

# Cultural Understanding for Business Expansion



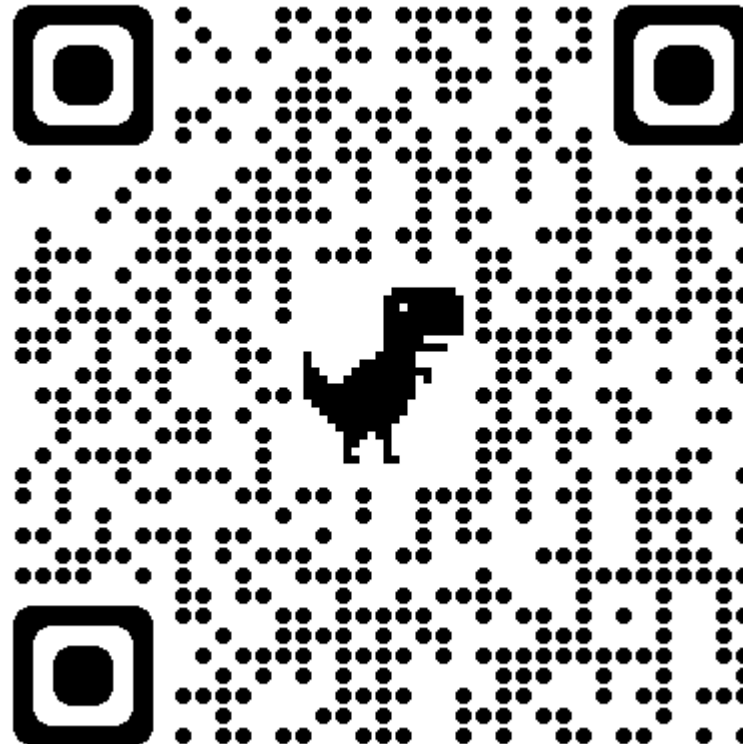
## GO INTERNATIONAL DAY

By: Marc Jacobs

27 JUNE 2023



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QR Code



# What are your cultural challenges in international business

“ Communication, trust, habits, mindset ”

“ mindset ”

“ Fun ”

“ Business habits ”

“ Trust ”

# What are your cultural challenges in international business

“ Customs ”

“ trust ”

“ Cultural Behaviours ”

“ Different aspects of lives ”

“ language ”

# What are your cultural challenges in international business

“ Cultural "Codes" ”

“ Corruption ”

“ Languages and practicals ”

“ Body language ”

“ Get to know the culture we want to deal with ”

# What are your cultural challenges in international business ?

“ Dealing with people used to strict hierarchies ”

“ Communication ”

“ Corruption ”

“ Culture ”

“ Language ”

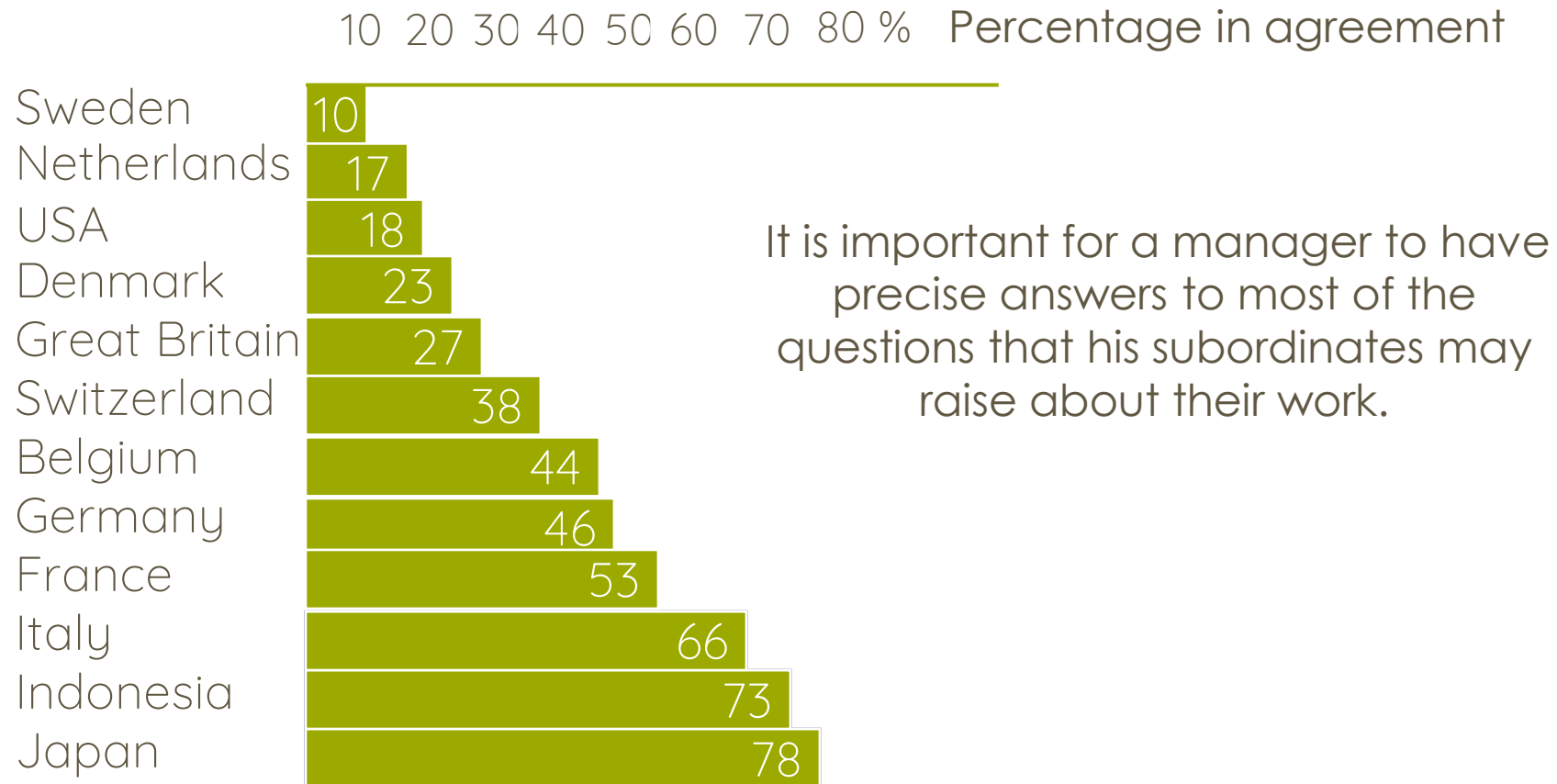
# Which countries are you most interested in ?



# How important is it that a manager has precise answers to most of the questions a subordinate may have?



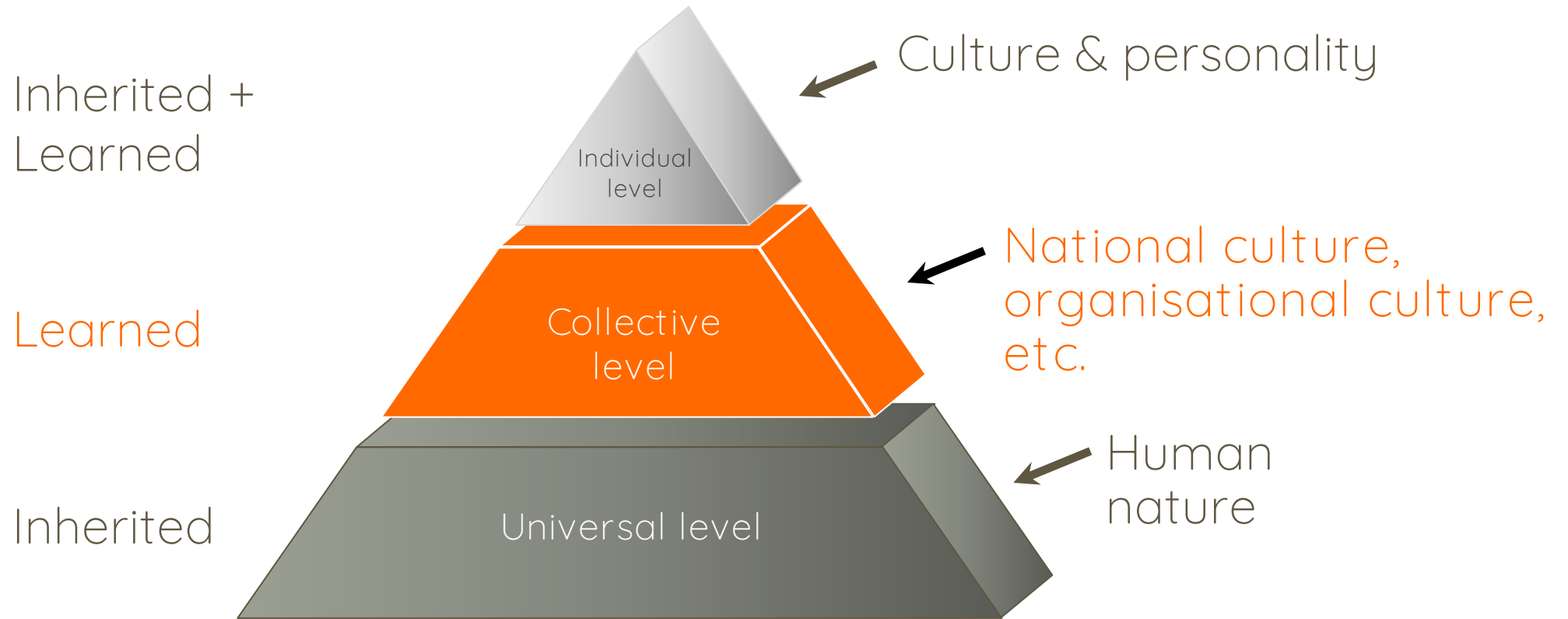
# The role of a manager (% in agreement)



“

Every human is like all other humans, some  
other humans, and no other human  
— Clyde Kluckhohn

”



# ABOUT US: HOFSTEDE INSIGHTS

WE MAKE EMOTIONS AND PRACTICES TANGIBLE

Since 1985, Hofstede Insights has been helping some of the world's largest organisations transform their organisational challenges into business success stories, translating academic research into powerful actions.



Culture & Strategy Analytics/Advisory Group



160+ expert facilitators, from 80+ nations, Located in 60+ countries  
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HQ, Helsinki Finland. 12 Country Offices  
Presence in +60 countries

ORGANISATIONAL  
CULTURE



We offer a structured approach to measure, understand & shape organisational culture.

INTERCULTURAL  
MANAGEMENT



We develop intercultural competencies to optimize international teamwork.

