



WHAT IS CULTURE?

By the time you finish this chapter you should be able to:

- Analyze the ways in which cultural factors influence international business methods and operations
- Analyze differences across cultures in perceptions, interpretations, and attitudes that might affect how individuals work in another country
- Compare management and negotiation strategies in other countries with those in Canada

Key Terms



- culture
- subculture
- counterculture
- rationalization
- monochronic
- polychronic
- spatial perception
- cultural dimensions

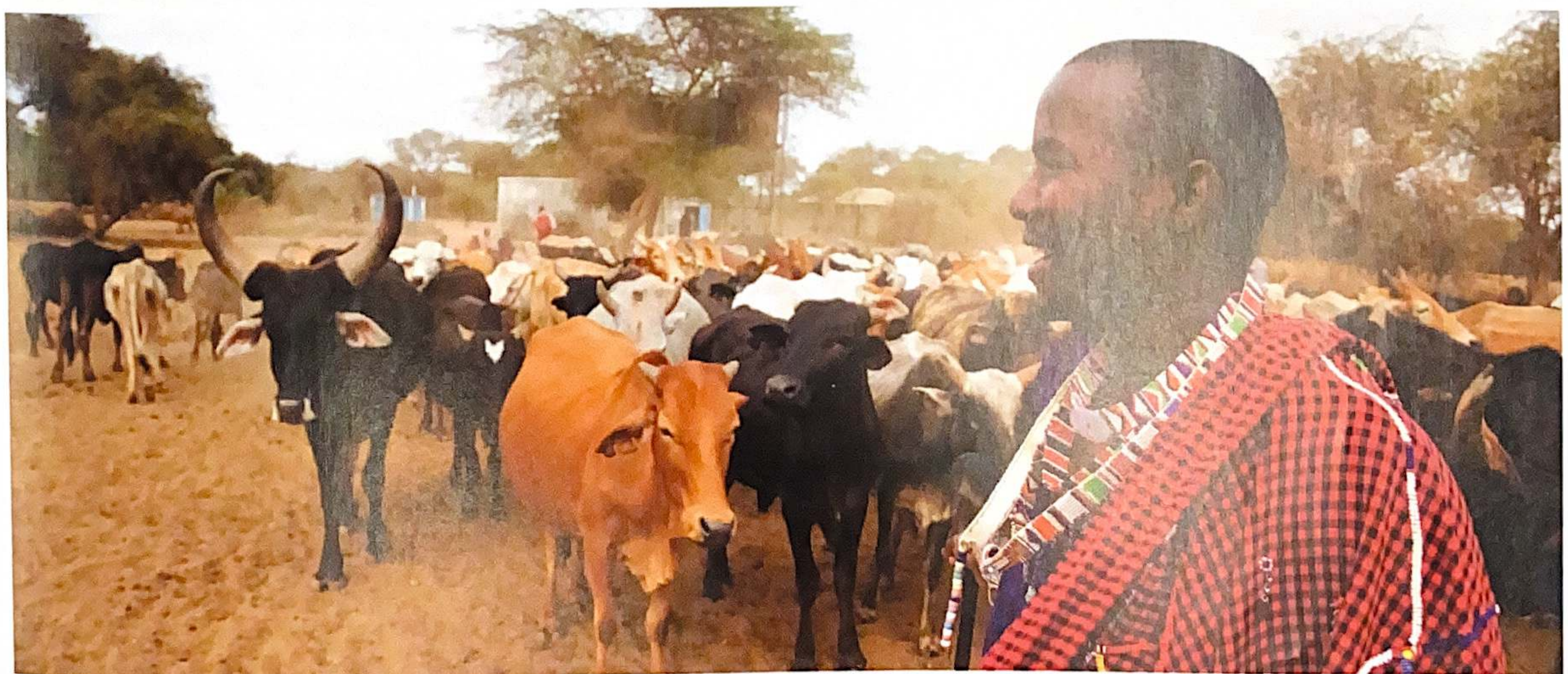
Culture Defined

Angie is a sixteen-year-old high school student who lives in a house just outside of Hamilton, Ontario. She has her own room decorated with posters of her favourite celebrities. During the week, Angie gets up at 7:00 a.m., has a shower, dries her hair, and applies some makeup. This morning, because the weather channel on her television said it was 24 degrees Celsius, she dressed in shorts, a T-shirt, and sandals. She joined her mom and dad in the kitchen for her usual breakfast of toast and orange juice. Angie put a juice box, yogourt, and two granola bars in her backpack with her textbooks and said goodbye to her parents. She met up with two friends on her way to school and they talked about the episode of the television series *Gossip Girl* they watched last night.

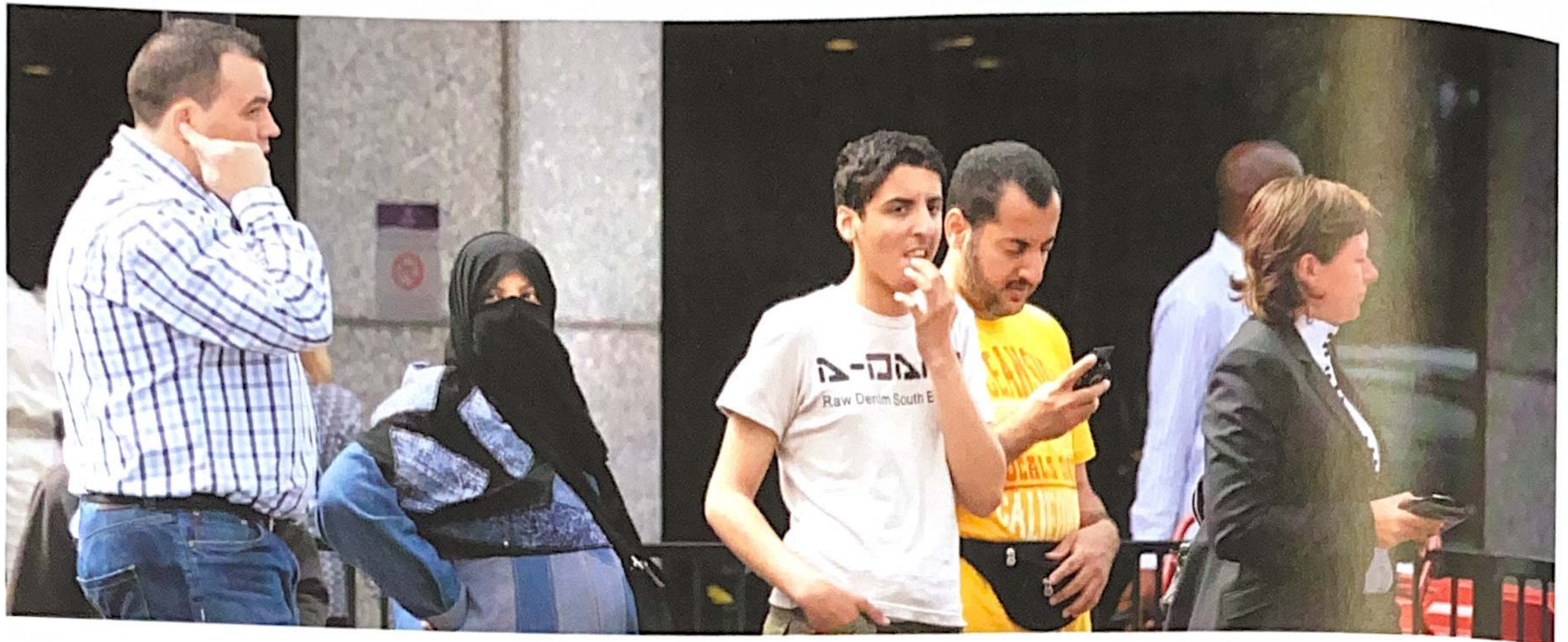
Sixteen-year-olds across Canada were doing similar things at the same time. Most of them slept in a bed, had a shower, ate a similar breakfast, said goodbye to one or both of their parents, chatted with friends about television shows, and carried a backpack to school. They share a culture.

Sixteen-year-olds in Tokyo, Tehran, Mexico City, and Nairobi were doing very different things. Their sleeping accommodations, housing, eating habits, personal hygiene, dress styles, conversation topics, even school attendance could vary widely, depending on their culture. Some of these teens would have baths instead of showers; some would sleep on mats instead of beds; some would wear uniforms or saris or dashikis; some would have soup for breakfast; some would not own televisions or they would have favourite television programs that Canadian teenagers have never seen; some would have pictures of local celebrities on their walls; some would live in the same house as all of their grandparents; some would not go to school, but would work for their family, usually on a farm.

A teenage Masai boy in Kenya, for example, would spend the night on a blanket under the stars guarding his family's cattle. He would dress in a cloth wrap called a kanga, and his day would be spent with other cattlemen, as they watched their herds. These activities are part of his culture.



It would be difficult for most Canadian teenagers to imagine the daily routine of a Masai teenager in Kenya, which includes sleeping under the stars to guard the family's cattle.



Immigrants may assimilate into mainstream culture or become part of a subculture with others who have similar backgrounds.

Culture encompasses 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. When new people enter a region, one of two things can happen. If their language, values, habits, and attitudes are similar to the people who are already there, they are assimilated into the existing culture quite easily. Immigrants from Great Britain and France are assimilated into Canadian culture very quickly, as they share similar cultural values and the same language.

If, on the other hand, their culture is quite different from the existing one, immigrants will often form their own **subculture**. Many immigrant communities exist as subcultures in Canada, bringing parts of their culture—including food, language, and religion—to this country. Canada is considered a multicultural nation, because it encourages and supports hundreds of different cultural groups within the overall Canadian cultural fabric. This multiculturalism has been called the “Canadian mosaic,” as each of the different cultural groups exists independently as a separate “tile” that makes up the total picture of Canada.

In a free society like Canada’s, groups often form in opposition to the established culture. These groups openly reject the cultural values that surround them, and embrace a **counterculture** to oppose mainstream values and attitudes. Counterculture movements include reggae, punk, ska, emo, raver, grunge, nu metal, indie, techno, and gangsta rap.

Emo is a counterculture movement built around the word “emotion.” Emo kids are highly sensitive and don’t try to hide their feelings. Emo has its own music (emocore) and style of dress, as do all of the other counterculture groups listed above. Mainstream culture often has difficulty accepting counterculture movements, and may react violently or with prejudice towards their members. Canada does not permit discrimination against minority groups, but in many other countries, counterculture groups find themselves to be the targets of intolerance.

Think About It!



- 3.1. What is culture?
- 3.2. How do we learn our culture?
- 3.3. What might happen when a person from a foreign culture moves to Canada?
- 3.4. Name a subculture in Canada.
- 3.5. Define counterculture.

Newsworthy: Understanding Other Cultures

Mexico's Emo-Bashing Problem

By Ioan Grillo, *TIME Magazine*, March 27, 2008

MEXICO CITY—The trio of long-haired teenagers grasped the plaza wall to shield their bodies as hundreds of youths kicked and punched them while filming the beating on cellphone cameras. “Kill the emos,” shouted the assailants, who had organized over the Internet to launch the attack in Mexico’s central city of Queretaro. After police eventually steamed in and made arrests, the bloody victims lay sobbing on the concrete waiting for ambulances while the mob ran through the nearby streets laughing and cheering.

