

Diversity Tip Sheet

Business Etiquette

Around the World

Australia

Although most Australians speak English, communication problems can—and do—exist with English speakers from elsewhere in the world. A distinct accent and use of slang make spoken Australian English quite unique. Some idiomatic differences in "Strine" (Australian) include:

"Full bottle" = fully informed, knowledgeable

"Fair dinkum" = true, genuine

"No worries" = no problem

"mate" = male friend

"G'day" = hello

"biscuits" = cookies

"chemist" = pharmacy

Australians may shorten words to one syllable, then add a long ee sound to the end (often written "ie"). Therefore, a barbecue becomes a "barbie", a mosquito becomes a "mozzi", and the people are known as "Aussies" rather than Australians. Avoid the terms "stuffed" (which is said in the U.S. after one eats too much), and "rooting" (which those in the U.S. do for their favorite team); both these terms have vulgar connotations in Australia. Similarly, "fanny" refers to a different part of the female anatomy, compared with the U.S. use of the word.

Religious/Societal Influences on Business

Australia has no official religion. Most religions are represented in Australia, and almost 13% of the population professes to follow no religion. Roman Catholics report in at 27.3%.

Cultural Tips

1. As a general rule, Australians are friendly, informal, and easy to get to know. They exhibit little of the British reserve of their ancestors. Unlike in England, it is perfectly acceptable for foreigners to introduce themselves in social situations.

2. Less is more in Australian business. Australians are fairly laconic; they consider brevity admirable. Keep your business presentation to the point—do not digress or go into too much detail.

3. High pressure sales and hype are counterproductive down under. Australians prefer honesty and directness, and tend to fiercely resist pressure tactics. Present your case in a forthright manner, articulating both the good and the bad. Also, make the initial price realistic since the final price agreed upon will probably be close.

4. Argument is considered entertainment in Australia. People down under are very direct and love to banter, especially in social situations. If you are teased, take it in stride. You are welcome to tease back.

Canada

Canada is known as a modern, progressive a country in which all people have the opportunity to grow and develop in their own way. Canadians tend to be honest, friendly, polite, well-educated, interesting and healthy.

Canada is the second largest country in the world with an area of almost 10 million square kilometers, occupying 7% of the world's land area. From east to west coast, Canada spans over 5000 kilometers and six time zones and takes about seven hours to cross by airplane.

The capital city of Canada is Ottawa. Its largest city is Toronto. The population of Canada is over 30 million. Since the confederation of Canada in 1867, almost 12.5 million people have immigrated, an average of over 100,000 per year. Immigrants are encouraged to preserve their unique cultural identities, rather than to meld into a single, distinct Canadian identity. The prominence of the French and British in Canadian history make English and French Canada's two official languages. Although Canada does not have a state-supported religion to contribute to a single identity, the country has strong roots in the Judeo-Christian tradition.

Canada ranks sixth in the world in standard of living (measured according to gross domestic product per capita), behind only the United States, Switzerland, Luxembourg, Germany and Japan.

Canada is a leading mineral producer, although much of its mineral resources are difficult to reach due to permafrost. It is the world's largest source of nickel, zinc and uranium, and a major source of lead, asbestos, gypsum, potash, tantalum, and cobalt. Other important mineral resources are petroleum, natural gas, copper, gold, iron ore, coal, silver, molybdenum, and sulfur. Fishing is an important economic activity in Canada as well. Cod and lobster from the Atlantic and salmon from the Pacific are the principal catches. About three fourths of the take is exported.

Religious/Societal Influences on Business

Canada has become a truly multiethnic nation, influenced by the traditions not just of British and French, but Inuit, Indian and Métis (a mixture of French and Indian) as well. Roman Catholics make up the largest religious group (45.7% of the population) with various Protestant denominations making up the next largest group (36.3%). Since the future of united Canada is in doubt, Canadians of all ethnicity live with insecurity about their future. Quebec separatists continue to push for an independent nation. Indians demand the return of vast areas of territory.

Cultural Tips

1. Respect the Canadian desire for Canadian identity, even if the differences between Canadian and U.S. culture escape you. One difference is in how the two countries view the settlement of their Western regions. U.S. legend glorifies "taming the West," while Canadians celebrate unifying their country via their transcontinental railroad.
2. Many Canadians characterize U.S. businesspeople as purveyors of self-promotion and "hype." Avoid this image by sticking to the facts. Canadians expect to hear the truth.

