INTERCULTURAL COMMUNICATION IN THE GLOBAL WORKPLACE

fifth edition

IRIS VARNER
LINDA BEAMER

Intercultural Communication in the Global Workplace

Fifth Edition

Iris Varner
Professor Emerita, Illinois State University

Linda Beamer
Emerita Professor, California State University, Los Angeles

McGraw-Hill
Irwin

McGraw-Hill
Irwin

For Carson and David

Preface to the Fifth Edition

Welcome to the fifth edition of *Intercultural Communication in the Global Workplace*. The fourth edition has been used around the globe. We are grateful for the reception of the earlier editions, particularly the many comments and suggestions users have given us. We have incorporated those comments into the fifth edition and are confident that this book presents a valuable tool in your understanding of the impact of culture on international business communication.

The effects of culture on human behavior in general and on global business activities in particular make headline news almost every day. More than ever businesspeople cite cultural understanding as the single most important factor in international success. Prof. Dr. Marion Debruyne is quoted as saying "Culture is the real power of globalization."[1] Dramatic changes in communication technology—the growth around the planet of satellite and cellular telephony—since our first edition have made international communication commonplace.

When we wrote the first edition, e-mail was just starting to be used widely, but it was almost impossible to attach files to an e-mail. We used FedEx to send book chapters to each other for comments and suggestions. Today, files can be sent easily all over the world; we can talk to each other and even see each other on our computer screens. Blogs, Facebook, and Twitter have revolutionized communication. Technology allows us to use rich channels that do not just transmit text but also our gestures, facial expressions, and pauses. We can communicate over vast distances as if we sat in the same room. Companies have embraced this new technology to facilitate communication among their employees from around the world. A survey of new media published in *The Economist* magazine in April 2006 reported that thanks to broadband technology, mass media are being replaced by personal media created by the users of the Internet.[1] Since 2006, personal media devices have developed further, and offer, in addition to a chance to speak and listen, the capability to receive and transmit data to and from mobile devices. "Nowadays, YouTube streams more data in three months than all the world's radio stations plus cable and broadcast television channels stream in a year."[2] It's a long way from the development over 40 years ago of technology to allow internetworking—the origin of the "Internet"—to exist.

The technological revolution means that organizations need intercultural communication skills even more today than they did when this book was first written. The fifth edition of *Intercultural Communication in the Global Workplace* has updated discussions of globalization and new technology in business communication. The discussion of multicultural teams in the workplace has been expanded.

What else is new? The fifth edition has a new discussion about the study of communication in different cultures, and the study of communication between cultures. It also shows how intercultural communication research fits within the dominant research paradigms, and includes an analysis of their strengths and weaknesses. The descriptions of religions and their influence on intercultural business communication has been expanded. The concept of Cultural Intelligence (CQ) is now discussed in greater detail throughout the book. Chapter 3 has a new section on culture's influence on how people reason, and Chapter 4 has a new section on self-identity and self-construal in relation to culture. Chapter 8 includes an expanded discussion about culture's effect on conflict management.

Chapter 12 ties together the concepts discussed in all the other chapters. It applies updated intercultural knowledge to the case of DaimlerChrysler and examines the cultural reasons for the failure of the merger within just seven years of its beginning. This chapter also introduces the role diverse teams play in the success of international business. Two in-depth cases in the Appendix to Chapter 12 provide an opportunity to apply intercultural knowledge to specific problems.

Throughout the book we have added more short cases, and kept the introductory vignettes to each chapter to illustrate the issues covered in that chapter. New illustrations and examples have been added, often drawn from cultures not mentioned in the earlier editions.

Users of earlier editions will notice that the appearance of the fifth edition is more user-friendly, as we continue to improve the book's layout and add new exhibits.

These changes reflect our continued commitment to provide a source for readers that addresses culture and cultural variations, communication across cultures for business purposes, and the way culture affects organizations.

Many new books have arrived in the marketplace since we finished our fourth edition, but we are convinced this one is unique: It addresses the issues of culture and communication within the context of international business.

