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Christine Uber Grosse

Thunderbird, The American Graduate School of International Management

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Christine Uber Grosse
*Thunderbird—The American Graduate School
of International Management*

GLOBAL MANAGERS' PERCEPTIONS OF CULTURAL COMPETENCE

This study examines global managers' perceptions of what cultural competence is necessary to do business with the US. The analysis of data collected from almost 50 executives in Mexico provides insight into which aspects of culture managers consider essential for successful business dealings with the U.S. The executives also made recommendations for short-term cross-cultural training programs with respect to appropriate content and design. These perspectives from practitioners give language teachers and cross-cultural trainers a fresh view on which cultural topics are most relevant to business.

NEED FOR THE STUDY

Business language instructors and cross-cultural trainers have long wrestled with the question of which aspects of culture to teach global managers. From the universe of business culture, which topics should be taught in the short time available? The question becomes even more difficult, given the busy lives of executives and business students, who typically have limited time for language and cultural study. While business language professionals traditionally have relied on needs assessments to determine the linguistic needs of their clients, few studies have focused on which cultural dimensions to teach. This study presents the opinions of global executives concerning critical aspects of U.S. business culture.

As globalization and e-commerce develop, the need for cultural knowledge grows more acute. According to Rhinesmith (1996), managers as well as organizations must have a global mindset, that is "an openness to other cultures that facilitates international dealings and decisions." The number of managers doing business overseas continues to grow in the New Economy. Grosse (2000) reports that almost 80% of

midsize and large companies send personnel overseas, and 45% have plans to send additional professionals abroad. In response to the growing demand for business cultural information, publishers have produced a number of handbooks that give an overview of business culture in dozens of countries, for example Althen (1988), Kras (1995), Lanier (1996), Morrison, Conaway, and Borden (1994), and Wanning (1996).

RESEARCH METHODOLOGY

The data for the study derives from a short questionnaire administered to 116 international businesspeople working in 80 companies in Mexico. Forty percent (47 individuals) answered the questions. The respondents were enrolled in an English business communication class as part of a new distance learning Masters in International Management in Latin America degree program jointly offered by Thunderbird, The American Graduate School of International Management, and the Instituto Tecnológico de Estudios Superiores de Mexico (ITESM).

The managers addressed the following questions:

- 13)** What do Mexican managers need to know about U.S. culture in order to do business more effectively with U.S. managers or companies?
- 14)** What should be included in a two-day training program on U.S. culture for Mexican employees, what would you include?

Both questions yielded information about specific types of cultural knowledge that are critical in business dealings. Out of the responses, a preliminary image of basic business cultural competence emerges. The results suggest a basic set of cultural information, knowledge, attitudes, and communication skills that are vital to business. As experienced executives, the respondents know first-hand the types of complications that arise due to cross-cultural incompetence. Based on years of doing business across borders and cultures, they identify certain essentials of cultural understanding for global managers based in Mexico.

All respondents agree that understanding U.S. and Mexican business culture is extremely important, since the working cultures are very different, even opposite in some cases. Therefore, understanding how the different cultures do business is essential for success. An analysis of the responses yielded five basic categories of cultural aspects that

respondents considered most critical: 1) business conduct; 2) attitudes toward time; 3) business communication patterns; 4) laws and regulations; and 5) other culture. These categories fit more or less within a framework for cultural study developed by Ferraro (1998, 89). He identifies nine critical dimensions of value contrasts between the U.S. and other cultures, which include individualism, precise recognition of time, a future orientation, work and achievement, control over the natural environment, youthfulness, informality, competition, and relative equality of the sexes. The Mexican executives recognized seven of the above dimensions. However, none identified “control over the natural environment” or “youthfulness” as fundamental cultural values important to doing business.

1. BUSINESS CONDUCT

In the area of business conduct, the responses of the Mexican managers can be grouped into four main areas: 1) pragmatism; 2) business-related characteristics; 3) interpersonal relations; and 4) quality and standardization.

Pragmatism

According to the respondents, Mexicans need to be aware of the pragmatism and work ethic of American managers. Their pragmatism can be misinterpreted by Mexican counterparts as “coldness.” Since the Mexicans and other Latin people are very relationship-oriented, this aspect merits mention. Mexican managers prefer to know first to whom they are talking, to become familiar with their roots and history. Only then, after a sense of trust between the two business people develops, can the Mexicans feel comfortable and ready to continue with business.