China

The Chinese are known for being extremely hard working and energetic, and may follow the teachings of a variety of religions at the same time. Strong elements of Confucianism and Taoism (which originated in China) along with Buddhism (from India) influence many aspects of Chinese life. Folk beliefs, such as Feng shui (a type of geomancy), also have a wide following.

Chinese philosophy is founded on the concepts of order and harmony. This is reflected in many traditions of conformity and the Chinese businessperson's awareness of his/her position in relation to ancestry, social position, and the family or business unit. Ancient beliefs and religious practices which support this "universal order" can be observed in the Chinese reliance on the lunar calendar, various rituals in the home and at work, and the use of "diviners" to determine auspicious times and dates for important occasions.

Religious/Societal Influences on Business

To the foreigner, two of the most evident Chinese values are the importance of saving face and the desirability of harmony.

Many words, items, and numbers are thought to impart good luck or bad luck. For example, the numbers 3, 5, and 8 are considered lucky. In some Chinese dialects, the pronunciation of the number 3 sounds like the word for "life." The number 5 is significant in Chinese tradition--there are five traditional elements, five colors, five sacred mountains, and so on. The number 8 is the luckiest of all, since its pronunciation sounds like the word for "prosperous." Series of numbers with 8 are in great demand, such as street addresses, phone numbers, and license plates. As a matter of fact, Chinese executives will pay thousands of dollars extra for a car with lots of 8s in the serial number or license plate. On the other hand, the pronunciation of the number 4 suggests the word for "death." No Chinese would live or work at a building with an address of "444."

Cultural Tips

1. As a foreigner, you will be introduced by your name, employer and job description. This will occur not only at business meetings but at social ones as well. Make sure that you have a sufficient number of business cards; you will exchange them frequently. Your card is an important method of identifying your status. If you run out of cards, you will lose status every time you fail to offer your card during an exchange.
 2. Despite the traditional frugality of the Chinese, cell phones are ubiquitous. Make sure you are accessible via cell phone, pager, email, etc.
 3. Chinese workers are known for being highly productive. However, only a small proportion could be called "self-starters." Most Chinese prefer to be given specific, well-defined duties, which they will perform to the best of their abilities. But they may not do well when asked to do something outside those duties. This reluctance to keep to one's specific job extends from high-ranking executives on down --including the office tea-cart lady, who may get upset if you ask her to make coffee instead of tea.
 4. Rank and status are always important. If you ask someone to do a job they consider demeaning or beneath their station, the job won't get done. (Of course, since harmony demands that no one give an outright refusal, they won't tell you they won't do it.) Always try to find the correct person for the job.
 5. The flip side of "sticking to one's own job" is that relatively few Chinese will work on their business skill outside the office. When they need to gain new skills, they expect to be trained on the job. It is not part of Chinese tradition for adults to take work home and study (if for no other reason than the crowded, noisy living quarters of most Chinese are not conducive to quiet studying). But assigned to a training course during office hours at
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company expense, the average worker will once again tackle it to the best of his or her ability.

Germany

Germany is evenly split between Roman Catholics, found in the South, and Protestants, found in the North.

Environmental consciousness approaches the level of religious belief in many Germans. Germany has some of the strictest packaging and recycling laws on Earth, from public deportment to automobile maintenance. There is a great desire for order and control. Every citizen has a responsibility to maintain order. Life is considered serious, where tardiness is taboo and humor is confined to very specific times and places.

Cultural Tips

1. Most Germans in business situations shake hands at both the beginning and the end of a meeting. If accompanied with a slight bow, i.e. a little more than a nod of the head, it's important to respond with this nod/bow (especially to a superior) or it may get you off to a bad start.
 2. Germans are sticklers for titles. Try to address people by their full, correct title--no matter how extraordinarily long that title may seem to foreigners. Most Germans expect to be addressed as Mr. or Mrs./Ms. followed by her/his surname. Mr. = Herr. Mrs./Ms. = Frau. A businesswoman should be addressed as Frau, no matter what her marital status. If someone has one or more titles, retain the Mr. or Mrs./Ms. but substitute the title(s) for the surname, e.g. Herr Doktor. Many professionals use their title, including engineers, pastors, politicians, and lawyers. Fraulein (Miss) is no longer used except for women under age 18.
 3. Germans use their smiles to indicate affection. In a business environment, Germans rarely smile, and laughter is generally not considered appropriate for business.
 4. Germans love to talk on the telephone. While important business decisions are not made over the phone, expect many follow-up calls or faxes. Cellular phones insure that many Germans are never out of reach. However, Germans jealously guard their private life, so do not phone a German executive at home without permission. Since reunification, great effort has been placed in bringing the poor phone system of the former East Germany up to West German standards.
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5. In business encounters, age takes precedence over youth. In a delegation, the eldest person enters first. When two people are introduced, the younger person is introduced to an older person. This assumes that the eldest person has the highest rank. In business settings, a young CEO would take precedence over an older, lower-ranking executive. In social settings, a young person of nobility (Germany has many royal families) takes precedence over commoners.

