

Mingle: A Participative Exercise to Motivate the Understanding of Cross-Cultural Differences in International Business

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Abstract

Culture and currency explain many differences between domestic and international business and financial operations. Courses in international management and finance frequently focus on the currency issues; however, they should include consideration of related cultural differences as well. We describe a classroom exercise that introduces students to the variety and discomfort of cultural differences and provides a context for discussing the influence of culture on a firm's managerial and financial operations.

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Recent years have seen a rapid expansion of international trade and concomitant integration of the world financial markets. One consequence of these developments is that business schools are increasingly incorporating international components into their curricula. International business practices differ from domestic business practices for two fundamental reasons: culture and currency.

Cultural differences, in addition to their role in explaining managerial and marketing variations around the world, inform a nation's choice of accounting systems, financing opportunities, capital structures and investment evaluation techniques. The management of currency or foreign exchange risk—risk caused by fluctuating exchange rates—is the dominant focus of most international finance courses and probably the chief difference between international and domestic commerce. This paper introduces an exercise intended to increase students' awareness of cross-cultural differences as a prelude to understanding differences in international managerial and financial policies.

The exercise itself, which we have named "Mingle," is an amalgamation of observations and ideas gleaned from personal experience and Roger Axtell's "do's and taboos" in international business (Axtell, 1990; 1991; 1993; see also Morrison, Conaway, and Borden, 1994). It has been used with success as an opening activity with undergraduate, graduate and executive education students both domestically and abroad. In all cases it "breaks the ice" while foreshadowing discussions of cross-cultural impacts on financial policies yet to come.

The Exercise

Prior to beginning, the instructor makes up small instruction slips containing gestures or behaviors practiced around the world. Enough different slips are prepared for one-half the number of expected participants, and then this set is duplicated so each gesture or behavior is represented on a pair of slips. (A sample list of behaviors together with brief descriptions of where each is practiced is contained in Appendix A.)

The instructor introduces the exercise by noting that different cultures have different customs, values and mores and that acceptable behavior in one culture may seem unusual, rude or threatening in another. This exercise also provides a way for the group to meet each other and learn a bit about other countries. [1] Students are then instructed to take out a half-sheet of paper and writing instrument and to leave the rest of their belongings at their desks. They then push the desks aside and gather the group in the center of the room.

The context is similar to an embassy party thrown for members of the international consulting community. Consultants from all parts of the world are gathered in the same room to mingle, exchange small talk and above all, "network" with other members of their profession. To role play this, students circulate around the room, introducing themselves and exchanging information about themselves, their profession or their products, all the while demonstrating a particular assigned behavior. [2] They write down the name of each person they meet for possible future contact. (This act serves two purposes: it gives them something to do while mingling and reinforces their memory of those they have met).

Somewhere in the room each participant has a country-man or-woman who shares the same cultural background. The object is for each person to locate his or her partner based solely on their cultural gestures or behaviors. The exercise is finished when each person has collected five names and found his or her *Landsmann* or when he or she has collected ten names in total.

After the explanation, the instructor hands out the slips of paper containing the behaviors the students should demonstrate while mingling. [3] The majority of these reflect actual gestures or behaviors practiced by peoples throughout the world. The slips are to be kept confidential and not shown to one's neighbor until the end of the exercise. (Sometimes it is helpful to print "Confidential-Do Not Share This Information" at the top of each slip to reinforce this point.) A few seconds pass as students predictably react uneasily to their assignments. Laughter and exclamations of "I can't do this!" are typical ways in which students will respond to situations with which they are uncomfortable. They may need to be reminded that this is the point of the exercise-the discomfort of cultural differences. To check for understanding and to clear up any last-minute uncertainties, it may be helpful to ask one member of the group to quickly review the instructions before beginning.

Discussion

We have used this exercise with groups up to 45 people in three different countries (the United States, Moldova, and Lithuania) and found participants rarely take more than ten minutes to complete the activity. Students in the United States are usually very willing to discuss their experiences and may share amusing anecdotes, e.g., trying to rub noses while another is sticking his or her tongue out in greeting. Participants from the other two countries are generally more reserved, but extremely curious to learn more about the sources of the actual behaviors.

We ask participants how they felt during the exercise, how they responded to others, what they thought of others' behavior, etc., and ask them to share other experiences they may have encountered while traveling or in other situations. We point out that discomfort most often arises from a lack of knowledge or understanding, and discuss the impact of culture on values and behavior. The discussion is facilitated by affirming individual contributions, asking if others felt

the same way, and introducing various anecdotes from personal experience and Axtell's (1990, 1991, 1993) research. We also generally share the meaning or source of each gesture or behavior (see Appendix A).

Business operations can be impacted by cultural differences in many different ways. A portfolio manager at a large international bank was surprised at the reaction of his client, a representative from the central bank of an eastern European country. The client seemed unduly agitated over his investment portfolio's failure to achieve a particular rate of return. Upon learning that the representative faced possible execution for not earning a specific target rate of return, the manager restructured the client's portfolio to ensure a minimum risk-free rate of return while allowing the possibility of some upside potential (Barnes, 1995).