Mexicans need to be familiar with the “down to business” pragmatism of U.S. managers, who tend to go to the bottom line, relying heavily on the facts for their business decisions. In contrast, one manager explained that, “We in Mexico are more colloquial or informal and are not so inclined to statistics. The Americans are very ‘manual-oriented’ and organized and we are more relaxed and ingenious.” American managers want to hear what the final expected results are going to be, at what cost, and the schedule needed to carry out those results.

Brake, Walker, and Walker (1995) stress that Americans are “doers,” who believe that results and actions speak louder than words. This

action-oriented society is illustrated too by the common saying that any decision is better than no decision.

One manager commented that the U.S. work ethic is so strong that it appears the Americans live to work, rather than work to live. Wanning (1996) finds that the Americans believe in progress, emphasize results, and have an action-dependent self-image that drives the U.S. worker to work hard. She noted that even wealthy individuals work long hours in their businesses.

Business-Related Characteristics

The most prominent business-related characteristics identified by the executives included competitiveness, risk taking, individualism, and teaming. The Mexicans found the Americans to be competitive and more aggressive risk takers than their Mexican counterparts. The competitiveness of the Americans shows up in negotiation styles where they frequently view conflict and confrontation as opportunities. Some managers observed that in U.S. business, everyone is competing with each other to reach higher positions. Kras (1995) points out that Mexicans tend to avoid personal competition, in favor of peace and harmony at work. Lanier (1996, 51) explains competition in the U.S. in light of the American pursuit of the bottom line. She cites the drive for financial profit and dedication to work as the reason for many workaholics. In her view, many Americans “want so much to get to the top or make a corporate name for themselves that they scarcely take time out for their own families, for recreation, or for pleasure.”

With respect to the American openness to risk, a Mexican executive observed, “They like to risk money in their ideas.” Harris and Moran (1996) affirm that Americans are risk takers. Given the rewards of capitalism, generally speaking they are not risk averse. In contrast, Mexicans tend to try to avoid risk, or work things out to minimize it. Mexican managers also need to know about U.S. individualism, since this is reflected in the business environment, as well as in many different aspects of life. Morrison, Conaway, and Borden (1994, 407) identify the United States as probably the most individualistic of any culture, yet one in which each person is considered “a replaceable cog in the wheel of any organization.” Individual initiative and achievement are highly valued in U.S. society.

In contrast to the individualistic bent of U.S. managers, teamwork plays an important role in U.S. based international business. In order to deal more effectively with their U.S. counterparts, Mexican managers have to be knowledgeable about the team concept, and how to work in multicultural and virtual teams. With the proliferation of e-mail, video-conferencing, fax machines, and telephone, virtual teaming is used more and more often by U.S. business.

Interpersonal Relationships

Many managers observed that Americans do not like to get personal or talk about their families while doing business, as Mexicans do. In fact, many feel that U.S. managers are “cold” and focused on business, not on relationships or feelings. Some commented that when they get to know each other, they can establish strong relations. One manager with years of experience doing international business commented, “In my personal opinion they [American businesspeople] make a complete separation between job relations and personal relations.” American managers tend to view people at work as just work mates and not friends. The Mexicans observed that U.S. business does not encourage social chat at work.

Standardization and Quality

Several businesspeople identified standardization and quality as key issues that are vital to really understanding U.S. business culture. One executive remarked that, “Mexican managers have to know that U.S. people are usually more demanding than Mexicans, which forces us to improve our quality, and be more demanding when evaluating and dealing with U.S. companies.”

Another commented, “I think the most important difference between Mexican and U.S. culture, talking about business environment, is standardization. For example, I am sure that a great percentage of the Mexican labor has the ability to perform any kind of job, even if it is a very specialized one. However, most of them are not certified with the proper training that complies with the standards of certain kinds of companies. If Mexican managers want to do business with Americans, they have to invest money in training, and then get the paper that certifies that the company does the job in accordance with international standards, such as the ISO 9002 certification.” Others commented that U.S. managers are always looking for quality and good prices.

2. ATTITUDES TOWARD TIME

Mexican executives widely recognized the different attitudes toward time as a major stumbling block for doing business with the U.S. They discussed the need to understand U.S. business practices with respect to: 1) punctuality; 2) schedules and timelines; 3) value of time; and 4) personal vs. business time.

The time-related differences relate to the U.S. being a monochronic culture, while Mexico is polychronic. With humor, Gesteland (1999, 58) explains the difference between the two. He describes monochronic cultures like the U.S. as “clock-obsessed, schedule-worshipping cultures.” People from polychronic cultures such as Mexico have much more flexible attitudes toward time, and are less obsessive about punctuality and deadlines. They place a higher value on relationships than on fixed schedules and timelines.

