Chapter Three

Differences in Culture
What is Culture?

“Culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by man as a member of society.”

- Edward Tylor
What is Culture?

“A system of values and norms that are shared among a group of people and that when taken together constitute a design for living.”

- Hofstede, Namenwirth, and Weber
Components of Culture

- Values
- Norms
- Society
Folkways and Mores

- **Folkways**: Routine conventions of everyday life.
  - Little moral significance
  - Generally, social conventions such as dress codes, social manners, and neighborly behavior

- **Mores**: Norms central to the functioning of society and its social life
  - Greater significance than folkways
  - Violation can bring serious retribution
    - Theft, adultery, incest and cannibalism
Culture, Society, and the Nation State

- A society is a group of people bound together by a common culture
- There is not a strict one-to-one correspondence between a society and a nation state
- Nation State:
  - Is a political creation
  - May contain a single culture or several cultures
Social Structure

• Social structure refers to its basic social organization
• Two dimensions that are particularly important include:
  - The extent to which society is group or individually oriented
  - Degree of stratification into castes or classes
Religious and Ethical Systems

- **Religion**: a system of shared beliefs and rituals that are concerned with the realm of the sacred
- **Ethical systems**: a set of moral principles, or values, that are used to guide and shape behavior
  - Most of the world’s ethical systems are the product of religions
- Among the thousands of religions in the world today, four dominate in terms of numbers of adherents:
  - Christianity with 1.7 billion adherents
  - Islam with 1 billion adherents
  - Hinduism with 750 million adherents
  - Buddhism with 350 million adherents
Religious and Ethical Systems

 Predominant Religions

- Christianity
- Hinduism
- Buddhism
- Islam
- Judaism
- Confucianism
- Taoism
- Shinto
- Sikhism
- Hinduism (Tribal)
- Chinese Complex
- Korean Complex
- Japanese Complex
- Vietnamese Complex

*Capital letters indicate the presence of locally important minority adherents of nonpredominant faiths.

Scale: 1 to 189,000,000

0 1000 2000 3000 Kilometers

McGraw-Hill/Irwin
International Business, 6/e

Language

- Spoken
  - Verbal cues
  - Language structures perception of world
- Unspoken
  - Body language
  - Personal space
Education

- Formal education plays a key role in a society
  - **Formal education**: the medium through which individuals learn many of the language, conceptual, and mathematical skills that are indispensable in a modern society
  - Also supplements the family’s role in socializing the young into the values and norms of a society
  - Schools teach basic facts about the social and political nature of a society, as well as focusing on the fundamental obligations of citizenship
  - Cultural norms are also taught indirectly at school
    - Examples include: respect for others, obedience to authority, honesty, neatness, being on time
    - Part of the “hidden curriculum”
  - The use of a grading system also teaches children the value of personal achievement and competition
Culture in the Workplace

- **Four dimensions of culture**
  - **Power distance** - cultures are ranked high or low on this dimension based on the particular society’s ability to deal with inequalities
  - **Individualism versus collectivism** - this dimension focuses on the relationship between the individual and his/her fellows within a culture
  - **Uncertainty avoidance** - this dimension measures the extent to which a culture socializes its members into accepting ambiguous situations and tolerating uncertainty
  - **Masculinity versus femininity** - this dimension looks at the relationship between gender and work roles
## Work-Related Values for 20 Selected Countries

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### Table 3.1

Work-Related Values for 20 Selected Countries

Problems with Hofstede

- Assumes one-to-one relationship between culture and the nation state
- Research may have been culturally bound
- Survey respondents were from a single industry (computer) and a single company (IBM)
Cultural Change

- Culture is not a constant; it evolves over time
  - Since 1960s American values toward the role of women have changed
  - Japan moved toward greater individualism in the workplace
- Globalization will continue to have impacts on cultures around the world
Cultural Change
Managerial Implications

- Cross-cultural literacy
- Culture and competitive advantage
- Culture and business ethics
Looking Ahead to Chapter 4

• Ethics in International Business
  - Ethical Issues in International Business
  - Ethical Dilemmas
  - The Roots of Unethical Behavior
  - Philosophical Approaches to Ethics
  - Ethical Decision Making