

Good Manners and Their Role in International Business

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ABSTRACT

By now it is an incontestable fact that cultural diversity is not just a marginal aspect of international business relations but it does play a key role in it. Business men lacking intercultural competence – with no acceptance for and knowledge about cultural differences and their importance – cannot hope for great success in the sphere of international business. Beside social skills, linguistic and cultural competence cultural awareness is completed by the self-confident command of good manners in general and especially of business etiquette. Following study offers a synthesising and comparative overview upon what is accepted or not in different cultures grouped by continents – the three continents in view being Europe, America and Asia – with special focus on do's and taboos in business relations.

KEY WORDS: *cultural differences, business etiquette, mental programming, intercultural competence*

JEL CLASSIFICATION: *F23, F59, M16*

Introduction

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Deriving from cultural diversity the interpretation and essence of good manners present a certain variety, as well. Differences may occur in various segments of every day and professional life. Beginning with religious rituals and rules – e.g. Christian men entering a church bareheaded, while Jewish ones doing the same exclusively with a little cap on, or Muslims barefooted, to give just a few obvious examples – up to scenes and events of professional life – Chinese curiosity related to material and family aspects of one's life, found in European and North-American cultures quite strange – the field of intercultural relations proves to be really undermined and full of "traps".

Methods

Following study offers a synthesising and comparative overview upon what is accepted or not in different cultures grouped by continents – the three continents in view being Europe, America and Asia – with special focus on do's and taboos in business relations. In comparing behaviour patterns in different cultures I rely on the researches of Barry Tomalin, Mike Nicks, Geert Hofstede (1996) and the online articles of the German newspaper *Wirtschaftswoche*.

Let's begin our survey with Europe. It is a great mistake to assume that the majority of European cultures function according to the same pattern. This assumption does not work even on regional level as not all Western or Eastern societies are guided by the same set of behaviour rules – however regional generalizations might fit to most Southern or Northern countries. What would be characterized as normal or neutral in France, might be found in Germany or other rather reserved cultures offending or embarrassing and this is valid the other way round, as well. German directness and love for truth might be considered quite rude in more high-context cultures where communication is more sophisticated and veiled. Furthermore one cannot take it for granted that in Poland, the Czech Republic, Russia or Hungary people are guided by the same rules of etiquette, although all of the mentioned countries lie in Eastern Europe – though Czechs consider themselves Central European – and belonged about 20 years ago to the Eastern block. Yet it is to assume that they may have common features, too. Poland, the Czech Republic and Russia are for instance rather flexible cultures or multi-active in Richard Lewis' formulation, i.e. people's attitude to time is a relaxed one, they fit time to the activity, there is no strict schedule imposed as a framework to it.

In Poland business and professional relations are characterized by formality, so address with last name and title is strongly recommended (e.g. Mr CEO Kowalski). At the beginning of a relation personal meetings are decisive, for Polish people emails or business letters will not do. As most Eastern European people they are hospitable, too, so invitations to one's place are rather frequent gestures and are always a sign for strong interest on a long-term business relation. As Polish are reserved people, the key for success is a similarly reserved attitude. One should never refuse their hospitality, rather eat or drink a bit of all dishes than find excuses for not serving anything. Direct enquiry about the toilette is against the etiquette, one should better ask where to wash hands. On the other side when playing host to a business lunch in a restaurant always mind that the Polish counterpart has an overview upon the whole room.

Russian people are not that formal and reserved, they call each other generally by surname and a variation of father's surname – just think of the characters of Russian novels – while hugs and kisses on one's face are considered nothing extraordinary when business relations intensify. Being an emotional nation they would try to influence their counterpart by vehement gestures and angry reactions but do not make to rush compromises, they will interpret them as a sign of weakness and ignore further collaboration.

Presentations must be serious, containing facts and technical details but should take into consideration Russians' attention span of maximum 45 minutes. On behalf of their spirituality and inclination to culture they lay great emphasis on cultured behaviour and appreciate expertise on literature – above all Russian one – and arts in general. For a relationship-oriented culture like the Russian one face-to-face meetings, phone calls are much personal and trust building than business letters and emails.