CONSUMER CULTURE  
INTELLIGENCE



We help businesses, brands and organisations adapt their products, services or messaging to new markets

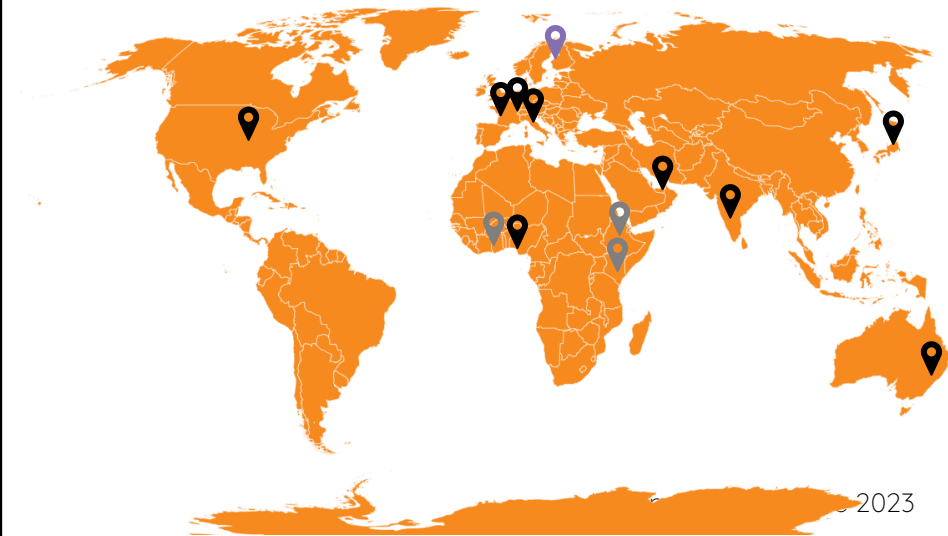
RESEARCH  
DATA ANALYSIS



We can assist with meeting your culture-related research challenges.



# Hofstede Insights



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5000+ GLOBAL ORGANISATIONS. FROM EVERY SECTOR. ON EVERY CONTINENT

## FINANCIAL SERVICES



## MARKETING & CONSUMER GOODS



## IT TELECOMMUNICATIONS



## MANUFACTURING & INDUSTRY



## GOVERNMENT & SUPRANATIONAL



## OTHER



## HEALTHCARE



# About Marc


Marc Jacobs



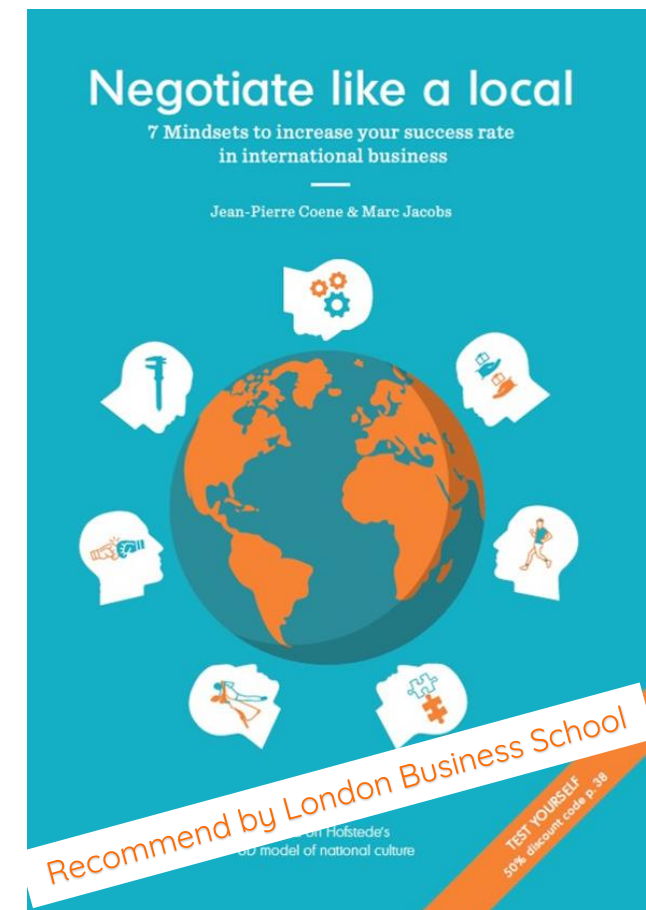
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- Master's Degree in Engineering from KU Leuven (B)
- SLOAN MSc in Leadership and Strategy from LBS (UK)
- Lived and worked in Belgium, Luxembourg, Italy and the UK
- Fluent in English, Dutch, French, German and Luxembourgish
- Extensive Executive Management Experience in global companies and start-up companies  
(LuxPET - Plastipak, Molecular Plasma Group / ...)
- Founding Member of the University of Luxembourg's Venture Mentoring Service
- Co-author of 'Negotiate like a local – 7 Mindsets to increase your success rate in global business'
- Training and consultancy :
  - Intercultural Management
  - Intercultural Negotiation
  - Organizational Culture
- Keynote speeches



*"The best book I have ever read on the cultural aspects of negotiation and even the best book I have read on cultural aspects of doing business around the world full stop. A very practical read with a lot of personal experiences that explains logically and demystifies what we are up against out in the negotiation field."*

By Alexis Kyprianou (on Amazon.com)  
Ex. Head of M&A at Danone  
Ex. VP of Strategy & M&A at Vivendi

# An exercise

# Which cultures are described below?

*They are...*

- Hurried
- Serious
- Reserved
- Restrained
- Composed
- Methodical

*They are...*

- Relaxed
- Friendly
- Spontaneous
- Uninhibited
- Emotional
- Impulsive



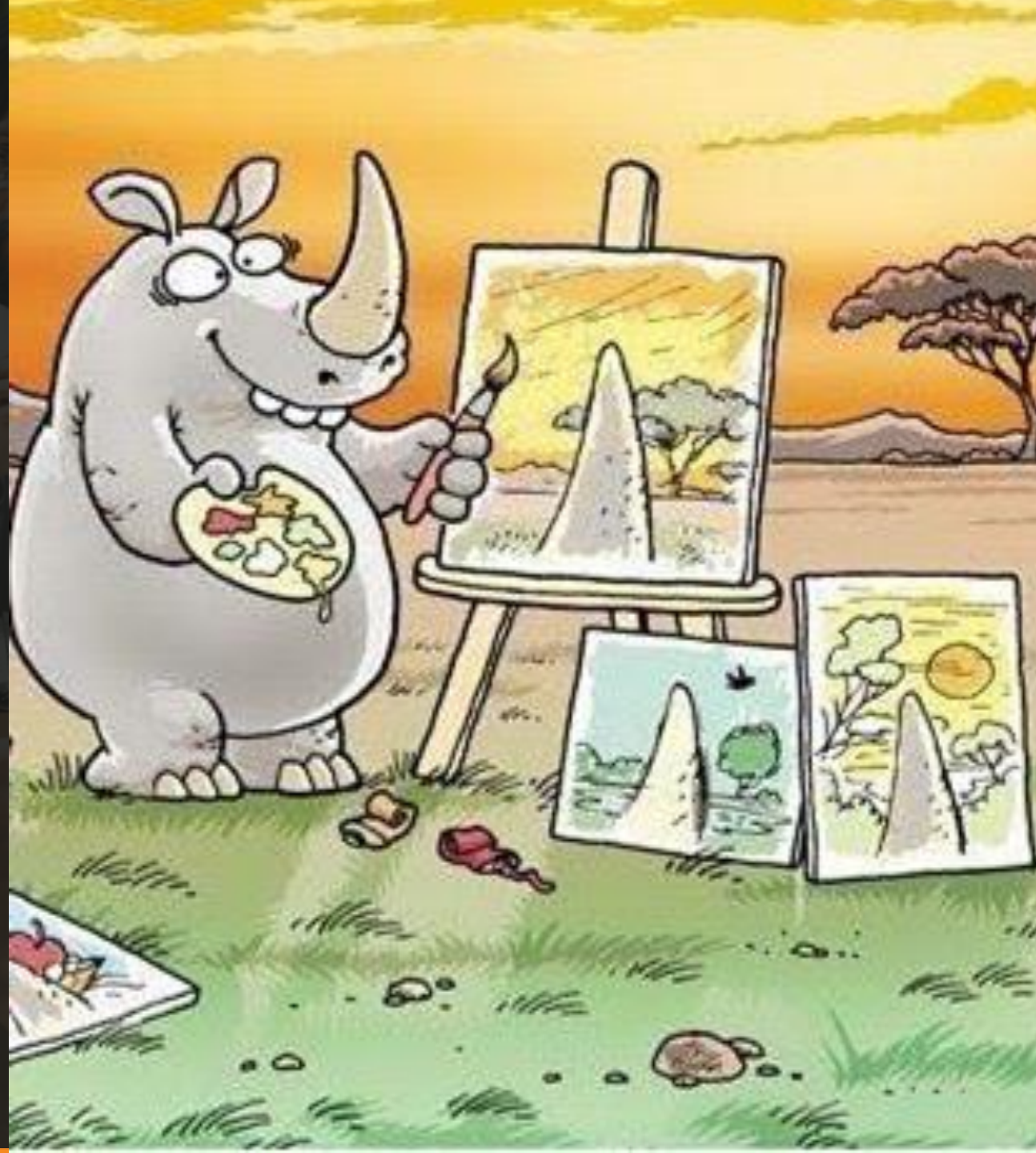
# Many misunderstandings come from our cultural filter



# IMPORTANT

We can only see the world through our own filter.

We are generally not aware of what that filter is.

