



Cultural Intelligence in International Sales

Dr. Jonna Koponen

Accreditation Manager, Senior Lecturer

University of Eastern Finland, Business School

Lecturer – Introducing myself

- **Jonna Koponen**, University Lecturer, Accreditation Manager, Ph.D. in Speech Communication. Postgraduate Certificate in Education.
- Teaching communication at undergraduate and postgraduate levels for 15 years (Finland, UK, France, Japan).
- Cultural director at the City of Oulu; various tasks of customer service.
- Consulting several firms on communication, negotiation, personal selling & sales management.



Lecturer – Introducing myself

- Research e.g. on
 - Culture & customer relationships development in B2B sales
 - Culture & consumer-seller interaction in B2C sales
 - Business communication education, Sales Training, Medical students' communication skills training
- Editor 2017-2018 in a peer-reviewed journal Prologi
- Publications e.g. in *Industrial Marketing Management*, *Simulation & Gaming*, *Health Education*, *Communication Teacher*



A definition of selling

”Selling is the phenomenon of human-driven interaction between and within individuals / organizations in order to bring about economic exchange within a value-creating context.”

Dixon, A.L. & Tanner, J.F.(Jr.) 2012



Intercultural communication in sales

- Bush and Ingram (1996) have defined that in marketing and sales contexts, intercultural communication occurs when a message from a buyer (seller) from one culture must be processed by a seller (buyer) from another culture.
- In the current sales and marketing literature, the seller's competence in communication is most often studied and acknowledged in terms of **personal selling skills** (Chakrabarty, Brown, & Widing, 2013; Evans, McFarland, Dietz, & Jaramillo, 2012; Homburget al., 2011; Saxe & Weitz, 1982; Weitz & Bradford, 1999).
- In addition, latest research has focused on cultural intelligence (CQ).

Intercultural challenges – one example

- The culture and negotiation literature has consistently found that negotiators achieve significantly less joint profit when negotiating across the cultural divide than when negotiating within their own culture (Imai & Gelfand, 2010).
- Intercultural negotiators are more competitive than intracultural negotiators (Graham 1985; Imai & Gelfand, 2010).



Intercultural competence

Desired external outcome

- Behaving and communicating effectively and appropriately to achieve one's goals to some degree

Desired internal outcome

- Adaptability, Flexibility, Ethnorelative view, Empathy

Knowledge and Comprehension

- Cultural self-awareness
- Deep understanding and knowledge of culture; Culture-specific information
- Sociolinguistic awareness

Skills

- | | |
|-------------|---------|
| • Listen | Observe |
| • Interpret | Analyze |
| • Evaluate | Relate |

Requisite attitudes

- Respect (valuing other cultures, cultural diversity)
- Openness (to intercultural learning & people from other cultures, withholding judgement)
- Curiosity and discovery (tolerating ambiguity and uncertainty)

However.....

- If the individual possesses high interpersonal skills within one's own culture it does not mean that the person is able to adjust easily and quickly to people and situations across new cultural contexts.
- Also, an individual who appears to be lacking interpersonal skills within his or her own culture may still be able to adjust easily and quickly to new cultural contexts.



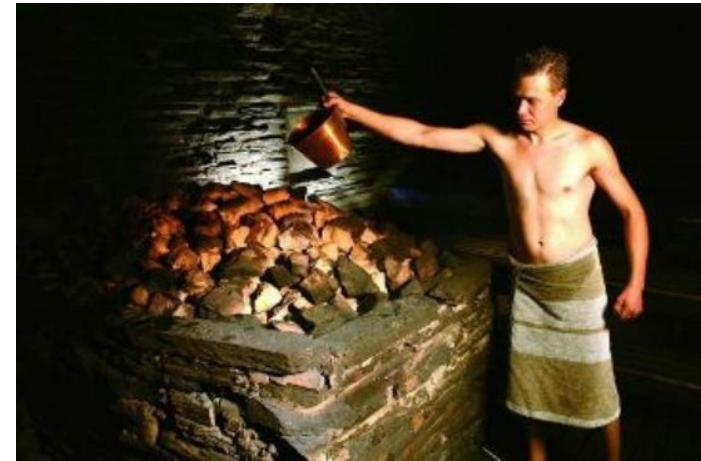
Cultural intelligence (CQ)