Russian society has masculine power and hierarchy at its base, decisions in a company are taken individually by the top manager and communicated top-down to the employees. As in this culture women still play just an aesthetic role, female members of a business delegation will not be paid too much attention to. Gift-giving is not strange to Russian business life – moreover they expect little, but good-quality presents –, their value respectively the attention paid by the selection of gifts increase as the relationship deepens. Russian superstitions related to some colours and numbers – yellow, white, black and 13 bear negative connotations – should be accordingly kept in mind when offering a gift or decorating a room. If interested in friendship or stronger business relations offer something exclusive for dinner, while business lunches must not be very expensive. Russians are wellknown for heavy drinking, there is a whole ritual around drinking and toasting which cannot be avoided by guests either. Most toasts have friendship, life and female beauty as a topic.

In the Czech Republic formality goes hand in hand with vanity, so better call your counterpart uttering not existing titles than fail to use an existing one. Czech people make a habit of honouring their business partners by inviting them to their place. In this case shoes should be taken off even if the lord of the house assures it is not necessary. Recommended small talk topics are: vacation, sports and food. Communication is not so direct but expansive, critical remarks have to be presented in a veiled form and alternatives offered when rejecting an idea. Mind the fine, ironical humour of Czechs and avoid remembering them of former Czechoslovakia and the Eastern block as they always have considered themselves Central Europeans. In this country people like consultative and employee-oriented management style and don't exaggerate with expensive cloths and accessories when speaking about business suits. People have usually two or more cell phones, using them in the middle of a meeting is no sign for rudeness as it would be considered in most cultures.

In the Western part of Europe the most common features may present the British and German business culture – including also other Germanic cultures such as the Norwegian, Swedish and Danish – however there are still some basic differences between them. One of these major differences lie in formality or the other way round informality. While Britons are very informal and therefore may seem for others overfamiliar, German people are keen on titles and a formal, respectful communication style. Of course this aspect has linguistic grounds, as well deriving from the lack of a courtesy form in English corresponding to the German 'Sie' but it is by far not only about differences in language.

Germans respect hierarchy based on merit and performance and practice direct line reporting while in the UK adopting a matrix structure hierarchy is not so important. On the other hand British people would not express disapproval directly as Germans do it. British politeness and indirect communication style imposes a veiled criticism presented in the form of questions like 'Are you sure this is the best way?' Pay attention when Britons find something 'very interesting', it means in fact that they strongly disagree with it. Business lunches last in the UK usually 90 minutes and should be announced in an email or on the phone 3-4 weeks beforehand. Invitations to one's place are rare but if it still happens, one should thank afterwards for the hospitality in written form. On business meetings punctuality is rule, while on private events a delay of maximum fifteen minutes is recommended. Britons are not very tough negotiators, they appreciate compromises and dislike omniscient and bragging people.

As they think not much of excessive theory and philosophizing, presentations should focus on concrete details, statistics and realistic objectives and not exceed 40 minutes.

Germans also lay great emphasis on politeness, good manners at table and in general. According to a survey¹ about 87% of German managers consider good manners crucial for personal and business success. Lately HR managers in Germany recruit personnel taking strongly into consideration the candidates' manners, too, especially in the business sphere. Making presentations to a German public one should take into account their capacity to pay attention upto an hour, the preference for technical details and critical attitude. If something sounds too simple, might be considered by them unscientific. In sign of appreciation for a successful presentation Germans probably will not clap their hands but drum on the table with horizontal movements of their fists. More high-context cultures may find Germans' direct communication style and criticism quite rude. In negotiations they look for consensus, therefore accept compromises, too but it should be in tune with their concept of a fair price. Another major difference between British and German culture lies in their attitude to risk. In Germany one may witness to a much higher risk avoidance than in the UK, that is why with Germans everything is determined and regulated.