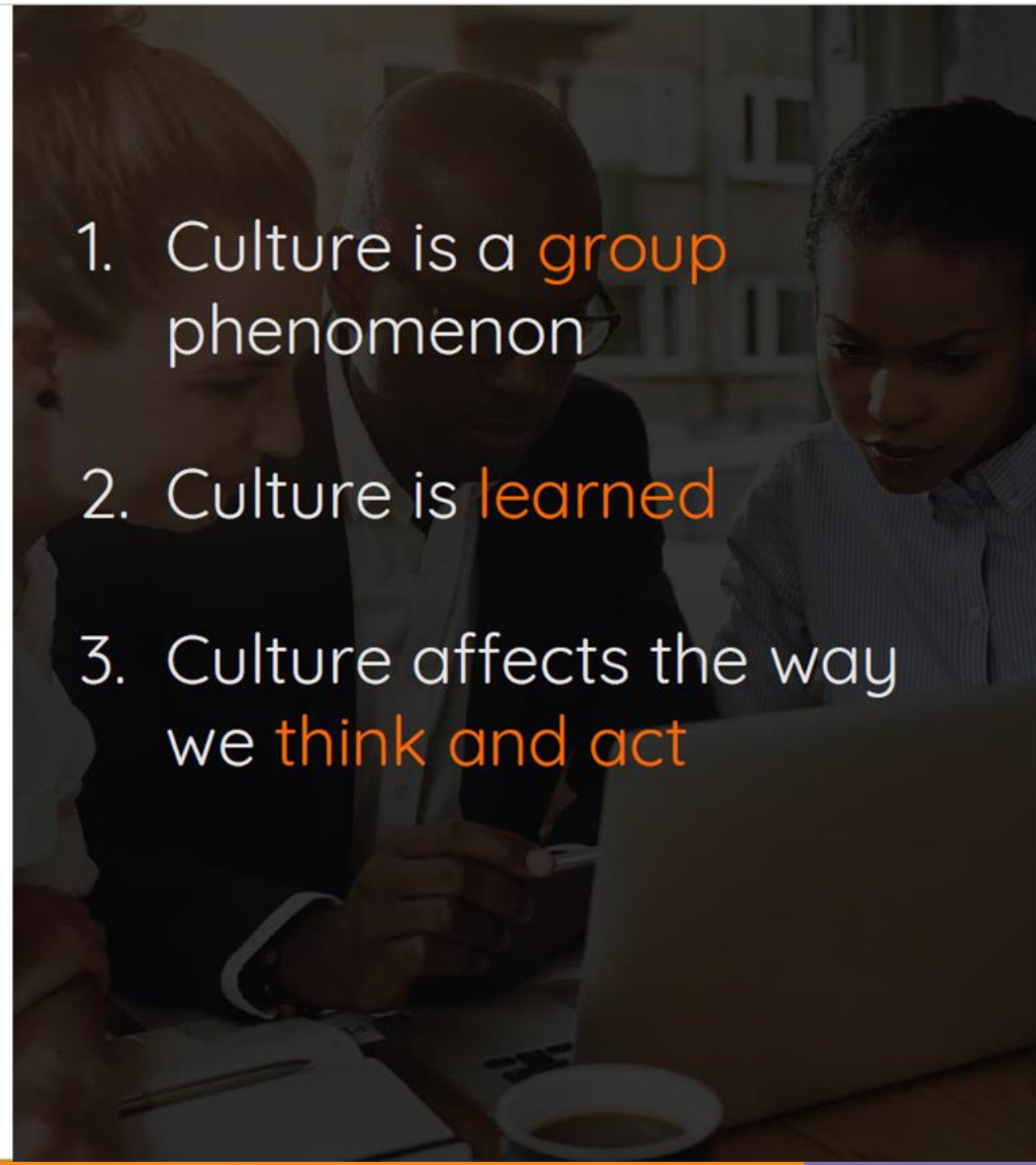




Culture is the collective programming of the human mind that distinguishes one group from another

Prof. Geert Hofstede

1. Culture is a **group** phenomenon
2. Culture is **learned**
3. Culture affects the way we **think and act**



# The Different Levels of Culture

Words, Gestures, dressing  
Images or Objects

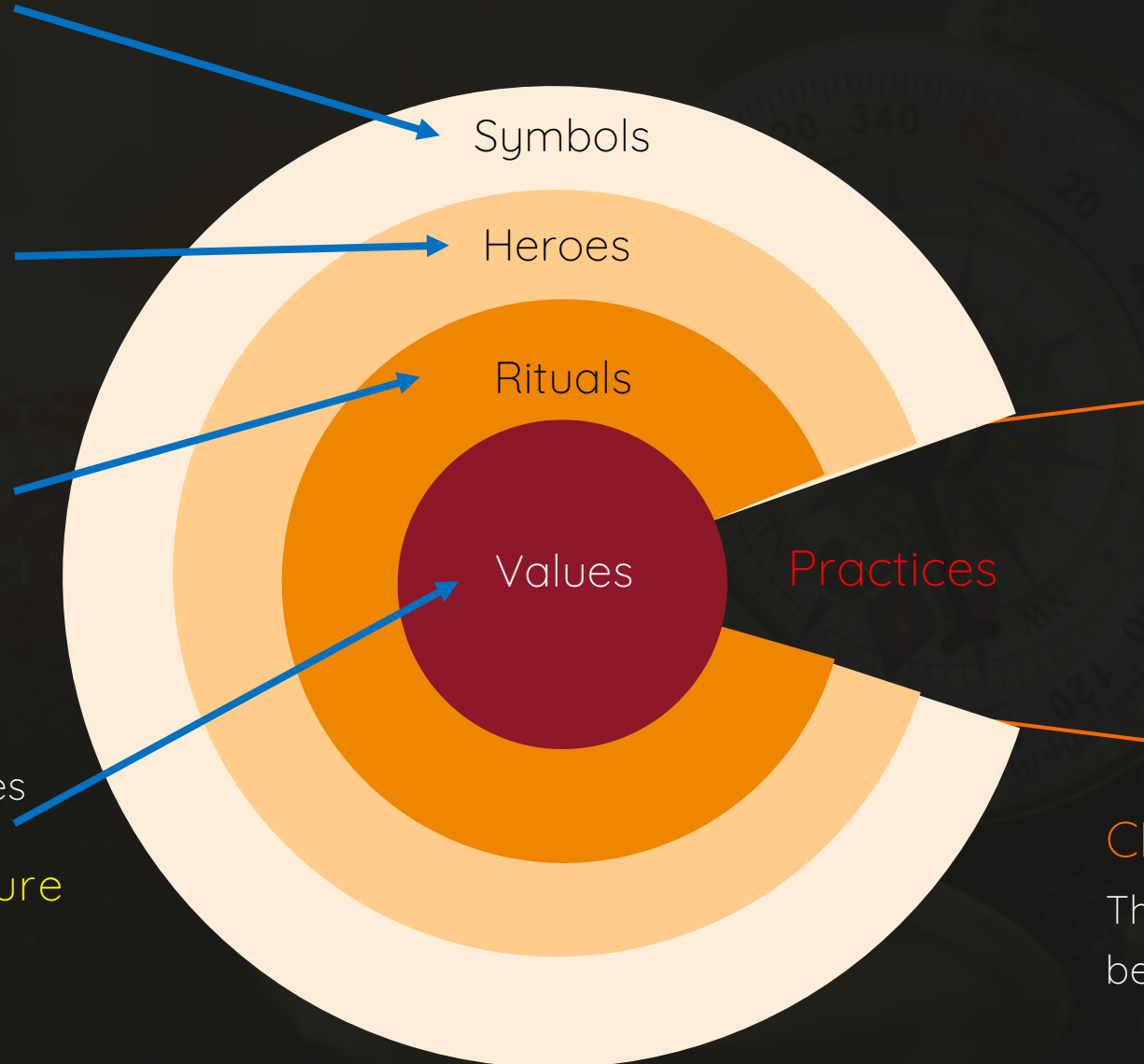
Role-models of society alive  
or dead, fictional or real  
Cartoon figures, Founder,  
Discoverers

Greetings, Meetings,  
Transactions, "Manners"  
Religion

"why we feel" strong about  
certain practices (our values)

