



CEB Communications Leadership Council

Building a Global Mindset

An Overview of Cultural Values That Shape
Interpersonal Communications

Please note that the CEB program names referenced in this document have changed since the time of publication.

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Emerging markets are fast growing and companies are placing their bets in these regions as areas of future business revenue.

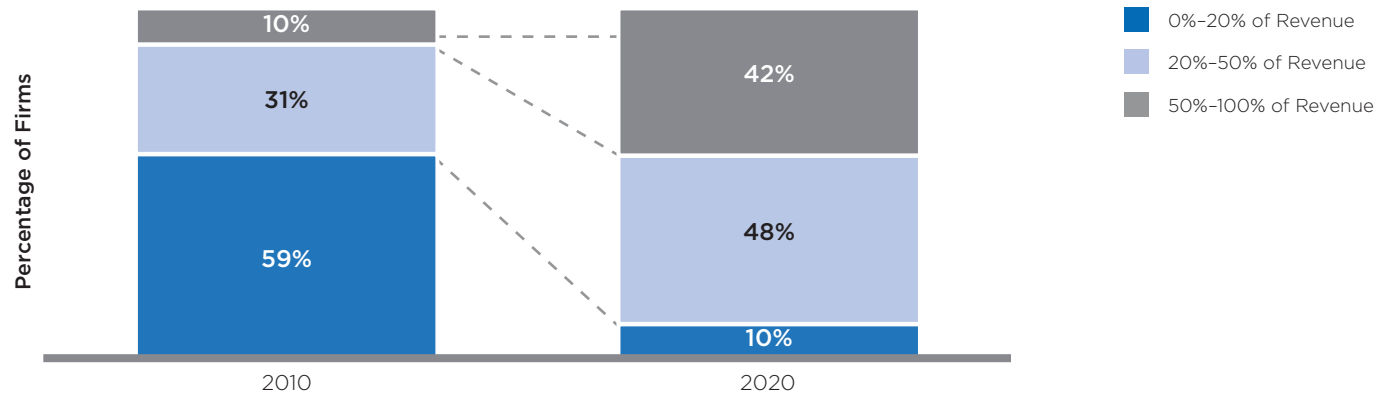
- Corporate strategists say that 89% of companies will generate at least 20% of their revenue from emerging markets by 2020.
- Emerging markets are seen as key sources of growth, as consumer spending in these markets has doubled in the last decade.
- Growth in emerging economies is double that of developed economies. As growth in the EU is expected to shrink in 2011, economies in China and Brazil are growing steadily.
- These markets are new and relatively unknown for western companies, have different cultures and languages, and present their own set of unique challenges.

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EMERGING MARKETS KEY TO COMPANIES' FUTURE GROWTH

Expected Increase in Percentage of Revenue from Emerging Markets
2010 Versus 2020

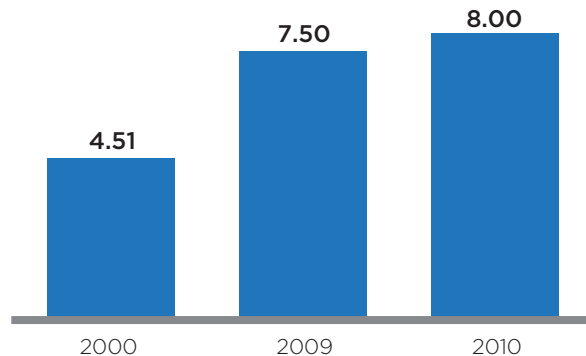


Source: Corporate Strategy Board Survey.

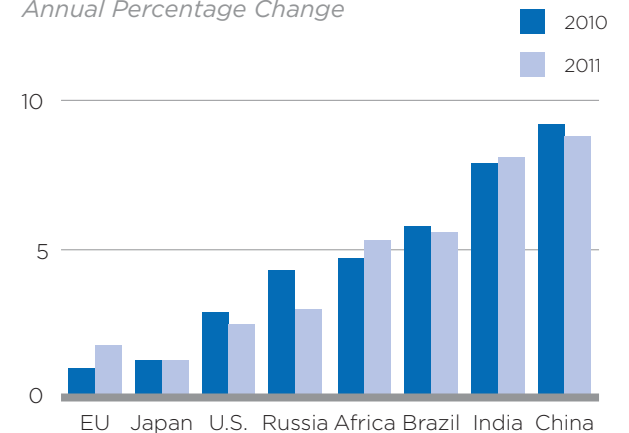
n = 70.

Leading Indicators of Growth in Emerging Markets

Consumer Expenditures in Emerging Markets
In \$U.S. Trillions



Projected Output Growth 2010 and 2011
Annual Percentage Change



Source: PriceWaterhouseCoopers, "The World 2050 Beyond the BRICs: A broader look at emerging market growth prospects."; United Nations, "World Economic Situation and Prospects 2010."; Euromonitor International, "Spending power in emerging market economies grows rapidly."; Marketing Leadership Council research.



