

Executive Summary

Seemingly, there is a general belief that successful business deals are partly based on cultural awareness, sensitivity and understanding. Although the terms may imply similar definitions, they have slightly different meanings which seem to reflect distinct degrees of knowledge regarding cultural differences. The first statement revolves around the assumption that cultural awareness and successful businesses are closely linked to each other. The latter hypothesis is supported by both literature and interviewees, which clearly show that there are differences between cultures and since one's cultural background is reflected in one's behaviour, it may also influence the business behaviour. Consequently, since such differences and practices, ideas, standards, beliefs, principles are relevant to a business context, a potential lack of awareness may negatively impact a business deal. According to several authors, poor understanding of others' cultural heritage may lead to unexpected blunders which are subject to failures and losses in terms of finance, business relationships, contracts, projects, and so on. Therefore, a certain amount of knowledge, awareness and understanding is necessary in order to close business deals successfully.

The main aim of the research is to create a tool through which ELM (Expertise in Labour Mobility) can provide companies and entrepreneurs with knowledge and understanding of the BRICS cultures and their business praxis. Therefore, the research will be built around what companies and entrepreneurs need to know about the management culture of the BRICS countries (Brazil, Russia, India, China, South Africa). The tool will consist of a generally applicable '10-step plan' on how to do business with the aforementioned countries. Moreover, the results of the research on the BRICS will be used in a company project called *WorldCitizens@Work*, which is a game providing a fictive scenario meant to test one's intercultural knowledge.

The findings will identify the differences between the BRICS' cultures, how they are reflected in one's business behaviour and how they may influence a business process. Moreover, it will also be shown that the necessity of cultural awareness while doing business is imperative, as it is likely to lead to successful deals. The latter will be illustrated in the Introduction chapter. Given this acute necessity of awareness while doing business, the research will emphasise, in Chapter 3 – The BRICS Management culture, the main things entrepreneurs need to know about the BRICS in order to successfully deal with them. This core chapter consists of a brief overview on the particular country, details about its organisational structure, decision making process, conception of time, business behaviour and a brief conclusion encapsulating major cultural traits reflected in the business behaviour.

Since both the interviews and the applied research have shown that there are indeed differences between cultures and that they influence business practices, it was necessary to underline again the fact that poor awareness of differences, unwillingness to understand them and a potential lack of sensitivity may prove challenging while doing business. Therefore, preparation is essential and this process starts with self-awareness, which basically facilitates the acknowledgement of differences and increases the likelihood to try and reconcile them. The latter should be followed by ten generally applicable other steps, present in the Recommendations section. They basically cover suggestions such as researching the country of interest, demanding customised training, preparing to deal with certain cultures through developing an 'eye for detail' in terms of body language, communication style, listening skills or even humour, showing interest in the country's culture, being relationship-oriented and ethical, getting local support for legal matters and not only, gaining people's trust, showing goodwill and being self-aware and flexible.

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1 Introduction

What is culture? Undoubtedly, the definition of culture can vary extensively in meaning, depending on the context. Hofstede calls it 'the software of the mind', Sir Edward Burnett Taylor said that culture is 'that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society' (Samovar, Porter & McDaniel, 2012, p.10). According to Ruth Benedict, '*culture is the ideas and the standards people have in common*' (2012, p.10). The above mentioned is among the preferred ones given its simplified approach to the concept of culture. There are several other, rather complex, definitions of culture. Nevertheless, the contemporary ones, stating that culture is about 'shared values, attitudes, beliefs, behaviours, norms, material objects, and symbolic resources' (2012, p.11) are the most relevant in this case, since such particular traits, not once, seemed to have an impact in the course of business processes. The latter is, however, going to be discussed later on.

According to Lewis (2006), one's national or regional culture is reflected in one's behaviour. It therefore 'imposes itself on our behaviour rather than the other way around, and we become a solid German, a good Swede, a real American or a true Brit, as the case may be' (pp.18-19). Given this statement, the definitions of culture and the interview with L. Edelkoort (see Appendix III) it can be said that one's cultural heritage influences intercultural encounters simply because people are different (age, gender, education, status, hierarchy) and therefore act accordingly. Their cultural backgrounds may contribute to certain preferences in terms of behaviour and may influence the way they communicate as well as their way of doing business. Consequently, as it will be shown in Chapter 3 of this paper, the management culture also differs across countries, largely thanks to the cultural background.

The aim of pinpointing the differences regarding business praxis among cultures is to underline that potential blunders may occur when there is a lack of understanding or of awareness of other cultures. Apparently, the lack of awareness of others' cultural heritage might prove counterproductive while doing business, as unforeseen situations may arise (Mababaya, 2003, p.184). The indication that there is a strong link between cultural awareness or understanding and successful business deals is well supported by experts within the field of Labour Mobility (in the interviews – see Appendices I, II, II) and in the literature (Lewis, 2006; Trompenaars & Hampden-Turner, 1997). The latter statement revolves around the main assumption that one's cultural baggage plays a crucial role in intercultural business encounters. This basically means that the management culture is influenced by one's national culture. Furthermore, the lack of consideration

towards this belief may lead to pitfalls in business, as the understanding of other cultures and the awareness of the differences allegedly contribute to success in business.

Why would the lack of cultural awareness lead to unexpected outcomes? Is it maybe because there are certain differences between cultures? Geert Hofstede developed an initial 'five-dimension model of culture', identifying differences in terms of **Power Distance** (hierarchy), **Individualism-Collectivism** (identity), **Masculinity-Femininity** (gender), **Uncertainty Avoidance** (truth), **Long/Short-term Orientation** (virtue), (Hofstede, Pedersen & Hofstede, 2002, p.40).

Fons Trompenaars came up with a 'seven-dimension model' encompassing **Universalism-Particularism**, **Individualism-Communitarianism**, **Neutral-Emotional**, **Specific-Diffuse**, **Achievement-Ascription**, **Sequential-Synchronic**, **Internal-External control** (Trompenaars & Hampden-Turner, 1997). Both models underline obvious and crucial differences between the cultures of the world and apparently, these differences in beliefs or behaviours are transposed in the management culture. Although both approaches are very well thought, I prefer Trompenaars's model and his model is going to be used in Chapter 3 for some of the countries.

However, there seem to be people who question the idea that there is a link between cultural awareness and successful business, simply because they assume that as long as we speak the same language and we are respectful, there is no room for misunderstandings or misinterpretations, or we "can't be too wrong" (see Appendix II). Although some of us have the tendency to believe that 'deep down all people are alike', which is partly true and mainly due to the fact that there are certainly some universal 'human characteristics', the aforementioned dimensions confirm that there are indeed differences between cultures. Fons Trompenaars (cited in ITAP, 2012) claims that effective cross-cultural communication is possible only when one admits that there are cultural differences, respects them and is willing to find ways to harmonise them for a good work process (Cross Cultural Effectiveness, 'How does it happen?' section, ¶1).

Moreover, Ricks (cited in Mababaya, 2003) agrees that 'cultural differences are the most significant and troublesome variables for multinational companies.' Managerial lack of understanding these differences and willingness to reconcile them has led, not once, to numerous international oversights. Consequently, 'to be effective in a foreign environment, it is usually necessary to understand the local culture.' Additionally, it is equally important to know what not and what to do (p.184).

These differences between cultures are inevitably relevant to business contexts. Lack of awareness

concerning particular business praxis across cultures, as well as of cultural sensitivity or competence, may lead to unexpected and damaging consequences. Some of the outcomes of poor cultural awareness enumerated on Kwintessential (2010) may be, among many others, misunderstandings, offense, communication downfalls as well as lack of cooperation and poor productivity (*Results of poor cross-cultural awareness*, ¶1-2). In a business deal, these would automatically entail loss of projects, therefore profits and resources, and often, injured egos (Nees, 2000, p.143). Therefore, the mixture of good business practices with developed cultural understanding and sensitivity or intercultural skills is a prerequisite for success in global business.

Lewis (2006) correctly assumes that

By focusing on the cultural roots of national behaviour, both in society and business, we can foresee and calculate with a surprising degree of accuracy how others will react to our plans for them, and we can make certain assumptions as to how they will approach us (p. XVI).

Conclusively, although difficult to generalise, it is recommended to consider the potential differences between cultures as this may help in facilitating a business process. Even something so trivial like colour symbolism may jeopardise a business deal. Although globalisation is encouraging the adoption of new, universal meaning of colours, they are still perceived differently by members of different cultures. For instance, across the BRICS, the **red** colour may have several meanings. Nonetheless, in India is mainly associated with purity or fertility, in South Africa it represents death, mourning or even bloodshed; In China, red is a symbol of good luck, happiness, in Brazil a symbol of vitality, while Russians associate it with Communism and revolution, or even beauty, as both words have the same root 'kras' (Globalization Group, 2012, '*Color Meaning by Culture*' section; Palazchenko, 2009, ¶6). Consequently, considering even the smallest detail about other cultures in doing business is vital.

Therefore, preparation is essential, especially because Exterkamp (cited in Hamann, 2004) stated that 'minor cultural differences are often the making or breaking of a good business relationship' (p.12), which basically means that a satisfactory amount of intercultural knowledge, be it awareness of the differences, understanding of other cultures, interpersonal skills or competencies, would positively impact the trajectory of a business deal.

2 Aim and scope of the research

Apparently, there is a general belief that successful business deals are partly based on cultural awareness and understanding. Both terms may refer to the same thing, but they are slightly different. Awareness may imply the acknowledgement of certain differences amongst cultures, while understanding already leads to competence, as it entails a preference for reconciliation of cultural differences. The aforementioned statement (link between cultural awareness and successful business) is also supported by the European Commission through the PIMLICO (Promoting, Implementing, Mapping Language and Intercultural Communication Strategies) Project, where findings had shown that cultural understanding would definitely increase companies' effectiveness in business-doing (Hagen, 2011).

The main aim of the research is to create a tool through which ELM (Expertise in Labour Mobility) can provide companies and entrepreneurs with knowledge and understanding of the BRICS cultures and their business praxis. Therefore, the research will be built around what companies and entrepreneurs need to know about the management culture of the BRICS countries (Brazil, Russia, India, China, South Africa). The tool will consist of a generally applicable '10-step plan' on how to do business with the aforementioned countries. Moreover, the results of the research on the BRICS will be used in a company project called WorldCitizens@Work, which is a game providing a fictive scenario meant to test one's intercultural knowledge.

The research is focused on these countries because, at the moment, they are the fastest growing markets and companies are interested in doing business with them especially due to their great economic potential (Economy Watch, 2010, ¶1, 3 & Global Sherpa, 2011, ¶1, 2, 4,5, 9, 10, 13).

The findings will therefore show what exactly the differences between the BRICS' cultures are and how they may influence a business process. Moreover, it will also be shown that the necessity of cultural awareness while doing business is imperative, as it is likely to lead to successful deals. The latter will be illustrated in the Introduction chapter. Given this acute necessity of awareness while doing business, the research will emphasise, in Chapter 3 – The BRICS Management culture, the main things entrepreneurs need to know about the BRICS in order to successfully deal with them.

In order to acquire these objectives, the project will be divided into two. Both of the parts will have a different but relatively valuable input to the project. The research subquestions are meant to help in finding out if there are differences between cultures and how relevant they are in a business context, as well as how cultural understanding can influence a business deal and how much

knowledge is necessary to do successful business. For instance, the interviews, with three experts within the field of international labour mobility, will be focused on the link between cultural awareness and successful business deals. The latter will confirm the assumption that successful business is based on cultural awareness. This basically means that there is indeed a link between the two, mainly because national culture may influence the management culture of a country. The core of the applied research will lie with the management culture of the BRICS countries, as the central question requires an answer to what entrepreneurs need to know about the BRICS' management culture, in order to close a successful business deal.