Although having the same Romanic roots, it is mistaken to consider French, Spanish and Portuguese culture being identic. Beside some similarities they may show relevant differences in verbal/nonverbal behaviour, dresscode and in the way of organizing business meetings and lunches. Spanish and Portuguese business men follow a stricter dresscode than their French partners, however in Spain there is more originality and personal style allowed regarding the colour of shirts or pattern of ties. In Portugal cromatic variations are: grey, blue and black for suits and white, light-blue for shirts. Ties are compulsory components of an official appearance which is not the case in France where even at official meetings with president Sarkozy guests may omit this piece of clothing. Comparing the length and style of business lunches Spanish seem to be most relaxed about time and spend quite often as much as 3 hours at the lunch table discussing with their business partners even about private topics. Not so in Portugal, here business lunches last rather short and begin earlier than in Spain.

Serving lunch or dinner presents crucial importance in professional relations in France, too as French people like to negotiate while eating. The most high-contact culture and expressive out of the three is Spanish one, where huggings and shoulder tappings are absolutely compatible with business relations. The Portuguese dislike shrill manifestations both in colours and speech and keep their interlocutors at a greater distance. The same reserved attitude creates mistrust with Spanish people. In spite of their reservation for Portuguese business people is a great pleasure to invite their counterparts to their homes as they like to show other people their personal environment. Thus it is part of etiquette to accept invitations at home. The formality Portuguese people present in their relations and their concern for titles and courtesy forms is in accordance with their reservedness.

Regarding linguistic aspects, while Spanish people are very poor speakers of foreign languages, – so one should resort to a translator if having no command of Spanish – Portuguese rather use the international means of communication, i.e. English than Spanish, the language of their neighbours. This kind of nationalism in behalf of one's own language in the case of Spanish and

¹ questionnaire applied by Münchner CGC Claus Goworr Consulting asking 600 managers, 2005

against the other nation's one with Portuguese reveals both people's extreme concern for cultural and national issues. In the same way as Spanish separate themselves from Cataloneans, – see the rivalry between Madrid and Barcelona – Portuguese present a great concern for being differentiated from their Eastern neighbours.

On the American continent the separation between North and South to be observed in Europe gets replicated. While Latin-American cultures are mainly based on the particularities of their Portuguese or Spanish origins, North Americans resembling nations in the Northern part of Europe differentiate themselves to a great extent from their neighbours in the South. North American direct style, informality, almost no concern for authority, scheduled attitude show great contrast to Latin-American rather high-contextual communication – both a clear-cut 'no' and 'yes' are avoided – and great respect for authority based on power or age. This great power distance most Latin-American cultures present explains the long waiting hours in the lobbies of different public offices or of politicians. There is a single way of defense against Latin-American flexible attitude to time and that is humorous statements like 'The appointment is according to American, not Latin-American time', accompanied by a smile. But when a guest in their homes, adapt to Latin fluid time putting punctuality aside. In this geographical zone mutual respect is higher ranking than earnestness.

Although one may think each Latin-American country bears exclusively the features of the Spanish or Portuguese culture they originate from, in the Spanish-speaking Mexico formality is characteristic in addresses people being called by their academic titles. In other parts of South America people call each other by their names accompanied by Don/Doña in Spanish and Senhor/Senhora in Portuguese.

Trying to characterize Asian countries by a set of common traits, this range would underline features like the importance of hierarchy, prestige (in their conception "face"), of building relationship, the role of intermediaries at the beginning of all contacts, a relaxed attitude to time and a peculiar high-contextual communication. Of course there exist substantial differences, variations from culture to culture. A major difference among Asian cultures lies in their concept of time regarding meetings, appointments and punctuality. Despite of being polychronic and relationship-oriented cultures – as other ones in Asia – for Japanese and Chinese punctuality and agendas at business meetings are essential although they do not go through them in the North American or –European way handling issues one by one and one after the other. Related to Asia's famous high-contextual communication is Chinese' special use of yes or no. Using 'yes' is no sign for agreeing in China or Japan, just a signal for maintaining communication. Even more, Chinese may use 'yes' in contexts where Europeans would say 'no' getting thus into plain contradiction. In response to the question if something is ready, Chinese may say 'Yes, it isn't' leaving Europeans perplex in figuring out what it was really meant. In China the decision-making process is quite long and slow, deadlines are flexible, therefore to meet the deadline one needs to display a self-confident attitude keeping at the same time harmony, as well.