The ugly scene, which was aired on TV news bulletins, is part of a new wave of violence against this urban tribe that has sprung up in Mexico in the last decade. The emo subculture probably existed in your high school before the term even bloomed, the latest movement on a continuum represented by goths in the ‘80s and alternative rockers in the ‘90s. In yearbooks, they’re the kids who wear exaggerated haircuts and immerse themselves in moody music. In short: the kids jocks have been beating up for decades.

Emos are just one of the colourful youth cultures popular in the U.S. and Europe that have swept over the Rio Grande as the nation opens up its economy and politics and a new generation grows up with the Internet and cable TV. Punks, goths, rockabilies, rastas, breakdancers, skaters, and metallers all now pace Mexican streets, adorn its plazas and spray paint its walls. But while most of the trends have met with a begrudging acceptance, emos have provoked a violent backlash. As well as running riot in Queretaro, a mob also attacked emos in the heart of Mexico City this month. Furthermore, emos complain they are being increasingly threatened and assaulted by smaller groups on the streets on a daily basis. “It’s getting dangerous for us to go out now. We get shouted at and spat on. We get things thrown at us. There is so much hate out there,” said Santino Bautista, a sixteen-year-old emo high school student sitting in a Mexico City plaza alongside other teenagers in tight black jeans and dark makeup.

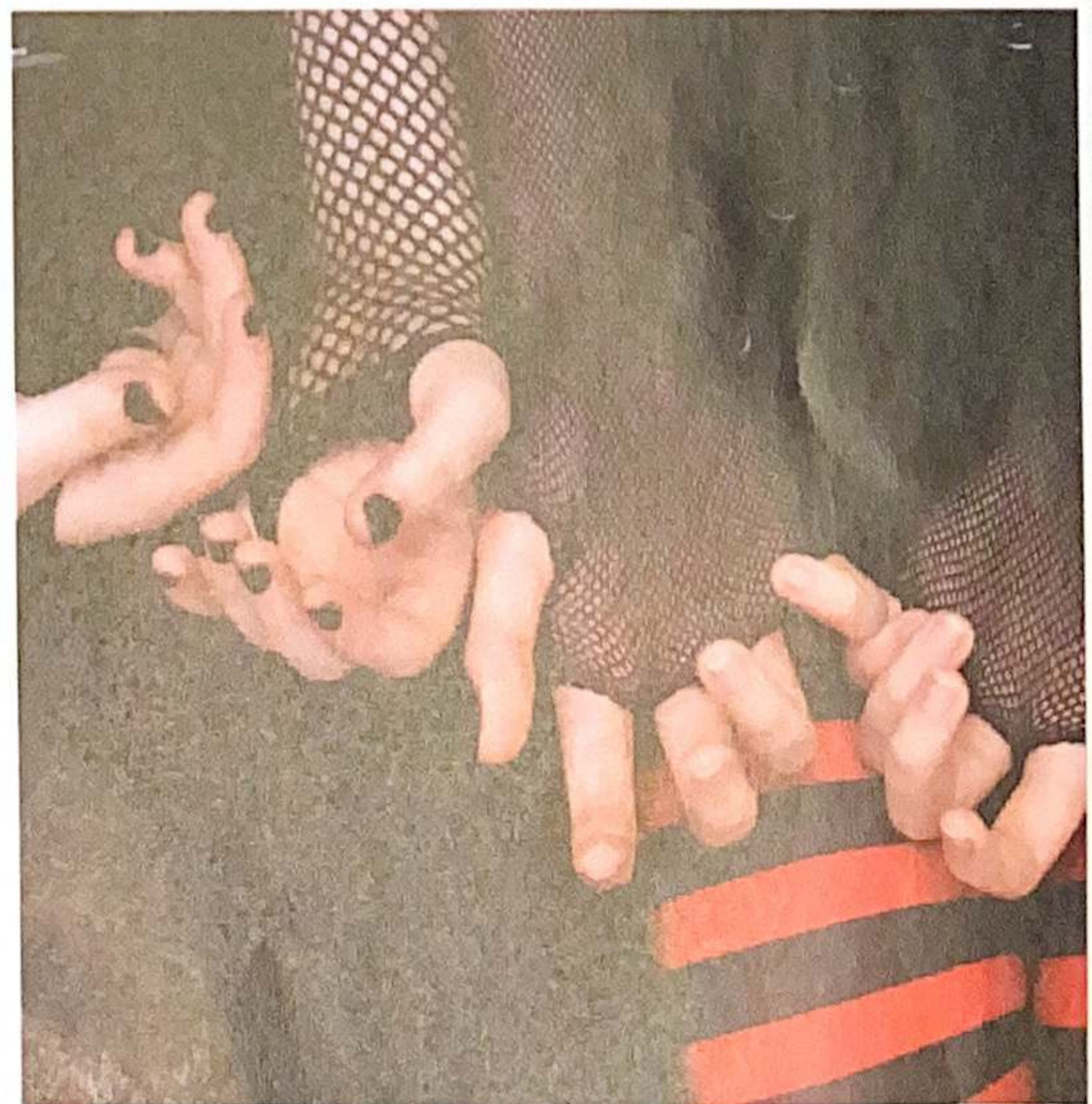
The attackers, catalogued as “anti-emos,” include some from other urban tribes such as punks, metallers, and cholos but many are just ordinary working-class teenagers and young men. They deride the emos for being posers who are overly sentimental and accuse them of robbing from other music genres. With roots in Washington, D.C., in the 1980s, emo bands play a style of rock that borrows much from punk and indie rock. They focus on exploring their emotions (hence the name) with a particular dwelling on typical teenage depression.

Most of all, however, the assailants target the emos for dressing effeminately, still a provocative act for many in a macho Mexico. “At the core of this is the homophobic issue. The other arguments are just window dressing for that,” said Victor Mendoza, a youth worker in Mexico City. “This is not a battle between music styles at all. It is the conservative side of Mexican society fighting against something different.”

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□ Questions

1. What countercultures exist in your school? Describe one or two of them in terms of style, beliefs, and musical taste.
2. Which members of Mexican mainstream society were most offended by the emos?



Members of the emo counterculture in Mexico have been threatened and assaulted, mainly because of the way they choose to dress.



Are different cultural beliefs welcome in Canada?

Yes: Canada is a cultural mosaic with a Charter of Rights and Freedoms that provides legal recognition of everyone's beliefs.

No: Certain cultural beliefs, such as the subjugation of women, go against what Canada stands for and are not welcome in this nation.

Cultural Differences

Canadian companies that expand into the United States, such as Tim Hortons and Research In Motion, find virtually no cultural differences that have an effect on their business. Americans eat much the same food as we do, dress the same way, and speak English. They hold a similar range of religious and political beliefs. They enjoy many of the same television shows, movies, books, and products as Canadians. This shared cultural background is one of the main reasons the United States is Canada's major trading partner.

Other nations, however, have very different cultures, shaped by many different factors, including religion, politics, topography, climate, and history. These are considered cultural determinants, as they are the main factors that influence the culture of a specific group.

The Culture of Saudi Arabia

Saudi Arabian culture is very different from Canadian culture. Saudi Arabian culture mainly revolves around the religion of Islam, and its practices and beliefs shape the behaviour of the Saudi Arabian people. Five times every day, all activity stops as Muslims pray. Prayer time is announced by the calls from the towers (called minarets) on top of Muslim mosques. Friday is the holiest day for Muslims, so the Saudi weekend begins on Thursday and ends on Saturday. It is illegal in



Five times each day, all activity comes to a halt in Saudi Arabia as Muslims pray. The practice and beliefs of Islam shape every part of Saudi culture.



Mukluks

Can a product that has cultural significance in Canada make its way onto the world stage? Métis entrepreneur Sean McCormick and his Manitobah Mukluks prove that the answer is a definite “yes.” McCormick’s parents owned a tannery and sold leather to First Nations craftspeople, who used it to make traditional mukluks, moccasins, and mitts. His family often traded for finished products and McCormick soon had a collection of traditional footwear. So many people asked him about it that it occurred to McCormick that he could sell this type of product.

McCormick’s footwear draws on the history and tradition of mukluks—using natural materials such as leather and fur for warmth and durability, and creating intricate designs reminiscent of the distinctive artwork of different nations—while providing a modern twist. That modern twist extends right into McCormick’s marketing. He noticed magazine pictures of pop stars wearing mukluks, and began offering free mukluks to the well-known actors and musicians who were making frequent visits to Winnipeg to work in the city’s rapidly growing entertainment industry. Beyoncé, the Dixie Chicks, Jann Arden, and Gwen Stefani have all been photographed wearing Manitobah Mukluks, and the company’s export sales have soared from just 5 percent of their market to over 50 percent.



Manitobah Mukluks uses modern marketing techniques, including giving away its products to celebrities, to sell its traditional Native footwear and other items to contemporary consumers.



Saudi Arabian women must wear clothing that leaves only their face, hands, and feet bare.

Saudi Arabia to practice any religion other than Islam, unless you are in one of the designated compounds that houses foreigners working in the country.

Saudi Arabian clothing is predominantly loose and flowing for comfort in the desert climate. Men usually wear an ankle-length shirt with a cotton head scarf held in place with a cord. Women in Saudi Arabia must wear an abaya or other long cloak that covers the head, and leaves only the face, hands, and feet bare. It is a legal requirement that women wear modest clothing. Some Saudi women wear gloves and a veil for increased modesty when in public.

The government enforces a strict and conservative version of Sunni Islam, and Muslims who do not follow the official interpretation may be arrested. Criminal cases are tried under sharia courts, which exercise authority over the entire population, including foreigners (regardless of their religion). The Saudi legal system prescribes severe punishments, including death or the amputation of hands and feet, for crimes such as murder, robbery, rape, drug smuggling, homosexual activity, and adultery.

Extreme heat and dryness are characteristic of Saudi Arabia. Summer temperatures range between 27 and 43 degrees Celsius in Riyadh, the capital and largest city in Saudi Arabia. Annual precipitation is usually sparse. In Riyadh, the average annual rainfall of 100 millimetres falls almost exclusively between January and May.

The Islamic religious regulations, combined with the hot, dry climate, shape the Saudi culture, and make doing business in Saudi Arabia a challenge for Canadians. It is critical for Canadians wishing to do business in Saudi Arabia to study the cultural differences between the two nations to avoid making major marketing mistakes or offending any Saudi business people during talks, meetings, and negotiations.

The Culture of Japan

Japan's culture is also very different from Canadian culture. The predominant religious beliefs in Japan are Shintoism and Buddhism, often in combination. Both are polytheistic (the belief in more than one god) and naturalistic, giving great respect and significance to the natural world, especially the "natural order of things." This belief in natural order, in particular, has shaped Japanese culture; it is reflected in the hierarchical relationship among the people of Japan. The Japanese language has several words for "I" and "you," each of which indicates the status of both the speaker and the listener. An older person is higher in status than a younger one, for example. Japanese culture places a great deal of importance on status.

Most Japanese wear Western-style dress, but the ceremonial kimono is still worn (mostly by women) on special occasions. Western culture, symbolized by fast food and American films, is embraced by Japanese young people, but Japanese culture is still dominant in terms of popular food choices (rice, noodles, sushi), sports (martial arts, sumo wrestling), and entertainment (manga, video games).