At the same time, global awareness and cultural sensitivity is the leading competency gap for communicators.

- Building cultural awareness is the number one competency gap for communicators, according to results from CEC’s Competency Diagnostic.
- Sixty-seven percent of communicators perform at an average level between “learning” and “applying.”
- As companies are becoming more global, being aware of the cultural differences of your local audience is critical to both collaboration with colleagues, as well as to understanding local markets (how people make decisions or perceive information).

CULTURAL AWARENESS DEFICIENT AMONG COMMUNICATORS

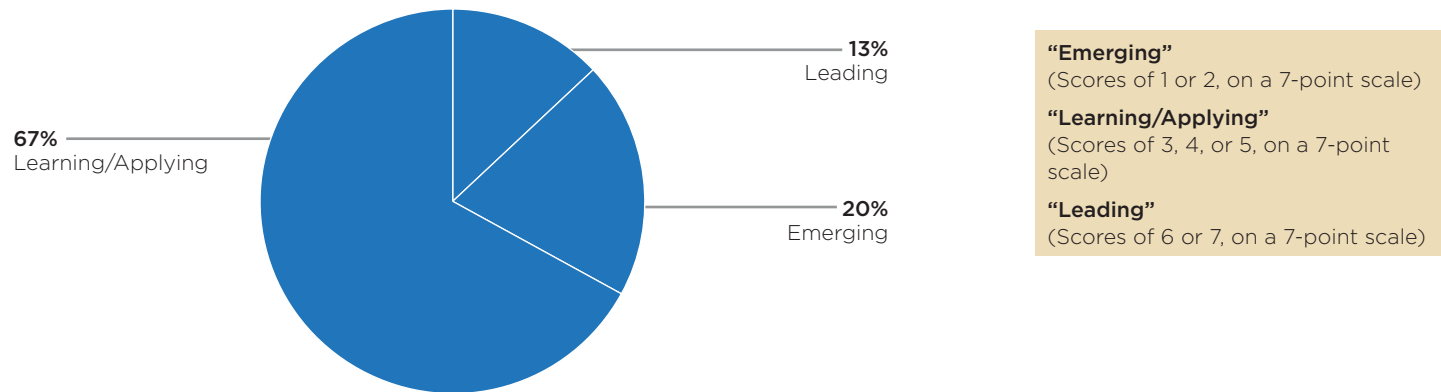
Global Perspective/Cultural Awareness Versus Other Communicator Competencies
Average Score for All Competencies (On a 7-Point Scale)—All Participants



n = 586.

Communicator Competency Level for Global Perspective/Cultural Awareness

“I Consider and Proactively Prepare for How Stakeholders in Other Countries or Cultures Will Respond to a Communication Strategy.”



n = 586.

¹ For a description of the traits comprising the “Emerging, Learning, Applying, Leading” attributes, take a look at the [CEC Skill Development Grid](#).

Source: CEC 2011 Competency Diagnostic results.

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Developing a global mindset begins with understanding cultural values and norms of societies and individuals.

- While each culture is unique, there are some useful concepts and definitions of cultural values that can help in developing a better understanding of why people behave in certain ways.
- Communicators can start to develop a better understanding of what shapes cultures through tools that look at similarities beyond geographical proximity.

GLOBAL MINDSET NECESSARY FOR COMMUNICATOR EFFECTIVENESS

Communicator Challenges

Supporting Leaders/Business Partners in Other Cultures

How do we communicate with business partners and leaders in other countries for effective decision-making?



“As we expand in emerging markets, we really don’t have a good understanding of what these cultures are like, and we have had to learn through painful mistakes.”

Collaboration in Multicultural Teams

How do we anticipate the challenges of working in multiple geographies and ensure everyone on the team is engaged?



“We want to make sure everyone on the team has a voice, but this is not always easy—in some cultures, it is not acceptable to speak up, and we surface problems too late.”

Messaging

How do we effectively customize messages so that we are sensitive to local culture and language limitations?



“Some of the cultures we work in are like chalk and cheese—it’s almost impossible to make one message relevant.”

Source: Communications Executive Council research.

Solutions

Solution 1: Understand the Impact of Cultural Values on People’s Perceptions and Behaviors



Hofstede’s Dimensions of National Culture

Solution 2: Look Beyond Geographical Borders to Identify What Makes Cultures Similar



World Values Survey Cultural Map

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Individual values are influenced by dimensions of national culture.

- The way people process information and interact with others, both in and out of the workplace, is influenced by their national culture.
- Dutch psychologist Geert Hofstede pioneered the effort to identify how culture influences individuals, and he identified five dimensions that characterize national cultures.
- Hofstede's research provides the foundation for most intercultural communication research. Many replications of his original study over the years have shown that country scores have remained stable over time.