The fifth edition of *Intercultural Communication in the Global Workplace,* like the first four editions, provides examples of how cultural values and practices impact business communication. We explore the relationships among the cultural environments of the firm and the structure of the firm. We look at how companies and individuals communicate. Throughout the discussions about specific communication tasks, we concentrate on the underlying cultural reasons for behavior. This approach, as we asserted from the very first edition, we confidently believe will help the reader develop an ability to work successfully within an environment of cultural diversity both at home and abroad.

We have continued to strive to avoid specific cultural viewpoints in this book but have come to realize since the first edition that total cultural neutrality is not possible. Nor is it desirable in a sense; every human has some cultural filters through which she or he views the world. And comments from users have confirmed this. Nevertheless, the framework we develop here applies to all

readers regardless of their native cultures. This book is for anyone from anywhere around the globe who wants to develop and improve intercultural business communication skills. Intercultural business communication is an exciting field, and we are proud to be able to contribute to a broader understanding of it.

Notes

1. *The Economist,* April 2006.
2. "The Internet at 40," *The Economist*, September 4, 2009, http://www.economist .com/sciencetechnology/displaystory.cfm?story_id=14391822.

About the Authors

Iris I. Varner is the Director for the International Business Institute and a Professor Emerita in international business at the College of Business, at Illinois State University, where she taught the cultural environment of international business and international management. Her PhD, MBA, and MA are from the University of Oklahoma. She has the Staatsexamen and Assessorenexamen from the Albert-Ludwigs-Universität, Freiburg, Germany.

Varner has extensive international experience. She grew up in the former East Germany and studied in Germany, France, Great Britain, the United States, and Taiwan. She has given seminars and lectures around the globe, including New Zealand, Russia, France, Belgium, Japan, Germany, and China and has spent time in many other countries. She is an ad hoc professor at the University of Lugano, Switzerland, where she teaches in the Executive Masters Program for Corporate Communication Management and at Shanghai University, China.

Varner is the author of over 80 articles in the area of intercultural managerial communication. Her research, which she has presented at regional, national, and international conventions, has focused on the connections between culture, communication, and business practices. She has been honored with the Outstanding Membership Award and the Meada Gibbs Outstanding Teaching Award of the Association for Business Communication. She was named a Fellow of the Association for Business Communication and a Caterpillar Scholar and State Farm Fellow by Illinois State University.

As a president of the Association for Business Communication in 2000 to 2001, she contributed greatly to the internationalization of the organization. She was chair of the Ethics Committee and is an active member of the International Committee. Varner is a member of the Academy of Management and the Academy for Human Resource Development. She also serves as a reviewer for a number of scholarly publications and consults for a variety of national and international firms.

Linda Beamer is an Emerita Professor of California State University, Los Angeles, where she taught undergraduate business communication, intercultural communication, and diversity in the workplace, and courses in high-performance management and international business in the MBA. She received the honors students' Professor of the Year award in 2001, and in 2002 she received the Outstanding Professor award from her campus, followed by a Distinguished Woman award in 2005. She subsequently taught intercultural communication to

undergraduate and postgraduate students at Unitec New Zealand, where she and her husband make their home.

She has taught and consulted in the United States, Great Britain, Canada, the Middle East, China, Argentina, Mexico, Hong Kong, Japan, and New Zealand. Her BA is from the College of Wooster in Ohio (with one year in Scotland at Edinburgh University), and her MA and PhD are from the University of Toronto. The latter led to dual U.S.–Canadian citizenship.

Her research, resulting in about two dozen publications and 70 presentations, has focused primarily on the effects of culture on business communication, with a special interest in Chinese communication issues. She has served on the Editorial Board of *Business Communication Quarterly* and was Associate Editor of the *Journal of Business Communication;* she frequently reviews for other publications as well. She served as President of the Association for Business Communication in 2004, as Chair of the Intercultural Committee of the Association for Business Communication, and as a member of the Board of Directors. In 2005, she was honored with the Fellow award. She was also voted a Fellow of the International Academy of Intercultural Research at its inception in 1997.

Beamer has been the recipient of several research grants and received the Outstanding Publication award from the Association for Business Communication. She held a six-year Visiting Professor appointment at Unitec New Zealand before moving to Auckland, and held a three-year Visiting Professor appointment at Shanghai University until 2009. She taught at Chuo University in Tokyo in 2004 and 2010, and has been a guest lecturer at many campuses around the world.