Punctuality

Global managers need to understand how important punctuality is to Americans, not only for appointments and meetings, but for shipments, payments, documents, etc. To the Americans, delivery on Monday means delivery on Monday. To emphasize the point, one executive noted that when Americans say that a meeting starts at 3:15, it starts at 3:15. If they call a meeting from 3:00 to 4:00, the meeting will start at 3:00 and finish at 4:00. U.S. managers want people to respect time. If someone arrives late at a meeting, they view it as an insult or disrespectful. On the other hand, in Mexico, it is common knowledge that when an appointment is set at 8:00 pm, it really means 8:30 to 9:00 pm. However this happens more often in informal or personal meetings than in business.

But with U.S. business appointments, the Mexican managers recommend arriving early, even if it is an informal meeting. Generally speaking, Americans take punctuality more seriously than their Mexican counterparts. Being late can give the U.S. managers the wrong impression. One manager commented “and they might not even open the door for you, so forget about a second chance if you want to do business.” Another executive commented on the importance of

punctuality. "It doesn't matter if it rains, if the car wheels suffered damage or whatever, they are used to getting to work on time whenever there's an appointment, so it is important to be more organized and fulfill working time accurately." Thus the Mexicans sum up the U.S. attitude toward punctuality!

Schedules and Timelines

In Mexico, the perception of time is more polychronic, and stresses involvement with people and completion of transactions rather than strict compliance with meeting times. In the U.S. where time is monochronic, people put strong emphasis on schedules and timelines. In keeping with this tendency, the respondents note that the Americans are very strict with their working schedule, and usually work from 9 to 5. One explained the flexibility of time in Mexico: "Sometimes we use words or phrases like 'in a moment,' which means that you will receive the work during the next hour and not immediately."

Value of Time

Mexican managers need to know that they are dealing with Americans who believe that time is money, and view it as a valuable resource. Business patterns reflect this attitude toward the value of time. Americans prefer to do business first, go straight to the point, and then when the business is over, have fun. In contrast, in Mexico the order is reversed. When doing business, it is very common to start with dinner, drinks, fun, and then to do business.

Personal vs. Business Time

American managers make a clear distinction between personal and business time. For them, business time is only for business. They do not waste their time during work hours. Personal time is very important and Americans would rather not sacrifice their personal time in business-related matters, whereas Mexicans easily blend the two aspects of life.

3. BUSINESS COMMUNICATION PATTERNS

Executives identified key U.S. business communication patterns that are important for Mexican businesspeople to understand. These patterns

include: 1) directness; 2) informality and simplicity; 3) yes, no, and promises; and 4) jokes and topics to avoid.

Directness

American directness is a major cultural difference that Mexicans need to understand. In contrast with Mexican culture, if Americans want something, they say directly what they need. American managers often prefer that potential problems are raised and dealt with, rather than letting them simply appear as the project goes along. Gesteland (1999, 273) describes the verbal directness and straightforward-speaking style of the U.S. negotiator. He notes that Americans sometimes do not even realize that their direct style may offend people from less-direct cultures. In fact, Americans may even distrust negotiators who use an indirect and ambiguous communication style.

Various managers gave advice regarding U.S. directness. The Mexican manager needs to be more direct during conversations with U.S. colleagues. "They need to know how to go straight ahead, rather than spending much time speaking or writing." Mexican managers also should prepare an agenda before an appointment and list the topics they want to talk about. U.S. managers like to get straight to the point, while Mexicans usually need a long time to warm up.

With respect to speaking English in business dealings with the U.S., respondents advised that Mexicans should freshen up their language skills, as conversations with U.S. counterparts will probably be exclusively in English. Another commented: "Knowing basic English is not enough, you need to master the business language also because it can involve the usage of words and/or expressions that may have a different meaning."

Informality and Simplicity

Many commented on the informal behavior and dress code of the Americans. The Mexicans observed that American managers tend not to dress very formally, especially in cities with a warm temperature. U.S. business manners are not as strict in Mexico, and Americans are more

relaxed. Some U.S. managers even do business on a golf course (and successfully)! Americans tend to use first names, rather than the titles commonly used in Mexico such as *Licenciado*, *Doctor*, etc. One executive observed, "It is crucial to learn their approach: 'Just call me Bob.'" People from the U.S. speak and write with very informal language, compared to business Spanish. One elaborated on the U.S. preference for informality: "Americans like simple things, a fast e-mail or a fax without so much formality; just say what you have to say. Period." Going further on this theme, Training Management Corporation in *Doing Business Internationally* (1997) generalizes that Americans may appear to oversimplify things and look for quick solutions.