Guides organisational practices

The core of National Culture

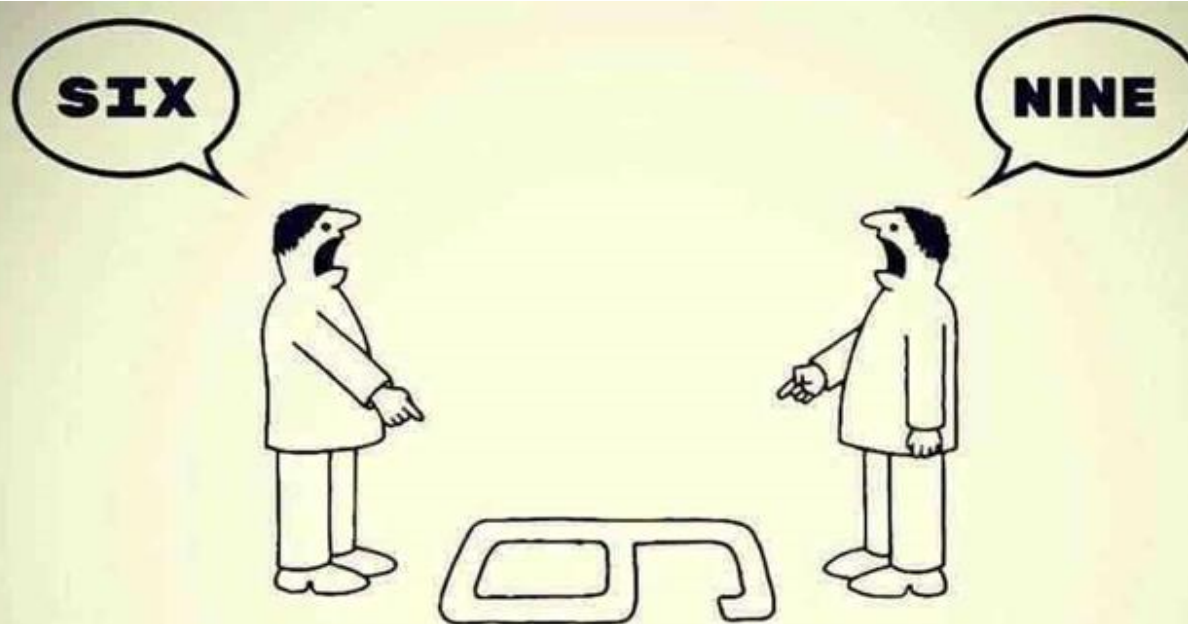


Organisational Culture

How we should behave to  
fit in

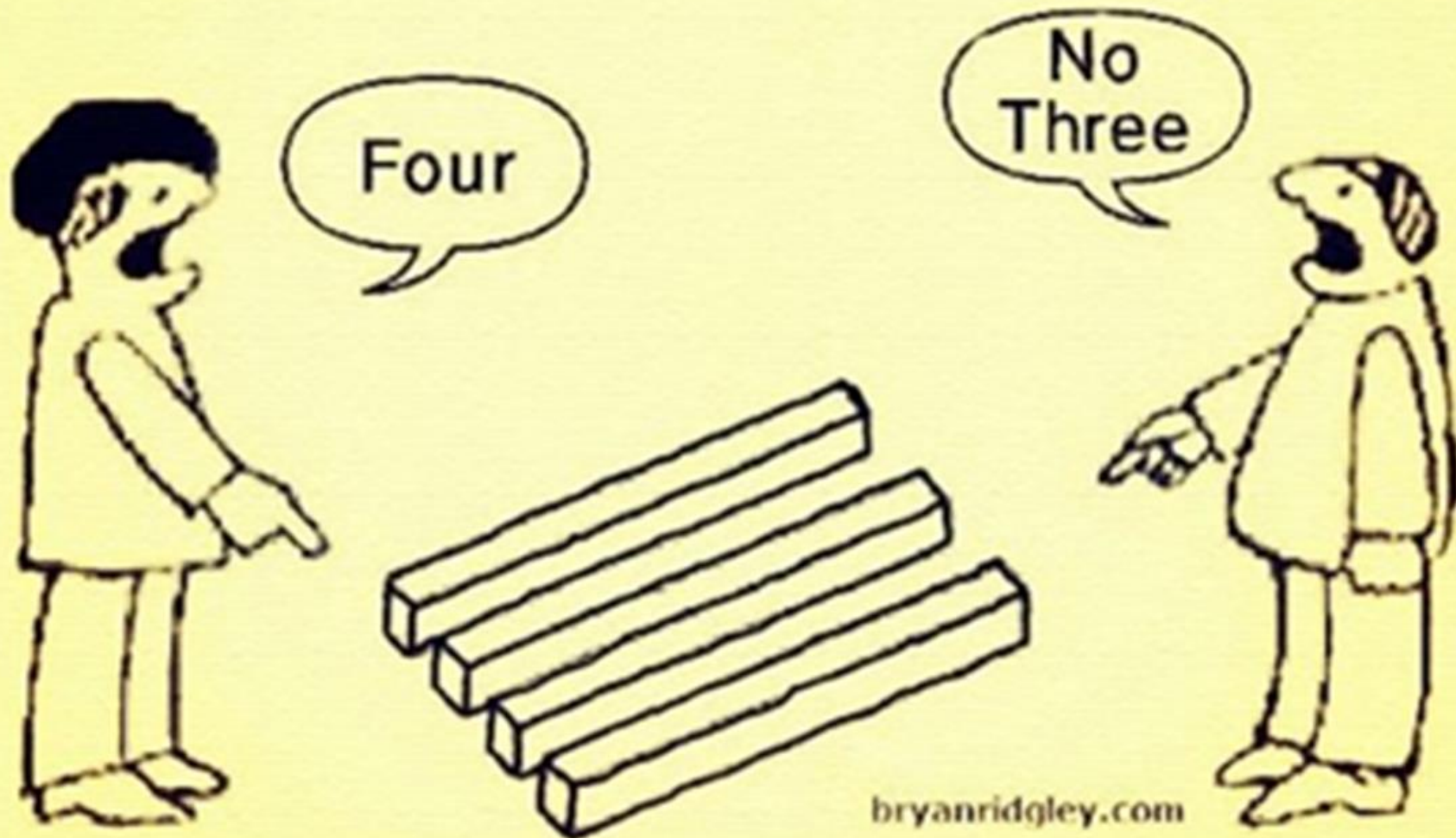
CHANGING CULTURE

The deeper we go, the harder it  
becomes



Just because you are right,  
does not mean, I am wrong.  
You just haven't seen life  
from my side.

Reality can be so complex that equally valid observations from differing perspectives can appear to be contradictory.





# Introducing a language



# THE HOFSTEDE 6-D MODEL



Power Distance  
(PDI)  
Relationship to power



Individualism vs.  
Collectivism (IDV)  
Relationship to the  
group

# The 6-D model of National Culture

A navigation tool which  
allows to understand  
cultural differences



Masculinity vs.  
Femininity (MAS)  
Relationship to  
motivation



Uncertainty  
Avoidance (UAI)  
Relationship to  
uncertainty



Long-Term  
Orientation (LTO)  
Relationship to time



Indulgence vs.  
Restraint (IVR)  
Relationship to pleasure

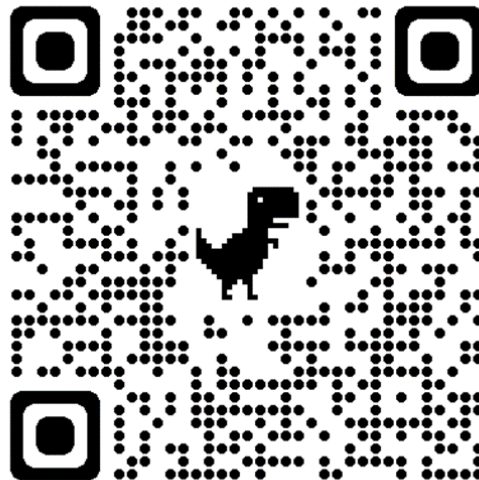
# THE HOFSTEDE INSIGHTS APP

Compare Countries 'on the go'.

[Read More](#)

or

Use the Country Comparison Tool  
on our website with the QR Code  
below.



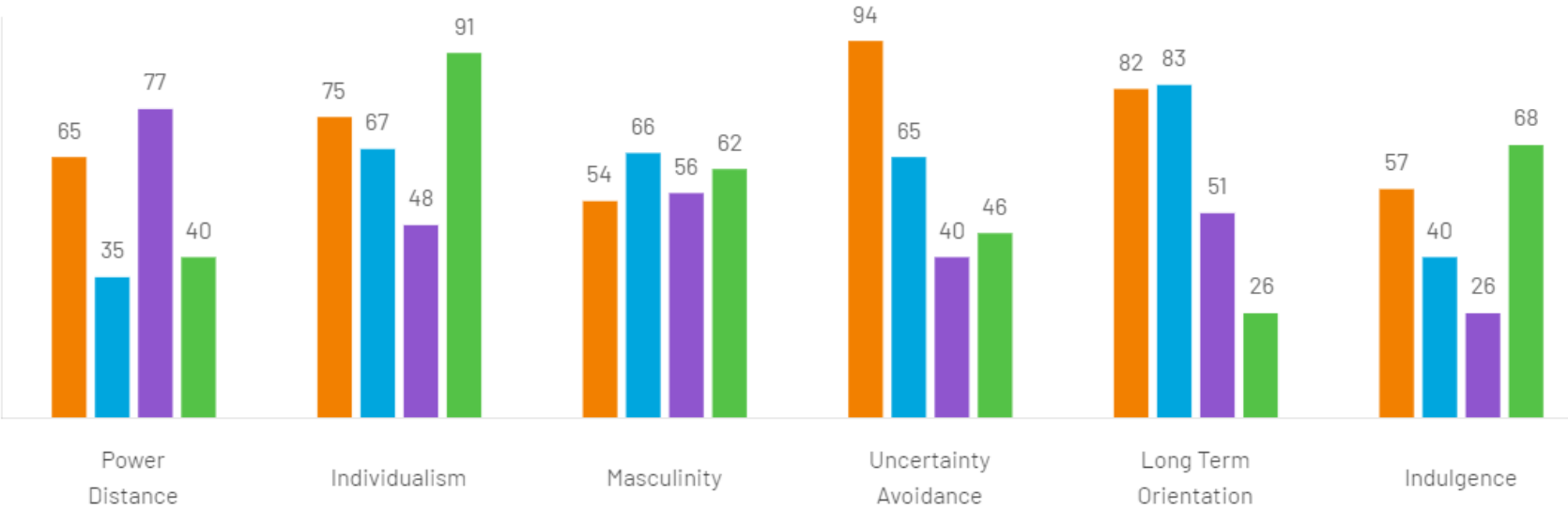
# Our Country Comparison Tool

Belgium ✕

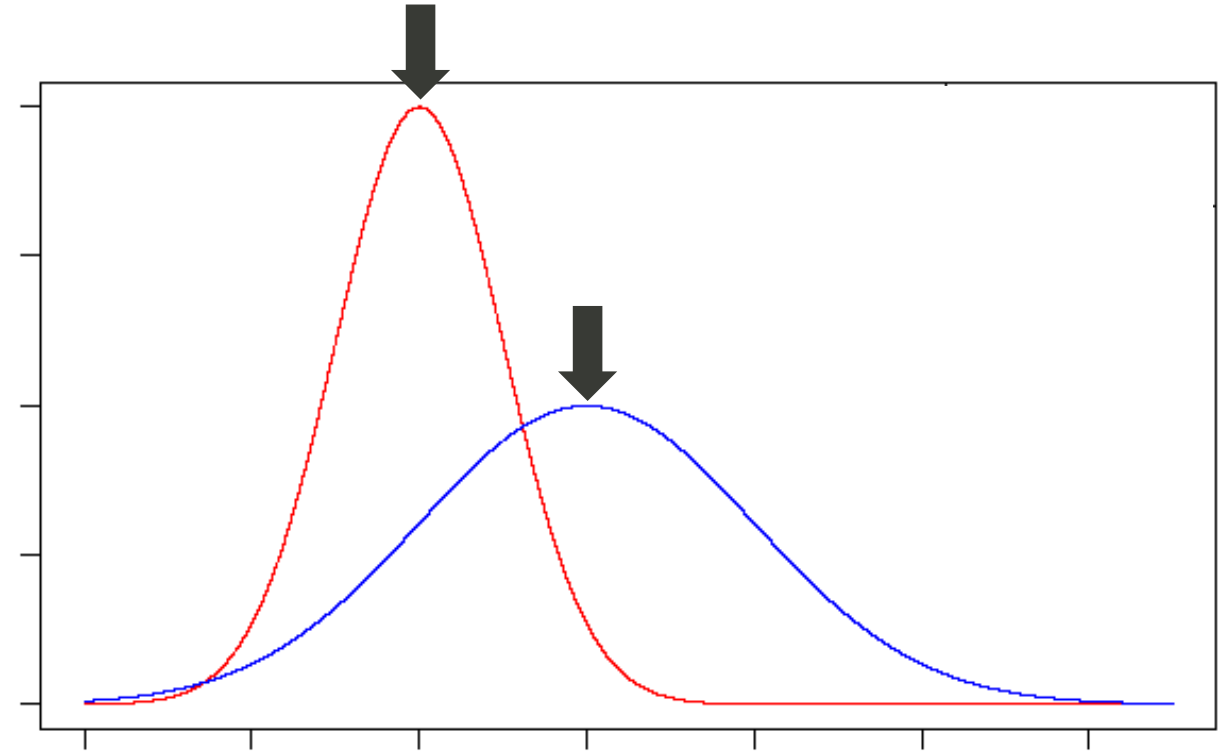
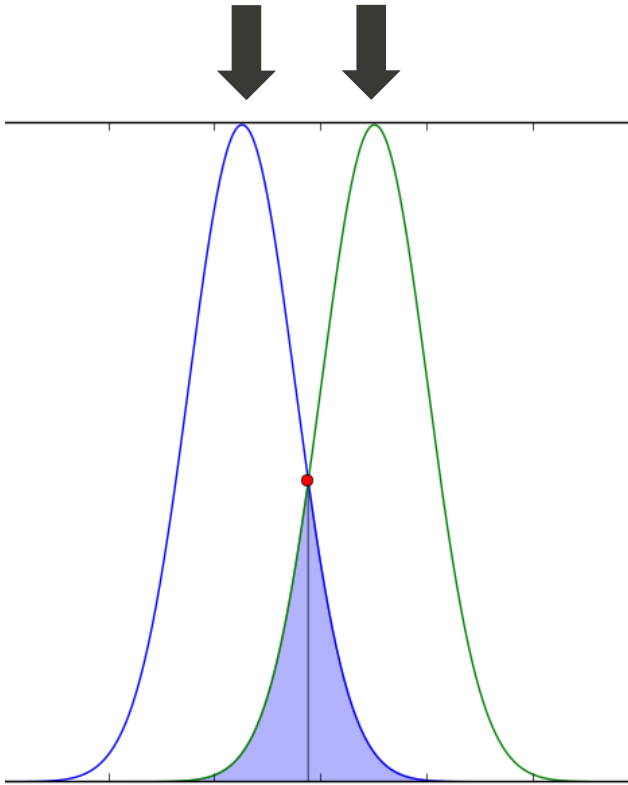
Germany ✕