For both Chinese and Japanese everything is based on prestige and hierarchy, that is why they lay great emphasis on the quality of clothig and luxury class of accomodation and means of transportation. Losing face means in their society loss of status and respect in front of the group they are part of, so when individual mistake is not observed by the collectivity, it does not wake sentiments of personal shame or guilt. Consultation (nemawashi) and consensus

(ringi-sho) are the two key concepts of a collective culture like the Japanese one, that's why decision-making process can last long with them but on the contrary implementation is fast.

Exchanging business cards follows a certain ritual, they should be kept in an elegant box or case and always reached with the right hand or even better with both hands. A short lecturing of the card is compulsory in relation to all nations. Being part of a relationship-oriented culture Chinese as well as Japanese show hospitality towards their business partners but sitting at lunch or dinner table might represent the most traps for other nations. Apart from the use of chopsticks – quite a challenge for non-natives – the rituals for rice eating and sitting at table demand some background knowledge so that awkward situations be avoided. These rituals are slightly different at the two nations in view. With Chinese chopsticks are not allowed to touch the bowl rice is in, that is the way beggars handle them. Another taboo is to stick them into rice as it symbolizes death. Chinese eating customs present two particularities opposite to European or American table etiquette. In China bowls are taken to the mouth and slurping being a sign for the good taste of the dish will not be considered rood.

Japanese awe for rice as “daily bread” dates back to the centuries of poverty. They expect foreigners to show concern for it. There are two taboos regarding chopsticks: to stir the dish and to gesticulate with them.

When giving presentations in Japan business people should prepare themselves for attentive and reflective listeners, however sometimes seeming to have fallen asleep but it is not the case, Japanese are just concentrating to what they get presented. Unlike the European style slides should be overloaded with information, hard facts, as Japanese like to get all the data they need at one place. Silence plays a great role in their culture, it can be a sign of disagreement or just of contemplation on what heard beforehand. So try to resist the temptation of breaking it. Being part of a strongly collective culture Japanese business people will present themselves by giving the name of their company, department and just in the end their own one. To be in tune with their group-mentality foreigners should not stress upon individual achievement and try to switch to the concept of ‘we’. Business meetings are in Japan just for gathering information, not for decision-making. For Japanese people convey with their communication a double message, not only the content they mean but their feelings and internal state, as well. It is this aspect they try to find out through silent meditation and observation.

Concerning small talk topics Chinese are far more personal than Europeans or Americans are used to, not rare are questions about family, children or one's wages but if in China avoid topics like human rights, politics, pollution. On the other hand for Japanese work and business are prior to family and private life, they show in their jobs a great amount of endurance, an essential quality in this country. In both cultures giving and receiving gifts are usual but one needs to be careful about the symbolic meaning of some objects. In the Chinese culture negative connotations are bearing the number four and clocks, while in Japan sticking and cutting tools like scissors, knives etc. as they signify separation. Packaging for them is as important as the present itself, so due attention is to be paid to it. As in Asia gifts are unpacked in the absence of the giver not to show greed or dislike of the present and upset thus the other person, this attitude should not be understood as disregard for it.

Unlike Chinese and above all Japanese reserved behaviour the Arab world and Indian people are much more expressive. Negotiations resemble in these parts of Asia a real show

with tough bargaining and emotional manifestations. Coming too early to a deal deprives them of the pleasure of negotiating and insinuates that something went wrong.

In India meetings begin with small talk, drinking tea or coffee and are run without any agenda leaving what is important to the end. Negotiations last usually long, so people coming from system-oriented, scheduled cultures will have to bring up much patience but task solving and implementation are extremely fast in India. Being flexible Indian negotiators are open to compromises especially for the sake of a long-term relationship looking for win-win solutions. But mind Indian flexibility refers to contracts, too, these are not seen as the end, just as the beginning of negotiations and therefore are open to modifications.