Yes, No and Promises

The executives made numerous comments about what it means when a U.S. businessperson says "yes," "no," or makes promises. One noted that Mexicans need to understand that when an American says no, it's a definitive no. Another commented that people from the U.S. do not find it difficult to say "No."

Several stated that Americans do not make false but friendly promises in order to get along with somebody. If they promise, they deliver. One manager added that Mexican managers need to understand the importance of the commitments they make from the U.S. point of view. According to the respondents, Mexican managers should not make any promises, unless they are sure that they can fulfill them later. Mexicans may say "yes" very quickly, but later find that they cannot deliver what they promised. As a result, U.S. managers may be disappointed if their expectations are not met.

Kras (1995, 66) describes the Mexican view toward word and action, and asserts that "Mexican executives still tend to feel that a well-intentioned word is an acceptable substitute for action. They often lack a strong sense of commitment to what they say they intend to do. They usually consider their word a desirable goal but feel no disgrace if problems delay or prevent its realization in practice." In contrast, the Americans feel a strong commitment to action if they give their word.

Americans believe in the value of the written word, and its binding nature. They feel committed to honor agreements, especially if they are in writing. Several executives described the "get it in writing" mentality of U.S. business as worthy of cross-cultural study. "In Mexico, verbal

communication is used more often than in the U.S. Most of the times it is not supported by any paper.” As Althen (1988, 137) states, “The written word is supremely important to American businesspeople. They make notes about conversations, keep files on their various projects, and record the minutes of meetings. The contract or the agreement must be written down in order to be taken seriously.” The Mexicans cited this difference as important to understand, since in their culture this behavior would be viewed as insulting, indicating a lack of trust.

Jokes and Topics to Avoid

One executive advised, “Mexicans should learn not to make jokes with sexual or racial connotations. They’re not funny. They’re considered disgusting and out of place.” Another executive recommended learning proper etiquette when introduced to a prospect, and which topics of conversation to avoid like money, religion, and sexist talk.

4. LAWS AND REGULATIONS

The differences between U.S. and Mexican laws and business/government relations are considered to be important cultural knowledge. U.S. labor unions also play a significant role in business that Mexicans need to understand. One manager commented that “In general, U.S. business culture is more concerned and aware of laws because of the impact that some actions can have in terms of penalties and lawsuits, for example confidentiality issues and sexual harassment.” Another manager commented, “They pay a lot of attention to discriminatory behavior in order to avoid it due to the strong legal consequences it causes.”

Mexican managers should understand that business is handled very differently in the U.S. with respect to the role of lawyers. Americans depend heavily on lawyers to do business, for example, to revise business contracts. One commented, “Although Americans sometimes say, ‘The world would be a better place without lawyers!’ they do not feel safe, especially in international business, without their lawyer’s blessing. Business must be settled with a written contract even though the handshake is important. Americans have a saying, ‘Get it in writing.’” Several respondents raised the issue of corruption. Basically, one banker summed up the comments of the group: “Corruption is not included in their vocabulary.”

The role of experts in U.S. business also received some attention in the responses. Experts are relied on at all levels. In general, U.S. employees have a high degree of specialization in a unique area. One manager observed, "In Mexico, employees are driven to be flexible rather than specialized, which is a remarkable difference with the U.S."

5. OTHER CULTURE

The remaining topics raised by the executives fall into the category of other culture. Most often, the Mexican managers named sports as an important area of U.S. business culture. Talking about sports was identified as a great icebreaker with American businesspeople. They also recommended going to a baseball, football, basketball, or ice hockey game with American counterparts, and to learn more about these sports, even though many Mexicans already know a great deal about them. Another recommendation was for Mexican businesspeople to become familiar with how some Americans play tennis or golf as a way to close deals.

Respondents also considered the following topics to be important: knowledge of U.S. gender issues, American humor, food, geography, and history. One executive pointed out, "In the United States prejudices toward aging and gender are not common." Another brought up cultural differences with respect to sexism. "I would also warn the Mexican executives about sexism and sex-sensitive styles. Nowadays it is very common to find professional women in important positions."