CULTURAL DIMENSIONS THAT INFLUENCE INDIVIDUAL BEHAVIORS

Hofstede's Dimensions of National Culture

Cultural Dimension	What It Means
Power Distance	Extent to which members of society accept hierarchy and unequal distribution of power. <ul style="list-style-type: none"> ▪ High power distance cultures accept that some society member have more power than others ▪ Low scores indicate that cultures prefer little hierarchy
Uncertainty Avoidance	Degree to which people accept ambiguity. <ul style="list-style-type: none"> ▪ High scores indicate that cultures prefer rules, laws, regulations and structure ▪ Low scores indicate that cultures are less rule-oriented and more readily accept change
Individualism Versus Collectivism	Degree to which individuals are integrated into and have close ties to groups. <ul style="list-style-type: none"> ▪ Individualistic cultures reward the individual and group ties are loose. ▪ Collectivistic cultures put the interests of the group first.
Masculinity Versus Femininity	Distribution of emotional roles between the genders. <ul style="list-style-type: none"> ▪ Masculine cultures emphasize accomplishment, assertiveness, and performance. ▪ Feminine cultures value quality of life and personal relationships.
Long-Term Versus Short-Term Orientation	Degree to which societies are devoted to traditional values. <ul style="list-style-type: none"> ▪ Long-term cultures value future rewards, thrift, and perseverance. ▪ Short-term cultures value respect for tradition, saving face, and fulfilling social obligations.

Hofstede's Methodology

Hofstede's original study of 116,000 IBM employees in 50 different countries was conducted in the 1970s and identified four original dimensions of national culture, scored on a scale from 0 to 100. The fifth dimension was added later as a result of further research.

Source: <http://www.geert-hofstede.com/>; <http://www.geerthofstede.nl/culture/dimensions-of-national-cultures.aspx>; Piers Steel Vas Taras and Bradley Kirkman, "Three Decades of Research on National Culture in the Workplace: Do the Differences Still Make a Difference?" *Organizational Dynamics*, July 2011–September 2011; "Global Market Research: Designing and Analyzing Cross-Cultural Studies," *Market Research Executive Board*, September 2004; *Communications Executive Council* research.

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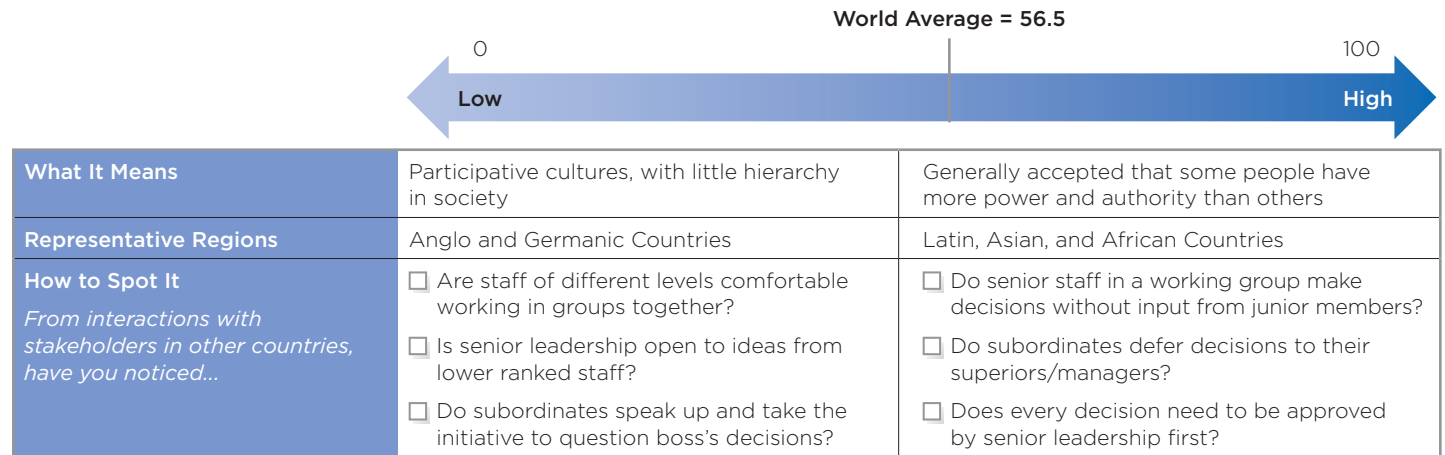


Some cultures accept more hierarchy than others.

- Power distance simply means level of comfort with questioning authority.
- In the workplace this means that people may or may not be comfortable speaking up in front of senior leaders, and junior staff may not be willing to take initiative and make decisions.
- For communicators, it is important to give specific guidance for when it is okay to question authority, particularly when working with high power distance cultures.

POWER DISTANCE

Definition: Extent to which members of society accept hierarchy and unequal distribution of power.



Why It Is Important for Communications

Communicators Should Consider...