The Japanese have a definite sense of etiquette. There are numerous social expectations that Japanese have of themselves and others. A Canadian business person who fails to respect these traditions and rules



While ceremonial kimonos may be worn on special occasions, most people in Japan wear Western-style clothing.

of behaviour is at an exceptional disadvantage in any business transaction. For example, there are a host of expectations surrounding the tradition of gift giving in Japan that every business person should know:

- Gifts should be informal when visiting someone's house, but formal when meeting someone for the first time or when starting a business relationship.
- The wrapping and presentation of the gift is often more important than the gift itself.
- Extravagant gifts are not appreciated, as they set up inequalities between giver and receiver.
- A gift should only be unwrapped by the recipient when they are invited to do so.
- When entering a house, it is important to belittle your informal gift ("It is only a token, but..."), and to present it when asked into the living room.
- Do not belittle your gift to a business person, as this shows a lack of respect.
- An informal gift can be brought in a paper bag (preferably from the store where the gift was purchased), then removed from the bag, and presented with both hands to the person receiving the gift, with the bag beneath the gift.



Think About It!

- 3.6. Explain how the religion of Islam has determined Saudi Arabian culture in terms of:
 - a. daily schedule
 - b. dress
 - c. food
 - d. law
- 3.7. How has Saudi Arabia's climate influenced Saudi culture?
- 3.8. What are the two primary religions in Japan?
- 3.9. What are two aspects of Japanese culture that are different from Canadian culture?



Traditional tea ceremonies, sometimes called "way of tea," are part of Japanese culture. The development of the tea ceremony was influenced by Zen Buddhism, a branch of one of Japan's predominant religions.

Global Gaffes



During a segment of the Australian version of the reality television program *Big Brother*, contestants wore sombreros and floppy moustaches and threw water balloons at a Mexican flag. The public relations department of the program's production company, Endemol Southern Star, was forced to issue a statement apologizing to the Mexican government for using these cultural stereotypes.



Cultural Awareness and Business

Any Canadian firm that wants to “go global” by starting a business relationship in another country must first determine the extent and importance of the cultural differences between Canada and the target nation. Where differences exist, the business must decide whether and to what extent its products and processes can be adapted to a foreign environment. Certain cultural traits can be studied and learned (such as formal greetings and gift-giving protocol), but some can only be understood by living in a country and experiencing its culture first-hand, including attitudes and values. Developing cultural awareness is not an easy task, but it is critical to a business's success in a foreign country.

According to the Conference Board of Canada, Canadian businesses account for only 2 percent of all global trade, with the majority of this trade focused on commodities such as oil, fish, and lumber. We are not leaders in exporting branded goods. Only a few Canadian brands, like the BlackBerry and Roots clothing, are known abroad. Yet Canada is a major world leader, as part of the G8, NATO (North Atlantic Treaty Organization), APEC (Asia-Pacific Economic Co-operation), and other major trade and political groups. When Canadian businesses become successful, they are often attractive to foreign companies. For example, one of the most Canadian of companies, Molson, whose major product is branded “Canadian,” merged with the Coors Brewing Company of the United States in 2005.

It is not necessary for every Canadian business operating globally to have the same degree of cultural awareness. Several factors determine the need for cultural awareness in international business relationships: how the business controls its foreign operations; how extensive these operations are; how similar the culture of the foreign country is to Canada's culture; and how many countries are involved in the business relationship.



The owners of Quebec-based company Fruits and Passion studied Chinese culture before opening franchises in China.

Table 3.1: Cultural Awareness in Foreign Business Relationships

	Little Need	Moderate Need	High Need
Extent of Foreign Operations	mostly domestic	similar operations in different countries	different operations in different countries
Control of Foreign Operations	foreign management of foreign operations	foreign division of company's operations	domestic management of foreign operations
Degree of Cultural Differences	little or no differences	moderate differences	high degree of cultural differences
Number of Foreign Operations	one	a few	many

Extent of Foreign Operations

Just how culturally aware a business must be depends primarily upon how much business it does in foreign countries and the type of business it does there. A primarily domestic operation that exports to one or two foreign markets doesn't need to be as conscious of the cultural differences in those markets as businesses that have manufacturing, retail, and other interests in another country.

A small soap manufacturer in Sarnia, Ontario, that sells online to a few customers in Tokyo doesn't need to know about the many cultural differences between Canada and Japan. This manufacturer only needs to translate its website into Japanese and research popular soap fragrances in Japan (cherry blossom and baby's breath are two examples).

Quebec-based beauty products company Fruits and Passion has opened franchise operations in China, and needs to be extremely aware of cultural differences to become successful there. The Chinese market is enormous, and it is unique because few Chinese consumers have experienced shopping in international retail stores that sell brand-name merchandise. Gervais Lavoie, co-owner of Fruits and Passion, speaks Mandarin and has studied the Chinese market in depth. Because of the major cultural differences between China and Canada and the extent of the company's operations in China, Fruits and Passion brings Chinese store managers to Quebec to help them understand the cultural differences between the two countries, so they can take that knowledge back to China.

Control of Foreign Operations

A company that has branch plants or distribution outlets in other countries that are managed by local people doesn't need to spend a great deal of time learning about cultural differences, as the local employees will have that knowledge. In this situation, a business should research the culture to ensure that there is a market for its product before deciding to set up a branch plant in a foreign country. In a domestic business that has handed control of foreign operations to a specific department, the employees of that division need to have a high degree of cultural awareness. If all of a business's foreign dealings are handled domestically, the required level of cultural awareness is very high.

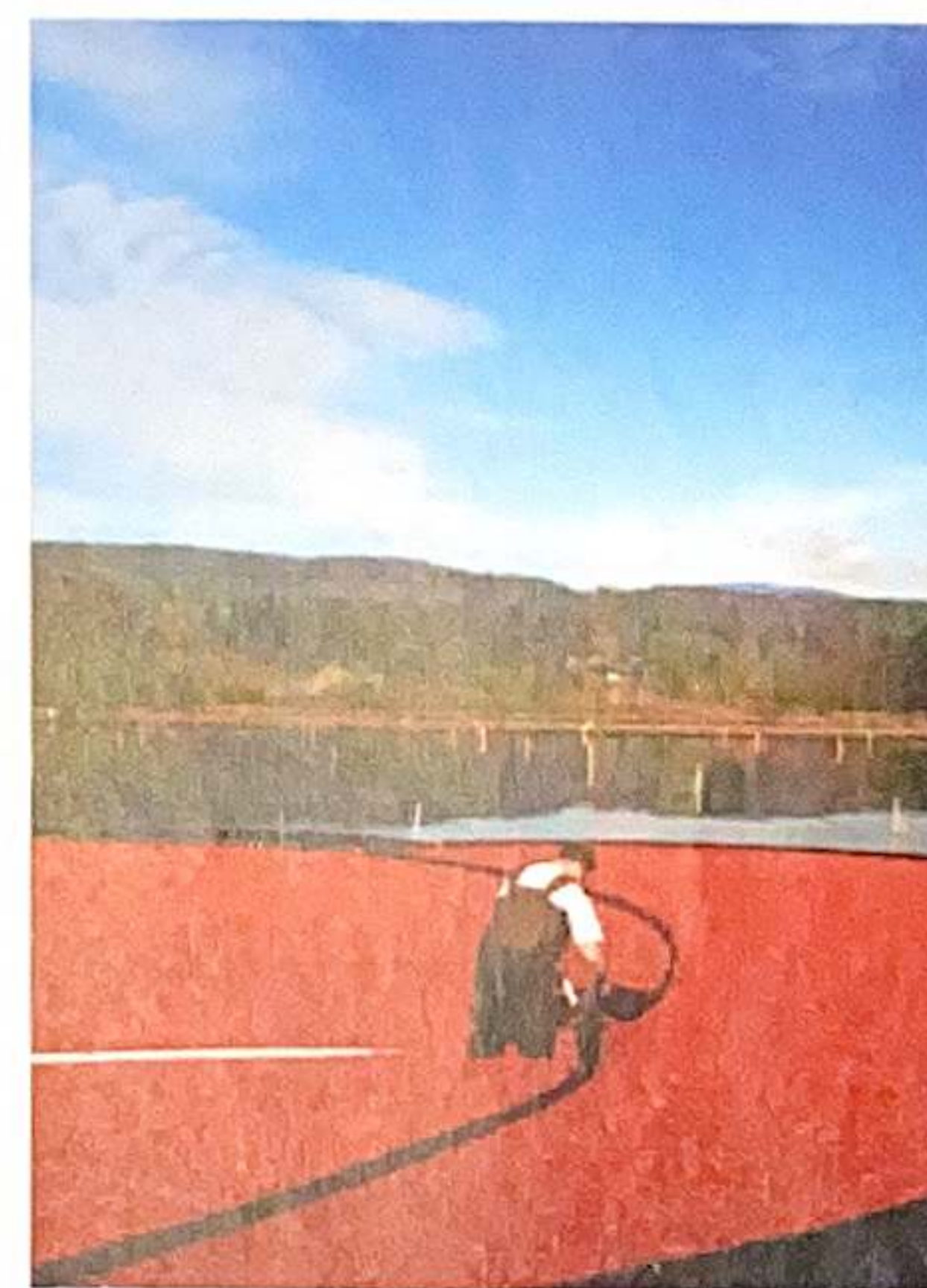
The Iroquois Cranberry Growers, for example, have sold their cranberries on the international market for years. Owned and operated by the Wahta Mohawks in central Ontario, the Iroquois Cranberry Growers did not have the resources to hire marketing experts in their target markets to operate branch plants or offices abroad. Instead, they spent a great deal of time and effort attending trade shows and conducting market research. They also worked with the Canadian government's Trade Commissioner Service, which provided important information regarding the cultural differences the company could expect with regards to the acceptance of cranberries as a valued food product in other markets. The Iroquois Cranberry Growers' level of cultural awareness of foreign markets needs to be very high, because they operate primarily from their Ontario location.

Impact: Ethics

Is gift giving wrong for a business?

▶ Yes: Gift giving can pose an ethical problem for the business and client if the gift can be viewed as a "kickback" for a company winning a contract.

▶ No: Gift giving is an acceptable way for a company to thank a client for their business.



Iroquois Cranberry Growers learned how to sell their product in countries that differ culturally from Canada.

Think About It!



- 3.10. Is a high degree of cultural awareness of foreign markets necessary for every business that wants to go global? Explain why or why not.
- 3.11. What four things should a business owner consider before spending a great deal of time studying a foreign market?



The design of Second Cup's cafés in the Middle East reflects the culture's view of coffee drinking as an upscale activity.

Degree of Cultural Differences

If a business is dealing with foreign markets where the culture is very similar to Canada's, it doesn't need to spend a great deal of time examining cultural differences. When the language, habits, beliefs, and attitudes of a culture are markedly different from Canada's, however, it is very important to study the culture of the new market. Learning the language or hiring a native speaker to manage foreign operations is exceptionally helpful.

When the Second Cup began expanding into the Middle East, its principals made numerous visits to the various regions where it wanted to set up franchise operations. Since 2003, Second Cup has opened cafés in Dubai, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Egypt, and Turkey, with more planned for Bahrain, Jordan, and Syria, as well as additional locations in Saudi Arabia. There is such a high degree of cultural difference between Canada and the Middle East that Second Cup needed to spend a great deal of time and money researching these differences.