To gain a better understanding of American humor, global executives should go to a comedy club to get immersed in U.S. culture. They will also note that meals in the U.S. and Mexico are very different, not only in the ingredients, but also in the mealtimes and quantity of food consumed during the day. In addition, several respondents suggested learning about basic U.S. geography. They believe it is valuable to get to know the regions and some important facts about the people in different regions.

SHORT TERM TRAINING PROGRAMS

In answer to the second question on the questionnaire, the executives suggested content and training activities for two-day training sessions. Their ideas contrasted with the cross-cultural training typically provided

by foreign language and ESL professors in their classes. Understandably, most business language faculty have educational and experiential background in language and culture rather than business. For this reason, the ideas of the international businesspeople presented here will help broaden the perspective of faculty who want to become more involved in providing intensive cross-cultural training on topics of critical need.

The model below is adapted from the respondents' recommendations. This design can be expanded or contracted to fit the interests of the learner and teacher, and the amount of time available for training. If possible, I recommend forming classes along the lines of multicultural teams, composed of U.S. and non-U.S. learners. In a university or corporate setting, students who are native and non-native speakers of English (from foreign language and ESL classes) can be taught together in the same class. For example, Business Spanish (or French, German, Japanese, Russian or an other language) and Business English students could take the course together, and learn about each other's culture as they experience the training. Certainly students from three or more cultures could study together, comparing information and attitudes and sharing experiences. As they work on class projects, they could observe and compare each others' reactions, communication styles, cultural similarities and differences. In this way, the learners can gain deeper understanding of each other and their culture. Instead of only one instructor, the class has as many teachers as there are learners.

The topics and sub-topics suggested by the managers for a short intensive training program are listed below by category.

BUSINESS COMMUNICATION SKILLS:

- (e) Communicate effectively in English
- (f) Verbal and non-verbal communication
- (g) Short and direct communication
- (h) Protocol and etiquette
- (i) Greetings
- (j) Titles
- (k) Gestures to be avoided
- (l) Topics of conversation to avoid
- (m) Permission to smoke
- (n) Negotiations-direct, fast, going to bottom line
- (o) Persuasion and influencing

- (p) Long-term profitable relationships
- (q) Potential conflict situations
- (r) Solutions to cross-cultural conflict situations
- (s) The “you” viewpoint
- (t) Executive reports with short sentences and common words
- (u) Formality from the U.S. point of view
- (v) Direct sales method
- (w) Importance of technology

VALUES:

- Importance of the individual
- Value of time
- Family principles and values
- Pragmatism of U.S. managers

BUSINESS ISSUES:

- 4) Team work
- 5) Decision making process
- 6) Establishment of a plan for each goal
- 7) Management of meetings
- 8) Business dress
- 9) Risk taking
- 10) Work Groups (about work relations between Americans and Mexicans)
- 11) Quality assurance in services and products
- 12) Time management
- 13) Leadership
- 14) Project management
- 15) Diversity
- 16) Business entertainment and meals

SOCIAL SCIENCES:

- Brief U.S History
- Economic development
- Demographics-population, ethnic groups
- Geography
- Politics

- Social issues: Society and major social problems (divorce rate, drug abuse...)
- Relations between U.S. and Mexico (NAFTA, bilateral agreements)
- Mexican companies in the U.S. and U.S. companies in Mexico

U.S. LAW:

- Law suits and contracts
- Legal system
- Active management-recommendations to avoid lawsuits
- US labor unions

TRAINING ACTIVITIES

The managers suggested a variety of training activities for their two-day training programs. These included group participation and discussion, icebreaker activities, case studies of U.S. and Mexican companies, videos about companies, practical illustrations of real situations that come up at work, role play situations, and solving real problems. Several people recommended using experiential learning that included icebreaker activities, taking participants out for an American breakfast, having lunch at a fast food place, and shadowing an American counterpart all day to witness meetings and daily work activities. Finally, they recommended that the participants go to a U.S. baseball game or comedy club.

CONCLUSIONS

In conclusion, the respondents in this study identified important aspects of culture for business learners. The information they provided in a narrative fell into five basic categories: 1) business conduct; 2) attitudes toward time; 3) business communication patterns; 4) laws and regulations; and 5) other culture. They also wrote about actual training schedules and topics for inclusion in intensive two-day sessions. This information can be arranged in the following categories: business communication skills, values, business issues, social sciences, and U.S. law.

The findings of this study will help language and cultural instructors, materials developers, curriculum designers, and program administrators to understand better what cultural competence means to international

business people. Clearly we can learn from the executives' experience in the field, and benefit from their perspective on the essential cross-cultural issues in doing business with the US.

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