A favourite small talk topic is family tackled by Indian people into the smallest details. As India is a strongly hierarchical country, just think of the different castes – although officially abolished, not entirely removed from people's mental programming – titles and status enjoy great consideration. For business cards there are the same rules valid as in China or Japan. Indian business men are not so keen on their official appearance, however they expect of their counterparts to wear traditional business clothes. One can witness the high-contextual communication specific for Asian countries in India and the Arab world, too. Yes is even not half so sure, while hesitating answers are appropriate veils for an open 'no' which would equal an offence. Another particularity of their high-contextual communication from the range of nonverbal communication is nodding of heads when listening to somebody as this does not mean agreement at all, it is just a way of showing they are paying attention. Oral communication and agreements are essential in India, emails and business letters, seen by them as impersonal, may be ignored. Unlike the Western approach Indians utter first the reasons of doing something and just at the end the conclusion itself.

The great variety of religions, religious constraints regarding diet could represent for European people an undermined field bearing the possibility of committing mistakes. As most Indians are mainly vegetarians, a vegetarian menu offered to them on hospitality sessions might be a good choice. When giving gifts one should mind taboos regarding colours – black and white being considered unlucky – and certain objects – leather products and dog toys are to be avoided as Muslims consider dogs dirty. As head and ears are seen in India as sacred, children should not be patted on their head.

Arabian society being also built on hierarchy address is consequently formal including titles and last names. Furthermore at the negotiation table only persons on the same hierarchy level should sit face-to-face, a business partner inferior to them would offend Arabic self-esteem. In this culture an intermediary with the appropriate status plays a considerable role in establishing business relations. Although Indian and Arabic business world show many common features (e.g. the importance of status and hierarchy, veiled communication, formality, handling business cards, receiving gifts and hospitality) there is one major difference between them regarding business dresscode. In the Arab world as in other Asian cultures not being dressed appropriately would be interpreted as lack of education or means.

Regarding hospitality in both cultures private invitations occur quite often but with Arabians one should wait until uttered for the third time as it is only then really meant so. In the Arab world people chat for an hour or even more until the meal is prepared and leave immediately after eating. Quite the same is valid for India, too where the meal is planned for the end of the hospitality session and staying after the dessert would be considered impolite.

Conclusions

Making a synthesis of all items and national particularities mentioned above it can be stated that many cultural discrepancies occur regarding meetings and items related, just like the location for meetings, attendancy, different style in preparing and running meetings and last but not least meetings etiquette. In relationship-oriented cultures business is preponderantly linked to social events, thus meetings most often take place in restaurants and other similar locations, while with system-oriented nations the meeting room offering an official, institutional framework is the due place for meetings.

Being part of a collective culture Japanese delegations appear at meetings in whole groups including also junior members with no authority or competence in decision-making, just for the sake of practice. On the contrary Spanish negotiation teams only consist of the top manager and his/her deputy, while Germans and British turn up at meetings in little groups having both policy and implementation personnel.

The style of arranging meetings also presents variations from the informal way of a short notice by phone or email (in relationship-focussed cultures) to the absolutely formal announcing of it long time beforehand. The latter one is the case in Germany, Austria and the Scandinavian countries where people get informed about planned meetings, the agenda and related issues 6-8 weeks before the event. In these cultures a formal attendance list and detailed minutes are obviously parts of a meeting.

As already mentioned at the beginning of the study different cultures are guided by different rules of etiquette and this is valid for business meetings, as well. In the Arab world meetings may be interrupted by external factors like phone calls or personal visitors, in the USA and France it seems to be absolutely normal to stand up during a presentation to help oneself to coffee or snacks, while doing business with Arabians and Japanese one should wait for the host to introduce the topic of the meeting.

In conclusion knowing about different customs helps one sorting out simple, inoffensive attitudes in other cultures from manifestations really intended as an offence. Another essential point is accepting the particularities of different cultures in doing business. Not accepting private invitations or invitations to certain leisure time activities in relationship-oriented cultures – serving to get familiar with one's business partner and to gain trust in each other – is a mistake costing obviously the success of the whole deal.

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