Eventually, the findings will lead to Chapter 4, consisting of ten recommendations on how to deal best with the BRICS when it comes to business practices as well as to potential scenarios meant to test one's cultural awareness of the respective countries. Furthermore, the Conclusion in Chapter 5 will offer a brief overview of the research outcomes.

Due to limitations, the time and number of pages available did not allow me to further the research more thoroughly. I would have liked to interview more people and at least one representative of each of the BRICS cultures, not necessarily a native-born representative, but someone who has been working there and who could provide me with insights on the business praxis directly from the source. Moreover, an in-depth analysis of each culture could also be a good idea to pinpoint both similarities and dissimilarities between the BRICS. Unfortunately, the limited number of pages prevented me from any more advancement.

3 The BRICS' Management culture

3.1 Brazil – B (see Appendix IV for scenario)

During recent years, Brazil has shifted from an emerging, promising country to one of the most popular investment markets in the world. Its size, population, mineral resources and improved political and financial situation contributed to the country's popularity among companies seeking global opportunities. However, there are a few aspects which have prevented the country from growing earlier and kept investors away. One of the most common obstacles is the 'Custo Brasil' or the 'Brazil Cost'. *'This term refers to the very real extra costs of doing business in Brazil — corruption, governmental inefficiency, legal and bureaucratic complications, excessive taxation, poor infrastructure, inflation etc.'* Although things are rapidly changing, this has been a tough challenge and the source of countless national and international frustrations (World Business Culture, 2012, 'Background to Business in Brazil' section, ¶1-3).

According to Ripmeester and Witmer (2009), the Brazilians are rather inclusive people and despite the country's multi-ethnic character, everyone living there is considered a Brazilian, which makes it easier for people to feel integrated. Moreover, in Brazil, the professional and personal lives tend to complement each other. Apparently, many of the national aspects of the culture are transposed into the corporate culture. Sometimes it can be quite difficult to distinguish between the two of them, since there are not actually clear boundaries. The most important aspect to be kept in mind about Brazilians is that they cherish strong relationships, based on trust and respect, and why not, friendship. Nevertheless, there appears to be huge cultural differences between the Northern and Southern Brazil; while the South tends to echo a more Western culture, the North is more easygoing (p.41).

3.1.1 The Brazilian Management Culture

3.1.2 Organisational Structure – Hierarchy & Strategy

Hierarchy lines are omnipresent in the Brazilian business culture. The flow of information follows a top-down line and, as in most structured hierarchies, decision-making power lies with the top management. Moreover, 'it is advisable to know who is in charge when a decision needs to be taken' (Ripmeester & Witmer, 2009, p.42). Although Brazilians may have an informal approach to interaction, hierarchy lines or status are highly valued and never ignored. Apparently, while the communication takes place in an informal way, using 'você' (you), one should bear in mind that status is expressed by other means such as clothing or intonation. Nevertheless, despite this strictly hierarchical character, the boundaries between personal and professional life are rather blurred.

Therefore, questions about one's personal life during a meeting are not uncommon. In Brazil, open conflicts or disagreements as well as directness are considered unacceptable, both in a personal or business context. Arguments should be carried in private with great delicacy and diplomacy (2009, p.42).

Personal and business contacts are highly appreciated among Brazilians and sharing a real common contact with a negotiation counterpart might prove of great help. Social as well as company events are the best opportunity to build relationships and expand personal networks. Consequently, one should try not to miss such gatherings as this would be regarded as disrespectful (2009, 43).

Given the hierarchical personality of the Brazilian business culture, the most senior levels of management have the final word. Thus, building appropriate relationships with the employees is crucial, especially due to an eminent team spirit. *'Great deference is paid to authority figures. Job function, scope of responsibility, and reporting relationships are clearly defined and strictly followed'* (Kwintessential, *'Intercultural management – Brazil'* section, ¶1, 5). Since the superiors have absolute authority, associated with experience, subordinates expect them to give direct and clear instructions, in the form of advice rather than orders, without debating the task. This would determine employees question the manager's abilities (Ripmeester & Witmer, 2009, pp. 43-44). One should bear in mind that *'subordinates will undertake the exact tasks they are given but no more — to do more might be seen as disobeying the boss!'*(World Business Culture, 2012, *'Brazilian management style'* section, ¶3). Still, business practices in Rio de Janeiro, Sao Paulo or Brasilia, where companies are more international, differ from the ones in smaller companies, where the style is more paternalistic with a boss guiding and helping the employees (Kwintessential, *'Intercultural management – Brazil'* section, ¶2).

3.1.3 Decision Making Process - Meetings, Negotiations & Decisions

Inaugural meetings in Brazil tend to be rather conventional, but they are likely to become more informal in time. Upon arrival, one is expected to introduce themselves and shake hands with everyone present. The beginning of the meeting is normally dominated by significant small-talk, meant to establish both business relationships and friendships (World Business Culture, 2012, *'Brazilian Meetings'* section, ¶1).

It is crucial to know that in the Brazilian culture, long-term relationships come before anything. Hence, one should be prepared to share this common goal by showing interest and not rushing the process. Ripmeester and Witmer (2009, 45) recommend avoiding to change the negotiators during

the process, as this might seem unreliable or inconsiderate. Apparently, Brazilians have a particular negotiation style which may sometimes be misinterpreted as not serious enough. Due to their Latin temperament, Brazilians may become extremely emotional and intense, but this is their way of showing interest and commitment to the business (2009, 45). In-person negotiations are preferred, although *'often the people you negotiate with will not have decision-making authority'* (Kwintessential, *'Intercultural Management-Brazil'*, ¶7). Given the Brazilian bureaucratic nature, some recommend hiring local lawyers and accountants. The latter would reassure the Brazilians of their counterparts' reliability and integrity (Ripmeester & Witmer, 2009, 46).

When it comes to decision-making in Brazil it is unnecessary to mention that this power rests with the highest-ranking person. *'This hierarchical nature is reflected in the degree of formality observed among people in business situations'* (Kwintessential, *'Intercultural management – Brazil'* section, ¶5). Consequently, in order to avoid confusion, one should make sure they are talking to the right person - the decision-maker. A tip that might save a lot of time is befriending the secretaries of the parties one is dealing with, as they may speed up the process by organizing the right contacts (Ripmeester & Witmer, 2009, p.46).

3.1.4 Conception of time

'Punctuality is a variable commodity in Brazil' (World Business Culture, 2012, *'Business Culture in Brazil'* section, Tip 10). Compared to other cultures, in Brazil absolute punctuality is of less importance. Brazilians might be 10 to 15 minutes late for an official meeting, while for social events or parties they may be late for 30 minutes or even one to two hours (Ripmeester & Witmer, 2009, 47). However, as a foreigner, one should avoid being late for meetings or meetings and displaying obvious disappointment in the Brazilian approach to time (World Business Culture, 2012, *'Brazilian Meetings'* section, ¶3). This short-term approach to time also reflects in a Brazilian's agenda which is characterised by the so-called *'jeito'*, comprising flexibility and spontaneity – attributes highly appreciated in Brazil. Hence, appointments, which might be subject to changes, should be made no earlier than two weeks and confirmed one or two days in advance (Ripmeester & Witmer, 2009, 47).

3.1.5 Business Behaviour–Greeting, Dress Code, Dining, Business Cards & Communication

In a casual context, people normally shake hands and exchange first names. Women may also give a kiss near the face. Although some formal situations might require using the formal Senhor (Sir) or Senhora (Mrs.), Brazilians are quite relaxed in using a first name basis. However, regardless of

the degree of (in)formality, good manners coupled with enthusiasm and spontaneity are of utmost importance among Brazilians (Ripmeester & Witmer, 2009, 48).

In terms of business dress code, Brazilians are quite attentive to details as this is also a way of expressing status. Men are expected to dress formally, with dark suits, ties and polished shoes and ‘traditionally, three-piece suits have indicated an executive position whereas two-piece suits have indicated office worker status’ (World Business Culture, 2012, ‘*Brazilian Dress Code*’ section, ¶2). On the other hand, unlike other countries, Brazilian women dress less formally and in a very feminine, flashy way (Ripmeester & Witmer, 2009, 49).

Business meals are commonly integrated in the business-doing process and serve as a means to build relationships, discuss social matters and display good manners. Still, if business is to be discussed, it should not be mentioned until coffee is served (Ripmeester & Witmer, 2009, 50). *‘If you are entertaining business guests, make sure that you do it in style — do not be tempted to cut corners’* (World Business Culture, 2012, ‘*Successful Entertaining in Brazil*’ section, ¶1).

Business cards normally carry the name of the person and the company as well as job titles and they are exchanged after the introductions took place. Although not mandatory, it is highly appreciated when they are also translated into Portuguese (Ripmeester & Witmer, 2009, 51).

The Brazilian communication style is characterized by the use of both verbal and non-verbal tools, with a preference for verbal rather than written communication. They are a touchy-feely culture, where the exhibit of emotions, the use of hand gestures, steady eye contact, tactile contact are very common, fact that might be disconcerting for representatives of more reserved cultures (World Business Culture, 2012, ‘*Brazilian Communication Styles*’ section, ¶3-4). One should be aware that keeping too much distance may be perceived as lack of friendliness. Moreover, the overt display of emotions should not be misinterpreted as lack of self-control (Ripmeester & Witmer, 2009, p51).

3.1.6 Conclusion

The research shows that the Brazilian culture is characterized by flexibility, spontaneity, informality within the strict hierarchical boundaries and overt emotional display. Brazilians are educated people who pay attention to details in terms of manners and appearance. Relationships, based on mutual respect and trust, come always first and there are no clear borders between the personal and professional life. Personal and business contacts are highly valued and one of the best ways to establish networks is through company or social gatherings with the co-workers, which

one should not miss, as this might be regarded as inconsiderate. The highest-ranking person has absolute authority and in some cases takes a parental role by guiding, helping and advising the employees, who have a highly developed team spirit, appreciate role and task allocations as well as clear, precise orders (given in the form of advice). However, as everywhere else, potential exceptions are not uncommon. For instance, there appears to be an enormous difference between the country's regions - while the Southern part resembles the Western culture, the North is more casual.

Trompenaars and Hampden-Turner (1997, pp. 33-156) came up with seven dimensions of culture: **Universalism-Particularism** (*What is most important - rules or relationships?*), **Individualism-Communitarianism** (*Do we function in a group or as individuals?*), **Neutral-Emotional** (*Do we display our emotions, or do we hide them?*), **Specific-Diffuse** (*Do we handle our relationships in specific and predetermined ways, or do we see our relationships as changing and related to contextual settings?*), **Achievement-Ascription** (*Do we have to prove ourselves to receive status, or is status given to us?*), **Sequential-Synchronic** (*Do we do things one at a time or several things at once?*), **Internal-External control** (*Do we believe that we can control our environment, or do we believe that the environment controls us?*). According to these dimensions, Brazil is both a universalistic and particularistic culture, where relations and bureaucracy are equally important. Moreover, Brazilians are communitarian, because of their highly-developed team spirit, and emotional, due to their intense and overt communication style. Furthermore, the diffuse-oriented character is reflected in people's approach to the private and business life – they blend easily. In terms of achievement and ascription attitudes, Brazilians are somewhere in the middle. While there is a high respect for hierarchical lines, ascription is also shown in their preference for contacts and networking. Apparently, sharing a common contact with a negotiator might facilitate the process. Brazil's synchronic character is reflected in the flexible approach to time: past, present and future overlap, several activities are carried at the same time and agendas are adjustable. When it comes to environment control, Brazilians appear to be outer-directed, hence do not try to control the external factors, but live in harmony with them.