India

India is a vast country, unique in its complex demographics and staggering variety of ancient and modern cultures existing together. One-sixth of the world's population, or about a billion people, live in India. It is primarily rural, with 80% of the people living in more than 550,000 villages.

Religion, caste, and language exert a strong influence on politics in India. Religion plays a major role in their daily lives, and two of the world's great religions—Buddhism and Hinduism—were born here. Although 83% of the people are Hindu, India also has one of the world's largest Muslim populations. Other major religious sectors include Christians, Sikhs, Jains, Buddhists, and Parsis.

The origins of the caste system are unclear, but it has existed in India for thousands of years, and even though discrimination on the basis of caste has been outlawed by the government, caste still plays a significant role in the politics and business of the country. Although there are only four traditional castes, these are broken down into thousands of sub-castes.

Over 14 major and 300 minor languages are spoken in India. English is widely used, especially by businessmen, industrialists, politicians, and educators. The two major official languages of India are English and Hindi; however, 14 other languages are also considered official.

Religious/Societal Influences on Business

The majority of Indians are Hindu. Unlike many religions which are traced to a particular founder, Hinduism grew out of Indian mythology. Hinduism has many variants and lacks a single, authoritative text (like the Bible or the Koran). It is a religion with multiple gods, teaching a belief in karma and reincarnation. To escape the cycles of reincarnation and achieve nirvana, one must stop committing both bad deeds and good deeds. India's caste system is supported by most variants of Hinduism. Cows are venerated by many Hindus, who neither eat beef nor wear leather. Many Hindus are vegetarian.

A minority of Indians are Muslim (over 100 million people). Islam is a monotheistic religion with ties to both Judaism and Christianity. Surrender to the will of Allah is a central belief. Pork and alcohol are prohibited to observant Muslims.

Since India's two major religions abjure beef and pork, it is not surprising that Indian cuisine uses mostly chicken, lamb or vegetables. These religions also share an acceptance of fate, and have a fatalistic view of man's ability to change the future.

About 2% of Indians are Sikhs. Sikhism combines tenets of both Hinduism and Islam. Sikhs believe in reincarnation but do not recognize caste distinctions. Unlike Hindus, Sikhs reject nonintervention with the world as cowardly.

Cultural Tips

1. Business relationships in India are based on personal relationships. You must establish a relationship of mutual respect with Indian decision-makers. To do this, you may need to make your initial contacts with middle managers. While they do not make the final decision, they can bring your proposal to the attention of their bosses. They will be much more accessible than the executives at the top.
 2. With fourteen major languages and some three hundred minor ones, English has become a unifying force in India. Generally, you will be able to conduct business in English, and it is not necessary to have your written materials translated.
 3. Traditionally, Indians used a greeting called a *namaste* rather than shaking hands. The *namaste* is done by holding the palms together at chin level, as if praying. This is accompanied by a nod or short bow and the word *namaste* (nah-mahs-tay). Like *aloha* in Hawaiian, *namaste* means either hello or good bye.
 4. Gift giving is an important part of doing business in India. Remember that gifts are not opened in the presence of the giver. Wrap the gifts carefully, but avoid using black or white paper, which many people consider unlucky.
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Israel

The constant coverage of Israel in the Western media often leads people to overestimate the country's true size. Despite its diminutive stature, Israel manages to capture and hold the attention of the Western world.

Israel is surrounded by Arab countries which have traditionally opposed its right to exist. Israel is bordered by Lebanon to the north, Syria and Jordan to the east, and Egypt to the south. Israel has a large coastline on the Mediterranean Sea and a small port on the Red Sea.

