



CHAPTER 3:

What Is Culture?

Culture Defined

Culture

The knowledge, experience, beliefs, values, attitudes, religion, symbols, and possessions acquired by a group of people who have lived in the same region or country for generations.

Culture is transmitted from one generation to the next through education and by example.



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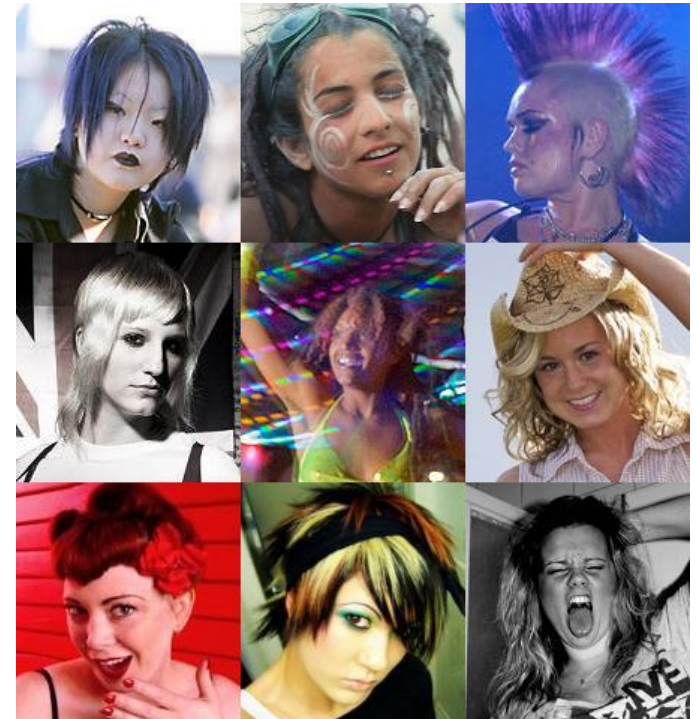
Culture Defined

Subculture

A cultural group within a larger or predominant culture, distinguished from it by factors such as class, ethnic background, and religion, and unified by shared beliefs and interests.

Counterculture

A culture that has values or lifestyles that are in opposition to those of the current accepted culture. Members of a counterculture openly reject the established cultural values that surround them.



Cultural Differences

The Culture of Japan

- Predominant religious beliefs are Shintoism and Buddhism
- Belief in the “natural order of things” has translated into hierarchical relationships among people
- Western culture is embraced, but traditional Japanese culture is still dominant in terms of food choices, sports, and entertainment
- Definite sense of etiquette and rules of behaviour



Japanese Business Etiquette

The main difference is that Japanese business etiquette is very formal

- Japanese business cards are very important there is a whole ritual in how to give and accept business cards
- Business attire:
 - Men - Do not wear black suit, white shirt and black tie because that is funeral attire.
 - Women - Japanese men do not relate easily to women with authority in business and that can present problems for women executives from the US and Europe. Most Japanese companies do not allow female employees to wear jewellery, very short skirts or high-heeled shoes.



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Video-Business Card Exchange

- http://www.ehow.com/facts_5782559_cross-cultural-business-etiquette.html

Japanese Business Etiquette

- Business meetings:
 - always telephone 1 - 2 hours prior to a scheduled meeting to confirm that you are on your way.
 - It is good Japanese business etiquette to take lots of notes - it indicates interest
 - Always arrive 10 minutes early for a meeting, more if the meeting will be with senior executives.



Japanese Business Etiquette

- Personal habits:
 - Do not blow your nose in a public place (including meeting rooms).
 - Do not grab your host's hand when first meeting and give it a hearty shake - many Japanese seldom shake hands and can be so uncomfortable doing so as to avoid meeting again!
 - Never pat a Japanese man on the back or shoulder.
 - Never make derogatory remarks about anyone, including your competitors and own employees.



Cultural Differences



The Culture of Saudi Arabia

- Revolves around the religion of Islam
- Activity stops five times a day for prayer
- Friday is the holiest day for Muslims; weekend begins on Thursday and ends on Saturday
- Clothing is loose and flowing as climate is extremely hot
- Women must wear clothing that leaves only the hands, feet, and face bare
- Criminal cases are tried under sharia courts, which enforce a strict, conservative version of Sunni Islam

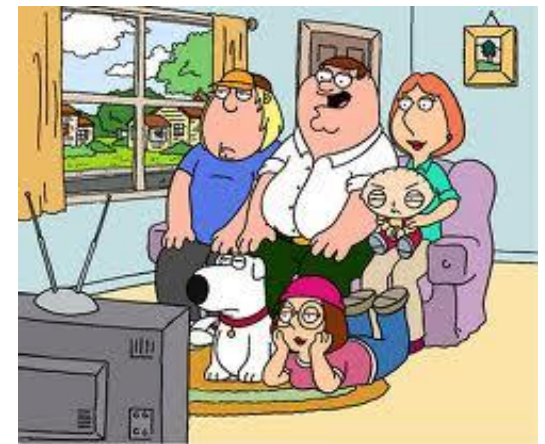
Middle East Business Etiquette

- When doing business in the Middle East, handshakes are always used and can last a long time. Islamic etiquette recommends that one waits for the other to withdraw their hand first before doing the same. Always use the right hand.
- The Middle Eastern culture places more value on someone's word as opposed to a written agreement. A person's word is connected to their honour.



