
APEC: GROWING INDIGENOUS BUSINESSES THROUGH TRADE (PHASE 3) 2024

**Mastering different
cultures in business**



Mastering different cultures in doing business

Cultural Competency

Exporting requires your business to adapt existing capabilities and create new abilities and expertise, one of which is **cultural competency**:

- Cultural competency is the ability to understand, communicate and effectively interact with people across cultures.
- Often times, an overlooked skill with exporters assuming that they know the culture well (when in fact they don't).

Knowledge is certainly power when it comes to doing business across cultures- research is critical!



Hofstede's Cultural Dimensions



Hofstede: 'Different cultures can be distinguished based on the differences in what they value'

- **Power distance:** How does society handle inequality amongst people? The larger the degree of power distance, the more a hierarchical order is expected and accepted.
- **Individualism/collectivism:** Are individual or group interests more important? The higher the score on this dimension, the more a preference of individualism exists.
- **Masculinity/femininity:** Does society value achievements more than quality of life? It's the 'tough vs. tender' culture question.

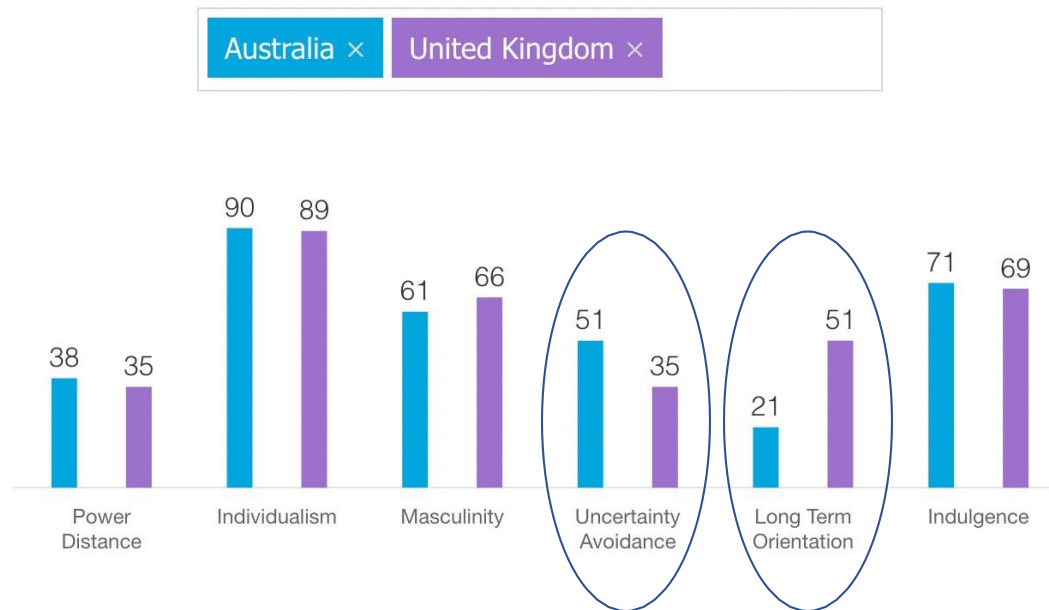
Hofstede's Cultural Dimensions



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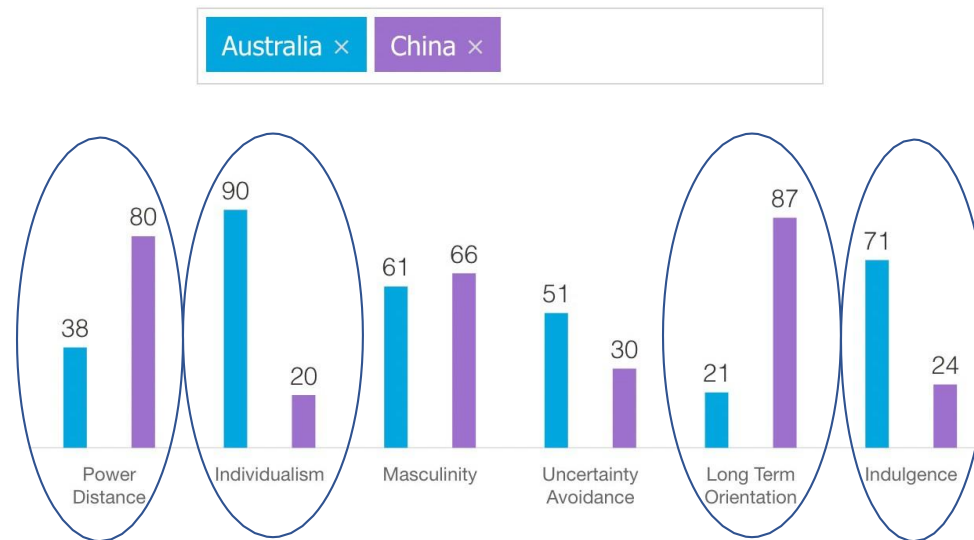
- **Uncertainty avoidance:** What degree of uncertainty is tolerated? Uncertainty avoiding countries will opt for standardizations and clear processes/procedures.
- **Long-term vs. short-term orientation:** What's the society's outlook on work, life and relationships? If a long-term view is favored, then short-term success may be delayed in favor for long-term success.
- **Indulgence vs. restraint:** What emphasis is placed on individual constrain versus seeking indulgence? This dimension is a measure of a society's impulse and desire control.

Hofstede's Country Comparison



Even if cultures appear to be similar, don't assume but research! Differences will exist.

Hofstede's Country Comparison



Cross-cultural encounters



What has been your ‘most-interesting’ cultural experience? How did you react and how has it formed your own cultural capability now?

For example, experiences around:

- Timing
- Cultural celebrations
- Business attire
- Seating order
- Business meals
- Ways of communication
- Gifts

How to navigate cross-cultural experiences



1. **Be prepared.** Research potential cultural differences.
2. **Don't generalize.** It may not be indicative which culture may play out in any given situation (i.e. you're meeting a buyer in Brazil who works for a US company and is originally from Germany)
3. **Sit back, observe and listen.** If unsure what to do, take a minute to look around you and process the situation (i.e. how are others reacting?)
4. **Show a genuine interest** in learning a new culture and actively try to adapt - this will go a long way!
5. **Be kind to yourself.** It can be stressful as you may not 'intuitively' know what to do.
6. **Learn from your experiences** and take note for future meetings/engagements.



Questions