Acknowledgments

Introduction

The Need for Intercultural Business Communication Competence

What does culture have to do with business? In the past, many business majors and practitioners immersed in questions of financial forecasting, market studies, and management models did not examine culture and the way it affects business. Unlike the hard data from measurable issues, culture is soft and, at times, slippery. Although it can be elusive, culture is still undeniably important. It's often easiest to spot culture at work when something goes wrong, when a key element of culture is overlooked. Here is an example:

Mickey Mouse took up residence in Hong Kong in 2005, but Mainland Chinese visitors to the new theme park seemed unsure about the meaning of the Happiest Place on Earth. Disney film characters like Cinderella, Snow White and the Seven Dwarfs, and Tinkerbell are based on fairy tales and stories from Europe that are unfamiliar to children in China. Disney television shows with cartoon characters for children haven't been aired in China for decades, as they have in the United States. Meanwhile, visitors who were puzzled by the theme park wandered aimlessly up Main Street and had their pictures taken with Marie the Cat—a character from the 1970s movie *The Aristocats,* whose appeal is in her appearance: It is remarkably similar to the hugely popular Japanese figure, Hello Kitty.

However, in early 2006 sparse crowds were replaced by hordes, and visitors' mild bafflement turned to outrage. Hong Kong Disneyland was deluged by crowds. Three times during the "Golden Week" of the Chinese New Year the gates to the park were closed after the first 30,000 visitors came through, and thousands more visitors with paid tickets in their hands were turned away. Many parents who had spent large sums of money on travel to the promised holiday treat were photographed attempting to climb the fence or toss their child over it. Disappointed patrons threatened to sue Disney.

Disney made a public apology. The problem of too many visitors had come about because Hong Kong Disneyland, worried about lack of sales, had sold tickets that were good for up to six months. Many bought their tickets and then held on to them until the New Year holidays, something the Disneyland managers hadn't anticipated. The chairman of the rival Ocean Park was quoted as saying it was a mess: "Many of the problems 'were things that somebody who did their homework should have realized and understood.'"[1]

Nor was the Golden Week debacle the first cultural bump in the road for Hong Kong Disneyland. Initially, a park restaurant planned to serve shark fin's soup, a Chinese delicacy that was later withdrawn from the menu because of animal rights protests. Local celebrities were invited for public relations appearances, but they subsequently complained they weren't treated well by Disney executives from the United States. Disney also had learned that Chinese visitors to parks preferred places for taking photographs over roller coaster rides, so they put fewer rides into this park, which is the smallest of the six worldwide. As a result, shortly after it opened the park was criticized for being too small.

Other culture-related issues that plagued the opening of Hong Kong Disneyland were the danger to children's health from people smoking in nonsmoking areas, and the threat to sanitation from some visitors' practice of urinating on the flowerbeds near food areas.

Hong Kong Disneyland isn't an isolated instance of cultural misunderstandings. The history of the Disney theme park in France is notorious. Euro Disney had similar problems with unplanned crowds when it first opened. Locals who had postponed their visits during the summer tourist season surged to visit in September 1992. French critics called Euro Disney an example of U.S. cultural imperialism, and hundreds of employees left their jobs after a few days. The Disney prohibition on the sale of alcohol in its theme parks did not fit with the French custom of drinking wine with meals. But by 2006 it had become France's number-one tourist destination with 50 million visitors a year.[2]

Similarly, the future of tourism in Hong Kong is bright, and Disney has adapted to take advantage of it. The people of Hong Kong may have had more patience with the U.S. company than the French did. Chief Executive Donald Tsang said when the theme park opened: "We have to remember that Disneyland is a new organization [in Hong Kong] . . . It may need time to understand the situation of Hong Kong and especially the culture of Hong Kongers and figure out how to make all its employees happy."[3]

More and more organizations with strong success records at home, like Disney, are finding themselves involved in communication between cultures, either because they are doing business in unfamiliar foreign countries, or because they are sourcing from another country and seeking financing and a workforce from another country.