3.2 Russia - R (see Appendix V for scenario)

'Russia has emerged from a decade of post-Soviet chaos and disintegration to reassert itself as a major player on the world stage - both politically and economically' (World Business Culture, 2012, *'Background to Business in Russia'* section, ¶1). The unlimited natural resources (gas, oil) coupled with government reforms that favoured the political system, a stable economy and a

sizable population, contributed to Russia's status of global player (Kwintessential, Country Etiquette Guides, 'Doing Business in Russia' section, ¶1).

However, without generalizing, it is important to know that the long history of autocracy and suppression still influence the country's national and corporate character. This shows in an aversion towards laws and regulations coupled with a customary lack of tax payments on both personal and corporate levels. Moreover, the authenticity of an agreement or a contract is mainly based on the relationship with the counterpart. Generally, a close friendship or a broad network of personal contacts are the most reliable sources and may guarantee the success of a business deal. Furthermore, 'the legal status of many things in Russia is very dubious' since laws happen to be readjusted on a regular basis. Hence, as mentioned above, deals are based solely on trust, which means that if the relationship is deteriorated, the agreement falls without the possibility of legal enforcement. Nevertheless, these issues are overshadowed by the ever-growing country's economic potential. (World Business Culture, 2012, 'Background to Business in Russia' section, ¶2, 3, 4).

3.2.1 The Russian Management Culture

3.2.2 Organisational Structure – Hierarchy & Strategy

Although hierarchical, the Russian culture favours paternalistic and charismatic leadership. Hierarchy lines are established by age, position, rank and experience, attributes that automatically impose respect. Apparently, education, titles and academic degrees are extremely valued in Russian society, especially for technical specialisations. Regardless of the hierarchical structure, democracy is encouraged in the work environment in the sense that employees may express their opinions. Given the Asian influence due to Russia's geographical position, keeping face is of utmost importance. This entails absolute caution with public criticism or discouragement as they might result in a disaster. At the same time, public appraisal is also discouraged as it may raise suspicions of favoritism (Ripmeester, Zedelius & Shradina, 2010, p.45). Tasks are carried out without debate (limited communication between levels of hierarchy) or deviations and the autocratic and centralized decision-making system is omnipresent in the Russian companies. 'Russian companies tend to be driven by one strong central figure who will make strategic decisions with little or no consultation with anyone other than a handful of close trusted advisors' (World Business Culture, 2012, 'Russian Business Structure' section, ¶1).

Along with patience, openness and honesty are attributes that will facilitate the relationship building process. A focus on long-term relationships with potential business partners seems to be the best strategy when dealing with Russians. 'It is important to establish your credentials and

authority quickly since Russians respect both status and technical expertise. Although they value firmness and dignity, it is advisable to appear approachable and friendly as well (Kwintessential, 'Intercultural Management – Russia' section, ¶1). It is important to keep in mind that initially, Russians may seem tough and conventional, but as soon as they start socialising, their behaviour changes. Generally, these kinds of relationships are developed during 'after hours' gatherings. (Kwintessential, 'Intercultural Management – Russia' section, ¶2-3).

3.2.3 Decision Making Process – Meetings, Negotiations & Decisions

Punctuality is always recommended as this is seen as a sign of seriousness. Generally, initial meetings are approached with formality and are *'often a vehicle to determine if you and the company you represent are credible and worthy of consideration for future business dealings'* (Kwintessential, Russia - Language, Culture, Customs and Etiquette, 'Business Meeting Etiquette' section). Business discussions are normally preceded by long socializing periods, with friendly conversations. Therefore, the main goal of the first meetings is getting to know one another (Ripmeester et al., 2010, p.47). They are known to last longer than expected, especially because Russians like lengthy, detailed presentations, but simple and straightforward, since *'the most critical element is demonstrating your knowledge, professionalism and expertise'* (Kwintessential, Doing business in Russia, 'Meetings and Negotiating' section, ¶3). Although Russians are good listeners and would not interrupt someone speaking, it is not uncommon for meetings to be interrupted by side conversations. Precipitating the process or displaying obvious irritation may be counterproductive. Cancelling a meeting on short notice is common place in Russia, although not recommended (2010, p.48). Even though Russians may easily become informal, they believe *'that a formal meeting is a serious affair and should be treated accordingly. Humor is seldom used in such serious situations'* (World Business Culture, 2012, 'Russian Meetings' section, ¶3).

The protokol, a summary of the issues discussed, is normally agreed upon and signed at the end of a meeting (2010, p.48).

'Negotiations are an interesting affair for anyone doing business in Russia. They are tough and like to indulge in a fair amount of theatre if necessary' (Kwintessential, Doing Business in Russia, 'Meeting & Negotiating section', ¶5). Incidents such as loss of tempers, walkouts, threats to end the relationship, wrapped in lengthy debates characterize the Russian negotiation. Patience coupled with tenacity is the best strategy, since Russians tend to make use of one's time pressure and delay the process. Moreover, the most important thing about Russian negotiations is that they seek win-lose situations and compromise is therefore perceived as a weakness. Russians consider hierarchy

in terms of age, rank or position quite important not only amongst themselves, but also for their counterparts, as they prefer negotiating with someone of similar rank. *‘Nothing is final until the contract is signed. Even then, Russians will modify a contract to suit their purposes’* (Kwintessential, Russia-Language, Customs, Culture and Etiquette, *‘Business Negotiating’* section). It is advisable to require documents both in Russian and English and if necessary, use local translators, interpreters or lawyers (2010, 48).

The Russian system is characterized by autocracy and a centralized decision-making, where the most senior person reaches decisions (World Business Culture, 2012, *‘Russian Business Structures’* section, ¶1). According to Ripmeester et al. (2010, p.49), delays in the decision-making occur because of dealing with the wrong person, which presupposes that they lack the seniority necessary to make strategic decisions.

3.2.4 Conception of Time

Punctuality is highly appreciated in both the business and social contexts. Appointments are necessary should be made at least six weeks in advance and reconfirmed upon arrival in the country and prior to the meeting. The best time to make appointments seems to be in the morning, while the months of May, July and August should be avoided due to public or summer holidays (2010, 50).

3.2.5 Business Behaviour–Greeting, Dress Code, Dining, Business Cards & Communication

The typical greeting when meeting someone in Russia is a *very* firm handshake coupled with direct eye contact. Female friends kiss each other on the cheeks while male friends may hug and pat each other on the back (Kwintessential, Russia - Language, Culture, Customs and Etiquette, *‘Meeting Etiquette’* section). It is advisable to avoid smiling, as this is common only among people who really know each other and trying to shake hand across the threshold of door. The latter is a superstition entailing that the relationship/friendship is doomed to failure (2010, p.50). *‘Even though it may sound a bit stiff it is commonplace when doing business in Russia to introduce yourself using only your surname’* (Kwintessential, Doing Business in Russia, *‘Meeting and Greeting’* section, ¶2).

‘Russians tend to dress as well as their salaries will allow’ (World Business Culture, 2012, *‘Russian Dress Code’* section, ¶1). Apparently, expensive clothing is likely to increase reliability. The dress code is rather formal and men wear dark suits, with shirts and ties, while women wear business suits or skirts with blouses. Well-polished shoes are a must! (2010, p.51)

‘Doing business, conducting meetings, making decisions, negotiating and getting to know each other is increasingly being done at dinner’ (Kwintessential, Doing Business in Russia, ‘Entertaining section’, ¶1). Business entertaining is therefore rather common and it serves the purpose of relationship building in a more informal way. However, since essential matters may be discussed outside the office, one should not be surprised if negotiation processes develop over lunch or dinner. The person who invites normally pays the bill, although men will pay for female guests (2010, p.52). Table manners, dining and gift giving etiquette are fairly important for Russians. For instance, the seating and serving takes place according to rank – the oldest or most honoured guest will sit at the centre of the table and will be served first. Moreover, they are also the first to get up from the table (Kwintessential, Russia - Language, Culture, Customs and Etiquette – ‘Etiquette and Customs in Russia’ section, ¶5). *‘Try to eat heartily and express your appreciation of the food on offer, as this reflects well on the host’* (World Business Culture, 2012, ‘Successful Entertaining in Russia’ section, ¶2). However, it is considered polite to leave a bit of food on the plate to show the host there was plenty of food. Moreover, bringing gifts such as flowers, wine, chocolate or a souvenir from one’s country of origin is highly appreciated (2010, p.53). *‘Remember Russians do like a drop or two of alcohol. Refusing to drink is unacceptable unless you give a plausible excuse, such as explaining that health or religious reasons prevent you from imbibing’*. Nevertheless, one should limit their alcohol intake as there might also be room for proper business. (Kwintessential, Doing Business in Russia, ‘Entertaining’ section, ¶3).

Although business cards are exchanged without formal rituals, they are important because they carry titles or advanced academic degrees which show one’s place in hierarchy, a fact of great relevance to Russians. Moreover, it is highly appreciated when they come printed both in the company’s language and Russian – using Cyrillic text (2010, p.53).

In terms of communications, Russians seem to find spoken communication more important than written communication, especially because *‘people believe things when they have heard them from someone with whom they have a trusting relationship’* (World Business Culture, 2012, ‘Russian Communication Styles’ section, ¶3). Consequently, face-to-face conversations, where things can be easily explained are much more appreciated than the exchange of information in written formats. *‘There tends to be very little visual or verbal feedback during meetings in Russia. People listen silently and with little obvious body language being displayed’* (2012, ¶4). The lack of verbal or nonverbal communication does not necessarily imply that the listener is disengaged or confused; it is more a form of actively listening and processing the information. It is therefore best to give the Russians their time and space to engage in a conversation (2012, ¶4).

3.2.6 Conclusion

The research has shown that Russia is a country with tremendous economic potential which turned it into a global player of great interest to investors. Russians put high emphasis on hierarchy and everything it comprises, from titles, positions and ranks to education and academic degrees. The Russian culture is characterized by an omnipresent autocratic, centralized decision-making system, where the highest-ranking person, a paternal and charismatic figure, has absolute authority and reaches strategic decisions. Although lower-ranking employees are encouraged to express opinions through the fomented democratic spirit, they do not ever participate in the decision-making. Moreover, Russians avoid at all costs public criticism as this might lead to a 'loss of face'. Furthermore, punctuality and formality not only for business purposes, but also in social contexts is highly appreciated. Although not being a top priority, long-term relationships with employees, co-workers and business partners are an integrated part of the Russian corporate culture. These relationships are meant to establish trust, respect and reliability, factors that would normally strengthen future dealings. Such relationships appear to be developed especially during 'after hours' gatherings, before initial meetings start or during business meals. Speaking of business meals, Russians seem to be very fond of business entertainment, where one can enjoy the food and drinks on offer. The business entertainment is normally a lengthy process; so are regular meetings, negotiations and presentations. Russians are very popular for their tough negotiation style, cherishing win-lose scenarios and denying compromise as this is sign of weakness. This inflexibility is sometimes also accompanied by drama or time pressure tactics, all meant to achieve concessions. Another important thing to know about the Russian corporate culture is that agreements are not final until written down and signed! Even then, their validity depends on the relationship with the counterpart. Russians are known for their animosity towards laws and regulation, mainly due to their history marked by oppression. Moreover, they are rather superstitious people when it comes to relationships as well as conventional and conservative, especially in the beginning, in business environments.

According to the earlier explained dimensions of Trompenaars: **Universalism-Particularism, Individualism-Communitarianism, Neutral-Emotional, Specific-Diffuse, Achievement-Ascription, Sequential-Synchronic, Internal-External control** – Russia appears to be an extremely particularistic culture, rather individualistic, emotional, diffuse, ascription, sequential and external-oriented culture. Consequently, as already mentioned, Russia is putting great emphasis on relationships, functions well autonomously rather than in a group, is overtly displaying emotions, personal and professional lives overlap, titles are very important, value punctuality and planning and believe that their nature/environment controls them.