Leadership/Decision-Making	<input checked="" type="checkbox"/> Coach leaders to be inclusive and listen to ideas from those lower in organization or team structure	<input checked="" type="checkbox"/> Expect bureaucracy and longer times for making decisions and ensure senior leaders are involved
Collaboration	<input checked="" type="checkbox"/> Expect team members from these cultures to show initiative and voice opinions in meetings	<input checked="" type="checkbox"/> Think of ways to encourage team members to speak up as they will naturally be inclined to let their boss do the talking
Messaging	<input checked="" type="checkbox"/> Use informal language in order to be inclusive with audiences at all levels and provide them with context into issues or announcements	<input checked="" type="checkbox"/> Give specific guidance on when and where it is okay to question authority and voice opinions

How to Quantify It	<ul style="list-style-type: none"> Use the Geert Hofstede™ Cultural Dimensions Calculator to see how a specific country scores on the power distance scale or to compare two countries to each other. Check out this world map of Hofstede's Power Distance Index for a visual survey of countries.
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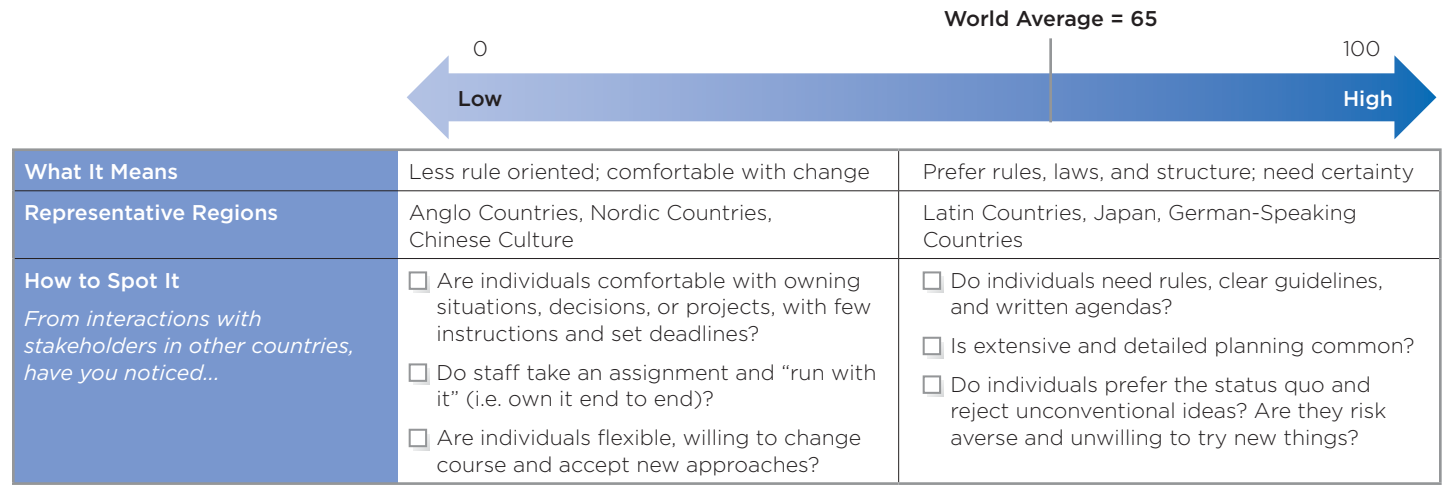


Some cultures tolerate constant change and uncertainty, while others prefer rules and structure in all aspects of life.

- Uncertainty avoidance means how much a society as a whole embraces change and ambiguous situations versus needing rules and a status-quo.
- In the workplace this means that people may or may not embrace changes and new initiatives, and some colleagues will have a greater need for explicit deadlines and hand-holding than others.
- For communicators, it is important to be clear around when deviation from rules is okay, especially in rule-oriented countries, and adapt to the local culture's degree of uncertainty avoidance when encouraging teams to be proactive and challenge conventions.

UNCERTAINTY AVOIDANCE

Definition: Degree to which people accept ambiguity and change.



Why It Is Important for Communications

Communicators Should Consider...

■ Leadership/Decision-Making	✓ Encourage and reward staff for risk-taking, resourcefulness, and creative ideas.	✓ Be explicit around when/where it is acceptable to deviate from rules and potential consequences of this.
■ Collaboration	✓ Allow teams to manage their own projects and deadlines; use team sessions for brainstorming.	✓ Provide clarity around agendas, deadlines, and plan of action ahead of meetings.
■ Messaging	✓ Use language that reflects openness to change and new ideas.	✓ Include facts and statistics to support your messages and steer clear of explicitly unconventional ideas.