India ✕

United States ✕



# How to interpret country scores



# The Culture Compass

## CONTENT

THE 6-D MODEL

4

HOW TO

5

CHINA

7

FRANCE

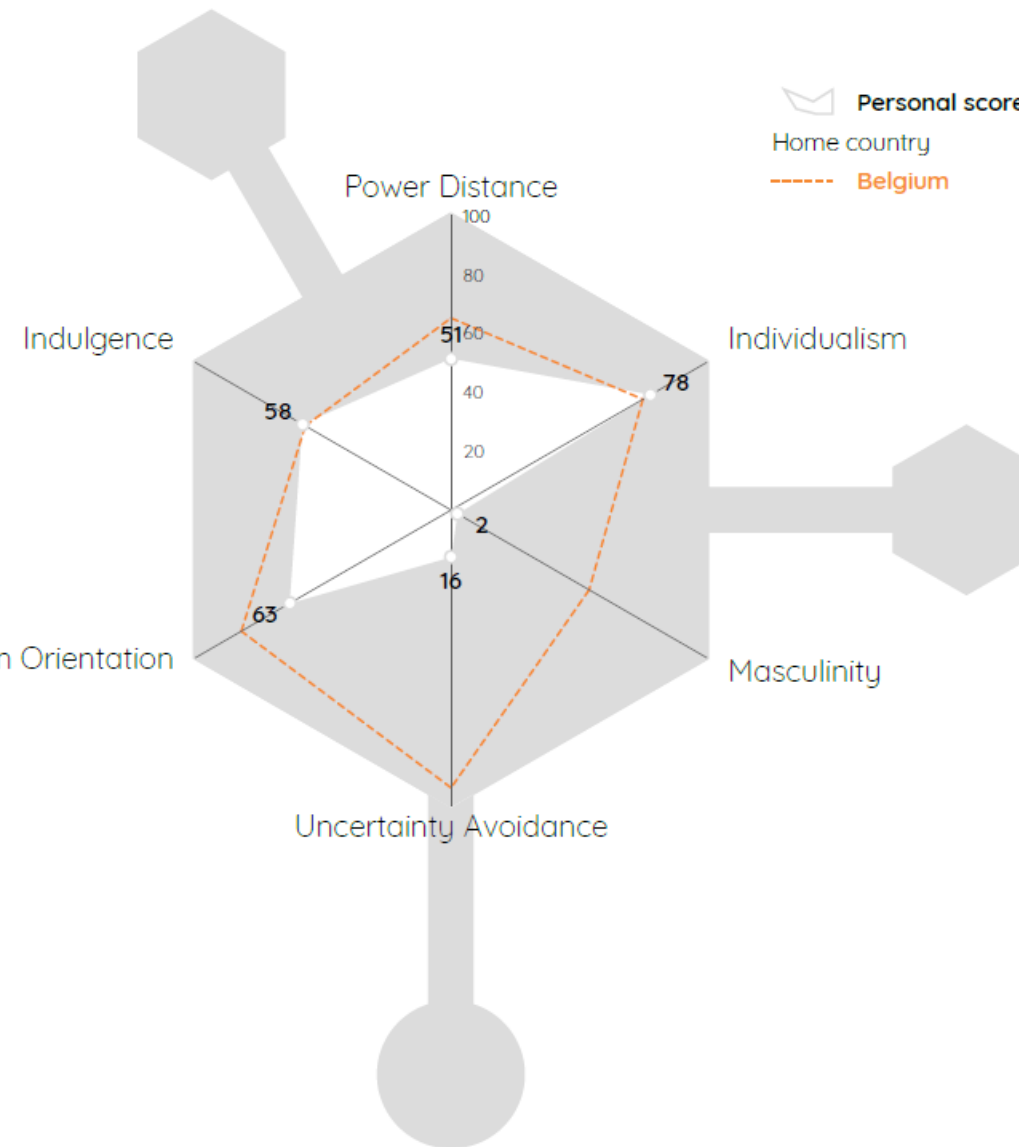
20

GERMANY

33

FREQUENTLY ASKED QUESTIONS

46



euronews.





# Relationship to power

## POWER DISTANCE

The extent to which the less powerful members of society accept and expect that power is distributed unequally.



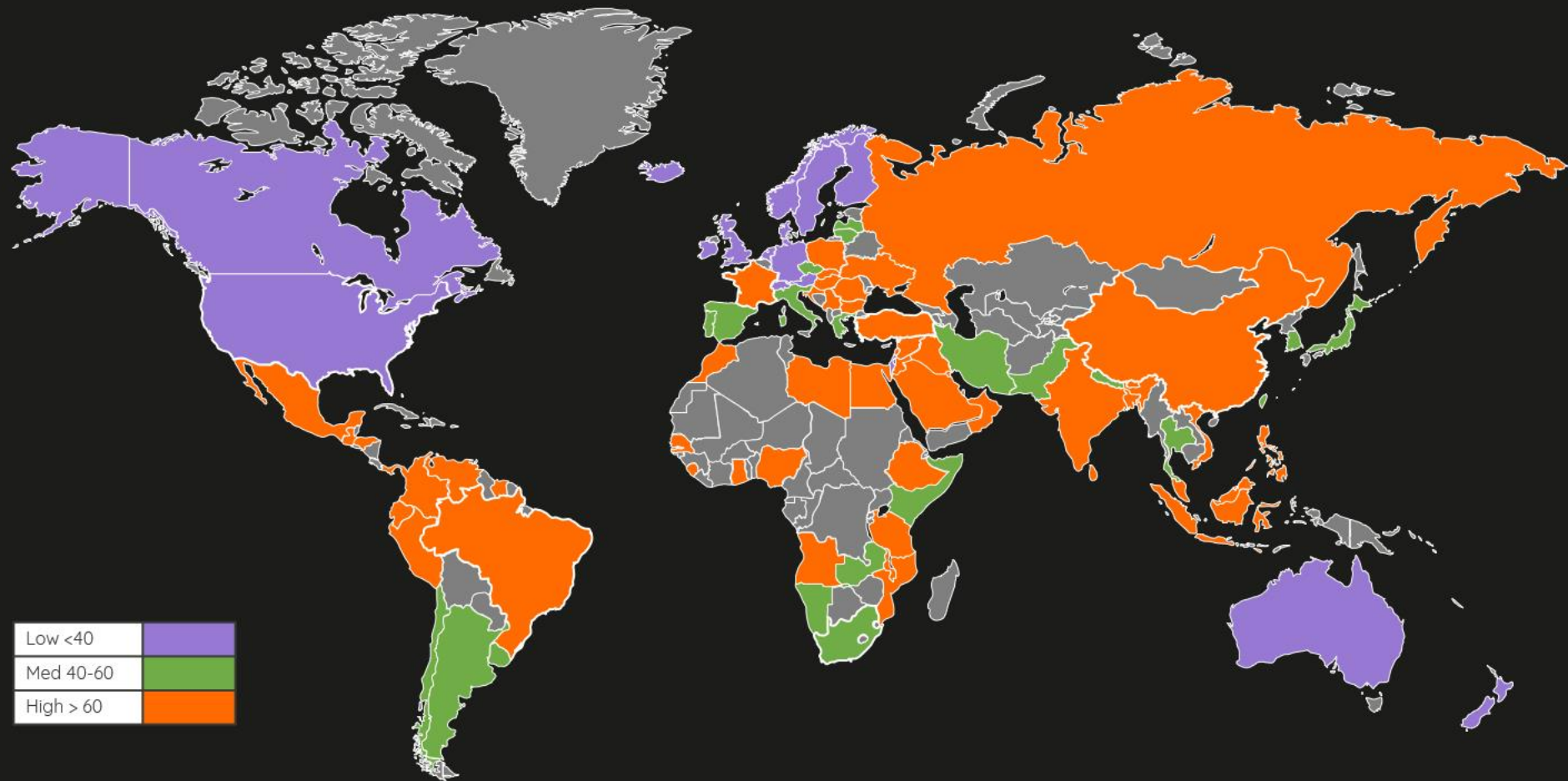
### Low PDI

Being independent  
Hierarchy for convenience  
Equal rights for all  
Superiors accessible  
Decisions take longer

### High PDI

Being dependent  
Hierarchy is existential  
Privileges for some  
Superiors inaccessible  
Decisions quicker

## PDI - Worldwide



# PDI – Relationship to Power

Consult your Culture Compass on further points



## Working in a high PDI context

- ✓ Ask explicit permission to take initiative
- ✓ Pay attention to your attire, office and other visible signs of authority
- ✓ Do not publicly confront your superior / power holders



## Working in a low PDI context

- ✓ Take initiative
- ✓ When unclear or in doubt say “Speak up”
- ✓ Feel free to reach out to your manager at all times with anything





**Chinese parade**



**American parade**



**Olympic games – China (Pekin)**



**Olympic games – France (Albertville)**

?

What does **yes** mean?

Yes, means Yes!  
or

It depends on time, context and situation?

*The Hofstede model*

# The 6-D model of National Culture

## INDIVIDUALISM

**Individualism:** People only look after themselves and their immediate family.

**Collectivism:** People belong to in-groups who look after them in exchange for loyalty.



### Low IDV

“We”

Opinion of the group

Relationship before task

Implicit communication

Loss of ‘face’, shame

Conflict avoidance

### High IDV

“Me”