Companies around the world have increasingly multicultural workforces. In the United States, for example, Latinos (from Mexico and Central and South America) have become the biggest minority group. In Europe, the composition of the population is changing as more and more people emigrate from Africa, Asia, and the Middle East. In the Middle East, many workers come from India, the Philippines, and Southeast Asia. Countries like Holland and Australia are considering an examination system to see if immigrant applicants are culturally suited to living in those countries. As a result of these migrations, people with diverse cultural backgrounds and different languages are working side by side in many countries, creating a workplace that is multicultural.

Business communication today is intercultural communication. To communicate with people from another culture, one needs to understand the culture. To do that, one needs a method. This book offers an approach to unfamiliar cultures that makes understanding easier and consequently makes business communication with those cultures more effective. We believe intercultural business communication skills can be learned.

At its lowest level, business communication with unfamiliar cultures means simply finding a translator for conducting discussions in a foreign language. However, as more and more corporations are finding out, communication must take into account unarticulated meanings and the thinking behind the words—not just the words alone. To be effective, communication must be culturally correct, not merely grammatically correct.

To understand the significance of a message from someone, you need to understand the way that person looks at the world and the values that weigh heavily

in that person's view of the world. That view includes meanings that are assumed to be universal (even when they are not), the importance of the words that are used, and the way the message is organized and transmitted. You also need to know what to expect when someone engages in a particular communication behavior such as making a decision known, negotiating a sales agreement, or writing a legal contract. And you'd be wise to know something about the organization that person works in and the way its structure—a result of culture—affects communication.

In applying intercultural communication skills to practical business concerns, this book makes an important contribution. Most books about doing business with people from other cultures come from one of two areas, either intercultural and cross-cultural communication scholarship and its near relative, intercultural training, or international business. Intercultural and cross-cultural communication scholarship is grounded in a body of theory but has little direct application to business communication. Intercultural training draws from psychology and related fields and specializes in preparing people for sojourns in foreign countries for development work, such as for the Peace Corps, for studying abroad, or for working in an expatriate posting, but this training typically has little application to business communication.

Books on international business, in contrast, concentrate on business functions such as finance, management, marketing, shipping and insurance, and accounting. They tend to ignore the importance of the all-encompassing communication tasks and the skills necessary to complete them successfully. They also tend to ignore the different priorities in other cultures that affect the act of communication and its outcomes.

This book connects business communication and understanding of cultural priorities with actual business practices. Of course, business practices themselves, as the book points out, are culturally based.

By combining intercultural communication skills with business, this book helps you become a successful communicator in culturally diverse workplace environments both at home and abroad. As more and more firms are finding out, effective intercultural communication is crucial for success domestically and internationally.

Intercultural Business Communication Competence and Growing Domestic Diversity

All over the world, nations are trying to come to terms with the growing diversity of their populations. Reactions range from a warm welcome, to conditional acceptance, to mere tolerance, to rejection. As migrations of workers and refugees have increased globally, some countries are trying to control diversity by establishing strict guidelines for emigration from other countries. Other countries are attempting to develop government policies concerning the rights of immigrants to preserve their own cultures in their adopted homelands. Canada is an example of a bicultural (English and French) country where federal and provincial governments have ministers of multiculturalism to protect the cultural "mosaic" pattern that immigrants bring to Canada. New Zealand is an example of a country that has

issues of biculturalism (Māori and non-Māori) to work through and that needs additional energy and resources to attend to the increasing cultural diversity of immigrants.

The United States historically afforded a home to people of diverse cultures. But even in the United States, with its ideals of equality and tolerance, the advantages and disadvantages of acknowledging diversity are debated hotly. Social critics in the United States have voiced opposition to measures that preserve immigrants' cultural differences. They say the insistence on diversity separates Americans from one another by forcing them to focus on what differentiates them. This view holds that the "melting pot" that has been alleged to describe American culture depends on the fusing of all cultural identities into one, in keeping with the American ideal of offering equal American-ness to everybody. Furthermore, they warn that multiculturalism may threaten the very characteristic that is so American: the union of one from many.