For example, while 70 percent of Second Cup customers in Canada take their coffee out of the restaurant, this is true of only 10 percent of Middle Eastern customers. Second Cup had to redesign its restaurants for the Middle Eastern consumer, concentrating on offering comfort and space. Coffee shops are thought of as meeting places in the Middle East, and coffee consumption is considered a leisurely, upscale activity.

Number of Foreign Operations

It is essential for companies conducting business in several foreign markets to be aware that each country has a distinct and different culture. The more operations a business has in foreign markets, the greater the need for cultural knowledge.

Bombardier, for example, has manufacturing, engineering, and service facilities in twenty-nine countries on five continents. It sells its products all over the world. The company must have a high degree of cultural awareness in almost every market it enters. Bombardier makes railway cars, subways, buses, airplanes, and other transportation equipment. A population's transit needs depend on its culture. Do people ride subways or buses? Do they take trains to commute or drive cars? Would their leisure activities include winter sports, like snowmobiling, or summer sports, like boating, or both? In order for Bombardier to prepare sales and marketing plans for foreign markets, it must possess a high degree of knowledge concerning the transportation culture in specific regions.



Bombardier, a Canadian company that conducts business in twenty-nine countries, must have a high degree of cultural awareness to understand each market it enters.

The Impact of Culture on International Business

A business person who wants to import, export, set up a joint venture, start a franchise, build a branch plant, invest in a foreign company, or become involved in international business in any other way must weigh the impact of culture on his or her enterprise. Culture's role in a business venture can be as important as the influence of tariffs, legal regulations, or competition. Failure to consider that influence could ruin a negotiation, derail a marketing campaign, cause labour unrest, or, in some cases, endanger one's life.

An American supervisor of a branch plant in Indonesia was angry with one of the Indonesian employees and proceeded to yell at him in front of his co-workers. In Indonesia, no one ever embarrasses another person in public. This cultural gaffe prompted the other workers on site to pick up their axes and chase after the offending supervisor, who was lucky to escape with his life.

Products

Culture has a direct impact on the types of products and services that will be successful in other markets. Canada has abundant raw materials, such as oil, timber, iron, wheat, and fish. Other nations buy our raw materials and convert them into thousands of different products. Canadian newsprint, for example, is used to manufacture newspapers in hundreds of different languages. The British use Canadian wheat to make stotties, cobs, barms, and baps (different types of bread rolls), whereas Syrians use our wheat to make tabbouleh (a salad made from bulgur wheat) and the pita bread often served along with it. Cultural differences have a very low impact, then, on the sale of Canada's raw materials.

Culture does affect Canadian exports of manufactured goods. In some countries, as a direct result of cultural differences, there is no market for certain Canadian products. Canada is famous for its ice wine and rye whisky, for example, which do not find a market in any Muslim country as Muslims are not allowed to drink alcohol. Canadian pork has no market in Israel, as Jewish culture forbids eating pork. As styles of dress often depend on a country's climate, Canadian winter boots are definitely not a big seller in Guyana. Selling Canadian-made aluminum lawn furniture in foreign markets depends upon whether a country typically has homes with lawns or if lawns are seen as recreational spaces. Places such as India, Japan, and Hong Kong, where most of the population lives in apartments are not good markets for lawn furniture.



Cultural differences have little impact on the sale and export of Canada's raw materials, including oil, timber, fish, and wheat, to other countries.



Canadian wheat is used to make products, such as pita bread and tabbouleh, that meet other countries' cultural demands.

Think About It!



- 3.12. What is the major service that Canada exports?
- 3.13. What might be a cultural savings goal of a Japanese family with one or more daughters?
- 3.14. How does culture affect financial services?

Services

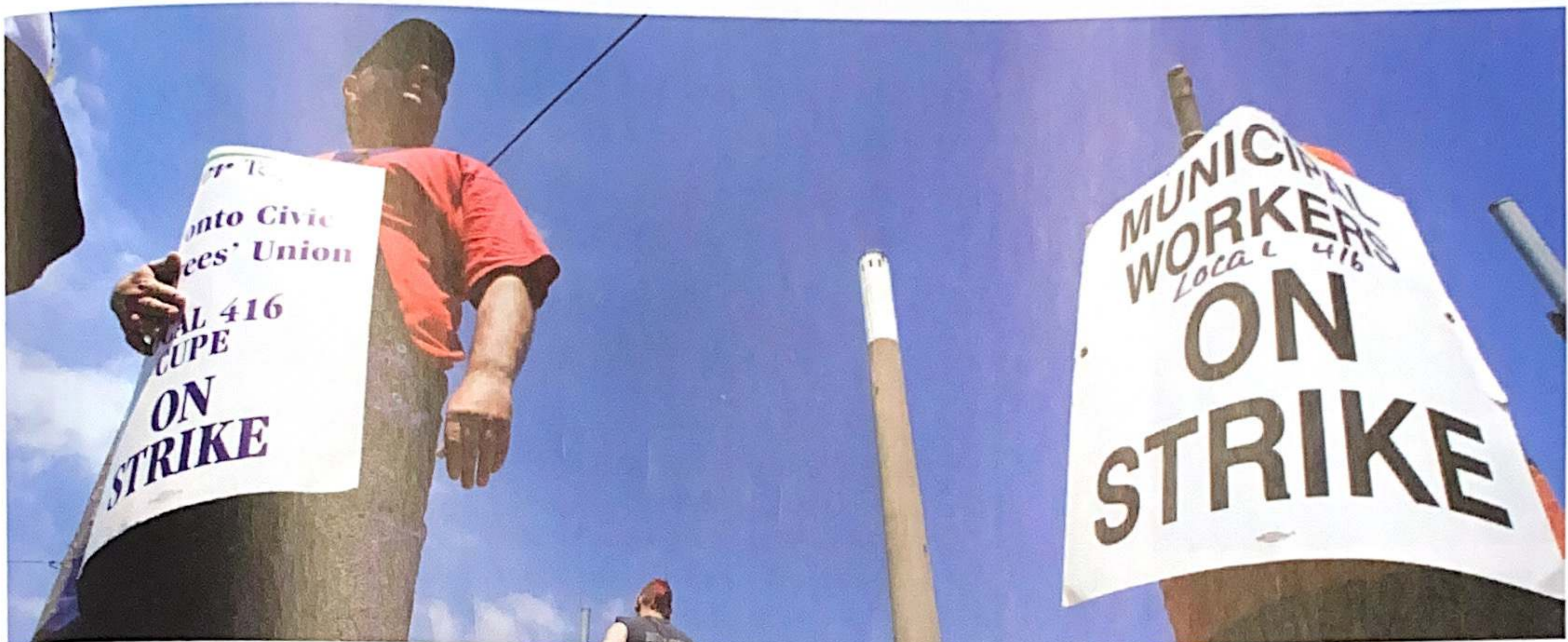
One of the most successful industries to export into foreign markets is the financial service industry. Canadian banks, venture capital companies, and life insurance firms are making major inroads in foreign markets. Canadian banks have branches and offices all over the world, and Sun Life Financial is the fastest growing insurance company in India.

People's attitudes towards money are often based on culture. Spending and saving patterns, for example, are often primarily cultural. The Chinese save their money and have not traditionally put it into other investments, such as mutual funds or retirement savings. China is one of the biggest growth markets in the world for investment funds, and Canadian banks are working with Chinese banks to tap into the billions of dollars of savings that are not invested in China.

In some countries, the major savings goal for many people is centred upon cultural ceremonies or activities. Many Canadians save for a summer vacation. In Japan, January 15 is Coming of Age Day, a Japanese national holiday that honours young people when they reach the age of twenty. Twenty-year-olds gain the right to vote in elections, as well as to drink, much like nineteen-year-olds in Canada. Across Japan, local governments host a ceremony known as a *seijin shiki* (adult ceremony) to honour the “new adults.” All of the young adults are invited to attend their local ceremony, where government officials give speeches, and small presents are handed out. Women celebrate the day by wearing special kimonos, which cost between \$10,000 and \$20,000. Recently, many women have begun to rent kimonos because the cost of buying one is so high, but owning your own kimono is a sign of status and many Japanese families with daughters save for years to buy one. Foreign banks that understand the savings goal of Japanese families that plan to buy a kimono for the ceremony have an advantage over competitors who have not taken Japanese culture into consideration.



Foreign banks that understand Japanese culture—including the importance of saving to purchase a kimono for Coming of Age Day—have an advantage over those that do not.



Members of the Toronto Civic Employees Union picket in 2009, after the union and the City of Toronto were unable to agree to the terms of a new contract. The strike lasted for thirty-nine days.

The Impact of Culture on the Labour Market

Canadian values extend into the workplace. The Canadian government, influenced by labour unions and the cultural values of most Canadians, has regulated the labour force, providing a minimum wage, mandating workplace safety, preventing discrimination on the job, and legislating a number of holidays and hours of work. Canadian laws prohibit child labour and promote gender equity. Labour unions and labour negotiations are also controlled by Canadian laws that attempt to ensure fairness and “good faith” in negotiations between labour and management.

Most companies are looking to rationalize their businesses, especially during an economic downturn, to boost profitability for their shareholders. **Rationalization** includes any attempt to increase a company’s effectiveness or efficiency. In most cases, this involves downsizing, cutbacks, and layoffs, often coupled with a move to relocate corporate functions and activities to countries that have cheaper labour and little or no union problems (offshoring). A company’s bottom-line success is the primary value of the corporations and shareholders that own it.

These values are part of our global working culture, and have a great impact on the way businesses in other countries deal with businesses here. Many businesses (including some Canadian firms) find that Canadian labour is expensive and highly regulated, and therefore do not start (or expand) businesses here for economic reasons. Other firms find that Canadian workers are well trained and well educated, and that working conditions here make for an intelligent, happy, and productive labour force. Many high-tech firms, such as Alcatel-Lucent, Siemens, and JDS Uniphase have located in Canada for these reasons.

What can Canadians expect when doing business outside Canada? Not all countries share our values about labour and the workplace. It is critical for Canadians doing business abroad to understand these differences and the influence they might have on business relationships formed in other countries.



In some nations, it is acceptable for young people to enter the workforce at twelve years of age.

Child Labour

Child labour is prevalent in many nations. The International Labour Organization reports the following estimates:

Region	Number of Economically Active Children, Ages Five to Fourteen
Asia and the Pacific	122.3 million
Sub-Saharan Africa	49.3 million
Latin America and the Caribbean	5.7 million
Other regions	13.4 million

A Canadian-owned manufacturing plant in another country can easily control this problem by refusing to hire anyone underage, but it is more difficult for Canadian importers to determine if child labour was involved in the production of the items they are buying from abroad.

It is, however, important to distinguish between exploitative child labour and a difference in the cultural values of two nations. In some nations, it is acceptable for young people to enter the labour market at twelve years of age. Their schooling is finished (or there are no schools for them to attend) and their families expect them to work, often on the family farm. It is a cultural norm, a value the society holds in common.

In contrast, businesses in some nations exploit young people, unfairly taking advantage of children as young as five years old. These children may be forced to work in mines or other dangerous occupations for little or no pay because the government of that nation cannot, or will not, prevent it. Canadians find this type of child labour unacceptable, and any Canadian business that is found to be supporting the exploitation of child labour would soon find its Canadian sales disappearing. Nike, the Gap, and Walmart all faced consumer backlash when they were accused of using child labour to manufacture their products abroad.