The exact borders of Israel have been in dispute. There are two separate "Occupied Territories" which had been designated as Palestinian areas by the U.N. Partition Plan of 1947: the West Bank (population about 1 million) and the Gaza Strip (about 600,000). The West Bank, which Israelis refer to under its Biblical names of Judea and Samaria, stretches eastward to the Jordan River; after Israel's 1948 War of Independence it was occupied by Jordan. The smaller Gaza Strip is on the Mediterranean coast and borders Egypt; Egypt has occupied the Gaza in the past. Israel took control of both the West Bank and the Gaza Strip after their victory in the war of 1967. The population of the territories is largely Palestinian, although some 100,000 Israeli Jews have settled in the West Bank. All settlers were evacuated from the Gaza Strip in 2006. While the Palestinian people consider these territories to be their homeland, they have never truly exercised sovereignty over these lands. In addition, Israel has been occupying the Syrian territory known as the Golan Heights.

Israel (including the West Bank) was the historical homeland of the Jews in Biblical times. In 66 A.D. the Jews staged their Great Revolt against the Roman Empire, temporarily throwing off the Roman yoke. But the Roman armies returned, capturing Jerusalem and destroying the Temple in 70 A.D. The Diaspora ("Dispersion") of the Jews began; the Jewish people were scattered all over the ancient world. Some Jews remained in Israel, but they constituted a small minority.

In the late 19th century, some European Jewish thinkers decided that the Jewish people would never be safe until they had a country of their own. Led by a Viennese journalist named Theodore Herzl, the Zionist movement was born. Jews began moving back into Palestine (as the area was known), which was then part of the Ottoman Empire. The modern State of Israel was created by the U.N. in 1948; the neighboring Arab states immediately declared war.

The current population of Israel is about 6 million. Russian Jewish immigrants make up approximately 1 million, and Arabs another million. The majority of Palestinians are Sunni Muslims, but there are Christian Palestinians as well. There are also small numbers of a bewildering array of ethnic and religious groups. The largest of these are the Druze (2%), an obscure Arab people who keep their religious beliefs a secret. They are

known to venerate the Biblical figure Jethro, the father-in-law of Moses, whose tomb is in northern Israel.

Although some Jewish immigrants come from relatively unsophisticated backgrounds (such as the 14,000 Ethiopian Jews who arrived in early 1991), many of the Russian Jews have more skills and education than can be currently utilized. (To employ every immigrating Russian Jewish musician would require a full symphony orchestra in every Israeli town.)

The official languages of Israel are Hebrew and Arabic. Until the founding of the State of Israel, Hebrew was primarily used for religious purposes, as Latin was used among Roman Catholics. Hebrew was not the daily language of any Jewish population. It has now been revived and serves as a unifying force among Jews. Other languages frequently heard in Israel are Arabic, English, Yiddish and Russian.

Religious/Societal Influences on Business

The State of Israel has no official religion.

The Jewish population is divided into Ashkenazi Jews, who originated in northern Europe and Russia, and Sephardic Jews, who were exiled from Spain and Portugal when the Inquisition began in 1492 and spread throughout the Mediterranean and Middle East. Before the Zionist movement encouraged Jews to move back to the Holy Land in the 20th century, most Jews in Israel were Sephardim. After Israel's neighbors declared war on Israel, the large Sephardic Jewish communities in Arab cities like Cairo and Baghdad emigrated to Israel. For years, Israel had approximately equal numbers of Ashkenazim and Sephardim. But the influx of Ashkenazim from the former USSR in the 1990s tipped the balance in favor of the Ashkenazim. Some Sephardim resent the dominant position of the Ashkenazi community.

The Yemeni and Ethiopian Jews are two smaller groups. They have been much less successful in Israel, and tension exists over their place in Israeli society. In January of 1996, the Ethiopian community was outraged to discover that their blood donations were routinely destroyed. The black Ethiopians charged the government with racism, but the health service defended the practice, since the Ethiopian Jews come from an area of Africa where AIDS is endemic.

Aside from their ethnic origins, Israeli Jewry runs the gamut from fundamentalist belief to atheism. Many Jews consider themselves secular, and rarely participate in religious practices. In fact, some of the recent immigrants from Russia had never practiced Judaism. On the other hand, some very religious Jews want to make their beliefs a mandatory part of

daily life in Israel. Because of the Parliamentary system in Israel, small religious-oriented parties can have a disproportionate amount of power.

