Cultural Competency and International Business Etiquette

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Terri Mottershead is the founding Principal of Mottershead Consulting – Change and Talent Development Strategists. Terri began her more than 30 year career on three different continents as a lawyer in private practice, thereafter she worked in legal education as a law school academic, and in-house leading attorney talent management functions for AmLaw 100 law firms and global law firm associations. Terri’s career is marked by a series of firsts – some of these include: being the first to lead an international training and development function for the Inter-Pacific Bar Association; the first to establish the global professional development function for the Lex Mundi law firm alliance; and the first to establish a talent management roundtable for US mid-sized law firms. Terri’s consultancy focuses on legal practice innovation through talent retention, development and management which includes supporting law firms and lawyers in developing their cultural competency so they can continue to thrive in our increasingly global economy.
Building International Networks: Cultural Competency and International Business Etiquette

For
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Terri Mottershead
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Agenda

- Cultural Competency - A Definition
- Globalization
- International Differences (Country)
- International Differences (Individual)
  - Business Cultures
  - Dress
  - Conversations
  - Social Customs
- Differences, Tolerance and Bias
- Key Take Aways
My Story...
TODAY: What would you like to know?
Cultural Competency - A Definition
Cultural Competency - A Definition

An ability to interact effectively with people of different cultures
Cultural Competency - Four Components

- **Awareness** of one's own cultural world view
- **Attitude** towards cultural differences
- **Knowledge** of different cultural practices and world views
- **Cross-cultural skills**

*Source: Diversity Training University International at http://www.dtui.com*
When do you know if you are culturally competent?

When **others** assess you as:

- Easy to **understand** you
- Easy to **communicate** with
- Easy to effectively **interact** with...
CC and 21st century legal practice?

- Impacts all aspects of management of any legal practice (not just international)
- Impacts all aspects of being part of a team (multi-national) and/or leading multi-country teams
- Impacts all dealings with multi-national clients and LPOs
- Impacts pro bono matters
- Increasingly reflected in Talent Management initiatives (competencies (behaviors), benchmarks (skills), performance reviews, learning, career development/planning, secondments, promotion, succession planning (clients and skills))
Globalization
Which statement is most true about your organization?

- We are a global organization.
- We aspire to be a global organization.
- We are a US organization with international offices.
The Globalization and CC Equation!

In many countries an absence of cultural competency will mean a relationship cannot be built and business cannot be done.

Globalization = CC = Relationships = Business
Cultures change over time, between generations and are being impacted by globalization...
International Differences
(Country)

This section adapted from:
Hofstede’s Cultural Dimensions
Understanding workplace values around the world
(Mind Tools Career Excellence Club) and
The Hofstede Centre
Hofstede’s Cultural Dimensions

- Dr Geert Hofstede (psychologist)
- Research and interviews in 1967-1973 in IBM in over 40 countries
- How values in the workplace were influenced by culture
- Model of four and then six cultural dimensions that have become an internationally recognized standard
- See for more information (Finland):
  - The Hofstede Centre (http://geert-hofstede.com)
1. Power/Distance Dimension (PDI) - Description

Refers to the degree of inequality that exists - and is accepted - among people with and without power

- **High PD score**: society accepts an unequal distribution of power and people understand "their place" in the system.
- **Low PD score**: power is shared and well dispersed. It also means that society members view themselves as equals.

In high PDI countries like Russia (93), UAE (90) or China (80) you may send reports only to top management and have closed door meetings with a select few, powerful leaders in attendance. This approach would not work in Sweden (31).
PDI Compared (Highest to Lowest)

- Russia (93)
- UAE (90)
- China (80)
- India (77)
- Brazil (69)
- France (68)
- Hong Kong (68)
- Japan (54)
- Australia (36)
- Germany (35)
- UK (35)
- Sweden (31)
- USA (40)
2. Individualism Dimension (IDV) - Description

Refers to the strength of the ties people have to others within the community.

- **High IDV score**: loose connection with people. Countries with a high IDV score have lack of interpersonal connection and little sharing of responsibility, beyond family and perhaps a few close friends.

- **Low IDV score**: strong group cohesion, large amount of loyalty and respect for members of the group. Group is larger and people take more responsibility for each other's well being.