Cultural issues were also apparently the reason the Czech government recently awarded its lucrative telephone business to a partnership of Dutch and Swiss companies over higher profile German, French and Italian rivals (Hudson, King and Murray, 1995). Although the other bidders offered better financial incentives, their behaviors were offensive to the Czechs: "The Germans are seen in Prague as too bossy, the French have made enemies with past privatizations that later went sour, and the Italians didn't persuade the Czechs they'd bring the management help that SPT needs." In international business negotiations, expectations about the management of a project can be as, or even more important than the project's financial return.

Conclusions

This exercise is an entertaining and informative tool for awakening students to cross-cultural differences which may inform a country's choice of business policies. It helps mitigate the disbelief expressed by many students on learning that "maximization of shareholder wealth," for instance, is not a goal fixed in stone. As one set of popular textbook authors puts it, "... one must realize that the **universal truths** taught in basic finance courses are **actually culturally determined norms** ." (Eiteman, Stonehill and Moffett, 1995, p. 11, emphasis in the original).

Finally, students seem to enjoy the exercise and to remember what they have learned. One of us noted a student stroking an imaginary beard (which indicates, in Austria, that someone's comment is tiresome or boring) while he was lecturing later in the course—and with a wink, quickly moved to pick up the pace.

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1. We also use this exercise to randomly assign students into pairs for group projects later in the course.
 2. Some students are uncomfortable role-playing the first day of class. Indicate that they may substitute personal information, if they desire.
 3. We distribute just the descriptions of the behaviors from Appendix A, saving the explanations

for later discussion.

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Appendix A. List of Sample Behaviors

Behavior	Explanation
Stand very close to the person to whom you are talking.	Americans typically walk around with a 12–15" 'cultural bubble' so they stand 24–30" apart ... Latins and Middle Easterners stand much closer to one another (Gestures, pp. 45–46)
Stand very far apart from the person to whom you are talking.	Japanese stand much farther apart (24–30") than the 12–15" 'cultural bubble' typical of Americans (Gestures, pp. 45–46)
Touch the person to whom you are talking a lot.	In the Middle East, Latin America, Korea, Greece and Indochina it is quite common to touch frequently and signals friendship (Gestures, p. 43)

Stroke an imaginary beard while the other person is talking.	In Austria, stroking an imaginary beard signifies someone's comment is tiresome or boring (Gestures, p. 128)
Nod your head up and down to say "No" and side to side to say "Yes".	Bulgaria, parts of Greece, Yugoslavia, Turkey, Iran and Bengal (Gestures, pp. 60,131)
Maintain direct eye contact at all times while talking.	North American look directly into the eyes—to do otherwise is considered rude or a sign of weakness (Gestures, p. 117)
Avoid eye contact at all times while talking.	Japanese and Koreans avert their eyes and avoid direct eye contact, as it is considered intimidating or may indicate sexual overtones (Gestures, p. 117)
Slap your fist of one hand into the palm of the other while talking.	Means "up yours" in Chile and France (Gestures, p. 86, 123)
Slowly rock your head back and forth, side-to-side while listening.	In India, this means "I am listening" ... Westerners often confuse this with "No"(Gestures, p. 62)
Close your eyes and nod your head up and down slightly as the other person is talking.	In Japan, indicates attentiveness and respect (Gestures, p. 13)
Greet the other person by sticking out your tongue.	Used in some parts of Tibet (Gestures, p. 75)
Greet one another by rubbing noses.	Maori tribespeople do this (Gestures, p. 18)
Greet one another with a fake kiss to the cheek.	Among Latins, Southern Europeans and Russians, its common to greet both men and women with kisses to the cheeks (Gestures, p. 120)
Make a slight bow when introducing yourself for the first time.	Denmark (Gestures, p. 133) ... and Japan, of course.
Linger over your handshake and place one hand over the grasp of the person's elbow.	Italy, Southern Europe and Central and South America (Gestures, pp. 24,143)
Use "yeah" or "um" a lot when you talk.	Idiosyncratic within many cultures.
Blink your eyes a lot while talking.	In Taiwan, blinking the eyes is considered impolite (Dos and Taboos, p. 45)
Fold your arms while talking.	Indicates disagreement in many countries (Gestures, p. 78)
Speak very loudly while having a conversation.	Idiosyncratic within many cultures.
Speak very softly while having a conversation.	Idiosyncratic within many cultures.
Greet the other party by banging your hand on his/her head or shoulders.	Eskimos greet each other by banging their hands either on the head or shoulders (Gestures, p. 22)
Gesture wildly when you speak.	Idiosyncratic within many cultures.
If you are female, refuse to shake hands with a man.If male, refuse to shake hands with a woman.	In Islamic countries, it is forbidden for unrelated men to touch women, so they should never offer to shake hands. (Gestures, p. 23)
Greet the other person with applause.	The Yoruba, a major ethnic group in Nigeria, greet an important guest with applause (Gestures, p. 164)

Greet the other person by nodding and flicking the eye brows upward.	In Fiji, people greet each other by nodding and flicking the eyebrows upward (Gestures, p. 175)
Frequently interrupt the other person while he/she is talking.	Puerto Ricans tend to interrupt each other frequently and are not upset when this occurs (Gestures, p. 215)
Greet the other person by pressing your palms together as if praying and making a slight bow forward.	This action, the namaste, is the traditional greeting in India (Gestures, pp. 176-177)