3.3 India – I (see Appendix VI for scenario)

India is a country that extends its territory on an area larger than the European continent. Its geography, marked by a diverse topography and endless coast lines, brings both advantages and disadvantages. While it offers numerous investment opportunities, the surrounding unstable countries and the poor border controls result in habitual dissent and illegal immigration (Budhwar, 2011, p.4). The Indian inhabitants live in twenty-eight states and seven union territories. There are an impressive number of languages (16 official languages) and dialects spoken throughout the country (World Business Culture, 2012, *'Background to Business in India'*, ¶1). The liberalisation of its economy in 1991 determined India to become a global economic player characterised by rapid economic growth. Due to the progressive nature of the Indian business environment, where dynamic changes occur regularly, it is rather difficult to generalise about the approach to doing business with the Indians (Budhwar, 2011, p.3). However, according to World Business Culture, *'any business organisation that wishes to profit from India's rise, would do well to spend a little time studying the cultural norms which drive the thinking of the Indian people'* (2012, ¶4).

3.3.1 The Indian Management Culture

3.3.2 Organisational Structure – Hierarchy & Strategy

'The influences of Hinduism and the ancient tradition of the caste system have created a culture that emphasizes established hierarchical relationships' (Shira & Devonshire-Ellis, 2012, p.19). All relationships involve well-defined hierarchies either among friends, family or strangers, as these hierarchies maintain the social order which is of great importance for Indians (2012, p.19). According to Ripmeester and Gevrey (2009), *'most Indian family owned businesses and organisations in the government sector have traditional structures – bureaucratic and strongly hierarchical'*. This hierarchical structure would imply a high emphasis on seniority and designations, downward communication flow, formality and conventionalism (p.53). Although Indians stress on collectivism, therefore, team culture, the concept of equality among the members of a team is somewhat unknown to them. They inevitably tend to create virtual hierarchies which allow them to allocate tasks and decision-making powers (p.53). Often, the superior-subordinate relationship is characterised by *'affection-deference dichotomy'*, where the boss is a paternal figure, *'seen as a source of ultimate responsibility in business'* (Shira & Devonshire-Ellis, 2012, p.19) engaged to care for his subordinates. Nonetheless, given the ubiquitous diversity in India, organisational structures may vary substantially throughout the country, especially when there are relevant differences between the Southern and Northern part of the country (2009, p.54).

Ripmeester and Gevrey (2009) claim that most Indians carry their tasks according to the relationship they have with the boss. Undoubtedly, they prefer working with and for people they like and respect. In this case, work has always priority. Networking during office hours, meetings with friends and family as well as resignations when the boss is leaving are not uncommon. Personal relationships come before anything else and sometimes they may help one 'cheat' the organisational norms and get away with disciplinary deviations, for instance (pp. 54-55).

A strategic aspect to be born in mind is that Indians avoid and ignore conflicts. They are the kind of people who 'comply and do not confront' (2009, p.55).

3.3.3 Decision Making Process - Meetings, Negotiations & Decisions

Inevitably, meeting styles will strictly depend on the type of organization one is dealing with. While the emergent, modern ones follow a so-say Western pattern, with agendas and a chairperson, the more traditional ones have local approaches, which at times may prove challenging to business travelers, because they may seem quite informal, marked by several interruptions such as phone calls, unannounced visitors or secretaries. Due to this relaxed approach to meeting, where several things are done simultaneously, they may last longer than scheduled, as time-keeping is not a prerequisite for business in India. It is normally the highest-ranking person who does the talking during the meeting and although the others may not agree, overt disagreements are out of the question as they would imply a loss of face. Initial meetings are almost always preceded or accompanied by small talk, which offers the venue for relationship-building. The latter is extremely important, in order to establish trust and respect for a feasible business relationship (World Business Culture, 2012, 'Indian Meetings' section, ¶1, 2, 3). The so-called small talk in India is characterised by questions regarding one's family, friends and even religion. Although it may seem intrusive, given the Indian limited sense of privacy, it is always a sign of friendliness (Ripmeester & Gevrey, 2009, p.59).

During negotiations with Indians, patience is a prerequisite, as the process is lengthy and time-consuming. This is mainly due to the fact that decision-making powers are in the hands of the highest ranking authority figure. '*Delays are frequent and to be expected, especially when dealing with the government*' (Shira & Devonshire-Ellis, 2012, p.20). One should also be aware that some companies may not stick to the agreements and will try to renegotiate, after the service, for example, has been offered. It is good to know that some companies take advantage of the fact that foreigners, always in a hurry, will not approach the administrative justice, as this has a backlog of many years (Ripmeester & Gevrey, 2009, p.59).

'The decision making process is a lengthy one as strong, opinionated decisions are never taken. Indians are quite comfortable with uncertainty and ambivalence, often leading to delays until

taking a position becomes absolutely necessary' (2009, p.60). As already mentioned, decisions are predominantly made at senior levels, without subordinate contribution. This may differ in industries such as IT or call centres, where initiative is required, but normally Indians avoid taking initiative and responsibilities (2009, pp.59-60).

3.3.4 Conception of time

First of all, there are substantial differences between the governmental and corporate organisations, in terms of time perception and appointments. Although for both of them the flexible, synchronic approach towards time, meetings or agendas, it can be much more difficult to schedule appointments with government officials and even when you managed to, *'be prepared to be kept waiting'* (Shira & Devonshire-Ellis, 2012, p.16). In Indian cultures, the notion of punctuality can differ consistently from a Westerner's - everything is slower and carried at an informal pace. For instance, it is very seldom for people working in the same organisation to make appointments among each other; they just stop by the office and expect one to have time for a conversation. Speaking of, the way Indian people share their time is strictly dependent on the relationship with the others. The ones who they appreciate will always have priority. Ripmeester and Gevrey (2009) stress that *'in order to get things done in India, it is essential to have good relationships with people'* (pp. 63, 64, 65). Flexibility is the key while dealing with Indians; one should be prepared for unexpected delays such as traffic or meetings running late because they have actually started later than scheduled. Sometimes they can even be cancelled without prior warning. Such actions do not necessarily imply a lack of respect, it is just that *'many Indians believe that schedules are required to be flexible, in order to accommodate different people's timetables'* (2012, p.16)

3.3.5 Business Behaviour–Greeting, Dress Code, Dining, Business Cards & Communication

The traditional Indian greeting is the 'Namaste' – joining the palms before the chest, accompanied by a slight bow or a nod of the head. However, handshakes are becoming quite common in a business setting, although it is not customary to apply it on a woman. As a male, it is best to wait for the female counterpart to take initiative regarding the greeting (2012, p.16).

In terms of dress codes, India is characterised by a quite casual style, compared to other countries. Depending on the degree of formality for meeting or work environments, people will dress accordingly. For example, in the banking sector suits are more prevalent, while for the IT jeans and T-shirts are absolutely acceptable. Generally, men wear shirts, sometimes with a tie, trousers and a jacket. Women can wear from Sari and Salwar Suit to pant-suits and long skirts.

According to World Business Culture (2012) one should not miss opportunities to dine with Indian colleagues or clients as this is part of the relationship-building process. Business breakfasts are

unlikely to occur from various reasons, including the unpleasant commute some have to go through daily. Therefore, business lunches and dinners are relatively common (*Successful Entertaining in India*, ¶1-2). 'Indians take great pride and joy in hosting guests, especially those from abroad and serving home-cooked traditional meals' (Shira & Devonshire-Ellis, 2012, p.20). 'Remember that Hindus don't eat beef and Muslims don't eat pork (or drink alcohol)' - this does not mean that they would feel offended if one had other preferences, although it is better to be cautious about some holidays, festivals or the presence of old, respected relatives (World Business Culture, 2012, *Successful Entertaining in India*, ¶4). Regarding the table manners, Shira and Devonshire-Ellis (2012) claim that Indians eat several dishes without cutlery and usually only the right hand is used (p.21).

Business cards are extremely common in corporate gatherings and they always accompany the introductions. Although they may not be surrounded by ceremonial practices, regularly they are either placed on the table for the other to take and read, or held in hands for the others to read and grab. They normally carry the first initial of one's name, followed by the last name, one's role in a company as well as official contact details – no private contact details (Ripmeester & Gevrey, 2009, p.69).

In terms of communication, especially when it comes to business, Indians appreciate directness and straight-forwardness. They like being told what the aim of a meeting is and what exactly the outcome one might expect from it is. Moreover, they also want to know what you have to offer. These aspects would not imply a loss of face or lack of respect, on the contrary, honesty is very much appreciated. Furthermore, regular conversations, say during small talk, may be characterised by questions about private lives that may seem intrusive for some; one should be aware that it is a sign of friendliness and interest (2012, p.16, 18, 19).

3.3.6 Conclusion

As one of the oldest civilisations in the world, India is inevitably a blend of old and new traditions influenced by both the West and East. Unlike any other country, India is extremely diverse especially in terms of cultures and languages (Shira & Devonshire-Ellis, 2012, p.15). Ripmeester and Gevrey complement the idea of diversity, claiming that the business culture measures up the national culture. For example, Indians have combine both individualistic and collectivistic views. Moreover, they 'are goal-oriented and can be very persuasive while at the same time they are family oriented and their loyalty lies with their inner circle' (2009, p.52). It is essential to know that relationships are so important, that sometimes people prefer to work longer to cover the long breaks taken with the aim of networking, receiving unexpected visits from friends or relatives. Good relationships, among other things, also guarantee employee performance within an

organisation. The better they get with their superiors, the more priority tasks get. Another thing to bear in mind is that *“Indians tell one thing, think another and do a third”* (2009, p.52). *Consequently, 'any business organization that wishes to profit from India's rise, would do well to spend a little time studying the cultural norms which drive the thinking of the Indian people'* (World Business Culture, *'Background To Business in India'*, ¶4).

3.4 China - C (see Appendix VII for scenario)

'With three decades of growth and modernisation has come a transformation of lifestyles and attitudes' (Ambler, Witzel & Xi, 2008, p.IX). These three decades were marked by isolation from the Western world. Although things are changing at a fast pace, a large proportion of China is still lagging behind. Hence, China still is *'an old society with an old culture'* (Collins & Block, 2007, p.19). Seligman (1999) argues that *'China has historically been a highly homogenous society with little tolerance for deviation from generally accepted norms of behaviour'* (p.7). However, due to the rapidly changing environment, Chinese have adapted not only in terms of behaviour, but also attitudes, expectations and perceptions. Apparently, the growing middle-class has high expectations which constrain the government's ability to effectively manage the economic development.

For instance, the most recent 5 Year Plan pinpoints seven Strategic Industries such as biotechnology, high-end equipment manufacturing, alternative energy, alternative-fuel cars, new-generation information technology, and eco-friendly technology. These industries are the main to be focused on, receiving central investments of \$1.5 trillion (World Business Culture, 2012, *'Background To Business in China'*, ¶5).

3.4.1 The Chinese Management Culture

3.4.2 Organisational Structure – Hierarchy & Strategy

'As would be expected in a Confucian society, operational structures, chains of command, management style etc. tend to be hierarchical and the introduction of more matrix-oriented approaches is bound to lead to conflict with local expectations' (World Business Culture, 2012, *Chinese Business Structures*, ¶3). Bucknall (2002) also claims that Chinese society is based on strong hierarchies and ranks. *'Every individual is slotted into a complex system of superior and subordinate beings'* (p.14). Moreover, he argues that Confucianism (importance of the family, where the father makes decisions) and communism (people forced to participate in communal discussions) had a strong influence on Chinese culture regarding the sense of belonging to and depending on a group (2002, p.13). This explains the omnipresent lack of initiative or reluctance to take decisions. Since decision-making power belongs to the top, be it the owner of the firm, the

CEO or a public servant, deviations from such rules of conduct are unthought-of (2002, p.14). The high respect for hierarchy is especially reflected in business settings when it comes to sitting, introductions or dialogues. The latter entails that the highest-ranking person has the final word (Wang, Ripmeester & Pollock, 2010, p.37).