Individual opinions

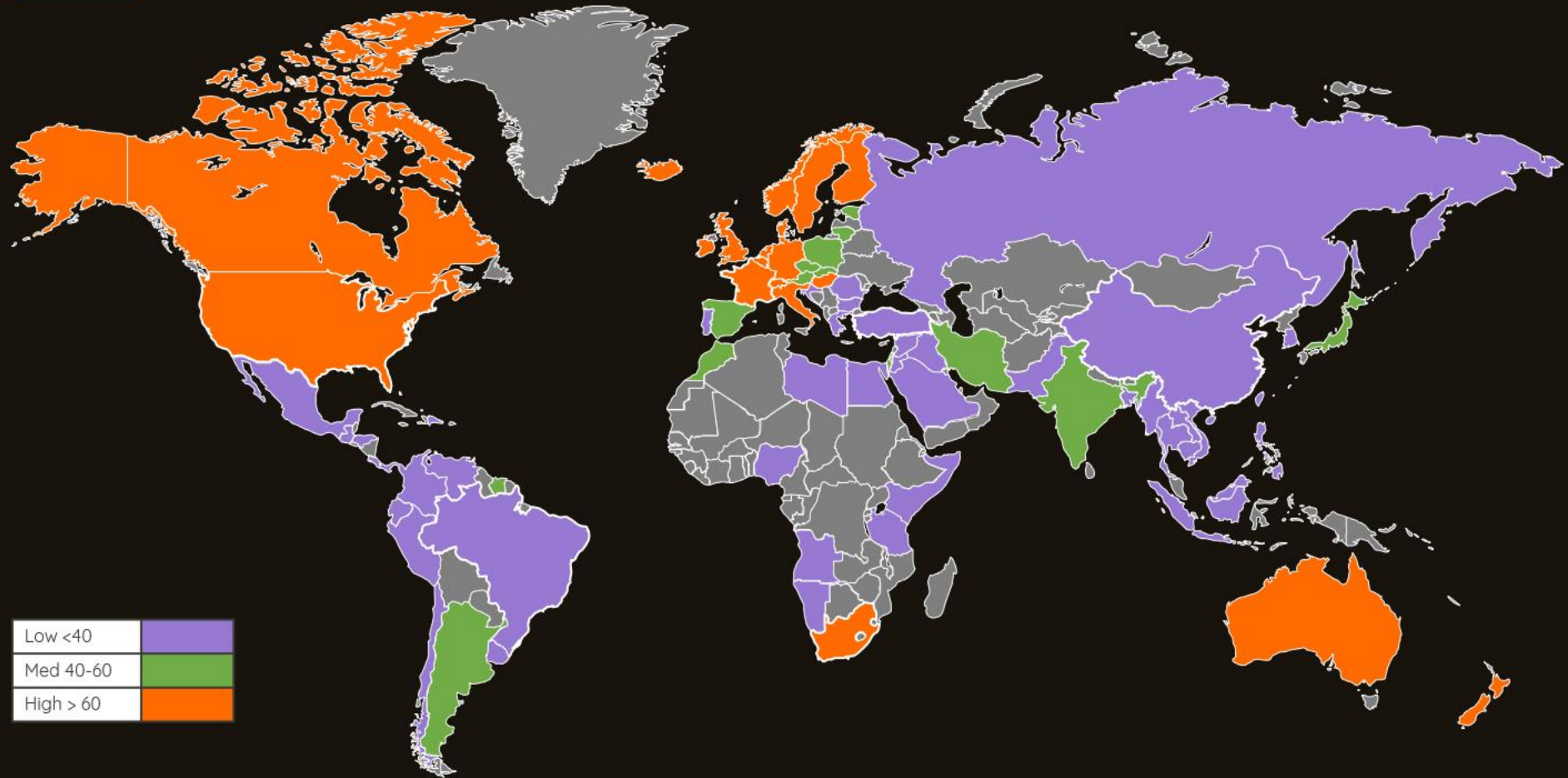
Task before relationship

Explicit communication

Loss of self-respect, guilt

Conflict open

## IDV - Worldwide



## IDV – Relationship to the group

Consult your Culture Compass on further points



### Working in a collectivistic context

- ✓ Invest time into building the relationship, (e.g. internal Virtual Café, entertaining external parties, group photos)
- ✓ Always have 1-on-1 meetings for negative (constructive) feedback
- ✓ Ensure communication is less direct and not aimed at the individual



### Working in an individualist context

- ✓ Focus on individual task execution
- ✓ Ask for personalized feedback
- ✓ Immediately communicate your disagreement and doubts

## At the end of a meeting, how can you be sure that your Indian

I ask him directly and he will reply with a clear 'yes' or 'no'

**A**

20%

I ask him to recap what has been discussed

**B**

36%

I stress the importance of a good execution for the success of the group.

**C**

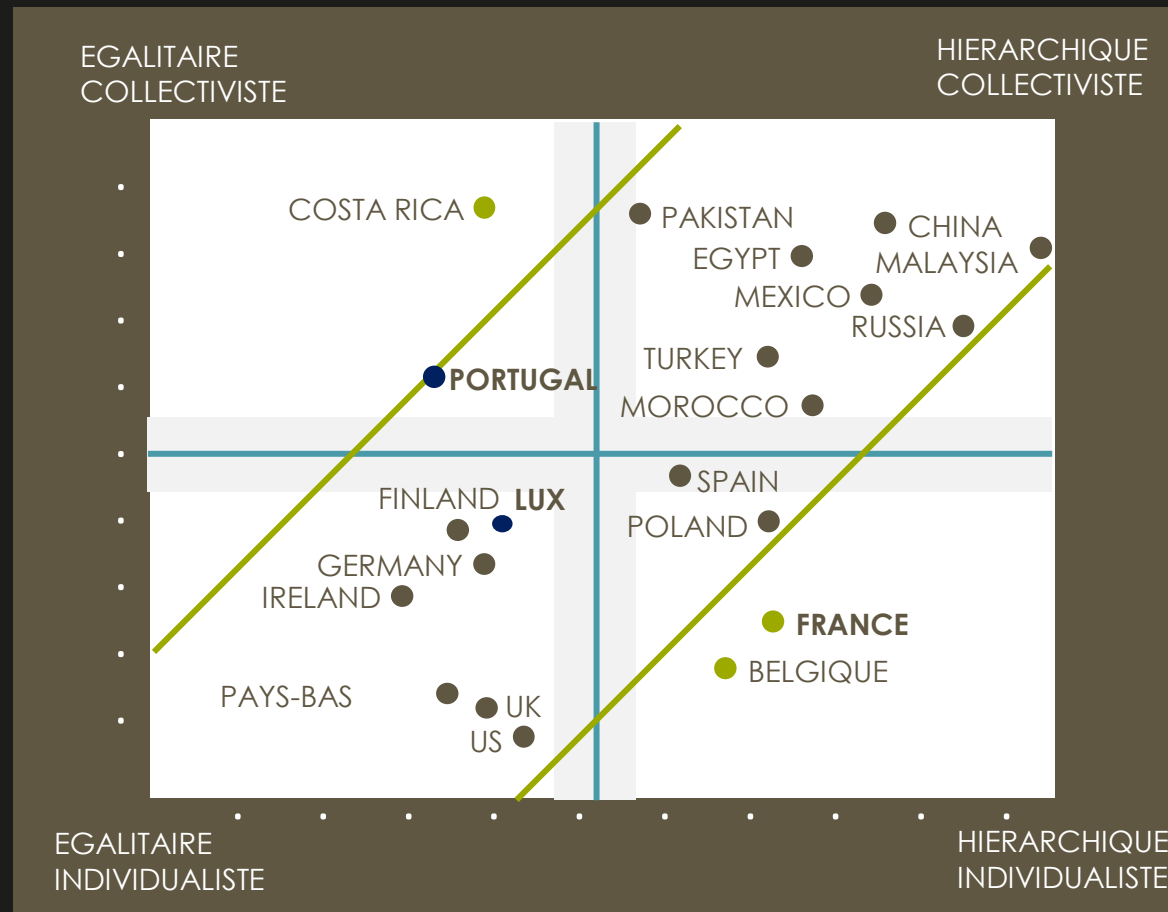
28%

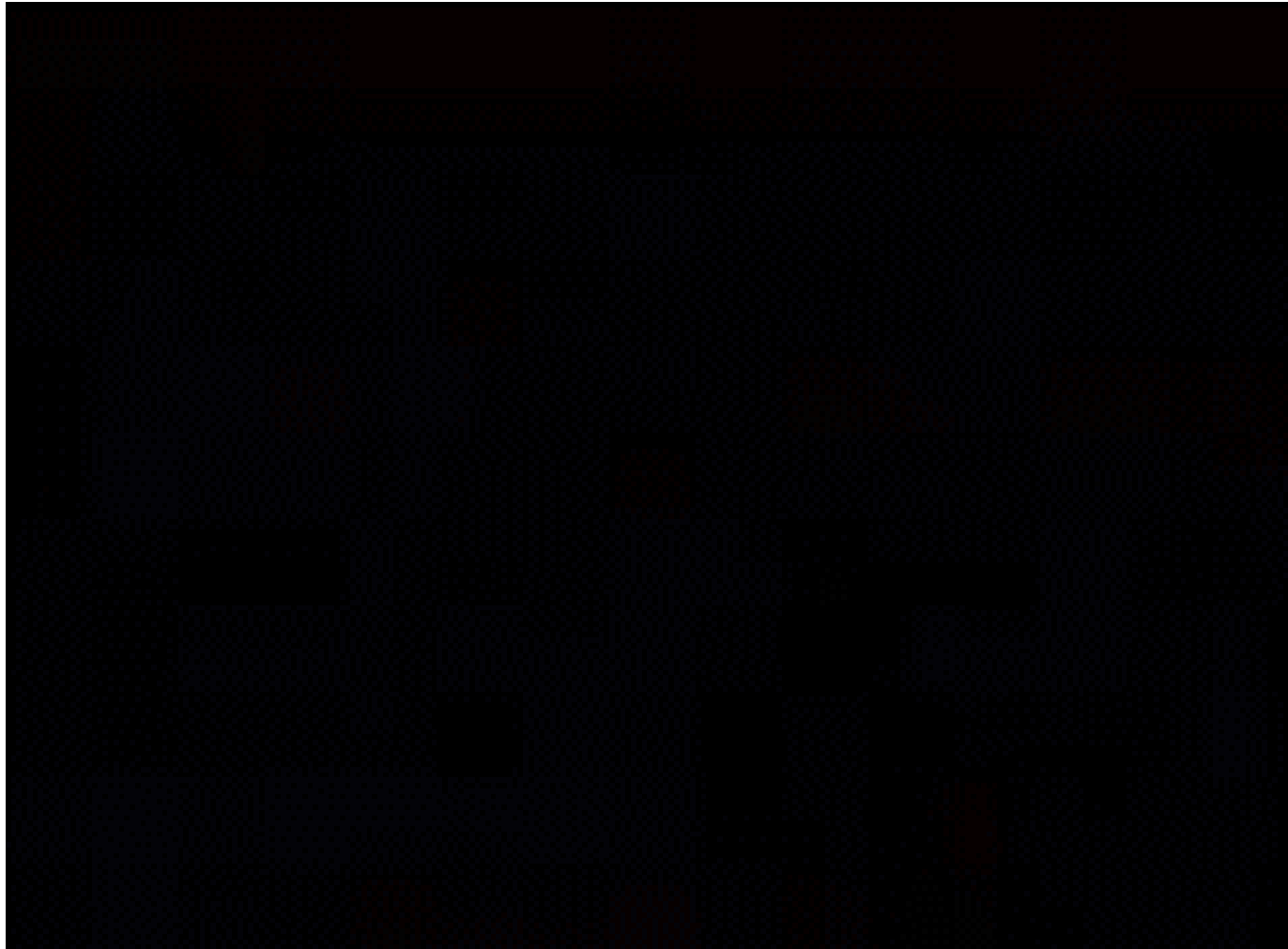
I ask his direct boss to check up with him after the meeting