- Cultural intelligence (CQ) is the person's capability to successfully adapt to new cultural settings (Earley and Ang 2003).
- CQ is a multidimensional construct, which consist of
 - cognitive,
 - metacognitive,
 - behavioral and
 - motivational components.
- These components may or may not correlate with each other.
- For example, a person might have a lot of knowledge about a culture but at the same time may lack the ability to act upon this knowledge (Hansen et al. 2011).

Cognitive CQ

- (1) Cognitive cultural intelligence involves the person's knowledge about cultures. Culture general knowledge and culture-specific knowledge.
- (1) *"In the end, Sweden is quite similar to Finland [norms, practices, conventions] ... In Western countries you have pretty much the same rules."* (Seller B – Swedish customer)

Finnish sauna is for relaxing



Metacognitive CQ

- (2) Metacognitive cultural intelligence reflects the person's cultural awareness during intercultural communication. It refers to planning, awareness and checking.
- (2) *"In Asia the most important thing is to be aware of the environment and the hierarchical relationships [cultural bound thinking processes], because there it is very easy to unintentionally embarrass someone or make some stupid mistake that nobody even knew about. It is different in Israel."* (Seller I – Israeli customer)

Motivational CQ

- (3) Motivational cultural intelligence involves emotional aspects, such as a willingness to adapt to a new culture, enjoyment interacting with a new culture, and feeling confident.
- (3) *"I really like to work with Germans"*
(Seller H – German customer)

"I like to meet new people!"



Behavioral CQ

- (4) Behavioral CQ deals with interactions, including verbal and nonverbal skills and the ability to perform facework.
- (4) *"I am trying to learn the language even just a little. It shows that you are making an effort and that shows respect". Facework: "When I was a woman there [in Asia], I had to make some concessions so that the CEO would not lose his face."* (Seller D – Korean customer)

Konnichiwa.
Hyvää päivää.

- **Genki desu ka?**
- **Hai, genki desu.**
- **Mitä kuuluu?**
- **Kiitos, hyvää.**

Dōmo arigatō
gozaimasu.
Paljon kiitoksia!

Self-reflection

- Evaluate your own CQ with the following evaluation form.
- What are your strengths?
- What are your areas of improvement?