Cultural Tips

1. Jerusalem, the capital of Israel, contains some of the most important shrines of Christianity and Islam, as well as Judaism.
2. The official work week in Israel runs from Sunday through Thursday, as the Jewish Sabbath begins at sunset on Friday and ends at sunset on Saturday. No business is conducted on the Sabbath, but many Jewish-owned businesses are open until 1 pm on Fridays. The Muslim holy day begins at dawn on Friday, and Muslims do not work on Friday afternoons. Some Christian business owners do not open on Sunday. So the only days that everyone in Israel works are Monday, Tuesday, Wednesday and Thursday. Many businesses, including post offices, are also closed on Tuesday afternoons.
3. For many Orthodox and fundamentalist Jews, the Sabbath is devoted to God, and "not working" on the Sabbath is interpreted very broadly. Even turning on a light switch can be interpreted as work. Some will hire a non-Jew to do necessary chores on the Sabbath.
4. A large number of Israeli businesspeople speak English. If you have your materials translated into Hebrew, remember that Hebrew is read right-to-left (the opposite of English's left-to-right). Graphic design is also reversed; the back page of a booklet in the US is the front page in Israel.
5. Most Israelis love to talk. Business meetings usually begin with long discussions, during which the parties get to know each other. Business will not be discussed until this process has concluded.
6. Israeli society is quite informal, and business dress is much more casual than in the U.S.

Italy

Religious/Societal Influences on Business

Italy has no official religion, but the Catholic Church remains predominant and influential in Italy.

If the Church has diminished importance in Italy, so does the other icon of Italian culture, the family. Long before Italy was united into one country, the family was the institution which provided stability and order. Several generations lived under one roof, and most of the adults worked in the family business. Today, both a falling birth rate and economics have changed the family. Households now need two incomes, so more women work. Many

Italians have moved away from their traditional homes in search of employment. Today the extended family with several generations under one roof is less common, although adult children tend to stay with their parents much longer than is typical in the U.S.

Cultural Tips

1. The Italian bureaucracy and legal system is notoriously slow. One reason for this is that Italy is burdened by over 2,000 years of law. New laws are added but old ones are rarely taken off the books—even laws dating back to the Roman Empire! The recent influx of EU regulations has only made things more difficult.
2. Because of the contradictory Italian legal system, tax codes are similarly hazardous. Ensure you have good local legal representation; you will need it.
3. Italian firms tend to have a fairly rigid hierarchy, with little visible fraternization between the ranks. This doesn't necessarily indicate a lack of communication. Even though you may be dealing with the top ranks of executives, the lower ranks of employees may also be evaluating your proposal.
4. Everyone tends to speak at once in Italian gatherings. This goes for business meetings as well as social events. It is possible for Italians to conduct a meeting in a more orderly fashion, but only if those rules are established in the beginning.
5. Italian executives often have more than one business card. One card will contain all important business information, including the person's educational degrees and/or professional titles, plus all contact information. They may have a second card without the extensive professional titles. Italians who lack this second card may instead cross out these titles on their card. This means that the two of you have established a less formal relationship, and you do not have to address the Italian by his or her title. Finally, there is a third card for social occasions. This is a visiting card, and contains only the person's name—no titles, addresses, or phone numbers.

Japan

Although its land represents only 0.3% of the world's land mass, its people represent 3% of the world's population. In these crowded conditions, conformity and group activity have proven the best way to avoid conflict.

Japan is one of the largest markets for American products; it is the major competitor of the U.S. in the Pacific region. The U.S. is Japan's largest trading

partner. In the past, there was resentment because Japan hadn't given equivalent market access to the U.S., but today, though newcomers to the Japanese market find the competition very intense, Japan is very receptive to American business.

The standard of living is high in every aspect except for living space. Literacy is close to 100%, and 95% of the population has a high school education. The Japanese education system is similar to the U.S., except that students must pass many qualifying exams. Once a student has passed the entrance exam for college, exams are over. Students accepted to the top colleges are practically guaranteed top jobs. Classes in English begin at age 12. The goal for students of English is to have passing exam grades, rather than communication skills.

In Japan's legal system, each legal case is treated as a new one; decisions are not based on precedents. To the Japanese, the ideal is to settle disputes outside a court of law, as lawsuits dishonor both the winning and the losing parties.

Religious/Societal Influences on Business

Many Japanese say that they are not religious. However, since the philosophy known as Shinto is so pervasive, Japanese behavior can be considered as highly influenced by this belief system. As Confucianism is to China, so is Shinto to Japan. Both Confucianism and Shinto are usually described as philosophies rather than religions. It is quite possible to adhere to Confucian or Shinto precepts while being a practicing Buddhist or Christian. Shinto, or "the way of the gods," is deeply interwoven with Japanese tradition. It is so interconnected to the traditions of the Japanese State that the two cannot be entirely separated.