**D**

16%

# The exceptions....





*The Hofstede model*

# The 6-D model of National Culture

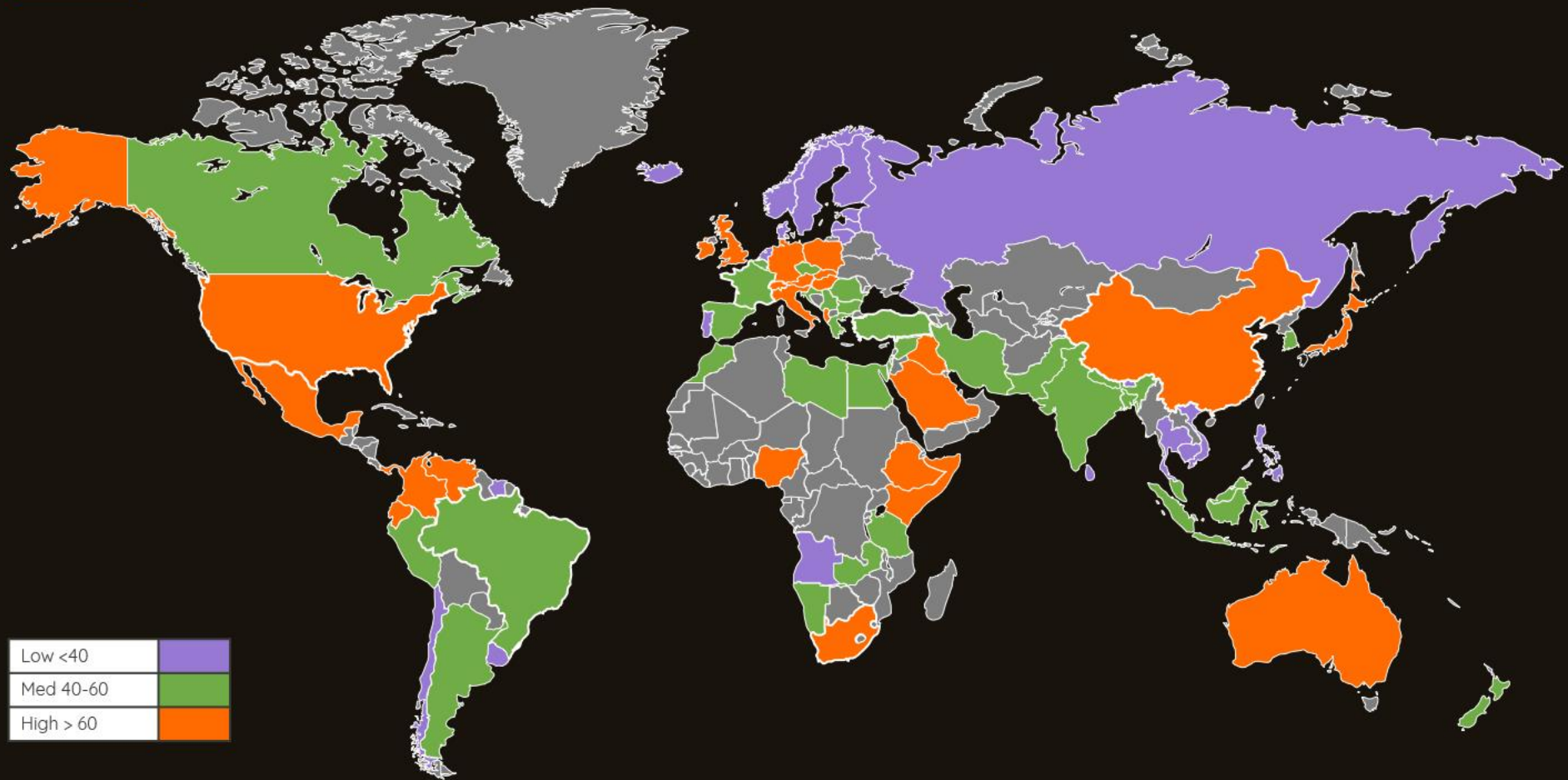
## MASCULINITY

**Masculinity:** The dominant values are achievement and success.

**Femininity:** The dominant values in society are caring for others and quality of life.



Low MAS	High MAS
“Do your best”; “tender” cultures	Be the best; “tough” cultures
Successful achiever not rewarded	Rewards for the successful achiever
Levelling & consensus	Status & confrontation
“Independent” cooperation	Competition
Sympathy for the underdog	Admiration for achievers
Moving objectives and targets	Clear objectives and targets



# Employee of the month

Pays FEMININES



Pays MASCULINES



# MAS – Relationship to Motivation

Consult your Culture Compass on further points



## Working in a decisive environment

- ✓ Show your success
- ✓ Convince and argue in case of conflict
- ✓ Be more decisive and accept quick decision



## Working in a consensus driven environment

- ✓ Downplay your achievement, be modest
- ✓ Help your colleagues
- ✓ Compromise in case of conflict
- ✓ Take time to develop consensus



*The Hofstede model*

# The 6-D model of National Culture

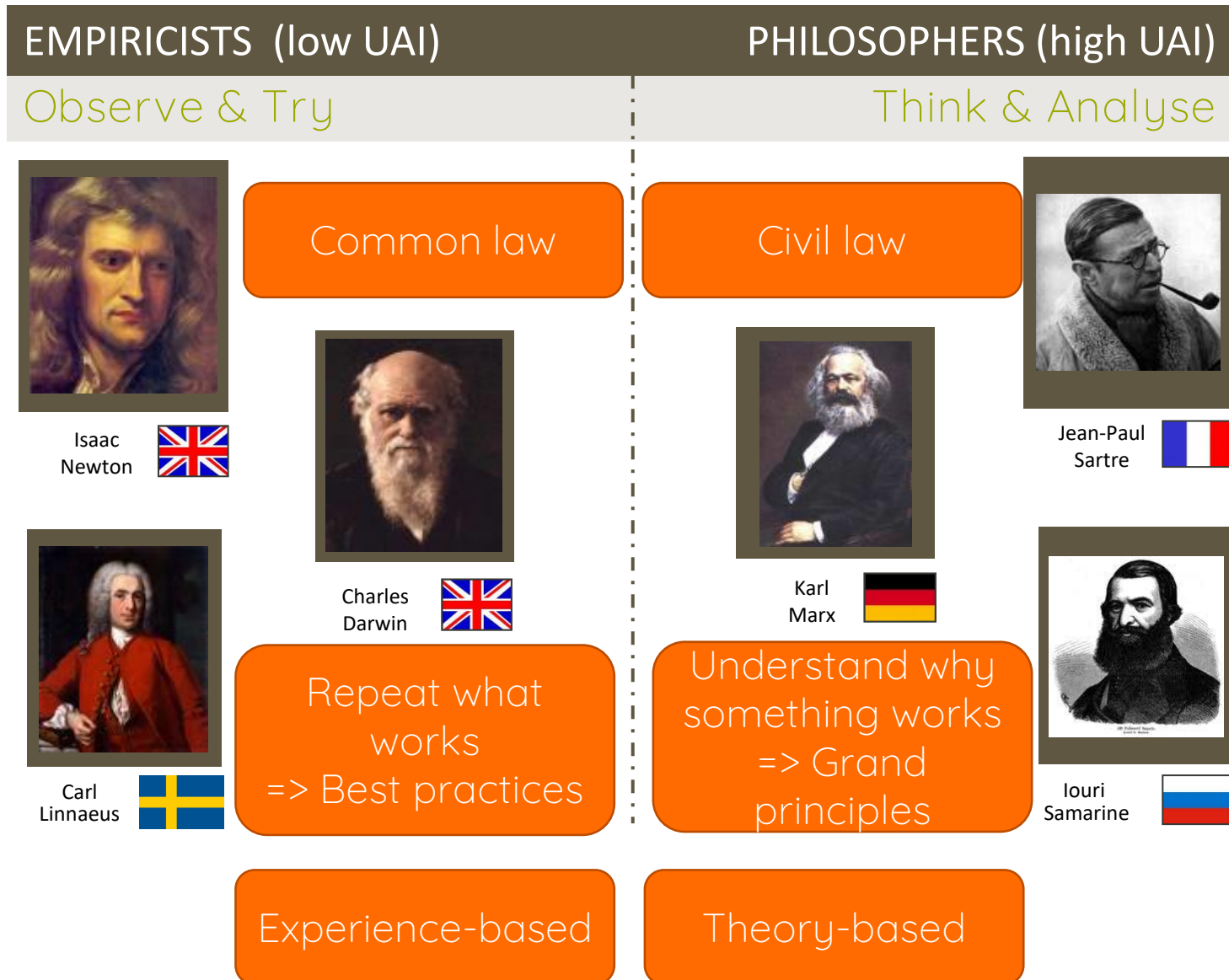
## UNCERTAINTY AVOIDANCE

The extent to which people feel threatened by uncertainty and ambiguity, and try to avoid such situations.