How to Quantify It	<ul style="list-style-type: none"> ■ Use the Geert Hofstede™ Cultural Dimensions Calculator to see how a specific country scores on the uncertainty avoidance scale or to compare two countries to each other. ■ Check out this world map of Hofstede's Uncertainty Avoidance Index for a visual survey.
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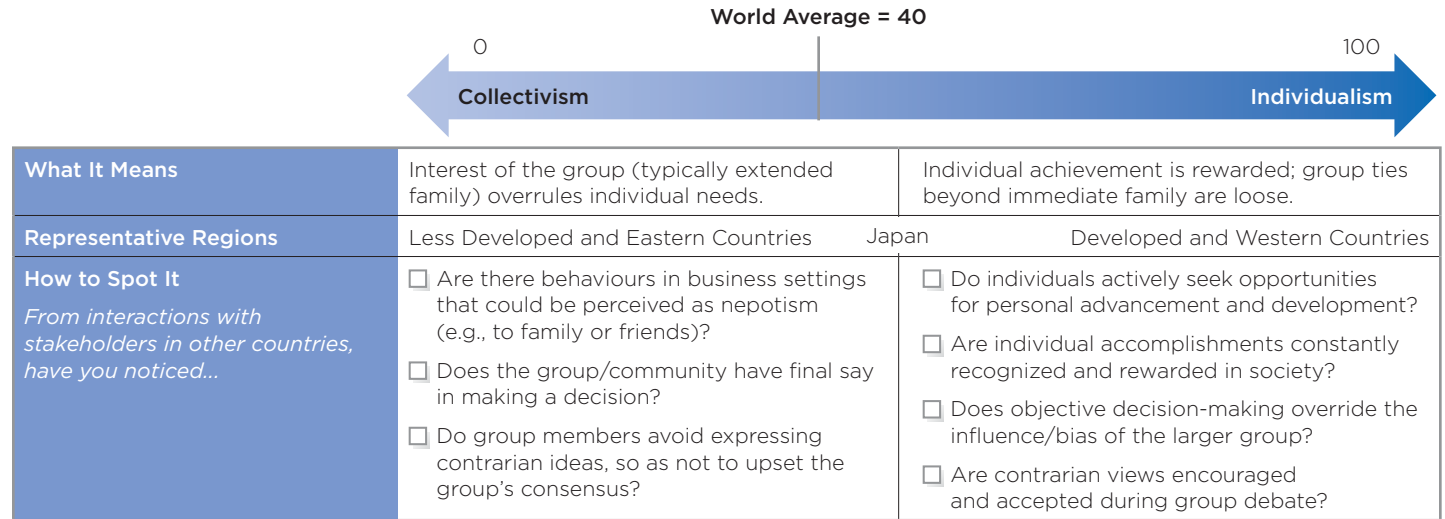


Standing out as an individual is more prominent in some societies than in others.

- Individualistic societies value self-expression and the contributions of the individual, while in collectivistic societies, the individual's actions take into account the group (typically the extended family).
- In the workplace this means that in countries with low individualism scores, relationships (and family) take precedence over business. In certain situations, this could be perceived as favouritism by someone from a highly individualistic society.
- For communicators, it is important to acknowledge and reinforce the values of the group when dealing with collectivist audiences, and vice-versa, single out individual accomplishments elsewhere.

INDIVIDUALISM VERSUS COLLECTIVISM

Definition: Degree to which individuals are closely tied to the group they belong to.



Why It Is Important for Communications

Communicators Should Consider...

<ul style="list-style-type: none"> Leadership/Decision-Making 	<input checked="" type="checkbox"/> Be prepared for slow decision-making, as many group members will need to be consulted.	<input checked="" type="checkbox"/> Separate business from personal relationships, and take ownership of decisions.
<ul style="list-style-type: none"> Collaboration 	<input checked="" type="checkbox"/> Focus on building relationships rather than getting straight to business, to become part of the group. Reward teams, not individuals.	<input checked="" type="checkbox"/> Encourage individuals to showcase skills and own projects, and reward their achievements.
<ul style="list-style-type: none"> Messaging 	<input checked="" type="checkbox"/> Send messages that reinforce importance of group/community values.	<input checked="" type="checkbox"/> Encourage and recognize individual accomplishments. Focus messages on the "I," not the "we."