We don't subscribe to this view. We do acknowledge that uniformity is easier to deal with than diversity. Diversity is difficult, although it also can be very rewarding. Often the impulse to deny cultural differences comes from embarrassment at focusing on difference, since frequently to be different is to be excluded. It isn't polite to point out that someone looks different, talks differently, wears different clothes, or eats different food. Thus, many times, out of a concern to avoid making someone feel uncomfortable, difference is played down.

This attitude may be motivated in the United States by a sincere desire for equal behavior toward people regardless of their ethnic or cultural background under the all-encompassing umbrella of the ideal of equality. After all, most people who call themselves "American" have ancestors who were immigrants. Today, many still have a strong desire to include newcomers in a friendly and tolerant national embrace and to affirm the high priority of equality in American culture. This is also true of some people in other countries with recent immigrant populations, such as New Zealand, Canada, Argentina, and Australia, as communities struggle to reconcile national identity with newer cultures.

People from different cultures really are different (as well as similar) in how they see the world. That's a great thing about being human, and a potential source of delight and wonderment as much as a source of fear and suspicion—the choice is ours. As people of different cultures we begin with different databases, use different operating environments, run different software and process information differently to get to what are often different goals. To pretend we're all alike underneath is wrong and can lead to ineffectual communication or worse. The way to deal with diversity is not to deny it or ignore it but to learn about differences so they don't impair communication and successful business transactions.

We also need new models to describe diverse populations. The description of the United States, for example, as a "melting pot" is neither an accurate description of the reality nor an ideal that many of the more recent immigrants embrace. Even the immigrants from Europe of a previous century did not "melt"; they created a new culture with distinct differences based on cultural heritage. Some have described this integration as a salad or a pizza or a stew, in which each

element retains a recognizable identity but contributes to the flavor of all. The combination gains something from each ingredient. The United States' value of tolerance has in some cases given immigrants to that country the freedom to keep their own identities while becoming part of a new culture. In other countries, similar cases exist, and they represent a goal to which all can aspire.

Cultural differences don't prevent us from working with each other or communicating with each other or transacting productive business with each other. Indeed, we must learn to work with each other. The future of any organization depends on it. When connections are formed with people from other cultures, similarities appear. We weave fabrics of cooperation in which we see recurring common threads. It's a source of delight to realize someone from a culture very different from one's own has the same attitude or value or behavior. Furthermore, to see and accept different priorities and views can provide strength and create new synergies.

The essential ingredient for a successful cultural mix is skill in putting into operation the knowledge you acquire about another culture; this is intercultural communication competence. Many companies around the globe, such as Hewlett-Packard in the United States, have discovered the value of intercultural communication skills and the increased productivity they bring. These organizations have instituted diversity programs to train employees.

Changes in Communication Technology and Political Structures

The 20th century nurtured unprecedented change in communication technology. The first decade of the 21st century brought even faster change. International communication that only a few decades ago took days, if not weeks, now takes nanoseconds. With e-mail, faxes, the Internet, satellites, cellular telephones, and conferencing software we contact our international partners at a moment's notice. If we want a more personal exchange, audio and video desktop technology, video teleconferencing, and Skype bring the other person right into our office.

Today's techno-developments are in the realm of participatory communication. In the first decade of the 21st century, words like "blog," "wiki," and "podcasting" appeared in our dictionaries. Podcasting ("pod" coming from the Apple product the iPod, for downloading music and audio as well as video from the Internet, and "casting" from broadcasting) allows podcasters to record anything and then upload it to the Internet where it can be downloaded by other users. Every garage band can play to unknown listeners. Every orator can declaim to the globe. At sites like Second Life, people create virtual identities for themselves, called avatars, and engage in creative ventures such as making films. How this kind of participative communication will impact the entertainment industry, such as Disney with whom we began this introduction, remains to be seen.

The variety of channels of business communication has also increased. Instant Messaging, wikis in the workplace, blogs and texting by mobile phone, Black-Berry, iPhone, or other smartphone devices carry written messages. They also can

transmit still and moving visual images. Voicemail, podcaster feeds, and Skype systems carry audio and video messages. The choice of which channel to use in a particular situation is influenced by cultural priorities and values, and those choices are multiplying.

The changes in technology have facilitated the exchange of ideas, but they also have magnified the possibilities for cultural blunders. It is so easy to assume that the person on the other end of the connection communicates just as we do. After all, he or she uses the same technology and maybe even the same business terminology.