Apart from consensus-oriented attitudes, respect for ranks and caution to 'protect face', all of which automatically contribute to the highly appreciated harmony in China, the most important aspect that guarantees success in China is Guanxi - personal connections (Bukcnall, 2002; Ripmeester et al, 2010; World Business Culture, 2012). Seemingly, 'in China, if you don't have Guanxi, you don't have anything' (World Business Culture, 2012, Chinese Business Structures section, ¶2).

3.4.3 Decision Making Process - Meetings, Negotiations & Decisions

Meetings, which are considered extremely formal and straightforward in China, are always preceded by small talk. Small talk on topics such as weather, family or art is essential in order to establish Guanxi and a meeting will not start unless people familiarized with each other. The way people enter a room and sit in a meeting is done according to ranks and seniority (Wang et al., 2010, 40).

When it comes to negotiations, Chinese have the tendency to prolong them in order to gain advantage. It is customary to keep renegotiating well after deadlines (which should not be mentioned). Negotiations involve several levels of authority and enough bureaucracy. Although Chinese appreciate contracts, they are not a guarantee of success and may not be as important as mutual unwritten agreements. Since the protection of face is vital, overt disagreements or direct rejections are not acceptable. Therefore, such issues should be dealt with in private (Wang et al., 2010, p.41, 42).

'Quick decision-making is not common and it is often considered an insult' (Ripmeester et al, 2010, p.42). Therefore, this is a rather lengthy process especially because they prefer establishing string relationships before closing a deal. Moreover, since they are both group- and consensus-oriented, they like involving everyone in the decision-making, although not everyone's opinion is going to be considered. Nonetheless, the most senior has the final word. Especially because they are keen on the protection of face, if they disagree, instead of saying 'no', they may prefer saying what other would prefer to hear or just find a way around the problem with answers such as 'maybe' or 'I'll think about it' (2010, p.43).

3.4.4 Conception of time

Punctuality is very important in China as Chinese would rarely be late. Thus, one should avoid being late as this would be seriously offensive and disrespectful. Apparently, Chinese do not experience time pressure as Westerners do. The latter implies that deadlines are not that important and one should be patient and follow that Chinese pace of doing things. Appointments, unlike some other countries, are made at very short notice. One week in advance may be quite early to schedule appointments. Be aware that the Chinese counterpart may forget about the meeting (Wang, Ripmeester & Pollock, 2010, pp. 44, 45).

3.4.5 Business Behaviour–Greeting, Dress Code, Dining, Business Cards & Communication

Handshakes are becoming very customary in China. However, Chinese handshakes ‘*tend to be light and lingering*’. Generally, this norm is not accompanied by direct eye-contact. On the contrary, in order to show respect, one should lower the eyes (World Business Culture, 2012, ‘*Chinese Meetings*’ section, ¶3).

China is a class-conscious society, where well-dressed people are appreciated and more likely to succeed. Status is normally expressed through clothing. Therefore, it is advisable to dress smartly. For instance, men need to wear suits and ties, although casual garments are acceptable during relaxed evenings. Women may wear trouser-suits or skirts, but nothing too revealing or flashy (Bucknall, 2002, p.57).

Business lunches appear to be increasing in popularity, although evening banquets are still the most common form of business entertainment. Seating is also done according to hierarchy; Smoking, even during meals, as well as heavy alcohol consumption is acceptable. During such events there may be a wide range of specialties, even up to 30 different dishes. Although, the host would not initiate the departure, a meal is normally finished when the fruit is served. It is recommended to eat a little bit of everything. Signs of appreciation during meals are shown through belching or burping (World Business Culture, 2012, ‘*Successful Entertaining in China*’, ¶1-5).

Business cards always follow handshakes and introductions. It is preferred to have them printed in Chinese on one side, especially in golden characters (the colour of prosperity). The exchange is marked by close examination of the card, while keeping it in both hands. When offering the card to a Chinese counterpart, one should hold it with the Chinese side up and make sure to have included titles and any particular details on the company such as the largest, the most famous and so on (Wang, Ripmeester & Pollock, 2010, p.53).

Communication with Chinese cultures may be challenging to Westerners; Firstly, due to a high propensity of misunderstandings and misinterpretations due to the language barrier, for instance;

Secondly, because Chinese avoid saying ‘no’ or giving bad news. They prefer finding ways around it. The latter, coupled with limited non-verbal communication, several times gave rise to misinterpretations. Therefore, it is necessary to put some effort into understanding Chinese communication styles (World Business Cultures, 2012, ‘*Chinese Communication Styles*’).

3.4.6 Conclusion

China is without doubt on the verge at the moment: economic prosperity, social and political developments. However, Chinese people still like sticking to old traditions and values. Bucknall (2002) argues that some of the most important things in Chinese culture are the family, the group loyalty, the respect for hierarchy and preference for harmony (p.22). Moreover, Collins and Block (2007) suggest that before dealing with Chinese, one needs ‘nerves of steel, the patience of a saint, and the cunning of a fox’ (p.17). Undoubtedly, since China is such a large and diverse country, it is rather difficult to generalise about it. However, the main assumptions when it comes to Chinese culture are that are, as mentioned earlier, related to the great importance of relationships with families and groups, hierarchies and harmony. Speaking of relationships, it is vital to know that in China, ‘Guanxi’ means everything. Moreover, despite the omnipresent rapid changes occurring in China, people still find deviations from the known rules of conduct unacceptable. There is no such thing like flexibility or emotion in China. The protection of face is essential and people would do anything to avoid injuries. The previously mentioned preference for harmony is automatically reflected in the Chinese way of doing things. People appear to be very prudent; very cautious not to offend, not to embarrass, not to disobey, not to disturb and so on (Bucknall, 2002, p.14). Seligman (1999) claims that ‘*understanding what the Chinese expect and why they expect and why they expect it is still, therefore, vitally important to all who wish to deal with them. In most cases it continues to make the crucial difference between success and failure*’ (p.XIV). It is pointless to mention that different cultures do things differently, fact that requires certain attitudes and principles in order to succeed abroad. Collins and Block (2007) state that ‘*if your company has trouble adapting to new ways of doing things or respecting a culture that’s different from your own, your company is probably not well suited for doing business in China*’ (p.16).

3.5 South Africa - S (see Appendix VIII for scenario)

‘It is difficult to think of another country, anywhere in the world, which contains such a diverse mixture of first world economic infrastructure and third world poverty’ (World Business Culture, 2012, ‘*Background to business in South Africa*’ section, ¶1). The end of the Apartheid regime had a

tremendously positive impact on the country's development. Rapid changes both on the social and economic levels together with rich cultural diversity make it difficult to generalize about the business or social environment since nothing is actually set in stone (2012, ¶3). *'Although the transition from apartheid to the current 'Rainbow Nation' status appears from the outside to have been achieved relatively smoothly, it would be nice to believe that there are no longer enormous racial tensions within the country'*. The longstanding history of racial tensions, transposed in the personal life, has also influenced the trajectory of business collaborations (2012, ¶4). South Africa's varied population, *'from the black indigenous tribes to people from Europe, India, Malaysia and China'* and society characterised by diversity in culture, races, language and beliefs is mainly due to the nation's history of colonisation and immigration (Gorril, 2009, p.1). Considering the rich natural resources which made South Africa the industrial centre of the African continent, the result was a first-class economy that turned the country into an enormous and promising investment market (2009, 2).

3.5.1 The African Management Culture

3.5.2 Organisational Structure – Hierarchy & Strategy

Globalisation has significantly impacted the South African organisational structure. While the traditional approach used to be much centralised and vertical, with absolute power lying with the top management, the recent global trends are encouraging a more egalitarian corporate culture. Nonetheless, South Africans still show great respect and deference to higher-ranking persons (Ripmeester, Zedelius & Dollah, 2010, pp.38-39). *'Post-apartheid, things have started to change — especially under the influence of the myriad of MNCs (multinational corporations) which have flocked into the country — with hierarchies breaking down somewhat and younger middle-managers looking to become more proactively involved in decision-making'* (World Business Culture, 2012, Business Culture in South Africa, ¶1). The current transition period prevents companies from predicting future outcomes, thus the focus is mostly on short-term planning. However, there are a few other things one should be aware of while dealing with South Africans (Ripmeester, 2010, p.39). Seemingly, South Africans prefer doing business with persons they already know. Although they have not met before, a formal letter sent through a shared contact may be rather useful as this would facilitate the process. Moreover, respect for elders, regardless of their rank, especially in rural areas, is highly appreciated (Gorril, 2009, p.3). While functioning in a South African company, the best advice is to *'Be authoritative, but not authoritarian!'* This entails showing confidence in you own capabilities and decisions, but involving the team in the action. Moreover, the *'affirmative action'* consisting of *'a more representative and racially diverse*

management team' is a matter to be handled with utmost sensitivity and caution (World Business Culture, 2012, ¶2-4).

3.5.3 Decision Making Process - Meetings, Negotiations & Decisions

'In a country as diverse as South Africa, it is difficult to give an overview of what to expect in a meeting situation in a few words' (World Business Culture, 2012, *'South African Meetings*, ¶1). However, it is worth bearing in mind that punctuality is highly appreciated in South Africa. Although South Africans, at times, might be late, it is advisable to always be on time, even five minutes early. Initial meetings, accompanied by considerable small talk, are merely meant to meet everyone and to get to know one another. Lasting relationship-building is a strong focus point meant to establish mutual trust. South Africans expect the participant to be precise and brief in terms of negotiations and show they are aware of the current situation. Assertiveness and aggressiveness are strongly rejected in the negotiation context, especially because South Africans prefer win-win scenarios. The business environment is characterized by a relatively indirect communication style. Interruptions, direct confrontations as well as loudness in speech are seen as aggressive, thus, best to be avoided (2010, p.40). Despite the current shift from a highly centralized to a more participatory style, employees prefer clear instructions and personal initiative is quite uncommon, hence, decision-making power still rests with the highest-ranking person, although contribution from subordinates is rather common (Gorril, 2009, p.3). *'Decisions are made on facts and figures rather than intuition or anything else intangible'* (Kwintessential, *Doing Business in South Africa*, ¶11).

3.5.4 Conception of time

Meetings generally start and end according to schedule, and although there might be groups of Africans who have a more flexible approach towards time, it is essential to be on time for meetings, preferably even a few minutes early. Fridays and the eve of vacations or major holidays is not the best time to make appointments. Hence, it is advisable to schedule them one or two months in advance and always confirm them the day before via phone. Normally, Africans prefer in-person encounters and punctuality is appreciated. On the other hand, canceling an appointment as well as lateness should be avoided unless inevitable. It is recommended to call in advance, with an explanation, and apologise (Ripmeester et al., 2010, pp.42-43). Apparently, the perception of time differs between the black and white South African cultures. The majority of white South Africans have a formal approach towards time. *'However, conversely, you can expect black South Africans to do things at a slower pace'* (Gorril, 2009, p.1).

3.5.5 Business Behaviour–Greeting, Dress Code, Dining, Business Cards & Communication

Depending on one's cultural background, there may be several greeting styles in South Africa. Generally, the standard practice applicable especially on foreigners is a firm handshake, accompanied by eye contact and a light smile. However, traditional Africans may avoid eye contact, to show respect, and women may only nod their heads, so, it is therefore advisable to wait for the woman to extend her hand (Ripmeester et al., 2010, p.43). Although the business environment is rather casual, Africans, in the beginning, prefer using both titles and surnames. *'When meeting people it is considered good form to engage in some personal dialogue based around one another's health, family, leisure time or sport'* (Kwintessential, *Doing business in South Africa*, ¶5). However, it is best to avoid getting in details on personal matters or religious topics (2010, p.43).