Buddhism is the largest conventional religion in Japan. While officially followed by 38.3% of the population, many more Japanese will participate in occasional Buddhist observances. In fact, there is a saying that "Japanese are born Shinto but die Buddhist." This reflects the preference for Shinto celebrations at birth and for Buddhist ritual at funerals.

Only about 1.2% of Japanese describe themselves as Christian.

Cultural Tips

1. Due to the vast differences among cultures in Japan, China, Korea, and Malaysia, it is not recommended that you make Japan the headquarters for all your PACRIM/Asian operations. Neither is it generally wise to place an executive from any other Asian country in a management position in Japan.

2. It is important to communicate this big picture to the Japanese, and be ready to answer questions about any and all aspects of the presentation in depth, and in a non-linear manner. While U.S. executives generally consider it logical to resolve each item one-by-one, and will "hammer" at a point of disagreement, the Japanese look at the overall picture. The Japanese see many issues may be explored (and resolved) simultaneously.

3. Emphasize and build on points of agreement with your Japanese counterparts. A persuasive, positive presentation is compatible with Japanese culture—a high-pressure, confrontational approach is not.

4. Never impose a U.S. concept of time to your Japanese counterparts, rather give your Japanese contacts ample time to reply to e-mail. Examples include:

- E-mailing your questions two weeks ahead of your meeting so you know they will be able to answer them comfortably in person;
- Waiting through what may seem an interminable amount of silence for a Japanese executive to respond to a question;
- Allowing the Japanese negotiating team weeks to reach their consensus.

5. Do not be offended by the many personal questions the Japanese may ask you. Expect to be asked about your job, your title, your responsibilities, the number of employees that report to you, and so on. Japanese is a very complex language with many forms of address. The Japanese will need a lot of information in order to decide which form to use when speaking to you. Most of this subtlety will be lost when translated into English, but it is important to the Japanese.

6. Do not be surprised if your Japanese interpreter translates Japanese into English almost simultaneously, but waits for you (the English speaker) to finish before translating your statements into Japanese. Unlike English, Japanese is a very predictable language. By the time a Japanese executive is halfway through a sentence, the translator probably knows how the sentence will end. It would be very impolite of a Japanese to end a sentence with an unexpected choice of words for the non-Japanese.

Mexico

The population of Mexico is about 89 million. The ethnic composition of the country is 60% Mestizo (mixture of Indian and European), 30% Amerindian, 9% European and 1% other. 90% of the people are Roman Catholic; Catholicism has a significant influence on Mexican culture. Protestantism, while only at 5% of the population, is increasing rapidly.

Mexico is one of the United States' most important trade partners. It is the third largest exporter to the U.S., and its international trade products include oil, tourism, and the products of its many assembly plants (called "maquiladoras"). Twenty-six percent of the labor force is employed in the agricultural sector.

The family plays an important role in Mexican society. It is not uncommon to find an extended family living in the same house or close by. Divorce is rare because of the Roman Catholic Church's influence. Two important facets of Mexican culture are *personalismo*—which is basically defined as the trust you put in an individual and his or her personal sense of integrity, as opposed to a business or government; and *machismo*—the belief in the "natural" dominance of men over women.

The origins of Mexican culture date back to the Mayan and Aztec Indians. These were among the most advanced pre-Columbian societies in the Americas, as evidenced by their expertise in astronomy (which yielded calendars of great accuracy), architecture, crop irrigation and crafts. Their empires were destroyed by the Spanish conquistadors (as much by European diseases as by military action), and Mexico came under colonial rule in 1521. Independence was finally attained in 1810.

Today Mexico is a federal republic. The head of the government is the president, who is elected to a 6-year term and cannot be re-elected. There is a bi-cameral legislature and a judicial Supreme Court.

Although there are over 100 Indian languages spoken in Mexico, Spanish is the official language. English is widely understood by the educated people and in urban centers.

Religious/Societal Influences on Business

The majority (89.7%) of Mexicans are Roman Catholic, with Protestant groups experiencing rapid growth in recent years. Mexico has no official religion.

Mexico has been harsh on many of its inhabitants. Except for the elite, most Mexicans families have experienced hardship and tragedy. By U.S. standards, most Mexican laborers work long hours for very low wages. Yet Mexicans are known for maintaining a positive outlook despite hardship. They maintain a zest for life, and enjoy their numerous celebrations to the fullest.