In addition to changes in technology, political and economic changes affect business communication internationally. China, the world's largest market for mobile telephony, is adopting more and more Western practices and a market economy. India is a technological powerhouse. Small industrialized countries jostle with big ones. Non-Western countries are becoming more assertive and protective of their cultural values and behaviors and do not accept Western dominance in business practices any longer. These new voices are increasingly powerful. Not long ago an elite group of industrialized countries could more or less dictate economic practices. This is changing. Today, the first-world "overconsumers" are being forced to take into consideration the cultural values and practices of "sustainable consumers."

As a result, understanding other cultures is more important than ever. If we consider that people with the same economic, political, and cultural background have problems communicating effectively, we can appreciate the difficulties and challenges that people from diverse cultures face when trying to communicate. Misunderstandings will always be a part of intercultural communication. One of the goals of this book is to minimize misunderstandings through an awareness of the priorities and expectations of business partners.

International Business and Corporate Responses

Managers in the past talked about the need for faster and more efficient communication, as if speed guaranteed effective communication. They paid lip service to the need for good intercultural communication, but staffing decisions typically were based on technical knowledge rather than good intercultural communication skills.

Now with growing competition and increasing globalization, that attitude is beginning to change. International experience in more countries is becoming more important for making it to the top of the corporate ladder. The car industry is a good example for worldwide alliances, mergers, and joint ventures that have required an increasing understanding of international business practices and intercultural communication dynamics.

The trend toward a global business environment is not restricted to car manufacturers or big industrialized countries such as the United States, Germany, Japan, France, Canada, and Great Britain. Nor is it restricted to large cities or trade centers on the coasts. Global business involves geographic locations that just a few years ago were considered to be wholly engaged in domestic business. Many small towns in the landlocked states of Mexico, for example, are involved in

international business today. Chinese investments in Africa show that international business has new players today who are not only based in the Western world.

Local firms may export or import; they may be owned by foreign firms, or foreign firms may establish subsidiaries. People who never dreamed of going into international business may work side by side with recent immigrants from different cultures. The salesperson in a small business in a small town in any one of a hundred countries may have to answer inquiries from around the world. The salesperson doesn't have time to think about how to deal with a foreigner. She or he must be ready to communicate on the spot.

The Foundation for Intercultural Business Communication

The first step in effective intercultural communication involves self-analysis, self-awareness, and understanding. You can't understand the other party unless you understand yourself.

The next step is the understanding and acceptance of differences. That does not mean we have to agree with another culture's viewpoint or adopt another culture's values. It does mean we (and they) must examine our (and their) priorities and determine how we all can best work together, being different. In the process, we will realize that a person entering another culture will always have to adapt to a number of cultural conditions. That doesn't mean turning one's back on one's own culture or denying its priorities. Rather, it means learning what motivates others and how other cultural priorities inform the behavior, attitudes, and values of business colleagues. This approach means adding to one's own culture, not subtracting from it. For example, a businessperson from New Zealand going to Japan must adapt to many Japanese practices, just as a Japanese businessperson going to New Zealand must adapt to a variety of New Zealand practices.

In attempting to understand another culture's perspective, we will gain greater ground if we take off our cultural blinders and develop sensitivity in the way we speak and behave. That is not always easy. We are all culturally based and culturally biased.

For example, people in the United States refer to themselves as "Americans." They often say that they live in "America." Most Europeans use the same terminology. Germans, for example, refer to the country of the United States as *die Staaten* (the States) or as USA, but they always refer to the people as *Amerikaner* (Americans). The French call the people of the United States *les americains* (Americans); they refer to the country as *les Etats Unis* (the United States) or *l'Amerique* (America). The Japanese refer to people from the United States as *america-jin*. But these are not precisely accurate terms; they constitute an example of cultural bias. People from Central America and South America call themselves "American," too, and call people from the United States *yanquis* (Yankees). "North Americans" are people from Canada, Mexico, and the United States.

As residents of the United States, accustomed to using the word American to refer to people of the United States, we have struggled with the terminology in the writing of this book. We have attempted to distinguish between other Americans