Although the dress code is becoming less formal, especially during initial meetings it is recommended to dress relatively formal – men wear dark suits with shirts and ties and women elegant dresses or business suits, often with heels. However, it is not uncommon to see people wear traditional African clothes both at work or business meetings (2010, p.44).

Business meals appear to be very common in South Africa, especially breakfasts or formal dinners. Limited alcohol consumption is recommended and it would be best to wait for the host to order drinks first. Although the dress code may be rather informal, it is advisable to check with the host. Small gifts such as flowers or South African wine are always appreciated, especially when invited to someone's home (2010, pp.44-45). *'Offer to help the hostess with the preparation or clearing up after a meal is served'* (Kwintessential, *South Africa - Language, Culture, Customs and Etiquette*, *'Dining Etiquette'* section).

Business cards are common in South Africa and do not have particular styles. Although their exchange is not very accompanied by special rituals, it is advisable to *'treat the card with respect and store away properly rather than in a pocket'* (Kwintessential, *Doing business in South Africa*, ¶6).

Communication styles also differ according to the various cultural backgrounds present in South Africa. For instance, some white South Africans prefer a more direct, less conventional approach to a very diplomatic one. There is no indirect communication as this may be misinterpreted as lack of trustworthiness or liability. However, many of the black Africans prefer diplomacy and avoid at all costs confrontations, especially in public. *'South Africans are by nature quite tactile and this cuts*

across the ethnic divides' (World Business Culture, 2012, 'South African Communication Styles' section, ¶5). Consequently, keeping too much distance from this approach may be perceived as indifference.

3.5.6 Conclusion

On the whole, South Africa is a country with great economic potential, undergoing rapid social and economic changes which make it difficult to give a standard overview because it might only be temporary. One thing is certain: diversity on all levels is omnipresent. The country's history of immigration and colonisation contributed to the rich background of cultures, races, languages, beliefs and so on. Despite its undoubted positive influence, diversity has also given rise to racial tensions which prevented the country from developing earlier on the business level. However, globalization seems to have impacted the country in a quite positive way. The recent global trends in terms of management are encouraging the shift from an autocratic to an egalitarian system. Decision-making power still rests with the highest-ranking person, but the team is consulted for input. Employees prefer clear instructions and spontaneous initiative is rather uncommon, since it would cross the line of respect towards authority. Regarding the latter, not only ranks and titles are respected, but also age. Consequently, South Africans, especially in the rural areas, have great respect for the elders. Moreover, family seems to be extremely for them and although personal matters should be avoided in a conversation, questions about one's family are not seen as intrusive and disrespectful.

Furthermore, the findings also show that overall, South African culture is not necessarily stiff in the business environment. Of course, the approach may not be generally applicable, given the well-known diversity, but encounters are accompanied by formality mostly in the beginning - formality in terms of greeting practices or dress code. Lasting relationships are of great importance and they come before business. After trust has been established, the relationships become less formal. Punctuality is also important, although some may have a more flexible approach towards time. South Africans do not seem to be tough negotiators, since they prefer win-win situations. Therefore, assertiveness and public confrontations are to be avoided. Moreover, this culture is also a quite tactile one, which may lead to misinterpretations. It would be recommended to avoid being too distant since it inspire aloofness.

4 Conclusion

Throughout this research paper, we could see first of all that there are indeed differences – differences in the definitions of culture, differences amongst the different cultures of the world (our case the BRICS), and differences in how culture influences people.

It was shown that culture influences people's behavior and this is also reflected in the way they approach business contexts. The fact that there are obvious differences between the cultures, may make it difficult for some of us to deal with people who do not necessarily share a common culture with us. The latter, together with the experts' opinions, gathered through the interviews, strengthened the assumption that there is a link between culture and business, and in order to be able to do business successfully with other cultures, one first needs to be aware: aware of oneself and aware of the differences.

A potential lack of awareness, as we could see in the Introduction, may cause problems in business encounters due to high risks of misunderstandings and misinterpretations, just to name a few negative outcomes of poor awareness or absolute lack of it. In case of failures because of the lack of understanding of or sensitivity towards other cultures, losses would be generated. Losses in terms of finance, business relationships, contracts, projects, and so on.

Nevertheless, it can still be seen that some people do not find it a prerequisite to be aware of other cultures or to thoroughly prepare for dealing with them, as long as they possess some essential qualities such as respect or goodwill. This is partly true, also because, of course, deep down we are all alike, we are human beings, so we share some universal characteristics. Nevertheless, such claims are outweighed by opinions supporting exactly the contrary; that sharing some core characteristics is not enough and in order to deal inter-culturally, one needs to be aware of the differences. It all starts with self-awareness, which should lead to acknowledgements of differences, understanding and of course, preparation to overcome them.

In order to facilitate the preparation process which, apparently is essential for doing successful business, Chapter 3 outlines exactly what one needs to know when dealing with the BRICS. Moreover, Chapter 5 consists of 10 recommendations on how to best approach a business deal with unknown cultures, in our case the BRICS.

Due to limitations, the time and number of pages available did not allow me to further the research more thoroughly. I would have liked to interview more people and at least one representative of

each of the BRICS cultures, not necessarily a native-born representative, but someone who has been working there and who could provide me with insights on the business praxis directly from the source. Moreover, an in-depth analysis of each culture could also be a good idea to pinpoint both similarities and dissimilarities between the BRICS. Unfortunately, the limited number of pages prevented me from any more advancement. Therefore, further subjective research, through in-depth interviews with could be done, to acquire insights that are normally kept away from foreigners.

5 Recommendations

As we could notice throughout this paper, the countries have different cultures which automatically results in differing management cultures. In order to do business across cultures, in our case with the BRICS, a certain approach is necessary – either a satisfactory amount of knowledge, sensitivity and awareness or even developed intercultural and interpersonal skills. Here are ten generally applicable suggestions on how to overcome cultural differences that may be helpful in dealing with the BRICS.

1. Research

The first and most important advice is to **research** the country of interest before dealing with it; just read and learn a little bit about the history, the political and economic situation, study the market as well as the culture (N. Ripmeester – Interview, see Appendix I).

2. Preparation

No matter how limited, preparation is essential. One should develop their understanding of other cultures, their sensitivity towards it, should have an 'eye for detail' as N. Ripmeester would say. This basically means that, when encountering representatives of other cultures, one should observe, stay alert to body language clues, communication styles, business approaches and always try to mend their, say, excessive directness, overt criticism, impatience, humor (Russians, for example, genuinely reject it during business) and even their listening skills.

3. Interest

After the above mentioned kind of research, when visiting a country, it is good to **show interest** in that particular country's culture, hospitality, or language, for example by learning a few basic greetings or special customs. Such efforts are always appreciated, especially when meeting the inhabitants of the country in question.

4. Relationship-oriented

Especially across the BRICS relationships are essential. Therefore, efforts to build, establish personal networks and nurture **positive relationships** and rapports with people will make your life so much easier (See Ch. 3, The BRICS' Management Culture).

5. Local support

The research resulted in the strong recommendation of **getting local help** (a consultant, an interpreter, a lawyer, an agent and so on) when doing business in the BRICS. This is not only safer,

but also shows a strong determination and interest in closing the deal. Moreover, this should also encourage you to stick to solid contracts! Although some cultures may be keener on spoken rather than written agreements (see China), it is safer like that.

6. Ethics

A rule of thumb in business is to stay professional, fair and honest; to know what exactly is **ethical** (in terms of rights, obligations and even specific virtues) and maintain **high standards!** Says Travis (2007, p.2).

7. Gain trust

Be respectful, polite, courteous, patient and why not, humble! Not overly submissive, but enough to gain people's trust in your intentions and to get them to accept you. It may sound as a 'qualities package', but these are or should be common to all cultures and A. Pollock said that with such qualities 'you can't be wrong!' (See Appendix II)

8. Self-awareness & Flexibility

It has been stressed a lot on the fact that as long as one has a developed **self-awareness**, it is much easier to acknowledge that there are differences, without the 'right vs. wrong way' barrier. This entails a higher tolerance and **flexibility** to deal with other cultures. Without, of course, ignoring your own background, it is recommended sometimes to adjust yourself and try and play more by the others' rule, especially when on their grounds (L. Edelkoort – Appendix III & Travis, 2007, p.5).

9. Show goodwill

D. Warne (2011) claims that **goodwill** shown through either small, but well thought gifts, or thank you cards (after business encounters) will always be remembered and appreciated and keep doors open for potential returns (#5).

10. Training

The last, most preferred, but costly at the same time, would be getting proper training, based on one's own situation and needs; both on intercultural/interpersonal communication and on the business praxis in the country of interest. N. Ripmeester states that it would be ideal to have two trainers – a native-born trainer (who has the ability to offer insights kept away from foreigners) and someone who has been living or working in the country (they sometimes have the ability to pinpoint features that get overlooked by a native-born, because they find it so natural).

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Appendix I

Interview Nannette Ripmeester - 26 April 2012

Diana: What is your profession, Nannette?

Nannette: I am working for Expertise in Labour Mobility. I am the director and I am an information expert, as I like to refer to myself.

D: How would you define cultural awareness or understanding?

N: I think cultural awareness is that you understand that people from other countries may do things in a different way which according to them it's completely normal. Which is their accustomed way of doing things that, to you, coming from another culture might be a very strange way of behaving. I think cultural understanding means that you are aware of things like this and that you try to deal with it. I'm not saying that you're able to, but you are trying.

D: Do you think it's a skill you develop in time, with perseverance, or something you're born with?

N: I think some people are more naturally aware of differences than others. That's definitely true. But I think it's something you can train, although I've met a few people in my life, whereas they're never going to master the skill. But I think like with most skills, it's something that you can train yourself.

D: May I ask where those people came from?

N: There's one example. I wanted to deliver a workshop at the University of Maastricht and there was a person who started off by saying "I don't think there are any cultural differences. I think everybody does exactly the same." And the same person said, when I asked him "how would you deal with something you're not so good at?" He said: "Well, I find it difficult to work with other people because I just want them to do whatever I tell them to do!" This already tell you that this person is not aware of its own behaviour, and very unaware that there's people around him who behave slightly different.

D: I would never think that there's someone like that..

N: Sometimes you come across funny people!

D: My supervisor, without offending anyone, said that if there are people who tells you that there are no cultural differences between people, you must be an imbecile!

N: I think he is right! But you'd be surprised how many people (of course, because I encountered those people – they come voluntarily to our workshops about 'job hunting across borders') say the idea of borders is something no longer of this time. Which is something you can defend, but even though borders like "this is the border between the Netherlands and Belgium" may be beyond this time, I don't think that cultural differences of most of the people in the Netherlands versus most of the people in Belgium is beyond this time. Because I think it's very much till there and I don't think

that's going to vanish ever.

D: Would you say that that person who agreed that there are no cultural differences thought like that because it wasn't necessarily exposed to other cultures?

N: He was studying with international students. He was a Dutch guy but he studied for an international degree. And I don't think he was very aware of other people, so I don't he wasn't exposed, because by living in Maastricht you're exposed (because of the location of Maastricht) to other people, but I think he was completely ignorant towards the whole concept!

D: How did you acquire this cultural understanding?