Discrimination

Canadian laws prohibit discrimination in the workplace as it relates to gender, race, sexual preference, disability, age, and so on. Many countries do not have these laws. A Canadian business starting a branch plant in Saudi Arabia, for example, would have difficulty hiring women, as women are not permitted to work alongside men (except in hospitals) in this Muslim country. Many countries are much less open-minded regarding homosexuality than Canada is, and do not have laws that prevent discrimination against homosexuals and lesbians. In some countries, it is actually illegal to be homosexual or lesbian. A Canadian manager who is openly gay or who hired other gays would have a very difficult time managing the workforce in any of these less-tolerant nations.

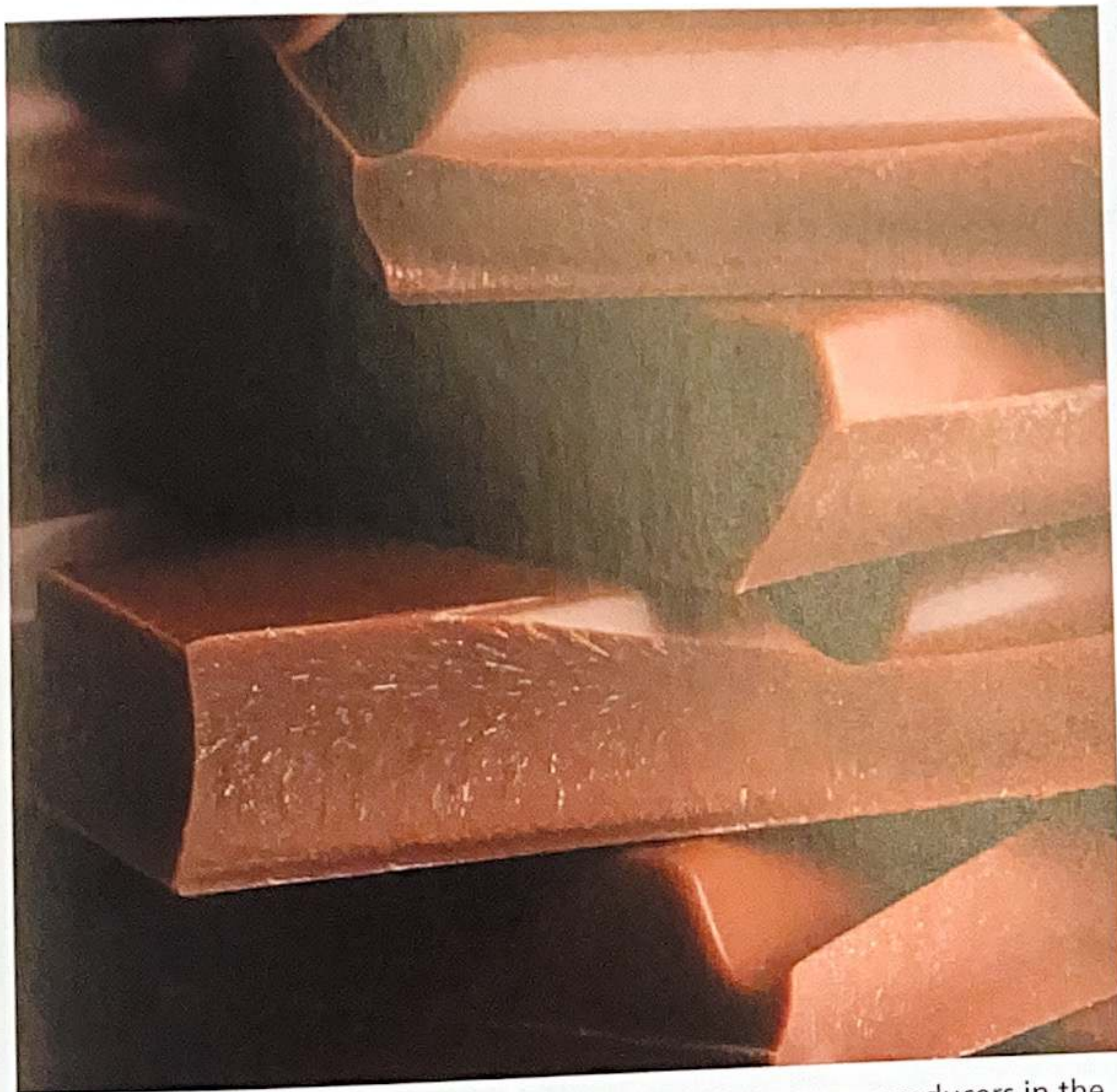
Where Do We Get

Chocolate

Chocolate is made all over the world, but the crucial ingredient of chocolate, cocoa, comes from the seed pod of the cacao tree, which will only grow within an area 20 degrees north and south of the equator. The first recorded use of the cacao plant was in Mexico around 1000 BC. The Mayan civilization expanded the plant's cultivation in northern Guatemala around 400 BC, and cacao (and its amazing properties) was one of the products Columbus brought back with him from the West Indies, introducing chocolate to Europe. In no time, the sweet drink (there were no chocolate bars at this time) made from cacao became an extraordinarily popular and profitable product. Dutch traders introduced cocoa to the Philippines, and by the late 1800s farmers brought it to West Africa, where it flourished.

Today, the Ivory Coast in Africa is the primary source of all cocoa production, accounting for almost 40 percent of the world's supply. However, the International Labour Organization reported in 2005 that many of those involved in the cocoa industry in the Ivory Coast used child labour, with over 200,000 children employed in the production and processing of the crop. The report describes many of these children as harshly exploited. The same report estimates that over 10,000 of these children may be the victims of human trafficking and slavery.

Because large chocolate producers buy their cocoa through a commodities exchange in which cocoa from the Ivory Coast is mixed together with cocoa produced elsewhere, it is likely that many of the chocolate bars you eat are made with cocoa produced through child labour.



Child labour is reportedly a common practice among cocoa producers in the Ivory Coast, the source of 40 percent of the world's cocoa supply.

Impact: Ethics



Do Canadian consumers contribute to the poverty cycle in other nations?

Yes: Consumers want low-priced goods, regardless of the wage workers were paid to produce them. Companies know that if they paid foreign workers higher wages, prices would rise, demand for the product would decrease in Canada, and jobs would be lost.

No: Consumer demand for variety and low prices creates jobs for millions of foreign workers. If the companies that make these products pay wages that are competitive with other businesses in the country, and reflect its standard of living, the local economy is improved. Employing locals creates a higher standard of living, reducing poverty.

Wages

Wages reflect the standard of living in any country. A wage in another nation that is low in comparison to Canadian wages may be an above-average wage within that nation. A Canadian manager must ask what an acceptable or average wage is for a worker in that country.

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.

Standards and Practices

Certain cultural norms that are part of the workplace in Canada may be quite different elsewhere. For example, a standard lunch break in Canada is usually an hour, but in Mexico it is usually a two-hour affair that takes place from 1:00 p.m. until 3:00 p.m. Muslims need at least two designated times to pray for between five and fifteen minutes (at midday and late afternoon) in any workday. Factories in some countries close for a two- or three-week vacation.

Labour unions are non-existent or severely limited in some countries, including China, Oman, and the United Arab Emirates. Health and safety standards are, in some places, also non-existent. Health-care benefits, unemployment insurance, sick days, and maternity leave, which Canadians take for granted, vary greatly from country to country.

Different labour cultures affect Canadian businesses that are considering opening factories, warehouses, offices, or distribution centres in other countries. A Canadian manager working in another country must respect the cultural norms of that nation, regardless of what is "normal" in Canada, or risk the failure of the operation. What a Canadian manager may perceive as an improvement in efficiency might be viewed by

employees in the host country as an attempt to impose foreign values on local culture. Many workers, especially in Spain and Latin America, expect at least a two-hour break in the early afternoon for a siesta, or short nap. A Canadian manager who tries to eliminate this practice would face severe labour problems.

Indigenous Cultures

When companies set up factories, distribution centres, retail stores, or other types of businesses in foreign nations, they must be aware of their effect on indigenous culture. In some cases, the effects are positive. Positive effects include increased employment, access to medical services, and improved infrastructure: better roads, a safer water supply, and improved sanitation. As businesses need an educated workforce, local schools and universities benefit through increased enrolment.

However, historically and currently, foreign businesses have had a devastating effect on indigenous peoples. In Canada, French traders were ultimately responsible for the total extermination of the Beothuk Indians, Newfoundland's indigenous population. Columbus and other Spanish businessmen enslaved thousands of indigenous people in the West Indies and Central America to assist with resource extraction.

Today, resource extraction in African nations such as Angola and Sierra Leone fuels civil strife. Diamonds from these areas, for example, create wealth for rebel forces and help sustain a very bloody conflict in the region. Diamonds that are traded for money to buy guns and other weapons are referred to as conflict or blood diamonds. In many regions of Africa and South America, the exploitation of resources not only destroys animal habitats and ecological systems, but has an impact on human life as well. When companies such as Georgia-Pacific, Texaco, and Unocal clear rainforest land for timber resources, they displace thousands of indigenous people. In Brazil alone, colonization of land for the use of its resources has destroyed over ninety tribes since the 1900s.



Think About It!

- 3.15. What are cultural norms?
- 3.16. What are five pieces of labour legislation that reflect the cultural norms in Canada's labour market?
- 3.17. What are the four major issues that Canadian businesses should be aware of when using the labour market of another nation?
- 3.18. What does the term "blood diamond" mean? Would you buy jewellery that included a diamond mined in a region that produces these diamonds?



Miners pan for diamonds near Koidu in northeastern Sierra Leone. Diamonds, often associated with wealth and glamour in the Western world, have meant war and suffering in Africa.

Global Gaffes



In 2005, Russell Stover, an American candy company, introduced a new product for Easter: a six-inch chocolate crucifix. The Roman Catholic Church voiced disapproval, suggesting that a chocolate cross was not an appropriate Easter treat. The company discontinued the product.



Business Meetings and Negotiations

If a Canadian business person was invited to present a business plan to a group of Canadian financiers, he or she would wear appropriate business attire (jacket and tie for men, suit or dress for women), show up at least ten minutes before the meeting started, sit at the side of the meeting table (not at the head), shake hands with the people sitting close by, keep his or her briefcase off the table, and establish eye contact during the presentation. The presentation would be direct and logically presented, beginning with the amount of money the business is requesting, then explaining in detail why this amount is needed. A Canadian business person presents a business plan in this way because this behaviour is expected in Canadian business culture. If he or she deviates from these norms, there is a risk of showing disrespect to the audience and losing their support.

If, on the other hand, a Canadian business was negotiating in Mexico, Japan, or Nigeria, it would need to adapt to a very different meeting style. Every country has a “meeting culture” based on time perceptions, spatial perception, and accepted non-verbal behaviour, such as eye contact.

Time Perception

Cultures perceive time in one of two ways: **monochronic** or **polychronic**. Members of monochronic cultures see time as linear and sequential, and focus on one thing at a time in a logical progression. The monochronic approach is most common in cultures with European influences, including Canada, Germany, Great Britain, and Scandinavia, although Japanese people also tend to be more monochronic than polychronic. In polychronic cultures, time involves many things happening simultaneously with the participation of many people. Time is elastic and meeting times are flexible. Results are more important than schedules. This perception of time is most common in Mediterranean and Latin cultures, including France, Italy, Greece, and Mexico, as well as some Eastern and African cultures.