The family is the most important institution in Mexico. Nepotism is an accepted practice. Mexican executives generally put a higher importance on the best interest of their families than on the company they work for. Firing a high-ranking executive can be difficult, since he (Mexican business

executives are overwhelmingly male) may have several relatives and friends working for the company, who feel great loyalty towards him.

While competence and achievement are appreciated in Mexico, they are by no means the most important consideration of an individual's worth. Mexicans find all people worthy of respect, regardless of their talents. Deference is shown to the elderly and status of one's family in the social hierarchy.

Mexico is a male-dominated society. But foreign female executives find few problems, since Mexican machismo requires male executives to be gentlemanly and polite. They may even grant a meeting to a female executive more quickly than a male one. Mexican women who find success in business have a reputation for toughness and efficiency while maintaining their femininity.

Cultural Tips

1. Subordinates in Mexico do not make extended eye contact with their bosses. Instead, they display respect by looking at the ground. This should not be interpreted as disinterest. As a foreign businessperson, you may engage in intermittent eye contact. Eye contact is yielded to the person talking, while the listener mainly looks away. Avoid intense, constant eye contact; this is interpreted as aggression.
 2. The handshake is the traditional greeting between men. Women have the option of shaking hands with men; men usually wait to see if a woman extends her hand. A man may include a slight bow while shaking hands with a woman. Good friends embrace. Women often kiss each other on the cheek while embracing.
 3. Mexico has many resources, but most Mexicans are poor, and this has engendered a sense of national thrift. While some wealthy Mexicans live very well indeed, ostentation is frowned upon. Foreigners should dress stylishly but avoid expensive jewelry. Note that Mexican frugality does not extend to hospitality; Mexicans often spend lavishly to celebrate or entertain guests.
 4. Lunch is traditionally the largest meal of the day in Mexico, so business lunches tend to be expansive. Lunch usually lasts for two hours, from 2 pm to 4 pm. (However, near the U.S. border, some businesses have adopted 12 noon to 2 pm lunchtime.) Wine is often consumed with lunch; some executives will have some tequila as well. Foreigners in Mexico City (altitude 7,349 feet) should remember that high altitudes increase the negative effects of alcohol.
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5. Socializing is an integral part of doing business in Mexico. Accept invitations to social events, even though business will not be discussed. An invitation into a Mexican home is a great honor. Be assured that the phrase "Mi casa es su casa" ("My house is your house") is not uttered lightly. It means that you are being accepted as a friend of the family—a position of both honor and obligation.

Saudi Arabia

Saudi Arabia is an arid land occupying most of the Arabian Peninsula. It is bordered on the northwest by Jordan, on the north by Iraq and Kuwait, on the northeast by the United Arab Emirates and Qatar, and on the south by Oman and Yemen. The Arabian Gulf (don't call it the Persian Gulf to an Arab!) lies to Saudi Arabia's east, and the Red Sea and the Gulf of Aqaba to its west. The country is approximately one-fourth the size of the U.S.A.

The population is just over 15 million, 10 million of which are Saudi nationals and 5 million foreign nationals. About 90% of the citizens are Arabs, the majority belonging to the Wahabi branch of Sunni Islam. The remaining 10% are mostly African or Asian, descendants of Islamic settlers who have been coming to the Arabian Peninsula for generations. (Modern guest workers, Islamic or not, are not permitted to become citizens).

Saudi citizens are Muslim and are not permitted to change religions. The official religion of Saudi Arabia is the Wahabi branch of Sunni Islam. Wahabism is an ultrapuritanical sect that reflects Islam as it was practiced during the life of Mohammed, over 1,300 years ago.

The capital of Saudi Arabia is Riyadh. The country is also home to the two holiest cities of Islam: Makkah (Mecca) and Madinah (Medina). Hundreds of thousands of Muslims from all over the world make the pilgrimage to Makkah each year. Entry into Makkah and Madinah is prohibited to non-Muslims.

Saudi Arabia is a monarchy, and the House of Saud has ruled continuously since 1932. The King and his Council of Ministers constitute both the executive and legislative branches of government. The judiciary is appointed by the King. There is no elected government.

Arabic is the official language. A massive education campaign has raised the literacy level to 62% (1991 estimate). Many older, rural Saudis are still illiterate; most post offices are surrounded by scribes who write letters for the illiterate. Educational levels for males are far above those for females, as Wahabi tradition dismissed education for girls as counter-productive.