How to Quantify It	<ul style="list-style-type: none"> Use the Geert Hofstede™ Cultural Dimensions Calculator Calculator to see how a specific country scores on the individualism scale or to compare two countries to each other.
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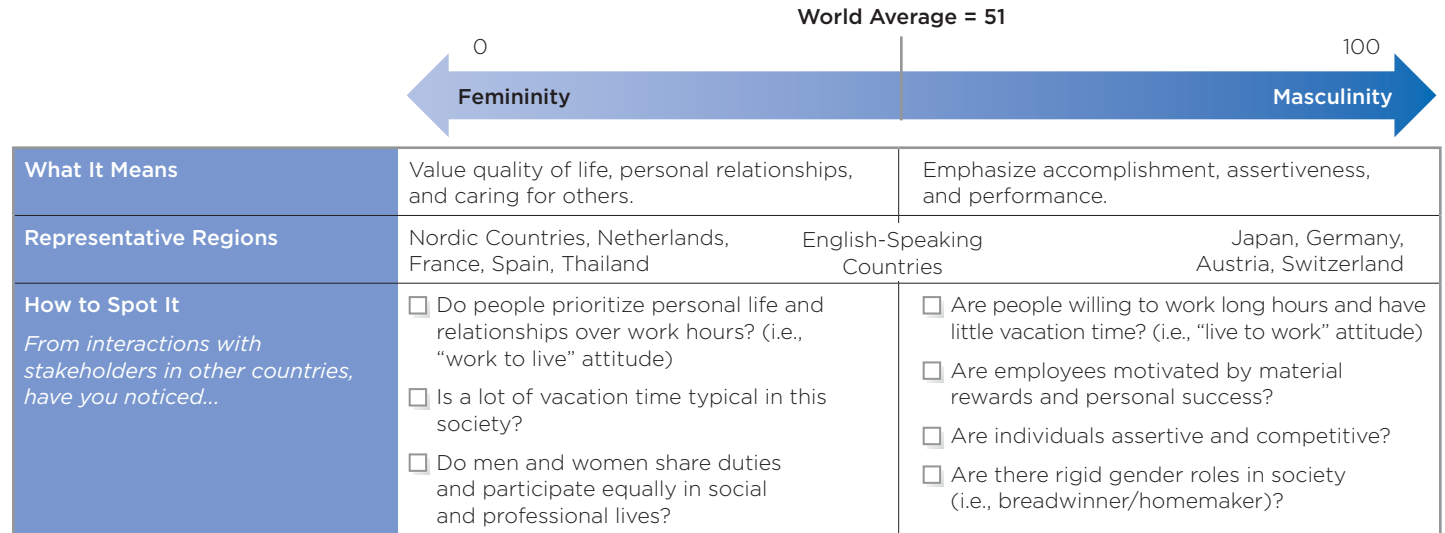


Cultures along this spectrum value either quality of life and relationships, or success and achievement.

- Masculinity and femininity have to do with the degree to which society members prioritize achievement and material rewards over personal life.
- In the workplace this means that employees will be more (or less) willing to sacrifice personal time for financial outcomes and rewards, and long work hours. Masculine societies tend to also be more male-dominated.
- For communicators, it is important to balance messages around financial performance and business talk with an emphasis on work life balance.

MASCULINITY VERSUS FEMININITY

Definition: Distribution of emotional roles between the genders.



Why It Is Important for Communications

Communicators Should Consider...

<ul style="list-style-type: none"> ■ Leadership/Decision-Making 	<ul style="list-style-type: none"> ✓ Be prepared for trust to play an important part in business decisions. 	<ul style="list-style-type: none"> ✓ Base business decisions on facts and projected profit margins. Be prepared to self-promote personal achievements.
<ul style="list-style-type: none"> ■ Collaboration 	<ul style="list-style-type: none"> ✓ Ensure work-life balance by accommodating employees' personal needs. Small talk of personal nature is acceptable. 	<ul style="list-style-type: none"> ✓ Expect to sacrifice personal time for work overtime. Steer clear of questions that are too personal in business settings and focus small talk on business.
<ul style="list-style-type: none"> ■ Messaging 	<ul style="list-style-type: none"> ✓ Convey empathy in communication and avoid being too direct. 	<ul style="list-style-type: none"> ✓ Adopt an assertive, direct, and unemotional business and communication style.