N: In fact I came across it! I don't think it's something that I was born with and I just thought "Oh, cultural differences, this is it!" But, I remember when I started working at The European Commission, on my very first day, I'd realised, already in the morning – by greeting the different colleagues (people for instance, from Germany, had very different ways from the French people I'd met, as my new colleagues) The way they treated each other was very different! When it was like noon, I'd gotten up very early to be on time for my first day and I was so hungry!! So I brought my sandwiches and then one of my colleagues asked "Shall we go for lunch?" And it turned out it was completely different culture there, because between 13.00 and 15.00, you would go for lunch, with a hot meal, with some wine, and I was like.."oh, O.K!" By working at the Commission I learnt that people do things in a very, very different manner and that what your most common way of doing things might not always be the best way of doing something. Having said that I'm very aware of those differences doesn't mean that I can always deal with them myself. I still find it for instance, very difficult to work with Danish people. Whereas I do understand when I read the *Looking for Work in Denmark* guide, by Lotte Edelkoort, I think "Yeah, that's why! Oh, yeah, that's the reasoning behind it!" But, still, even though I do understand that, it's not something that I can deal personally with in an easy manner.

D: But the most important thing I think it's that you are willing to consider them.

N: Yeah, yeah! I definitely would be willing to consider them!

D: Was it helpful in your professional life (being culturally aware)?

N: YES! Because at the European Commission I've sort of mastered the skill better. It helps me tremendously if I give presentations for international audiences or international students. It doesn't mean I throw away my own Dutch directness, but it helps me to understand that I might come across to people who find it intimidating almost. For instance, Asian cultures. But I can use it and play with it! It also helps me in negotiating with other countries. So it's definitely helped me. It also helped me in securing some contracts with Germans. Knowing how important prices are and sticking to a certain price, has definitely helped me occasionally.

D: Do you think that a potential lack of cultural sensitivity might prove challenging in a business

context?

N: Yeah! And I think that corporations should be more aware that not understanding different cultures can cost them a lot of money and I think they should have more eye for detail here and they should give more consideration to training people in that respect!

D: Would you, then, say that it is important for companies to have culturally aware staff?

N: Yes! I would of course agree with it! Sometimes there's a misunderstanding, or at least it's a misunderstanding in my perception. People think that culturally aware means that you would be friends with everybody from other cultures, and that's not what I think it means actually. Culturally aware is simply ..understanding that people do things differently and that it's not necessarily good, better or worse than how you do things. But I think it helps companies, organisations in general, to have a more diverse staff and by having the diverse staff I think you also include more understanding of other cultures.

D: What would you recommend someone who wants to develop their cultural awareness/understanding?

N: I think going abroad and studying abroad. But in particular, working abroad. Because if you're studying abroad you can still escape the culture of the host country a little bit. But if you're working abroad, particularly if you're working for a large multinational and you are working in an expat environment, you might not be exposed so much to cultural differences. But if you are working with a team of people from that other culture, I think at that moment you become so exposed to another culture that you start to realise that different cultures are really different in how they view things and what they consider right and wrong, for instance, what they value more, or what they consider less of a virtue.

D: I assume that when you said that some can escape cultures while studying abroad it was because some of us gather with people of the same nationality

N: Yes. There was a study at a Swedish university, and we had some results revealing that exchange students were very happy compared to the full-degree students. But it also really showed in the data (21% difference in satisfaction, when it came to integration.) The Erasmus students just didn't bother at all to integrate and they were just having a good time with other Erasmus students. And if I looked at the open comments, it was clear. There was somebody who said, "I haven't seen any Swedish student! Is KPH a Swedish University? Oh.." So, that already tells you a lot!

D: Yeah, I think it speaks for itself. But, for me it was exactly the opposite. I wouldn't hang out with the international students, while I was in Sweden, but with the Swedish classmates. So, it was a completely different experience!

N: KPH is an interesting one because they said at first: Oh, it's because we're a very Swedish University. And it's very Swedish not to integrate, not to mingle..with international students. Which

is true to some extent!

D: they want their space!

N: Yeah, they want their space and I can understand that as well. But it was nice to see that if we compared KPH with other Swedish universities, they were one of the lowest scoring Swedish universities in that sense, so they couldn't hide any longer behind the fact that 'oh, it's a Swedish thing!' And about the space, I think it's always very intriguing. If you arrive by plane to a certain country, fly over that country and look out the window at the landscape of the country, it already helps you to understand how people in that country are. If you fly above Sweden, it's open, wide, nature..you see a house and far away another house. It's a bit hilly, and sometimes not that hilly. But there's space. there's literally space around every house, even in the city. In apartment blocks..it's very often green around them and you see that very clearly, if you fly over Stockholm. If you fly to NL, firstly you see that everything is built close to each other, but everything is in squares almost! Almost the signs say "my area, your area!"

D: Ok, but how about someone who is preparing for a business deal with a completely unknown culture. What would you recommend them?

N: If you have very very little time, at least read something on the history about the country. If you have some understanding of the history, you already know a bit where things are coming from. I would always advise you to find out something about cultural differences. Because it helps in understanding the culture. We once did a very interesting assignment at ELM, I didn't do it myself, but I hired a trainer to do it and it was for a Dutch company who was standing for a contract in Saudi Arabia. I found somebody from Saudi Arabia, who trained them, who taught them how to build their Power Points, this is common to happen in a meeting. You should always make sure you know your figures, or this is the room you have to negotiate. Or, know for instance, that it's common to have constant interruptions during the business meeting/deal. They were really, really drilled because they had one day, an entire team of 6 was drilled and they got the contract. And they said it was so helpful! Helpful to understand that you (as a woman) will be considered and expert if your company brings you in and says: She's the expert on...Then, there's no problem you're a woman. But if you have to make that introduction yourself, they would just disregard that you're there or not. Anyway..it worked, they got the deal and they were really happy with that! Sometimes it was only basic things like not showing you soles, but the trainer also explained to them where all the things came from. And I think that was the most helpful!

D: Was the trainer a native-born Saudi Arabian?

N: the trainer is now married to one of the princesses, but I think almost all female inhabitants of Saudi Arabia are from a royal family..Uhm, he is native from that country, but born in India and raised in France. So, he's really multicultural in that sense! But no he spends his time in that

country..

D: The point of my question was..Would you say that in terms of training it is best to have someone from that particular country?

N: I've been thinking about that a lot! I'm not sure if it's best. Sometimes it's even more handy to have someone from another country, but who lived there, because they may notice things you overlook, because you're too used to them to notice anymore. I think the best combination for training is to have a native born and someone who's been working in that particular country. That would be an excellent combination! But sometimes it's not doable because it's too expensive to have two trainers, and I'm convinced that if you have smart people, they might not always need a real training. They could also learn by reading about it (the country) but not everybody gets information when they read. Sometimes people need to listen to it or even act it out (role-plays)

[...]

Appendix II

Interview Archie Pollock - May 2nd 2012

Diana: What is your profession?

Archie: I am a Cultural Project Coordinator at ELM.

D: How would you define cultural awareness or understanding?

A: Well, I think that cultural awareness is about being diplomatic. It's very important to break down the difference between the person and the culture. And keep in mind that somebody from a particular culture might be more or less likely to act in a certain way, because of the cultures they've been brought up. So, I think it's important to make that division, when thinking about cultural awareness and trying to understand different cultures.

D: Do you think it's a skill you develop in time, with perseverance? Or something you are born with?

A: I think it involves practice and a large amount of patience. Whether or not it is something you are born with, is quite debatable I think. It is a nurture versus nature debate, but I was always taught to be a patient person and to respect other people. So, I think these are crucial qualities and these also develop respecting other cultures or being patient are qualities which can also be developed over time. These can develop over time, practice and patience, respect for people. Whether or not you're born with it, it's difficult to say, but maybe some people are slightly more likely to be so than others. Hard to say!

D: Assuming that you are a culturally aware person, how did you acquire this cultural understanding?

A: Through life, so far. I did a bit of traveling and also I've studied and lived in few different countries. So, during these times, of course, I've met different people, international and maybe these countries I've lived in, I have been in international circumstances such as being an international student. So, you meet people from all over the world, with very different cultures, and countries so, I think though that it's helped a lot. I try to notice people's similarities and differences, depending on where they come from. People I've met from different countries, over the years, from the same country : “are they acting the same way as the ones I've met before? Are they acting differently? Why may this be? And when I meet somebody from the same country I try to notice again “are they similar to the previous people I've met, are they completely different? And you know, why this might be..I like to know whether or not it's a coincidence, or a cultural trait. For example I used to hear stories of people from several parts of the world who like to drink lots of alcohol to relax or work. And i wonder when I meet these people, from different parts of the world, several individuals, “are they all the same?” or “is it just something that it's a stereotype?” it is a

coincidence, or is it just something differently linked to their culture and their upbringing.

D: Was this cultural understanding helpful in your professional life?

A: Well, yes, to some extent it has been. Obviously, due to my role as a Cultural Projects Coordinator, I do have to at least think about different cultures and how I may come across to others when discussing things such as moving abroad, or how people might find other cultures, how people coming to the Netherlands, or the UK, like find that culture to be into their own. So, I was, again, in that sense, yeah..gathering the cultural understanding to deal with the role I have at the moment. I deal a lot with international students in my job, and yeah..having been an international student was certainly very helpful for that.

D: Do you think that a potential lack of cultural sensitivity might prove challenging in a business context?

A: Well, of course, business involves always two or more people. There's always somebody trying to sell something, or somebody requiring the services, or someone else. So, in that sense, it could be an obstacle if people have trouble understanding each other for whatever reason. It's always useful, of course to come to some sort of common ground in order to make a business deal. However, I also think that if somebody is keen enough to make the deal, they can overcome cultural differences. It's not something which can irreparably damage relations, unless of course, something very bad goes wrong. There's two parties looking to make a deal and I think it's definitely possible to overcome cultural problems or differences, providing they aren't too major or too contrasting.

D: Would you say that it is important for companies to have culturally aware staff?

A: I think it's a benefit, but perhaps not a necessity. Of course, it depends on the business type. In the company I work for, something which is very beneficial, having international people is very useful if you do international dealings. However, if you work in a company which deals mainly with people from your own country (which of course is becoming more and more rare) if that's the case, then usually you find that it's not very important. It depend on the frequency of the dealings, and the type of the company. For example if you're a sales company and you want to sell a particular product, really what you need to do is be able to convince people to buy your product. And what convinces people can be very different from other cultures. So, what I may try to sell, one product to somebody in the UK, may have different needs from somebody in China or somebody in the Far East – different levels of respect, different types of communication, different ways of communicating, and some people are much more easily offended than others, these kinds of things make very big differences in the business world.

D: What would you recommend someone who want to develop their general cultural awareness?

A: From my own experiences, meeting people, talking to people, and trying to keep an open mind..

In my opinion, people are fundamentally the same,; everybody is looking more or less for the same life goals: happiness and trying to achieve the same things. How they go about achieving these goals, may result in different outcomes. So, keeping that in mind, very very important, just basically remember that, yeah, people are different, but in my opinion, fundamentally are the same. So, that culture might influence that..keep an open mind!

D: How about someone who is preparing for a business deal with a completely unknown culture?

A: That's I think, very interesting! I would always say that if in doubt, be yourself! Don't ever try to sell yourself, don't ever try to give up, or be submissive, when you don't feel you should. Of course, general rule in business, be polite and courteous to business people, especially the first time you meet them and build up a relationship! Just be yourself and act in a way that you think is right, and hopefully it works out fine. It's always good to do some research on an area or a particular country. , and usually websites will give you useful, basic advice, but yeah, maintaining an open mind, being polite and being yourself. I think you can't go wrong! Or you can't go too wrong!

D: Ok, Is there anything else you'd like to add?