While Saudis were thankful for the protection of the U.S.A. and the Western Alliance in the first Gulf War, the government and much of the populace is ambivalent about the West. Western values are seen as decadent and threatening to the Saudi way of life. Any change in this attitude will come very slowly.

Religious/Societal Influences on Business

In some ways Saudi Arabia can be considered the ultimate male-dominated society. Women in Saudi Arabia do not have the right to interact with men (except relatives), drive a car, work outside the home except in a few occupations, and wear revealing or tight-fitting outfits. A special cadre of “morality police” ensure strict enforcement of these rules.

Patience is the most important attribute for conducting business in Saudi Arabia. It takes a while for Saudis to get to know you, and a Saudi must like you before he will do business with you. At the beginning of their oil boom, Saudis were often duped by unscrupulous Westerners, so they are all the more determined to judge you before doing business.

Cultural Tips

1. Saudis speak at much closer quarters than do North Americans. Foreigners have sometimes claimed that a Saudi doesn't feel close enough until he can feel your breath on his face. This is only a slight exaggeration. Saudis feel uncomfortable being far away from others, even if they are among strangers. For example, in an empty elevator, a Saudi may elect to stand next to you rather than in an opposite corner (as a Westerner would). Eye contact is intense and constant (unlike the intermittent eye contact of North Americans).
 2. Learning to decipher Saudi hyperbole is a major challenge for foreigners. This includes the pleasant yes which really means maybe, or even probably not. It also is encountered when guests wish to leave but the host insists that they stay (generally, stay a few extra minutes, then leave).
 3. Saudis generally keep their private life off-limits to foreigners. For example, a Saudi man might never mention his wife. On the other hand, many things which Westerners would keep private are entirely public in Saudi Arabia. Business often falls in this category. A salesperson will be asked to give a pitch in a room full of extraneous people, including family members, friends, and unidentified strangers. Information which would be confidential or proprietary in the West may be discussed among a Saudi's entire circle of friends.
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4. Be prepared to remove your shoes before entering a Saudi home. (This may or may not be done at an office.) When ushered into a Saudi's office or home, expect to greet everyone of your sex in the room, while any persons of the opposite sex will probably be ignored. As previously mentioned, you will have to make your presentation in front of everyone. Some of these people will pay attention; some will not. Be aware that the true decision-maker may not be your host—it may be an old man sitting quietly, observing you but never speaking.

5. Saudis usually greet foreigners with a brief but firm hand-clasp but no actual shaking of the hands. Sit where and when your host indicates, and stay there even when your host goes to talk to others. An office will have chairs to sit on, but when you visit the home of a Saudi be aware you may be sitting on the floor (there may be a cushion to sit on or simply a low armrest called a *masnad*). Be careful not to express your admiration for any object; your host may feel obliged to give it to you). Do not expose the soles of your feet to any person—this is insulting. If your host stands when someone new enters the room, you should stand as well.

Spain

The population of Spain is approximately 46 million, with about 6.3 million living in the Madrid metropolitan area.

The majority of the population (over 90%) are practicing Roman Catholics, while other Christian, Jewish and Muslim faiths are evident as well.

The current constitution was written in 1978 and makes Spain a constitutional monarchy. Legislative power resides in the Cortes, or Parliament, consisting of two chambers: the Congress of Deputies and the Senate. Deputies and senators are elected by universal suffrage and serve for four years. The executive branch consists of a prime minister, his deputy, and ministers, all appointed to the king and all responsible to the Cortes.

Spain's economy grew rapidly in the late 80s and 90s, seeing increases in production and domestic and foreign investment. However, today Spain faces major problems with unemployment, particularly among the youth. Its labor force is growing as more women begin working outside the home and the baby-boom generation comes of age, while labor regulations that make it difficult to fire employees make business reluctant to hire young people.

Spain's official language is Castilian Spanish. In addition, Catalan, Basque and Galician are secondary official languages spoken in their respective regions.

Schooling is compulsory from age 6 to age 16. In high school, students choose vocational or university tracks. Literacy is 97%.

Cultural Tips

1. Although many Spanish businesspeople speak English, don't assume everyone speaks English.
2. Business in Spain is conducted via personal relationships. It takes time to establish such relationships. Take great care when selecting your Spanish representative, since once you have chosen him or her, it is difficult to switch to another person.
3. Eating is part of establishing business relationships in Spain. A business breakfast should be scheduled late, no earlier than 8:30 am. Lunch is the main meal of the day, and doesn't start until 2 – 2:30 p.m. Dinner is normally served around 9:30 – 10 p.m.

Sources

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