Certain behaviours, such as making eye contact when speaking and wearing business attire, are expected in Canadian business culture.

Table 3.4: Monochronic versus Polychronic Cultures

Characteristics of Meetings in Monochronic Cultures	Characteristics of Meetings in Polychronic Cultures
Prompt beginnings and endings	Flexible start and end times
Scheduled breaks	Breaks happen when appropriate
Deal with one agenda item at a time	Don't follow a rigid agenda
Rely on specific, detailed, and explicit communication	Often deal in broad concepts
Participants talk in sequence	Anyone with ideas may speak
Lateness viewed as showing lack of respect	Lateness is not taken personally

Polychronic business people work towards establishing trust with contacts, and de-emphasize legal contracts and formal presentations. In contrast, Canadian business people are monochronic, and like to get to the bottom line as quickly as possible. Offers and counter-offers define the polychronic deal, with a level of competitiveness and consistent back-and-forth. Monochronic deals are fact-based and direct, with little humour or casual banter. Polychronic business people usually only meet with the firms they want to do business with, while monochronic negotiators attempt to negotiate with several firms, often using the threat of "taking their business elsewhere."

Making a deal within a polychronic culture requires a great deal of personal interaction and many visits, as this type of culture values personal contact. Monochronic dealers try to remain impersonal, and are often uncomfortable with invitations to family dinners and nights out on the town. A monochronic business person negotiating or working with a polychronic business person will have great difficulty if he or she does not have a deep understanding of the other's culture.

Spatial Perception

Spatial perception refers to individual comfort levels with personal space and physical contact. In northern Europe, people expect more personal space than in southern Europe. A Canadian business person might feel that an Italian or Greek business associate stands too close and invades his or her personal space when they're speaking one-on-one. This would not be the case during a meeting with a client from the U.K. or Sweden. This perceived invasion of personal space is the result of a cultural difference, and is not an intentional slight or intimidation tactic. Canadians typically prefer to maintain at least half a metre between speakers.

Physical contact is common in certain cultures, including those of the Mediterranean and Latin America. In Asian, British, Canadian, and American cultures, touching is equated with intimacy; in business situations only formal touching, such as a handshake or pat on the back, is seen as appropriate. In many cultures, touching is seen as unnecessary and even offensive, especially if it is cross-gender. In Muslim countries, men and women generally do not touch at all. Greeting rituals are based upon these cultural norms, so awareness of local customs is important for negotiators.



Holding hands is a traditional display of friendship in the Middle East.



Whether or not you should present a business card is an issue of business etiquette that should be considered before a meeting.

Cultural norms for space must also be taken into account when determining seating arrangements for negotiations. In general, Canadians tend to talk with people seated opposite them, or at an angle. These arrangements may make Chinese negotiators feel alienated and uneasy. They may prefer to converse while sitting side by side.

Non-Verbal Communication

Non-verbal communication is closely related to cultural norms of space. Japanese meetings are often silent affairs, with only the person speaking making noise, whereas in Canadian meetings, it is acceptable to whisper occasionally to a colleague. Many people respect a negotiator who can look them in the eye; while members of other cultures are offended and insulted by direct eye contact. In the United States, Canada, and many Arab countries, eye contact is a sign of reliability and trustworthiness. In Asian settings, eye contact may be seen as disrespectful and inappropriate, whereas looking down is usually interpreted as a sign of respect. Nervous eye movements to the left or right may be perceived as a sign of shiftiness in Latin America. Business people meeting with clients from another culture need to study how eye contact is interpreted, or risk giving offence.

Gestures are an integral part of non-verbal communication, and can be easily misinterpreted and/or cause offence. For example, you are meeting in Spain to purchase some fabric, and have convinced the Spanish manufacturers to include shipping in their price. You are happy about the deal and make the “okay” sign (using your thumb and index finger form an “O”). Suddenly your Spanish host gets very angry and walks out of the room. This gesture is obscene in Spain.

Many other acceptable Canadian gestures are not acceptable in other cultures. For example, the “thumbs-up” sign is obscene in Iran. In Chile,

Table 3.5: “Yes” and “No” Gestures in Different Countries

Country	“Yes” Gesture	“No” Gesture
Canada/U.S.	Nod head up and down	Nod head from side to side
Lebanon	Tilt head down to chest	Raise head up, raise eyebrows
Turkey	Nod head up and down	Raise both eyebrows
Albania	Nod head from side to side	Nod head up and down
China/Japan	Nod head up and down	There is not a gesture for “no”: both Japanese and Chinese will say “yes” when they mean “no” in order not to offend. Avoid asking questions that require a yes or no answer—for example, instead of asking, “Will the order be shipped on time?” it is better to ask “When will the order be shipped?”

outstretched palms with fingers spread means that you think the person to whom you're speaking is stupid. Showing the soles of your shoes in Saudi Arabia is a very insulting gesture. It is rude to eat everything on your plate in Egypt. Two easily misunderstood gestures are the ones that mean "yes" or "no." **Table 3.5** outlines the appropriate gestures for "yes" and "no" in several different countries.

Business Etiquette

People around the world have expectations of how a business person should present him or herself in a meeting. These expectations are often different in different countries. Questions of acceptable behaviour in negotiations and meetings arise in several areas:

- Should you present a business card and, if so, how and when?
- What should you wear?
- What if you are late?
- Should you bring a gift and, if so, what is appropriate?
- How should you greet your hosts?
- What topics should you avoid?

A business person needs to answer all of these questions and many more before going into a meeting in a foreign country, or risk offending the other participants and losing the deal.

Here are some things a business person attending a meeting or negotiations in Mexico needs to know:

- Keeping your hands in your pockets is impolite.
- Many Mexicans do not make eye contact. This is a show of respect.
- Shaking hands is appropriate for both men and women, although a man generally waits for a woman to offer her hand.
- Hispanics generally use two surnames. The first surname listed is from the father, and the second from the mother. When speaking to someone, use his or her father's surname.
- Don't use a first name until you are invited to do so.
- When paying for an item in a store, place your money in the cashier's hand, rather than on the counter.
- Conversations take place at a close physical distance, and stepping back may be seen as unfriendly. Mexican men are warm and friendly, and often touch other men's shoulders or hold their arms. Withdrawing from this touch may be interpreted as an insult.
- Mexicans refer to people from Canada as North Americans.
- Mexican's use a "psst-psst" sound to get one another's attention in public. This is not considered rude.
- Appropriate topics of conversation with business colleagues include Mexican culture, history, and art. It is not appropriate to discuss poverty, illegal aliens, or earthquakes.
- For business meetings, men should wear a conservative dark suit and tie with a light blue or white shirt. Women should wear a dress, skirt and blouse, or a tailored suit.

Think About It!

- 3.19. What are the three major components of a "meeting culture"?
- 3.20. Who is more likely to be late for a meeting: a monochronic negotiator or a polychronic one?
- 3.21. What problems could result if two people with different spatial perceptions were in the same meeting?
- 3.22. How would you indicate "no" in Albania?
- 3.23. What are five questions you might ask about the business etiquette expected by people in another country?



A dress, skirt and blouse, or a tailored suit is considered appropriate business attire in Mexico.

Culture's Influence on Workplace Values

There are several theories that help explain how culture influences values in the workplace. One is a theory of five **cultural dimensions** identified by Dutch anthropologist Geert Hofstede, which he uses to describe specific aspects of culture, and to help those doing business in other nations understand the cultural differences between two countries. Keep in mind that these dimensions reflect a society's overall tendencies, not those of specific individuals.

Hofstede's five cultural dimensions are:

- Low power distance versus high power distance
- Low uncertainty avoidance versus high uncertainty avoidance
- Masculinity versus femininity
- Individualism versus collectivism
- Long-term orientation versus short-term orientation

Power Distance (PDI)

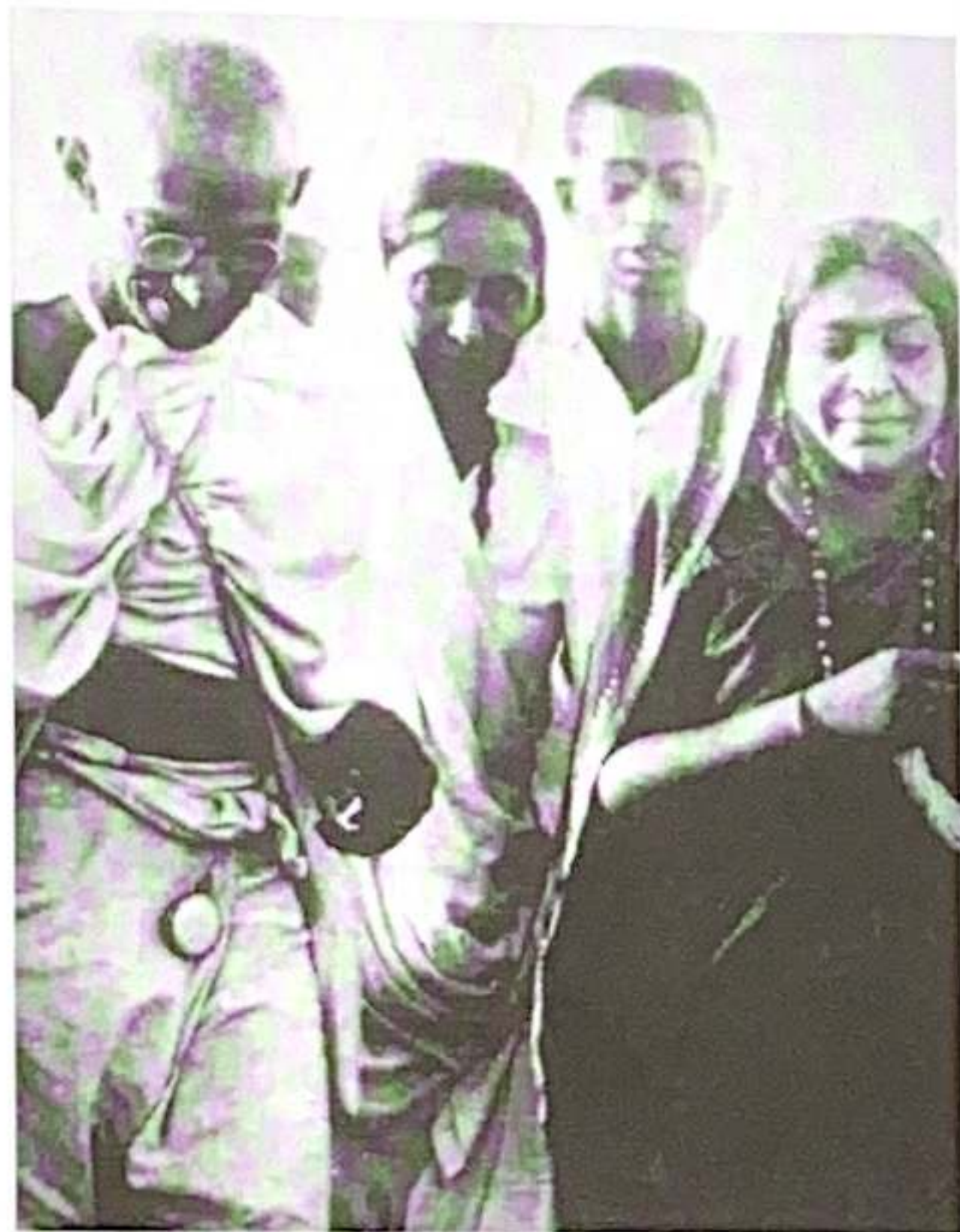
Hofstede uses the idea of *power distance* to measure how the difference in power between people is perceived. In cultures where some people are considered superior because of social status, gender, race, age, education, birth, wealth, personal achievements, or family background, the citizens generally accept a *high power distance*. Cultures that tend to assume equality among people and focus more on earned status than ascribed status are described as having a *low power distance*. People in low power distance situations relate to one another more as equals regardless of their formal positions.

