobility
  - *Yet, predictability*
  - *Common Law*
- LA work related characteristics :
  - Stress on avoiding failure
  - Need a lot of data (in proposals, presentations etc.)
  - Lifetime employment valued
  - *Lack of stability leads to desire for support*
  - *Civil Law*

# Power Distance

- USA work related characteristics:
  - The ideal boss is democratic
  - Subordinates expect to be consulted but have to freedom to do their work, as they believe best
  - Decentralization is popular
  - Inequality is minimized
- LA work related characteristics :
  - The boss is the boss
  - Subordinates expect to be told what to do and to follow the orders of the boss
  - *Centralization of decision-making (contrast with collectivism)*
  - *Inequality is accepted as normal*

## *Fixed vs. Fluid Time*

- USA work related characteristics:
  - Punctuality is defined precisely
  - Meetings start on time and deadlines are obligatory
  - Uncomfortable with interruptions
  - *Time is money*
- LA work related characteristics:
  - Meeting when people are ready
  - Delays for missing deadlines are not unexpected
  - Comfortable with interruptions
  - *God's will*
  - *Carpe diem*

# *Communication Context*

---

- USA work related characteristics:
  - Business tends to be impersonal and the focus more on the task
  - Explicitness
  - Quick response to change
  
- LA work related characteristics:
  - Business tends to be personal and the focus more on the individuals
  - Implicitness
  - Slow response to change
  - Save face

## *Tips for Doing Business in Latin American Countries*

---

- Business is formal (European social standard)
  - **high value placed on good appearance, good manners, use of proper professional and academic titles**
- Take time to cultivate personal relationships
- Learn at least a minimum amount of Spanish or Brazilian Portuguese
- Translate important documentation and sales proposals
- Use a competent interpreter for important meetings or negotiations
- Learn important historical highlights for EACH of the countries in which you do business

## *Tips for Doing Business in Latin American Countries*

---

- Be patient – *Time is not money*
- Be tolerant – *Don't judge if you don't want to be judged.*
- Be yourself – *Don't try to go native*
- Maintain your sense of humor – *Great to break barriers*
- Have fun – *Wonderful places*
- And finally, don't be this guy!

# *VIDEO – An American in Mexico*





# Q & A

fig. I