A: Yes, I'd always be aware that when people are in a group, they act differently. A group of people from their own country. I always think that when doing business with a group of people, and they are from the same country and you are the foreigner, you should be prepared to have to be more bending towards their rules, i think. If you're meeting with one person, and there's a mutual common ground to the meeting, usually there's a lot more room for negotiations, but if' you're the only person there, representing a company in front of a group of people coming from another country, then I think you have to change your tactics.

Appendix III

Interview Lotte Edelkoort – May 3rd 2012

Diana: What is your profession?

Lotte: My official title is Corporate HRM Project Coordinator, but I think it implies a lot more or a lot less than I actually do. So I think International Mobility Consultant might be a good one, since via my work I try to help people, support them in their international mobility problems, both companies and individuals.

D: How would you define cultural awareness or understanding?

L: Actually I think cultural awareness is just the fact that you understand another culture, so you can function in another culture, so you know what you should do or not in a certain situation, but I think it's about cultural competence. When you have the ability to communicate inter culturally, I think, in my opinion, that cultural self-awareness is the most important thing. This means that you understand your own culture and your own habits, and therewith you're able to see where you encounter differences. There's no need to know everything about another culture as long as you know something about yourself. Then, you're able to confront any culture, because then you can always see where the struggle. So, being culturally competent means that you can handle any intercultural encounters, and are able to do what's right, because you can't always be right. But always the most important thing is that you understand what you're doing yourself. And that's why you understand what's going on..

D: Do you think it's a skill you develop in time, with perseverance? Or something you are born with?

L: I think there are a few things you could be born with. For example empathy is an important one, so you can understand what another person is going through, but I think it's something that is very difficult to develop, so, if you want to, I think you can, but there's some other things..Awareness is something that you can raise, you can actually change..so, if someone is not aware of himself, there is a change you can make, but empathy is something much more difficult to change. SO, I think it's something in between.

D: How did you acquire this cultural understanding?

L: I think by my own intercultural experiences – living and working abroad, and travelling a lot. Also, during my studies, I think I acquired a lot of information about intercultural communication with a lot of academic background as well. And, of course, via my work right now.

D: What have you been studying?

L: First I did a Masters in Dutch Language and Culture, then Intercultural Communication (MA), and I also did one in Strategic HR Management.

D: Interesting! Was it helpful in your professional life? (cultural awareness and academic background)

L: I think it was not only helpful, but without it i wouldn't survive in my professional life, because if in my situation I couldn't understand other people, it would make a huge problem. And it doesn't necessarily have to do with the fact that I work in an international team but also if you work in a just a Dutch company, even though you think you understand those people, because they come from the same culture, I think your still need a lot of intercultural awareness, because culture can be seen as something that you develop when you're living somewhere. You're part of the Romanian culture, I'm part of the Dutch culture. But i think culture is much more, because ..i have to think how to explain this. You already develop a culture with two people. So you and I have our own way of dealing with things, which is based on the past and our relationship, and our hierarchy and age, and that is the way that we can communicate. If Archie's coming with us, then our communication, and our culture starts to differ from the one we had. So, I think everyone has its own background which changes according to the context, group you're in. And, that means it implies that you need intercultural communication not only when you're interacting with people from another culture, another nationality culture, but also when you're dealing with people that are older or younger than you, higher, lower in hierarchy, whatever! So, i think that makes intercultural communication something inevitable, in order to be able to communicate inter-culturally.

D: Do you think that a potential lack of cultural sensitivity might prove challenging in a business context?

L: Yes, definitely! As I just said, I think if you're not able to ..if you don't have any cultural awareness of the other, but especially of yourself, then it's very difficult. But that doesn't necessarily mean that in any situation might cause problems, if you're not culturally aware, if you see culture from my point of view. But, definitely in business.. because if you can't understand the other person, where she or he is coming from, then, if you don't have any interpersonal skills, doing business it's quite difficult.

D: Would you then say that t is important for companies to have culturally aware staff?

L: Yes, definitely! And i mean culturally aware not only in the sense of dos and don'ts. So it's not like you train you people on what they should do or not, but i think it's more an overall communication skill that you need and that it is of course important in a world like this to learn something about your cultural background. So, yeah..

D: What would you recommend someone who wants to develop their general cultural awareness?

L: Start by looking at yourself and when you see/meet someone from another culture try not to focus on things that the other person does differently, but try to focus on what you do differently from the situation. So, in which sense you act from you own..'Dutchness' in my case. I mean, the

Dutch directness is quite a good example because as soon as you're aware of the fact that you are Dutch and therefore you are direct, then you can adjust your directness, to the situation. If I'm communicating with a Chinese person, then I'd be less, or in another way..direct, than if I'm communicating with my Danish friend to whom I can just say everything. So, I think it's more about looking at differences from you own point of view.

D: How about someone who is preparing for a business deal with a completely unknown culture?

L: Well. If you look at intercultural communication skills from my point of view, than there is no problem, because you don't need to know..of course, you need to know which country the person comes from, which cities there are. That might be useful and it might also be useful to know what the weather is so you don't have to ask..'what's the weather' when it's always the same or..whatever..but, it's not really necessary to know that many things about the other culture, because you need to think and know what you are doing..but I think the encounter should not cause any problems.

D: So, in principle, the most important thing you need to possess is cultural self-awareness.

L: Exactly!

Appendix IV

Brazil

Scenario A

Management Culture

You have just signed a contract with a Brazilian company and returned to your country. You are surprised by a phone call from your Brazilian counterparts. They are enthusiastically inviting you back at any convenient time for you.

Do you accept?

- a. Of course! This is the perfect opportunity to further develop your long –term relationship with your partners. (5p)
- b. No way! You just came back and you got the contract. There is no point in accepting the invitation. (0p)
- c. Not only you accept it, but you also return the invitation! You are very glad to have such a fruitful relationship with your business partners. (3p)

Wine & Dine

You are a senior female manager and you visit Brazil for a meeting. Your host invites you to lunch and you do not hesitate because you are a true professional. However, during the meal, your counterpart has been complimenting you on your looks and insisted to pay the bill.

How do you interpret such behavior?

- a. Unacceptable! He was clearly flirting! (0p)
- b. Absolutely natural and flattering behavior. They know how to appreciate women and the fact that they stick to the ‘old traditions’ should not be seen as a threat to gender equality. (5p)

Appendix V

Russia

Scenario A

Management Culture

You have been warned about the tough Russian negotiation style. However, you managed to reach an agreement quite easily.

How could that happen?

- a. You made sure not to mention any deadline and not to make your counterparts aware of your time pressure. (3p)
- b. One of your friends in Russia introduced you to your current business partner and this made things easier, since you have been dealing directly with the top management (5p)
- c. They have a high interest in your business proposal, so they preferred not to waste any time. (0p)

You decide to speed things up a little more, so you prepared a highly beneficial contract (especially for your company), which they also happened to accept without resistance. However, when you thought of speaking of the deal as yours, the Russians changed their mind and wanted to adjust the contract.

How do you react?

- a. Threaten them with canceling the deal (0p)
- b. Threaten to sue them (0p)
- c. Keep (re)negotiating until you reach at least a win-win situation. (5p)

Wine & Dine

You are having dinner with your Russian counterparts and there is a great deal of alcohol being served.

How do you cope with this situation?

- a. You do not want to seem weak, so you try to keep up with them. (3p)
- b. You enjoy a few drinks, but you know your limits and you want to stay professional. (5p)
- c. You pretend you have a medical condition that forbids alcohol intake. (0p)

Appendix VI

India

Scenario A - Gift giving

Your co-worker has returned to her country to get married. Now she is trying to get pregnant. You thought of sending her a beautiful, precious Sari, which you bought with great enthusiasm. The best colour you could think of, given the special circumstances, was bright green, as in your culture is associated with fertility, rebirth, vitality and all the good things. But, she has sent it back to you without a note and never returned your calls.

What could have happened?

- a. It is very rude to not offer valuable presents in person. (0p)
- b. It is highly offensive to send presents to a recently married woman's home. (0p)
- c. It is outrageous to offer green items, as the colour in India is thought to bring bad luck. (5)
- d. The wrapping paper was black & white since these are unlucky colours, she had not even opened it. (3)

Scenario B

Dress code

You have to attend an important event tonight and you are unsure of what to wear, especially because you want to make a good impression.

As a woman:

- a. You are sure that you cannot be wrong in wearing a traditional Sari. (5p)
- b. You go for a conservative business suit. (3p)
- c. Since it is a celebration, you opt for a flashy, rather revealing outfit. (0p)

As a man:

- a. You like staying professional at all times, so you choose a suit. (5)
- b. You assume that such events are rather casual, so you opt for jeans and a shirt. (3)
- c. You want to feel comfortable, so who would be bothered by trousers and a decent T-shirt? (0p)

Management Culture

You have been relocated and you are trying to instill a more collective spirit. You are encouraging everyone to treat and be treated equally and to participate whenever they have a say. However, you are dealing with an inert team which does not seem to like your approach.

What could be the explanation?

- a. You have done something wrong and spoiled the manager-employee rapport. Since Indian people like working with and for whom they like, you are not a priority so you are just being ignored. (3p)
- b. Having initiative and a participatory spirit are not necessarily common in hierarchical societies. People prefer obeying orders unquestioningly, even when they know the instructions are wrong. (5p)
- c. Forcing people to disregard status and hierarchies is out of the question. (0p)

Appendix VII

China

Scenario A

Wining & Dining

You are the guest of honour at a banquet with a very important person whom you would like to impress, as this may guarantee the success of a potential business agreement. He enthusiastically recommends you to eat the so-called delicacy on your plate (sea slugs) which you find so appealing that you feel a lump in your throat.

How do you react?

- a. You politely set the dish aside, invoking some diet or health related excuse. (0p)
- b. You stuff your mouth with everything on your plate and wait for the side-effects (nausea) to appear...(3p)
- c. You confidently just taste the funny-looking delicacy, as in China it is not necessary to eat everything on your plate. (5p)

Later on, it is your turn to serve food to your friends and Chinese business associates. There is no cutlery, except for chopsticks.

What do you do?

- a. Ask for new chopsticks to show how considerate you are towards 'strangers'. (3p)
- b. Turn you chopsticks around and use the thicker end. (5p)
- c. Ask for each person's chopsticks when it is their turn to have food served. (0p)

Scenario B

Management Culture

You run a new company on the market and contact a company with a business proposal. They do not decline your offer right away, so you are quite confident regarding their decision. It has been a while since you first discussion and there is still no reply, despite your constant attempts to receive a clear answer.

What the reason for not calling you back could be?

- a. A negative response is considered rather impolite and they assume you should already know that silence is the equivalent of a turndown. (3p)

- b. They do not like doing business with companies they have not heard of, hence, feel no social obligations to strangers. You were expected to approach them through an intermediary, say, the 'External Affairs' Department. (5p)
- c. You were expected to be aware that if you have not received any answer, silence means YES! (0p)

Scenario VIII

South Africa

Scenario A

Meet & Greet

You are meeting for the first time your South African business partners. You are unsure of how to greet them.

What do you do?

- a. Go for firm, lengthy handshakes (5p)
- b. Shake hands and slap people's backs (3p)
- c. Shake hands shortly and back away (0p)

Later on, during the meeting, you find yourself in the middle of a heated debated. You are afraid it will degenerate.

How do you tackle this?

- a. You suggest a breaks so that everyone cools down (3p)
- b. You ask for some drinks (0p)
- c. You use humor to release the tension (5p)

Scenario B

Management Culture

You visit South Africa on behalf of your company for the first time. During the meetings and small talk, you noticed that your opinion is being disregarded and you assume it is because you are a woman.

How do you handle this situation?

- a. You walk out the meeting without a word. (0p)
- b. You become very emotional and start complaining in public about everyone's attitude. (0p)
- c. You remain unflustered and professional. (5p)