According to Hofstede's research, Mexico, Indonesia, and India have a high power distance, while Austria, Israel, and Canada have a low power distance. India is a strong example of a high power distance culture because its caste system divides the Indian population into five groups, with each group having a higher status than the one below it. Indian citizens belong to the caste they were born into and cannot aspire to enter another caste. These castes define their members' power from birth.

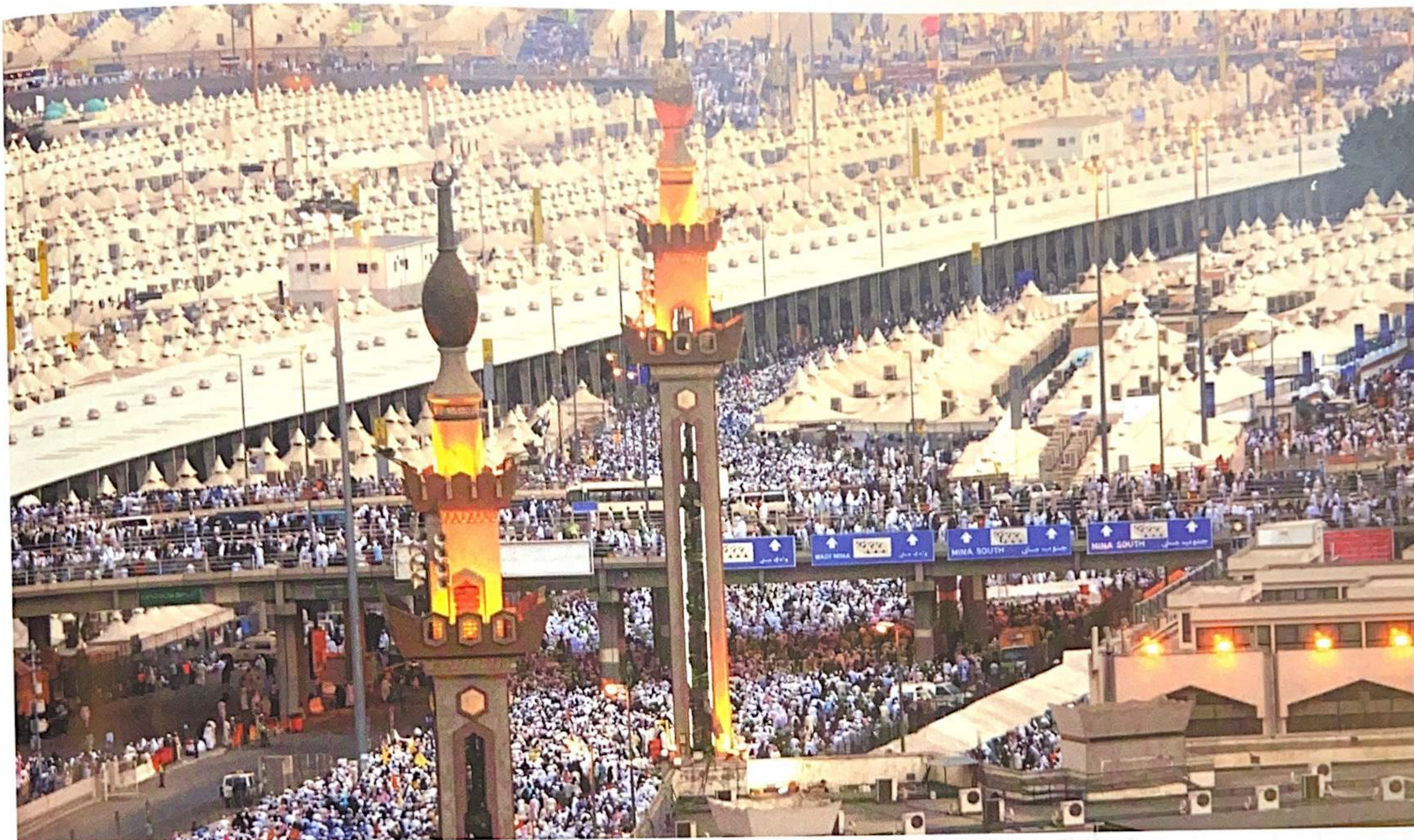
Uncertainty Avoidance (UAI)

Another of Hofstede's categories has to do with the way various cultures adapt to change. Generally, countries that attempt to avoid uncertainty prefer formal rules and rituals, and hold especially strong religious convictions. These cultures have a *high uncertainty avoidance* level. They place a high value on conformity, and many of the people in these societies have little tolerance for outsiders, who are perceived as untrustworthy. People in cultures with a *low uncertainty avoidance* level tend to value risk-taking, seek change instead of avoiding it, and demonstrate a high tolerance for difference. Outsiders find it much easier to establish business relationships in these countries.

Hofstede found that Saudi Arabia, Mexico, and Japan are examples of countries that tend to avoid uncertainty and therefore have a high UAI level, while Canada, Sweden, and Singapore tend to be more welcoming of uncertainty and have a low UAI level.



In the 1930s, Mohandas Gandhi led the people of India in a struggle to end the caste system. Recent reforms in India have diminished the role of the caste system, but it is still very much a part of Indian society.



Making the Haj pilgrimage, which involves several rituals, is a sacred duty for all Muslims once in their life, provided they are physically and financially able to participate. This tradition reinforces the fact that Saudi Arabia is a high uncertainty avoidance culture.

Masculinity versus Femininity (MAS)

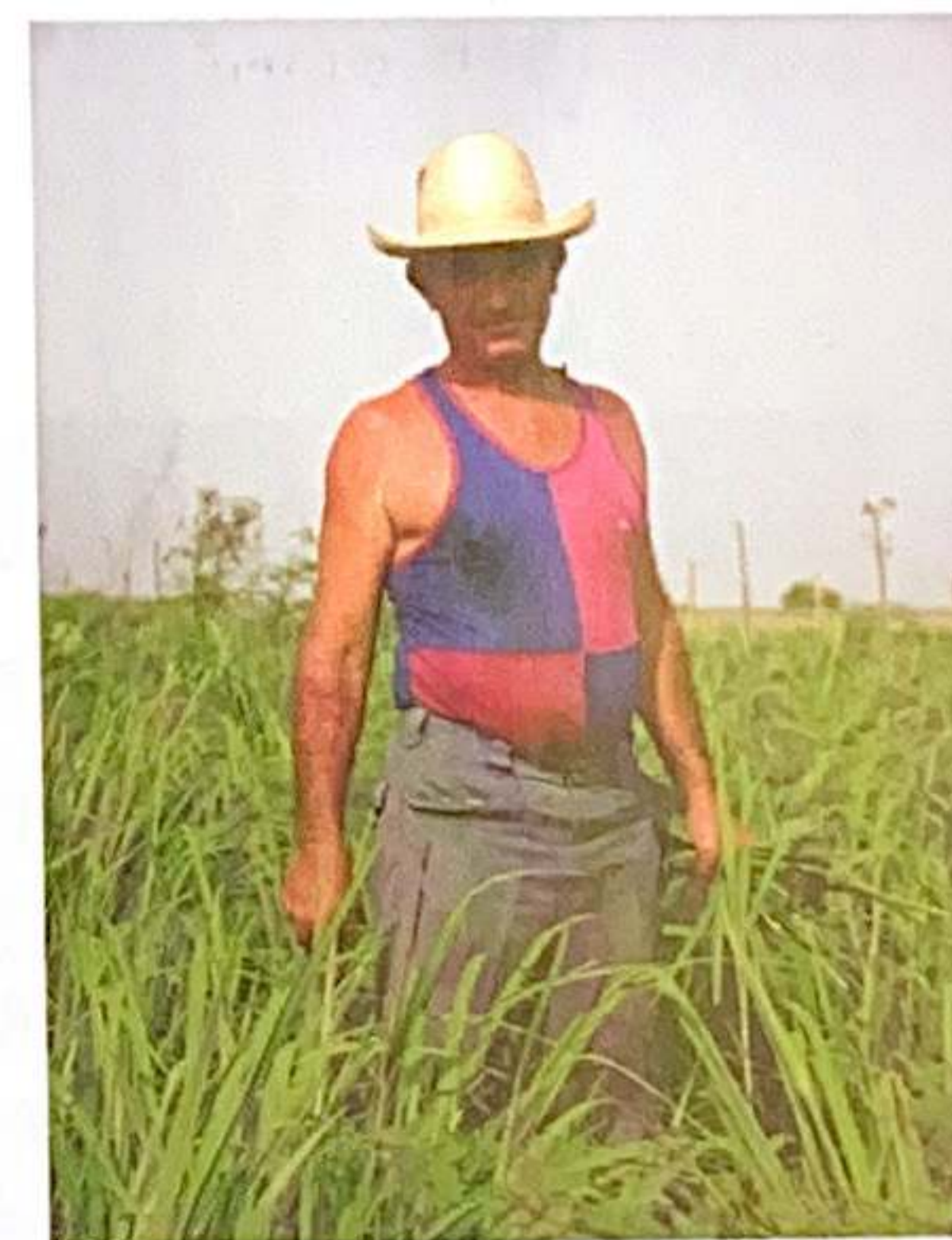
Hofstede uses the term *masculinity* to refer to the degree to which a culture values assertiveness, competitiveness, ambition, and the accumulation of material goods. Hofstede uses the term *femininity* to refer to the degree to which cultures value nurturing, family relationships, and social support systems. Although in most Western cultures the roles of males and females are no longer this rigidly prescribed, many cultures still encourage distinct gender roles. Hofstede's terms, therefore, also refer to the degree to which these culturally mandated gender roles operate for men and women within the country.

Hofstede rated Japan and Mexico as being highly masculine and found that these cultures have more rigid gender roles. Hofstede rated Scandinavia, Thailand, and Portugal as being feminine, as they valued co-operation and solidarity with those less fortunate.

Individualism versus Collectivism (IDV)

This dimension refers to the extent to which people are expected to make their own decisions regarding their choice of education, job, or even life partner. Highly individualistic cultures encourage each citizen to make personal choices and stand up for him or herself. Collectivist cultures value the greater good, and many of its members have their future prescribed by the government, church, or family.

The communist societies of Cuba and China show high levels of *collectivism*, while countries such as Canada, the United States, and Australia have high levels of *individualism*.



Workers' collectives are an example of why Cuba is considered a highly collectivist culture on Hofstede's scale.