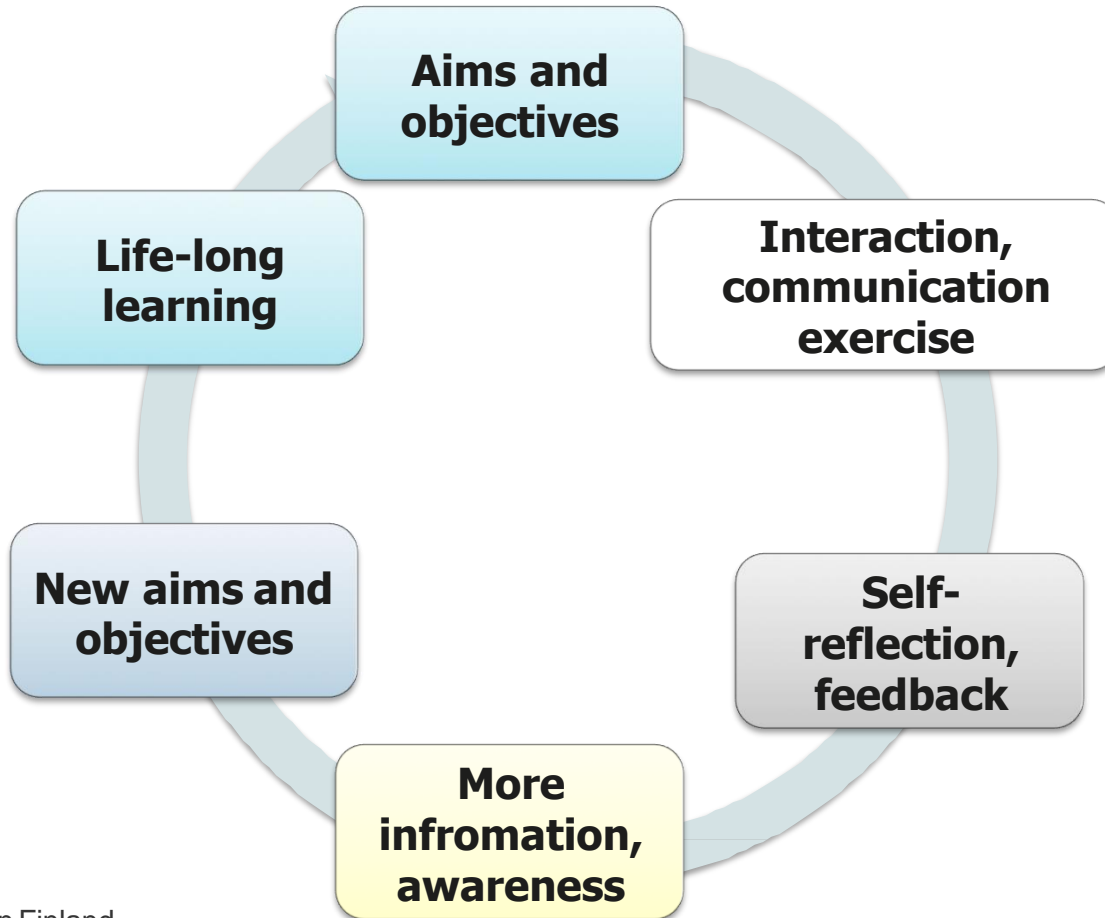
Empirical research on CQ

- CQ can improve performance involving multiple individuals, such as multi-cultural team performance (Moon 2013).
- CQ can improve trust building (Chua, Morris and Mor, 2012).
- Imai and Gelfand (2010) were able to demonstrate that CQ can positively affect **intercultural negotiation effectiveness**.
 - Negotiators with higher CQ have more cooperative motives in intercultural contexts.
 - They will engage in more effective integrative negotiation processes which allows them to achieve higher joint profits than dyads with lower CQ.

Empirical research on CQ

- According to psychology and management literature, CQ can improve multicultural team performance (Moon 2013) and trust (Chua et al. 2012).
- Looking specifically at sales situations, Chen et al. (2012) show that the motivational dimension of CQ improves sales across culturally different populations in a real estate setting.
- However, salespeople's CQ in international solution selling contexts has not been explored.
 - We are investigating it (Koponen, Julkunen, Pullins & Gabrielsson)

Practicing and developing CQ



How about culture?

- The concept of culture is broad and complex.
 - Culture is learned, interrelated and shared.
- According to Geert Hofstede
 - Culture is: "the collective programming of the mind that distinguishes the members of one human group from another" (Hofstede 1980,25).
- Our own cultural background shapes our behavior and also our expectations regarding appropriate and effective communication behavior in sales context.



What is your first impression of...?

- USA
- Germany
- Brazil
- Finland

Stereotypes

- Stereotypes are simplified categorizations and preconceptions of others.
- **Positive:** Stereotypes may hold some truth about groups of people and nations.
- **Negative:** Stereotypes may be fixed, resulting in rigid perceptions that hinder fruitful communication.

(Beamer & Varner, 2005; Clausen, 2010)

How about Finland?