- In low IDV countries like China (20 - strong cohesion), a marketing campaign emphasizing the benefits to the community or that tied into the political movement would likely be understood and well-received.
IDV Compared
(Highest to Lowest)

- Australia (90)
- UK (89)
- France (71)
- Sweden (71)
- Germany (67)
- India (48)
- Japan (46)
- Russia (39)
- Brazil (38)
- UAE (25)
- Hong Kong (25)
- China (20)
- USA (91)
3. Masculinity Dimension (MAS) - Description

Refers to how much a society sticks with, and values, traditional male and female roles

- **High MAS score**: men are expected to be tough, to be the provider, to be assertive and to be strong. If women work outside the home, they have separate professions from men. People are driven by competition, achievement and success. Success = winning/best.

- **Low MAS score**: does not reverse the gender roles - roles are interchangeable. Women and men work together equally across many professions. Men can be sensitive and women can work hard for professional success. High equality of treatment between men and women. Caring for others and quality of life are important.

- If you were to open an office in Japan (95), you might have greater success if you appointed a male employee to lead the team and had a strong male contingent on the team. In Sweden (5), on the other hand, you would aim for a team that was balanced in terms of skill rather than gender.
MAS Compared (Highest to Lowest)

- Japan (95)
- China (66)
- Germany (66)
- UK (66)
- Australia (61)
- Hong Kong (57)
- India (56)
- UAE (50)
- Brazil (49)
- France (43)
- Russia (36)
- Sweden (5)

USA (62)
4. Uncertainty/Avoidance Index (UAI) Dimension - Description

Relates to the degree of anxiety society members feel when in uncertain or unknown situations

- **High UAI score**: avoid ambiguous situations or uncertainty whenever possible. Governed by rules and order and they seek a collective "truth". Change does not come easily.

- **Low UAI score**: society enjoys novel events and values differences. Few rules and people are encouraged to discover their own truth.

- When discussing a project with people in Russia (95) or Japan (92), investigate the various options and then present a limited number of choices, but have very detailed information available on your contingency and risk plans.
UAI Compared (Highest to Lowest)

- Russia (95)
- Japan (92)
- France (86)
- UAE (80)
- Brazil (76)
- Germany (65)
- Australia (51)
- India (40)
- UK (35)
- China (30)
- Hong Kong (29)
- Sweden (29)
- USA (46)
5. Long Term Orientation Dimension (LTO) - Description

Refers to how much society values long-standing - as opposed to short term - traditions and values

- New dimension added in the 1990s after finding that Asian countries with a strong link to Confucian philosophy acted differently from western cultures

- High LTO score: People in these countries value long-term commitments and respect tradition. This supports a strong work ethic with a view to long-term rewards. They encourage thrift and education as a way to prepare for the future. Businesses may take a longer time to establish in these countries particularly if led by an “outsider”.

- Low LTO scores: People in these countries do not reinforce long-term traditions and norms and change can occur more rapidly as a result. These societies still respect tradition but want quick results and do not focus a lot on saving for the future.
LTO Compared
(Highest to Lowest)

- Japan (88)
- China (87)
- Russia (81)
- Germany (83)
- France (63)
- Hong Kong (61)
- Sweden (53)
- India (51)
- UK (51)
- Brazil (44)
- Australia (21)

USA (26)
6. Indulgence versus Restraint Dimension (IDN) - Description

This was added in 2010 and refers to the extent to which people control their desires and impulses.

- **High IDN score (Indulgence):** society allows a relatively free gratification of basic and human drives related to enjoying life and having fun. These societies tend to be positive, optimistic and focus on leisure time. They act as they please and spend money as they wish.

- **Low IDN score (Restraint):** society suppresses gratification of needs and regulates this with strict social norms. These societies can be cynical and pessimistic. There is less emphasis on leisure time.

- In the workplace, this may be reflected in the nature, frequency and type of rewards offered/expected.
IDN Compared
(Highest to Lowest)

- Sweden (78)
- Australia (71)
- UK (69)
- Brazil (59)
- France (48)
- Japan (42)
- Germany (40)
- India (26)
- China (24)
- Russia (20)
- Hong Kong (17)
- USA (68)
With these differences between countries in mind, do some of your communications and business dealings with people in organizations in other countries now make more sense?

How about clients in your city or colleagues within your office?

Are there cultures within cultures?