Middle East Business Etiquette

- The Arabs do not separate professional and personal life. Doing business revolves much more around personal relationships, family ties, trust and honour. There is a tendency to prioritise personal matters above all else. It is therefore crucial that business relationships are built on mutual friendship and trust.



Video-Doing Business in the Middle East

<http://www.youtube.com/watch?v=bspFbFytRiM>

Cultural Awareness and Business

Cultural Awareness and Business

Canadian firms that want to “go global” must determine the extent and importance of cultural differences between Canada and their target nations.

They must decide whether and to what extent products and processes can be adapted to a foreign environment.

Some cultural traits can be studied and learned; others can only be understood by living in a country and experiencing the culture first-hand.

Cultural Awareness and Business

Extent of Foreign Operations

- Level of cultural awareness depends on how much business a company does in a foreign country and the type of business it does there.
- Primarily domestic operations that export to only one or two foreign markets don't need to be as conscious of cultural differences as businesses that have manufacturing, retail, and other interests in another country.



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Cultural Awareness and Business

Control of Foreign Operations

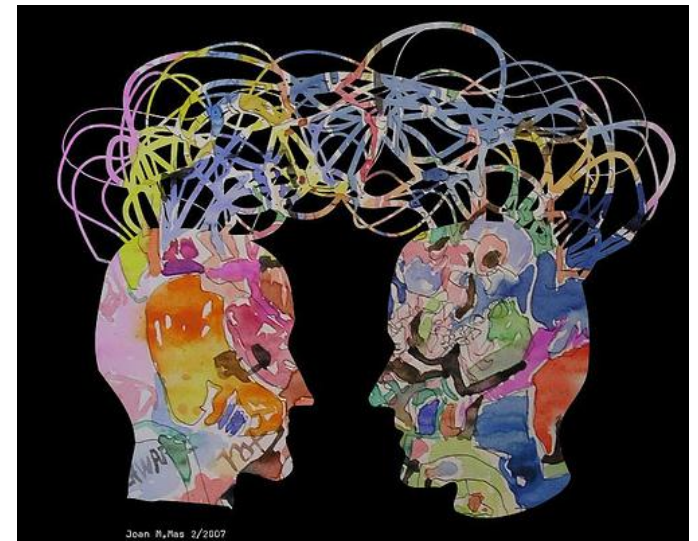
- Companies that have branch plants or distribution outlets in other countries that are managed by local people do not need to have as much knowledge about cultural differences.
- If all of a business's foreign dealings are handled domestically, the required level of cultural awareness is high.



Group Discussion

- In groups of 5 please discuss the following question

“For a company doing business in Canada, is it important to consider cultural value?- Explain”



The Impact of Culture on International Business

Impact of Culture in Business

Failure to consider that influence could ruin a negotiation, derail a marketing campaign, and cause labour unrest.

Culture has a direct impact on products.

It is important to consider factors such as climate and religious beliefs when considering entering a foreign market. For example, there is no market for Canadian pork in Israel, as Jewish culture forbids eating this product.



The Impact of Culture on International Business

Culture also has a direct impact on services.

Canada's financial service industry has successfully entered foreign markets.

As attitudes towards money are often culturally determined, Canadian banks in foreign countries must understand their clients' culture to meet their savings goals.

For example, many Japanese families save for specially-made kimonos for their daughters.



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The Impact of Culture on the Labour Market

The Canadian government, influenced by labour unions and cultural values, regulates the labour force:

- Provides minimum wage
- Mandates workplace safety
- Prevents discrimination
- legislates holidays and hours of work

The Impact of Culture on the Labour Market

Not all countries share Canada's values in terms of labour and the workplace. Canadian business people may encounter differences in the following areas:

- Child labour
- Discrimination
- Wages
- Standards and practices
- Indigenous cultures

The Impact of Culture on the Labour Market

Table 3.3: Comparison of Minimum Wages		
Country	Minimum Wage per Hour	CAD
Botswana	3.8 pula	\$0.60
Chile	1030 Chilean pesos	\$2.18
Ghana	20 cedis	\$0.28
Hungary	431 forint	\$2.55
Ireland	8.65 euros	\$13.65
Japan	700 yen	\$8.36
Kazakhstan	65.7 tenges	\$0.47
Mexico	7 Mexican pesos	\$0.57
Pakistan	37.5 Pakistani rupees	\$0.48
South Africa	7.1 rand	\$1.00
Thailand	25 baht	\$0.80

Note: All currencies reported as of November 19, 2009. This table is based on the assumption of a forty-hour work week. Canada's average minimum wage is \$9 per hour.