A quiz about Finland

1. Finland is parliamentary republic. Finland has been independent since

- a) 1906
- b) 1917
- c) 1977

2. Who is he?

- a) Former Mr Finland
- b) Prime minister of Finland
- c) President of Finland



A quiz about Finland

3. Finnish children

- a) Need to carry lunch boxes to school
- b) Have fully subsidised meals from kindergarden to high school
- c) Have fully subsidised meals in kindergarden but need to pay their meals in school

4. Who are they?

- a) Former ski jumper Matti Nykänen and his wife
- b) My neighbours
- c) Formula 1 driver Kimi Räikkönen and his wife



A quiz about Finland

5. Top export destination of Finland is

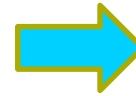
- a) Sweden
- b) Russia
- c) Germany

6. One of the cultural norms in Finland related to speaking is

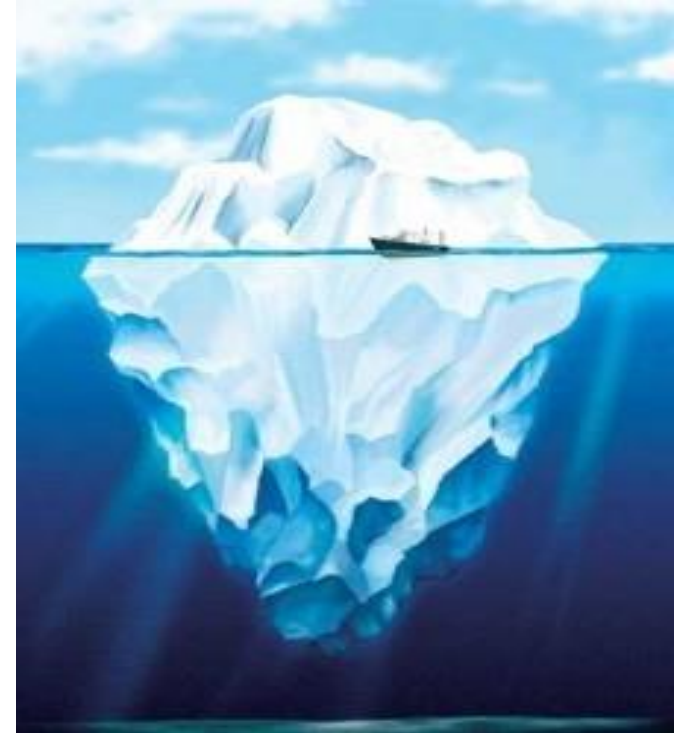
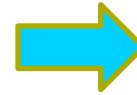
- a) "Please interrupt the speaker"
- b) "Please don't interrupt the speaker"
- c) "Please don't interrupt older people; you may interrupt younger people"

The iceberg metaphor of culture

Tangible aspects (things that you can see, hear, smell, taste or touch)



Underlying aspects (values, beliefs and assumptions that a group of people share. National identity, ethnic culture, religion).



An exercise – 7 minutes

- Think about your own culture and draw your own "iceberg".
- **What aspects of your own culture are tangible?**
 - Things that you can see, hear, smell, taste or touch
- **What aspects of your own culture are intangible?**
 - **Underlying aspects** such as values, beliefs and assumptions; national identity, ethnic culture, religion.
- **Share your thoughts with a person sitting next to you.**

Language

Fresh air,
easy to breath

Lunch at 11-13

Four seasons

Cold

Few people,
no need to queue

Dark and long winter

Coffee breaks

Dinner at 17-18

Clean

Appreciating education

Equality between
men and women

"Please don't
interrupt the speaker"

Evangelical-Lutheran,
the Decalogue,
love for one's neighbour

Equity and justice,
No corruption

Sauna is for relaxing

Silence is a sign of trust

Good daycare system:
women go to work too

Welfare state,
social welfare



FINNISH NIGHTMARES

FINNISHNIGHTMARES.BLOGSPOT.FI - FACEBOOK.COM/FINNISHNIGHTMARES - TWITTER.COM/FINN_MATTI



SHARING AN ELEVATOR WITH A STRANGER

About Finnish speech culture...