How to Quantify It	<ul style="list-style-type: none"> ■ Use the Geert Hofstede™ Cultural Dimensions Calculator Calculator to see how a specific country scores on the individualism scale or to compare two countries to each other.
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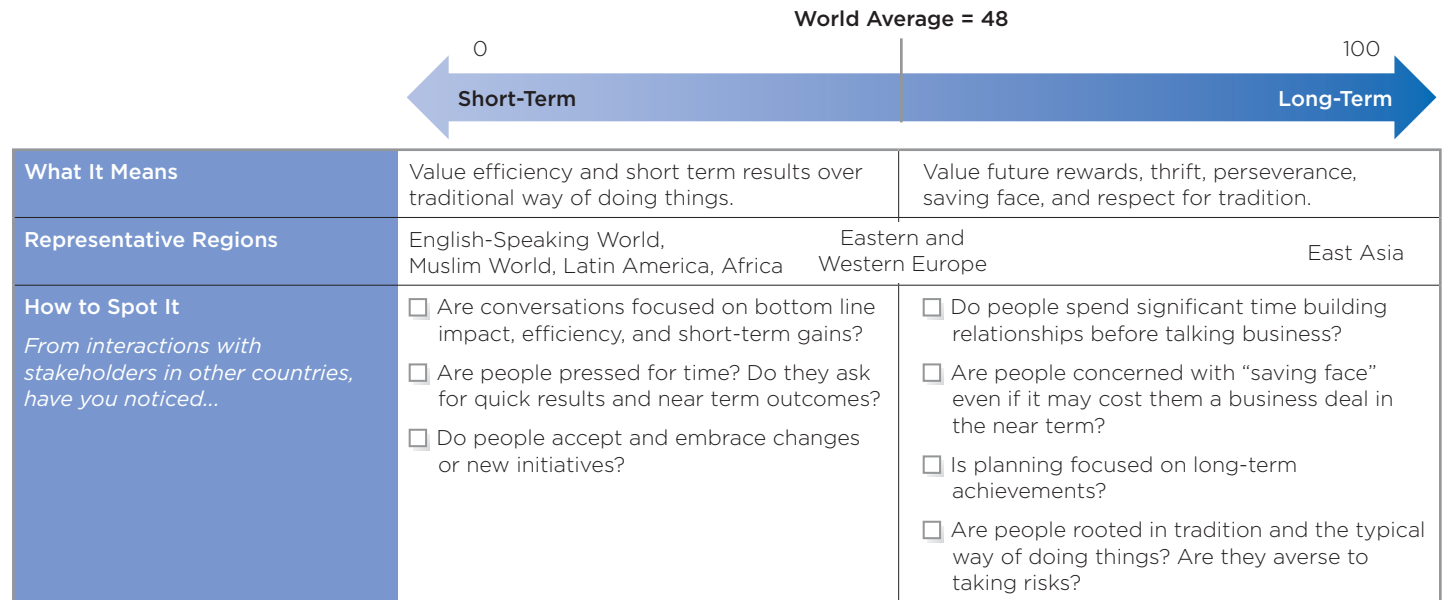
This dimension determines whether a society is more focused on the present, or past tradition and long-term future prospects.

- Long term versus short term orientation is more pronounced between Eastern cultures (shaped by Confucianism) and the Western world.
- In the workplace it can create conflict in decision-making, with one side being seen as aggressive and the other side as slow to make decisions or speak up.
- Also be mindful of context behind conversations, particularly in meetings. For example, because long-term cultures are concerned with saving face in the group, a verbal yes doesn't necessarily mean the business deal will go through.
- Communications should convey respect for tradition and history when working in long-term cultures, and should link activities to bottom line impact for short term cultures.

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LONG-TERM VERSUS SHORT-TERM ORIENTATION

Definition: Degree to which societies are devoted to traditional values versus short-term gains. It is more pronounced between Eastern (Confucian) and Western cultures.



Why It Is Important for Communications

Communicators Should Consider...

Leadership/Decision-Making	<input checked="" type="checkbox"/> Focus on business results and bottom line impact of a proposed plan or strategy.	<input checked="" type="checkbox"/> Coach leaders how to build relationships and take into account the local culture's tradition and history in proposed business strategies.
Collaboration	<input checked="" type="checkbox"/> Recognize that time is not to be wasted—keep team interactions on target and share next steps after each meeting.	<input checked="" type="checkbox"/> Avoid team situations that may cause shame to individuals—instead, give feedback in private.
Messaging	<input checked="" type="checkbox"/> Explicitly communicate how activities/strategies link to immediate outcomes.	<input checked="" type="checkbox"/> Focus communications around long term impact of a strategy or initiative on the local community/society.

How to Quantify It	<ul style="list-style-type: none"> Use the Geert Hofstede™ Cultural Dimensions Calculator Calculator to see how a specific country scores on the individualism scale or to compare two countries to each other.
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Source: <http://www.geerthofstede.nl/culture/dimensions-of-national-cultures.aspx>; http://www.geert-hofstede.com/hofstede_dimensions.php; Piers Steel Vas Taras and Bradley Kirkman, "Three Decades of Research on National Culture in the Workplace; Do the Differences Still Make a Difference?" *Organizational Dynamics*, July 2011-September 2011; "Cross-Cultural Business Training Guides," *Asia HR Executive Board, 2010*; Kwintessential, <http://www.kwintessential.co.uk/resources/country-profiles.html>; <http://www.kwintessential.co.uk/intercultural/dimensions.html>; Communications Executive Council research.



Looking at culture by geographical region can lead to missing cultural similarities of countries that at first sight seem far removed from each other.