After failing to find success in the Mexican fast-food market fifteen years ago, Taco Bell, a U.S. restaurant chain that sells an American version of Mexican food, tried once more.

For its grand opening in Mexico City, the company took out newspaper ads that described Taco Bell's menu choices as "a fast-food alternative that does not pretend to be Mexican food." Of course, in North America, the restaurant chain does pretend that its food is Mexican.

This advertising strategy revealed, to an audience that should know, that Taco Bell isn't really serving authentic Mexican food.



Orientation (LTO)

Cultures that have a *long-term orientation* value thrift and perseverance to achieve long-term goals, often so distant that only future generations will appreciate them. Cultures with a *short-term orientation* hold that the "now" is often more important than "then." Values associated with short-term orientation are respect for tradition and a strong work ethic. Cultures with a short-term orientation are results oriented, looking at daily profit figures and yearly annual reports, and making major business decisions based on short-term changes in the market. Outsiders that can contribute to the business, either as customers or investors, are welcomed. When working together, businesses with a short-term orientation will often inadvertently offend businesses with a long-term orientation, as they expect tight deadlines in business deals, which are not valued by businesses that set long-term goals.

Hofstede's Mexico

Mexico's highest scoring dimension is uncertainty avoidance (UAI). This indicates that Mexican society has a low level of tolerance for uncertainty. The ultimate goal is to avoid the unexpected and in an effort to increase control, laws and regulations have been implemented.

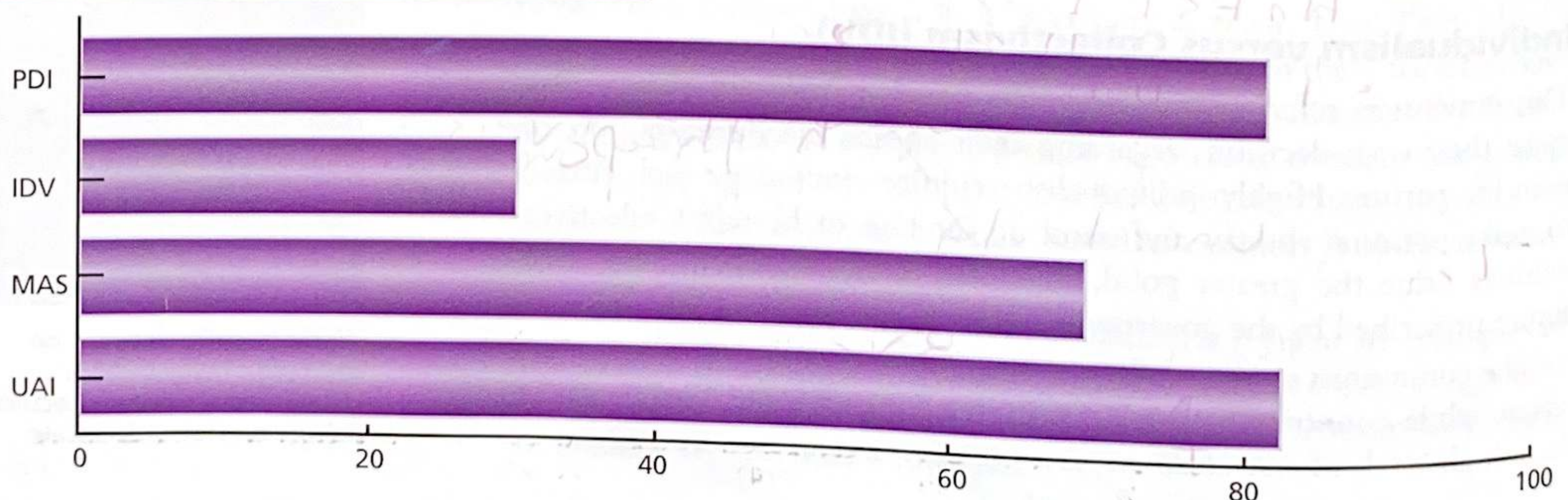
Mexico's individualism (IDV) ranking (30) is low, though it is slightly higher than other Latin countries. Mexico's score indicates that its society is collectivist rather than individualist. This is demonstrated through long-term commitments to family, extended family, and friends. In a collectivist society, individuals tend to take responsibility for each other, rather than focusing on themselves.

Mexico has the second-highest masculinity (MAS) ranking in Latin America (69). This indicates that gender roles are highly differentiated. The male is dominant in Mexican society, which has led the female population to become more assertive.

Mexico also ranks higher than other Latin American countries in terms of power distance (PDI) with a rank of 81, compared to an average of 70. This indicates that power and wealth are distributed unequally in Mexico. This inequality is generally accepted, or seen as normal, by the culture as a whole.

Mexico was not rated on the orientation (LTO) scale.

Figure 3.1: Hofstede Scores for Mexico





Tradition is important in Canadian society, no matter where Canadians find themselves. These soldiers in Kandahar stop by Tim Hortons for a coffee, a tradition that links them to Canada and helps them feel at home while far away.

Hofstede's Canada

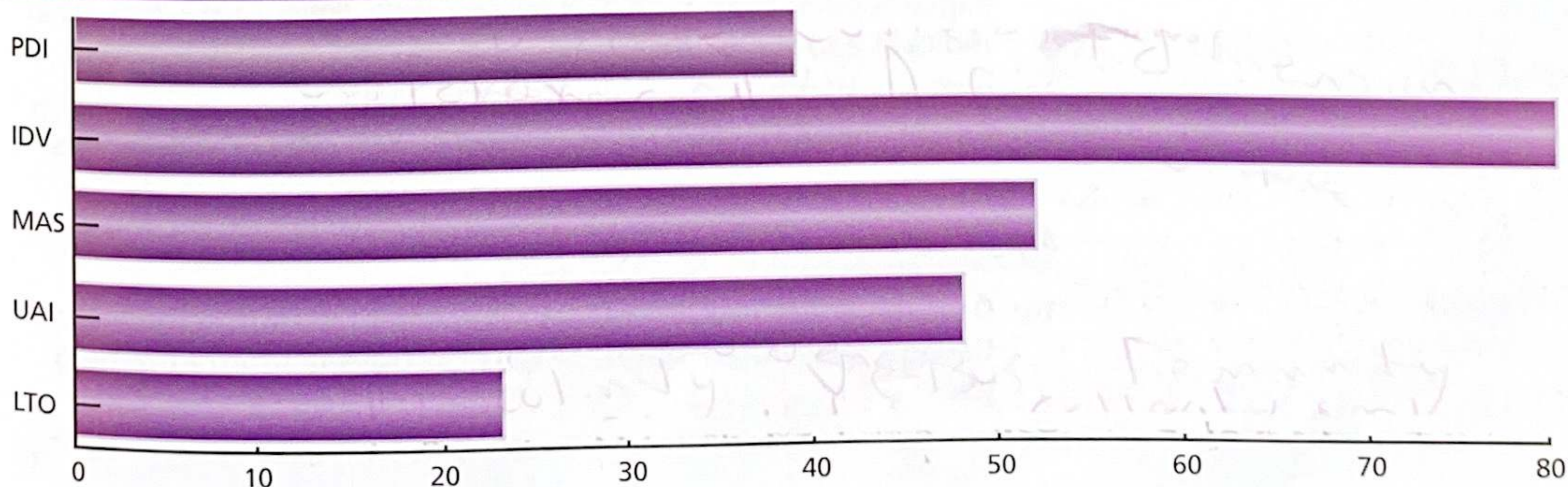
Canada highest-ranking Hofstede dimension is individualism (IDV), at 80. This indicates a society with a more individualistic attitude and loose ties between members. Privacy is the cultural norm; it is seen as inappropriate and invasive when people pry. Other high-ranking IDV countries are the U.K. and the U.S.

In high IDV countries, success tends to be equated with personal achievement. Canadians are normally self-confident and comfortable talking about general topics with most people, but we don't usually share the details of our personal lives with anyone but our closest friends.

Canadian's lowest-scoring dimension is long-term orientation (LTO) This LTO ranking indicates that Canada is a society that believes in meeting its obligations and appreciates cultural traditions.

Canada's power distance (PDI) is relatively low compared to the world average. This indicates a society that features a high level of equality, within government, organizations, and even families. This orientation reinforces the interaction between individuals and groups with differing amounts of power and, as a result, tends to have a more stable cultural environment.

Figure 3.2: Hofstede Scores for Canada



Think About It!

- 3.24. What are Geert Hofstede's five cultural dimensions?
- 3.25. What is a feature of cultures that have a high score in the uncertainty avoidance dimension?
- 3.26. What is a feature of highly individualistic cultures?
- 3.27. What is the highest-ranking cultural dimension for Mexicans?
- 3.28. What is the lowest-ranking cultural dimension for Mexicans?
- 3.29. What is the highest-ranking cultural dimension for Canadians?
- 3.30. What is the lowest-ranking cultural dimension for Canadians?

Chapter Questions

Knowledge

1. What is the difference between a subculture and a counterculture?
2. What is a major savings goal for Canadians that is centred on a cultural activity or ceremony?
3. Why is Canada considered a multicultural nation?
4. Other than Canada, name three countries that have a high level of individualism according to Hofstede's dimensions.
5. What are appropriate topics of conversation in Mexico?

Thinking

6. What are three problems that a monochronic negotiator would have in a meeting hosted by a polychronic negotiator?
7. How does the treatment of emos in Mexico reinforce the country's Hofstede profile?
8. How does Mexican business etiquette illustrate each of the three components of its "meeting culture"?
9. Instead of a "mosaic," the United States is often called a "melting pot." What does this term mean, and do you think it's appropriate?
10. How do five of the products you use reflect your culture?

Communication

11. Profile a counterculture movement, either current or historical. To what is this movement opposed? What values does it hold? Is it associated with a specific type of music? Do its members dress in a particular style?
12. Research the differences between Canadian and American (or British) culture. Briefly describe five of these differences.
13. There are many critics of Hofstede's cultural dimension theory. Search online for critics of this theory and briefly summarize the main criticisms of Hofstede's work by one or more critics. Do you agree with them or not? Explain.
14. Prepare a chart that illustrates Hofstede's cultural dimensions and explains what both high and low scores in each of the five areas indicate about a culture.
15. Why are the terms masculinity and femininity no longer valid in Canada as descriptors of one of Hofstede's cultural dimensions?

Application

16. Describe in detail the business etiquette in a country other than Canada, the United States, or Mexico. Use the Internet to help you.

17. You wish to expand your privately owned soft-drink business. You have one bottling plant in Ontario, but would like to open a factory and a sales distribution centre in Brazil to begin your expansion into South America. You have a Brazilian partner who would run your operations there. Research Brazil to determine whether you would need a little, moderate, or high cultural awareness of Brazil to start your soft-drink business there. Use the following chart to assist you:

The Need for Cultural Awareness in Foreign Business Relationships			
	Little Need	Moderate Need	High Need
Extent of Foreign Operations			
Control of Foreign Operations			
Degree of Cultural Differences			
Number of Foreign Operations			

18. Profile the culture of one of the following countries: Israel, Finland, South Africa, Cambodia, or Brazil. Discuss religion, geography, climate, politics, and cultural history in your work. Be sure to mention important holidays, food preferences, style of dress, and so on.
19. Summarize Hofstede's cultural dimensions as they relate to the country you profiled in Question 18.