- Stereotype: Finns are shy and quiet
 - When you get to know them, they are not so shy. Quietude is a natural way of being (Garbaugh 2009).
- Finnish speech culture is in the process of change (Wilkins & Isotalus 2009).
 - Usually rather direct communication style.
 - Honesty is a common value.
 - *Asiallinen* [matter-of-fact] talk is valued (Wilkins 2009; Koponen & Julkunen 2017).
 - Young people evaluate their communication skills as good (Valkonen 2003)



How to combine work & family life in Finland?

Support from the government

- Maternity leave (9 months)
- Unpaid maternity leave (until your child is 3 years old)
- Maternity pack
- Child benefit
- Low-cost daycare system
- Pre-school & school are free of charge

Support from the employer

- Working from 8 to 16 (even shorter)
- Working from home

Support from the family



Wrap-up

CQ consists of four elements What did you learn today?

- Cognitive CQ
 - Metacognitive CQ
 - Motivational CQ
 - Behavioral CQ
- Please consider
 - What was new?
 - What did you learn?
 - How can you use this knowledge in future?

References

- Clausen, L. (2010). Moving beyond stereotypes in managing cultural difference: Communication in Danish-Japanese corporate relationships. *Scandinavian Journal of Management*, 26, 57-66.
- Dixon, A.L. & Tanner, J. F (Jr.) (2012). Transforming selling: Why it is time to think differently about sales research. *Journal of Personal Selling and Sales management*, vol. XXXII, no. 1 (winter 2012), pp. 9-13.
- Hofstede, G. (1980). *Culture's consequences: international differences in work related values*. Beverly Hills, CA: SAGE Publications.
- Hollensen, S. (2007). *Global marketing* (4th ed.). Harlow: Prentice Hall.
- Gudykunst, W. B. (2003). *Cross-cultural and intercultural communication*. Thousand Oaks: SAGE Publications.
- Gudykunst, W. B. (2005). *Theorizing about intercultural communication*. Thousand Oaks: SAGE Publications.
- Kirkman, B. L., Lowe, K. B. & Gibson, C. B. (2006). A quarter century of Culture's Consequences: a review of empirical research incorporating Hofstede's cultural values framework. *Journal of International Business Studies*, 37, 285–320.
- Koponen, J. & Julklunen, S. (2017). Consumers' experiences of appropriate sales interaction – a speech codes theory perspective. *Studies in Communication Sciences*, 17(1), 25-41.
- Leung, A. & Cohen, D. (2011). Within- and between-culture variation: Individual differences and the cultural logics of honor, face, and dignity cultures. *Journal of Personality and Social Psychology*, Vol. 100, No. 3, pp. 507-526.
- Minkov, M. & Hofstede, G. (2012). Hofstede's fifth dimension: New evidence from the world values survey. *Journal of Cross-Cultural Psychology*, 43(1), 3–14.
- Poutiainen, S. & Gerlander, M. (2009). Cultural dialectics in Finnish advising relationships. In R. Wilkins & P. Isotalus (Eds.) *Speech culture in Finland*, pp. 85-116.
- Sivakumar, K. & Nakata, C. (2001). The stampede toward Hofstede's framework: avoiding the sample design pit in cross-cultural research. *Journal of International Business Studies*, 32 (3), 555–574.
- Snijders, I., Rikers, R. M. J., Wijnia, L. & Loyens, S.M.M. 2018. Relationship quality time: the validation of a relationship quality scale in higher education. *Higher Education Research & Development*, 37(2), 404-417.
- Wilkins, R. & Isotalus, P. (2009) *Speech Culture in Finland*. University Press of America: Lanham.

Thank you for your attention!



UNIVERSITY OF
EASTERN FINLAND

uef.fi