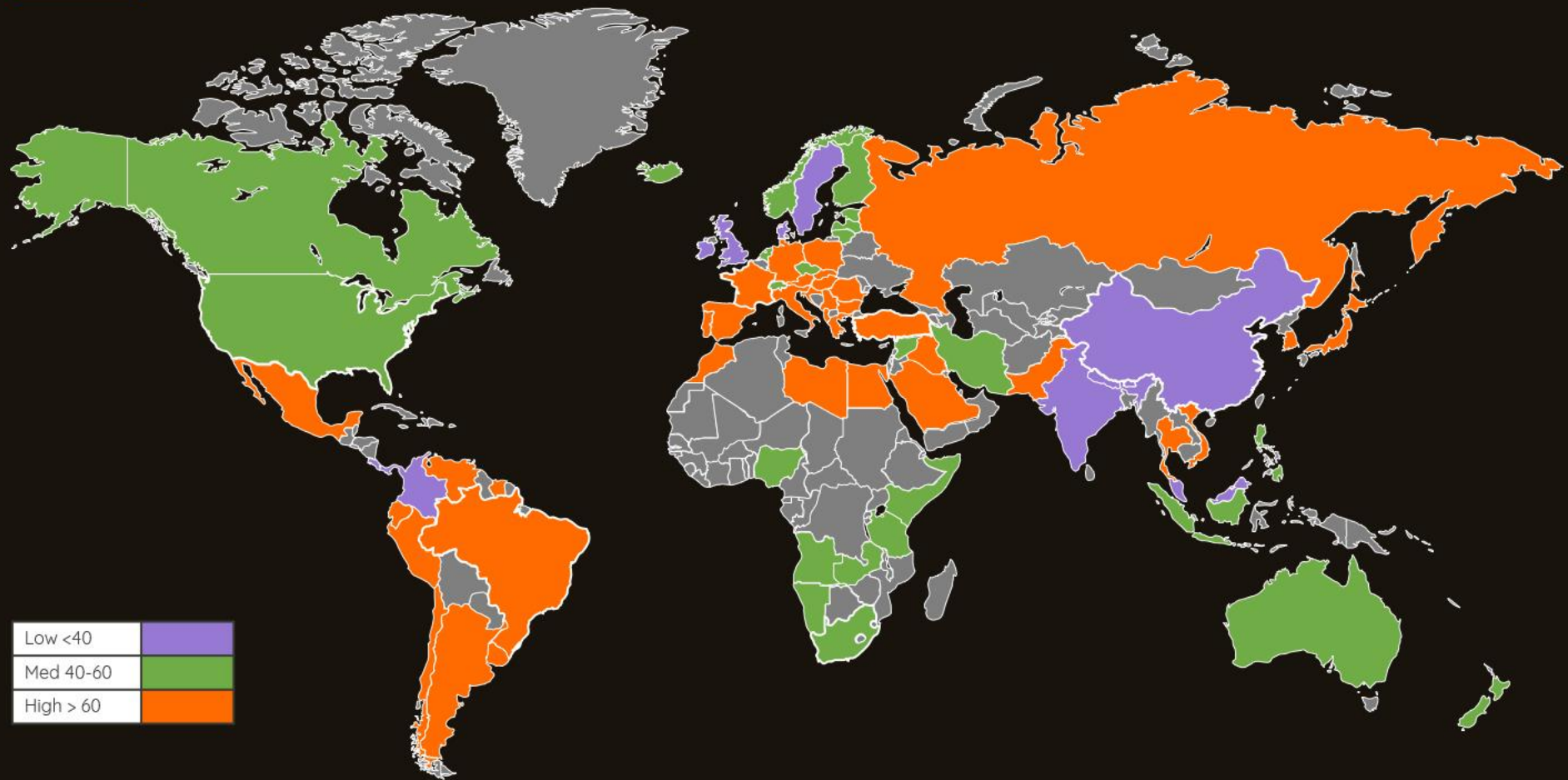


Low UAI	High UAI
Low need for structure and rules	Strong need for structure and rules
Take risks to have (more) success	Security needed - risks taken only to avoid failure
Emotions are not shown	Emotions are shown openly
Low stress and low anxiety	Stressful
Generalists, “preferred”	Experts, “needed”

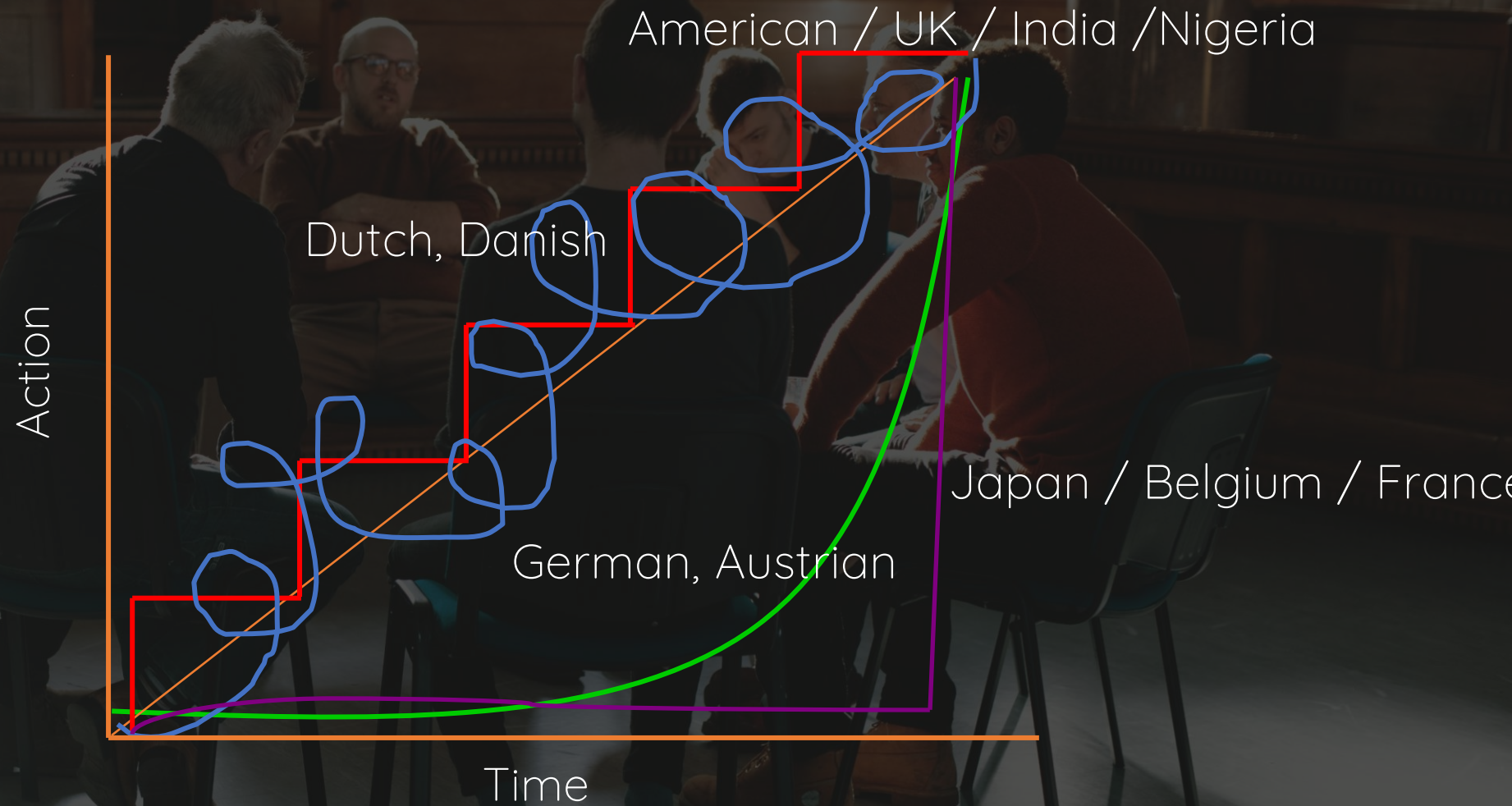
# Uncertainty Avoidance UAI



## UAI - Worldwide



# Action and Implementation



# UAI – Relationship to Uncertainty

Consult your Culture Compass on further points



Working in a high uncertainty avoidance context

- ✓ Create detailed and structured plans
- ✓ Create predictability to assure your counterpart
- ✓ Show expertise



Working in a low uncertainty avoidance context

- ✓ Show resourcefulness
- ✓ Control your emotions in all situations, stay calm
- ✓ Be ready for last minute changes

# Negotiate like a local

- Operationalizes the 6D model for international B2B negotiation
- Macro level approach
- 7 mindsets / 7 types of negotiators

Endorsed by David Arnold, Prof of Marketing at London Business School

Features on London Business School's recommended reading list

Published in China by Fudan University Press

## Negotiate like a local

7 Mindsets to increase your success rate  
in international business

Jean-Pierre Coene & Marc Jacobs



Based on Hofstede's  
6D model of national culture

TEST YOURSELF  
50% discount code p. 38

# The Competitors



**competition**  
achievement  
innovation  
accountability  
win lose  
ambition  
winning  
win  
confidence  
overselling  
change  
winner

Negotiation is a battle.  
Life is about winning versus losing.  
He/she who comes second is the first loser.

## Competitors

GB  
IRE  
USA  
NZL  
AUS  
CAN

PDI IDV MAS UAI  
↓ ↑ ↑ ↓





Negotiate like a local

And win like a star

# The Organizers



deductive principles thinking  
guarantees structure standardisation  
reliability autonomy  
**expertise**  
**process**

Negotiation is a process

First negotiate the process, then follow it strictly

Experts are powerholders

Organisers

Germany  
G. Swiss  
Czech Rep.  
Hungary  
Austria

PDI IDV MAS UAI  
↓ ↑ ↑ ↑



# The Connected



consensus  
win/win<sup>egalitarian</sup>  
poldermodel<sup>direct</sup>  
cooperation

Negotiation is a quest for win/win & consensus  
Finding consensus requires, direct and open communication

Connected

Denmark  
Sweden  
Netherlands  
Norway  
Finland

PDI IDV MAS UAI  
↘ ↗ ↘ ↗



# The Diplomats



elegance  
philosophy  
honour  
logic  
analysis  
hierarchy  
protocol

Negotiation is a 'ballet diplomatique'  
Your counterpart typically only has a partial mandate

## Diplomats

France  
Belgium  
Swiss F.  
Italy N.  
Spain  
Poland

PDI IDV MAS UAI  
↗ ↗ → ↗



# A personal story



**Rather indirect / diplomatic**  
**Partial mandate = normal**



**Very direct**  
**Full mandate**

# The Reciprocators



**indirect** **relationship** **hierarchy**  
loyalty  
face procedures harmony  
honour  
formality

## Reciprocators

Russia  
Brazil  
Korea S.  
Portugal  
Greece  
Morocco

PDI IDV MAS UAI  
↗ ↘ ↗ ↗

It's all about the relationship  
Negotiation is an exchange of favours  
Make sure you identify the real powerholder

# The Marathonians



**flexibility**  
loyalty

**relationship**

**adaptable**  
harmony

hierarchy

Marathonians

China  
Hong Kong  
Indonesia  
India  
Sri Lanka

PDI IDV MAS UAI  
↗ ↘ ↗ ↘



Nothing is agreed until everything is agreed  
A contract = NOT meant to govern the relationship  
Make sure you identify the powerholder

# The Craftsmen



process face  
honour  
system  
precision  
reliability  
indirect

Negotiation is a search for perfection

Nemawashi: make sure you identify the powerholder **S**

Craftsmen

Japan

PDI IDV MAS UAI



# What is your main take-away of this workshop?

“ Culture is relative ”

“ Patience ”

“ Leisure ”

“ Fun ”

“ Tolerance ”

# What is your main take-away of this workshop?

“ Don't judge the cultures\* ”

“ I am British but in nature Scandinavian and maybe slightly durch ”

“ Adaptation is key ”

“ How to transfer cultural knowledge to business practices? ”

# What is your main take-away of this workshop?

“ Support for negotiations ”

“ Different negotiation models have to be taken into account ”

“ Perspective is a must ”

“ Culture is a challenge but you can learn ”

“ We need empathy ”

# What is your main take-away of this workshop?

“ Everything is relative ”

“ We all see things through a filter ”

“ Appreciate differences ”

“ Curiosity over judgment ”

“ You need to adapt ”

# Going forward, what will you do differently ?

“ Listen to the others ”

“ Analyse ”

“ Be myself ”

“ Listen ”

“ Prepare more meetings and communication ”

# Going forward, what will you do differently ?

“ Understand who is on the other side of the table ”

“ Don't judge too quickly ”

“ Go back to work ”

“ Awareness ”

“ Identify my counterparty ”

# Going forward, what will you do differently ?

“ Listen ”

“ Adapt ”

“ Listen ”

“ Use your app 😊 ”

“ Try to identify my clients negotiations modes ”

# Going forward, what will you do differently ?

“ Use your app 😊 ”

“ Try to identify my clients negotiations modes ”

“ More tolerant and open ”

“ Be more patient ”

“ Read your book ”




Questions?



## Let's stay in touch!

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