Let’s drill down a little more...
International Differences (Individual)
Group Quiz

- In groups, please review and complete the *CC Intelligence Quiz* in your materials
- We will discuss your answers as a large group in about 5 minutes
Business Cultures
Business Culture

- **Relationships**
  - Built quickly (USA) versus built over time (China/HK/Japan)
  - Rapport (Brazil) versus recommendation (China/HK/Japan)

- **Decision-Making** - Group (China/HK/Japan) versus Individual (US/UK/Australia/NZ)

- **Value System** - Group (India/China/HK) versus Individual (US/UK/Australia/NZ)

- **Data/Detail** - Proof (Japan/Germany/Russia) versus concept (USA)
Dress
Dress

- **Style**
  - Formal (China/HK/Japan/Germany/France/UAE/UK/Russia/US East Coast) versus
  - Casual (USA West Coast/Brazil/Colombia)

- **Color**
  - Dark (China/HK/Russia/Germany/France/USA East Coast) versus
  - Light (USA West Coast/Australia/Colombia)
Conversations
Conversations

- **Listening** (Switzerland/China/HK/Japan) versus talking (Chile)
- **Eye contact** - Lots (France/Germany) or little (China/HK/Japan)
- **Personal questions** (USA) versus business only (UK/Canada/Australia/NZ)

- Does anyone talk about **religion and politics**?
- **Humor** - to do or not to do?
Social Customs
Social Customs

- **Kiss** (France), **bow** (Japan/Germany), **shake hands** (USA/UK/Australia/NZ) or **hug** (Spain)?
- **Gifts** - To give (China/HK/Romania/Russia) or not to give (UK)?
- **Business cards** - Receive (one hand, two hands), review (China/HK), write (No, no, no - China)?
- **Punctuality** - On time (USA/UK/Germany/Japan), near time (France/Saudi Arabia), out of time (Russia/Africa)?
Differences, Tolerance and Bias
Differences, Tolerances and Bias

- **Identify** differences
- **Acknowledge** bias
- **Accommodate** with tolerance at least; celebration is best!
“The Implicit Association Test (IAT) measures attitudes and beliefs that people may be unwilling or unable to report.”

https://implicit.harvard.edu/implicit/research/
Key Take Aways
Key Take Aways...

- Language
- Greeting
- Business Cards
- Dress
- Meeting
- Meals
- Gifts
- Follow Up
1. Language

- Do not assume everyone speaks English as a first language
- English does not become clearer when spoken louder!
- Check on language type and fluency of the participants before the meeting language is agreed
- Keep communications concise and unambiguous
- Avoid country specific expressions, spelling and colloquialisms

Have a translator on hand
2. Greeting

- Learn “Hello, good-bye and thank you” in a foreign language
- If you cannot master this, do not try
- Make sure you know if a handshake is appropriate and if so, the strength and frequency
- Make sure you know if the greeting is formal or informal (Mr./Miss/Mrs.)
- Make sure you can pronounce (practice) the person’s name
3. Business Cards

- Make sure you have them and if possible, in the language of the host country
- Make sure you are familiar with local custom regarding business cards
  - Delivery
  - Review
  - Use
  - Color
4. Dress

- Make sure your business dress is appropriate
  - Type (formal/informal)
  - Neckline/skin exposure
  - Color
  - Jewelry
  - Shoes
5. Meeting

- Make sure you know the order in which you should speak
- Make sure tone and pace of speech is appropriate
- Make sure you understand standard signs and symbols
- Avoid country specific references e.g. to sports
- Avoid humor until the relationship has developed
- Avoid references that come across as “we do it best in our country”
5. Meeting

- Be aware of differences in etiquette regarding use of phones/technology in meetings
- Avoid meeting dates or times that fall on another country’s public holidays, religious holidays or have them communicating at an unreasonable hour due to time zone differences
- Punctuality - expected/not expected?
- Make sure you know where you should/should not sit at the table
6. Meals

- Timing - Early or late evening?
- Know whether or not toasts are common and if so, who should make them
- Know where you should sit
- Your host should likely be the first to start their meal
- Know how to use/customs relating to use of local utensils/cutlery (e.g. chopsticks in Asia)
- Meals may be many courses and all courses should be tasted/eaten
6. Meals

- Know if you should/should not compliment the food
- Know if speeches are customary and if so, who should make them
- Know whether alcohol should/should not be consumed
- Know if the meal ends immediately after the last course or not
- Know when or if business should be discussed
7. Gifts

- Giving of gifts legal or illegal?
- Type of gift
- Color of gift, wrapping, bows, etc.
- Open or not when received?
8. Follow Up

- How often?
- Best methods?
- Did you have an appointment or are you building a relationship?
And, at the end of the day, the best guide is often no more complicated than having an open mind, taking a genuine interest in knowing more about your colleagues/clients, and some good old common courtesy.....
Thank You

Shukran
Danke
Go raibh maith agaibh
Merci
Xie xie
Spasibo
Arigato

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