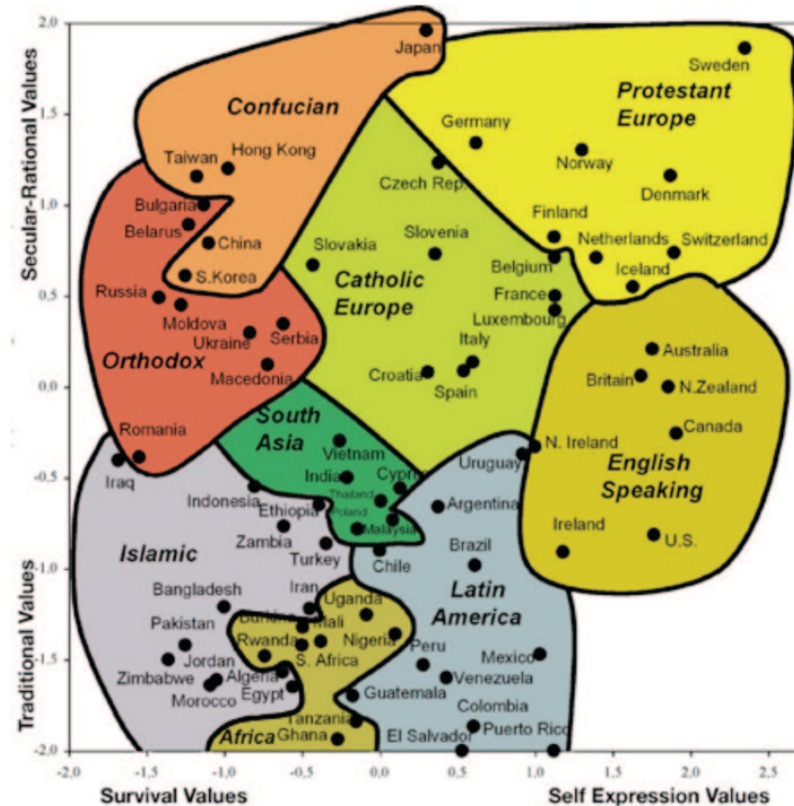
- It is worth looking at cultures across continents for similarities in norms, values, and approach to socio-economic issues that shape people's perceptions.
- One such comparison tool is the World Value Survey (WVS). With data on 90% of the world's population over 30 years, the survey found that people's values and motivations group around two dimensions shaped by the role of religion, the individual and freedom of expression in society.
- While this map has not radically changed over time, there is a general shift towards the upper right corner.
- This tool does not replace the ability to discover what is unique about each country, but allows for a different way to look at the world map.

SOME COUNTRIES HAVE MORE CULTURAL SIMILARITIES THAN OTHERS

The World Value Survey Cultural Map, 2005-2008

Traditional Versus Secular-Rational Values

- This dimension is linked to the influence of religion in society.
- Societies nearer the traditional values emphasize deference to authority and close family ties.
- Secular rational societies focus on the individual and are less hierarchical.



Survival Versus Self Expression Values

- This dimension is linked to the transition from industrial to post-industrial society, with a gradual shift over time towards more self expression values.
- Societies characterized by survival values emphasize economic security and safety.
- Societies with strong self expression values shift emphasis on quality of life, self expression of the individual, and have more comfort with ambiguity.

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Source: Ronald Inglehart and Christian Welzel, "Changing Mass Priorities: The Link Between Modernization and Democracy." *Perspectives on Politics* June 2010 (vol 8, No. 2) page 554. http://www.worldvaluessurvey.org/wvs/articles/folder_published/article_base_54; Christian Welzel, "A Human Development View on Value Change Trends," 3 November 2006, http://www.worldvaluessurvey.org/wvs/articles/folder_published/article_base_83.



Consult these resources to learn more about cultural values and how to increase your own cultural awareness.

- To learn more about the cultural dimensions, as well as read about things to look out for when doing business in specific countries, there are several online and print resources available.
- Organizations and universities also offer intercultural training courses designed for executives working across multiple cultures.

FURTHER RESOURCES

Quick Resources on Country-Specific Cultural Guides

1. **Geert Hofstede's Cultural Dimensions:**
 - **Geert Hofstede™ Cultural Dimensions Calculator:** compare your home and host cultures along Hofstede's five dimensions.
 - <http://www.geerthofstede.nl/culture.aspx>: learn more about Hofstede's methodology.
2. **Country-Specific "Doing Business In..." Guides:**
 - [Kwintessential.com](http://www.kwintessential.com)
 - The Economist, "Doing Business In" Podcast Series

Training on Intercultural Communications

- **Global Leadership 2030:** Week-long program which is designed to develop the global leadership skills of high-potential managers; the program incorporates the sharing of experiences, cultural immersion, and active collaboration on real-world projects.
- **Communicating and Negotiating with a Global Mindset:** Short-format executive development program focused on communication and negotiation strategies to help managers build the global mindset needed in a culturally diverse economy.
- **Leadership and Change Management in a Multicultural Context:** Three-day course focused on managing intercultural differences and multicultural teams in times of change.

Literature on Intercultural Communications

- Hofstede, Geert, Gert Jan Hofstede and Michael Minkov, *Cultures and Organizations: Software of the Mind. Revised and expanded 3rd Edition*. McGraw-Hill USA: New York, 2010.
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