



# IAPPM

## INTERNATIONAL PROJECT MANAGEMENT GUIDE 2.0

BASIS FOR CERTIFICATION



# IAPM

## INTERNATIONAL ASSOCIATION OF PROJECT MANAGERS

In 1997 the IAPM was still a fledgling association. It started out as a loosely structured international network for project managers who shared the objectives of promoting and modernising project management and providing young project managers with the tools to work effectively and successfully. Since this time, the IAPM has held annual International Project Manager Meetings (IPMM). Back in 1998 the IAPM published the precursor to the PM Guide 2.0, the IAPM By-laws of Project Management. These by-laws were completely revised and adapted to modern requirements and real-life project management scenarios in the PM Guide 2.0, which was published in 2010. In the same year, the IAPM was completely relaunched. The Scrum Guide 1.0, the current Agile PM Guide 2.0's predecessor, was published in March 2011. In 2013 the International PM Guide 2.0 was published.

The IAPM launched two awards in 2012, the Project Manager of the Year award and the Book of the Year award.

The Project Manager of the Year award is very special to the IAPM because it is presented to people for outstanding achieve-

ments in project management. Award recipients may have been instrumental to the resolution of a crisis situation, they may have successfully implemented a complex development project or they may simply have performed exceptionally in various areas of project management for many years.

The Book of the Year award honours books on the subject of project management that are published in both German and English. These books may communicate experience and knowledge in an innovative way, be (auto)biographical works or textbooks providing an introduction to the subject of project management.

The IAPM is an independent certification body which examines the knowledge and competence of the certification candidates with a comprehensive, fair and neutral online examination system. The certification system is therefore tailored to the challenging world of project management in the 21st century

# THE BENEFITS

## IAPM CERTIFICATION

1

### COMPETITIVE ADVANTAGES & CAREER LAUNCHING PAD

- Proof of competence in an international project environment
- Competitive advantages for companies and individuals.
- Standardisation of terms and methods with the International PM Guide 2.0
- External, objective verification of knowledge

2

### ONLINE EXAMINATIONS

- No travel expenses
- No pressure of time to prepare
- Exams can be taken on any PC

3

### NO RECERTIFICATION NECESSARY

- No certificate expiry date
- No new costs

4

### FAIR PRICES

- The fees depend on the GDP of the country in which the certificate candidate has citizenship.

5

### ANONYMOUS CERTIFICATION

- No subjective assessments
- No discrimination

# CONTENT

<b>03</b>	The IAPM	<b>52</b>	<b>Quick Reference Guides</b>
<b>06</b>	Preliminary remarks	<b>54</b>	Brazil
		<b>57</b>	China
<b>08</b>	Projects in a globalised world	<b>60</b>	Germany
<b>12</b>	Aspects of an international project	<b>63</b>	India
<b>14</b>	International competencies	<b>66</b>	Japan
<b>16</b>	Cultural dimensions	<b>69</b>	Russia
<b>36</b>	Project phases	<b>72</b>	Saudi Arabia
<b>38</b>	Environment and stakeholder analysis	<b>75</b>	South Africa
<b>40</b>	Project organisation	<b>78</b>	Turkey
<b>41</b>	Decision making processes	<b>81</b>	USA
<b>42</b>	Team development		
<b>44</b>	Communication culture		
<b>45</b>	Project control	<b>84</b>	Bibliography and references
<b>46</b>	Risk management	<b>87</b>	Imprint
<b>47</b>	Conflict management		
<b>48</b>	Quality management		
<b>49</b>	Supplier management		
<b>50</b>	Management role in the project		

# PRELIMINARY REMARKS

## INTERNATIONAL PROJECT MANAGER

Although we have selected the familiar and commonly used term “International Project Manager” as the name of our certification and use it consistently in the International PM Guide 2.0, we are aware that it does not fully reflect the skills and competencies that an international project manager requires. Why is that? Because, for example, countries are organisational structures founded on a shared legal and political system. They are the framework in which projects are planned and implemented. By definition, an international project manager is somebody who interacts with one or more countries and who is familiar with the customs and conventions of these countries. However, an international project manager also requires intercultural management and diplomatic skills.

People in specific countries are often defined by their membership of certain cultural groups rather than their nationality. Ideally, a country will have one single cultural group. However, many nations are perceived as cultural communities, even though this view is oversimplified and doesn't reflect reality. Many countries are exceptions and comprise several cultural groups.

The USA and Belgium are two such exceptions. Some cultural groups are divided by national boundaries, such as the Kurds and the Germans. Cultural groups

are defined by their language, dialect, values and religious views. These aspects have a major impact on the workplace, which means the project manager has to be sensitive to them in order to build a motivated team and bring the project to a successful conclusion. The management of teams with members from different cultural groups and limited communication options, such as virtual teams, is even more demanding.

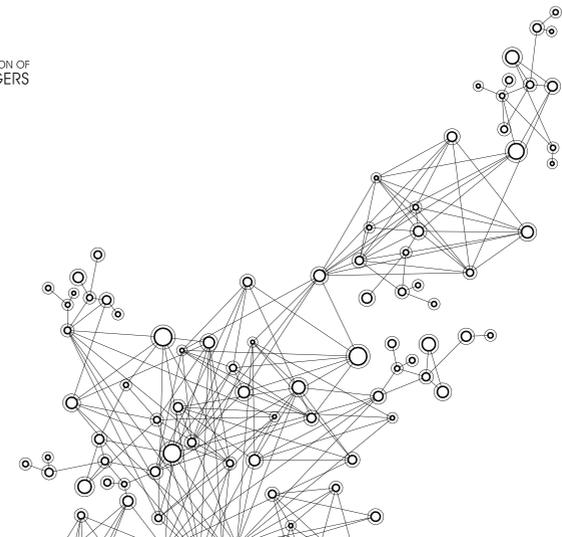
The International PM Guide 2.0 indicates what a project manager needs to perform professionally and effectively in an international and intercultural environment.



We hope that you'll be a first-rate project manager, enjoy team-based project work and maximise your personal success.

June 2020, IAPM International Association of Project Managers

**iapm**  
★ INTERNATIONAL ASSOCIATION OF  
PROJECT MANAGERS



# PROJECTS IN A GLOBALISED WORLD

## A GLOBAL PROJECT ENVIRONMENT

The concept of global trade is nothing new. Many generations of merchants, from the Phoenicians to the Fuggers and from Marco Polo to the East India Companies, have dedicated themselves to establishing trade relations with other cultures and developing new markets. Today, two decisive factors have had a dramatic impact on global trade: the rapid development of communication media

and the global transport infrastructure. As a result, it is incredibly easy to transfer information to any international destination or culture, to trade raw materials, to develop, manufacture and market products. In this kind of an environment, projects are no longer 'home games' played in the local market, they are increasingly away games in multicultural environments.



## CORPORATE GLOBALISATION

Incentives for globalisation include potential cost savings and efficiency improvements, the opportunity to enter new growth markets and the opportunity

to counteract the increasing pressure of competition. A primary sector company could go through the following phases of globalisation [1]:

### STAGES OF CORPORATE GLOBALISATION

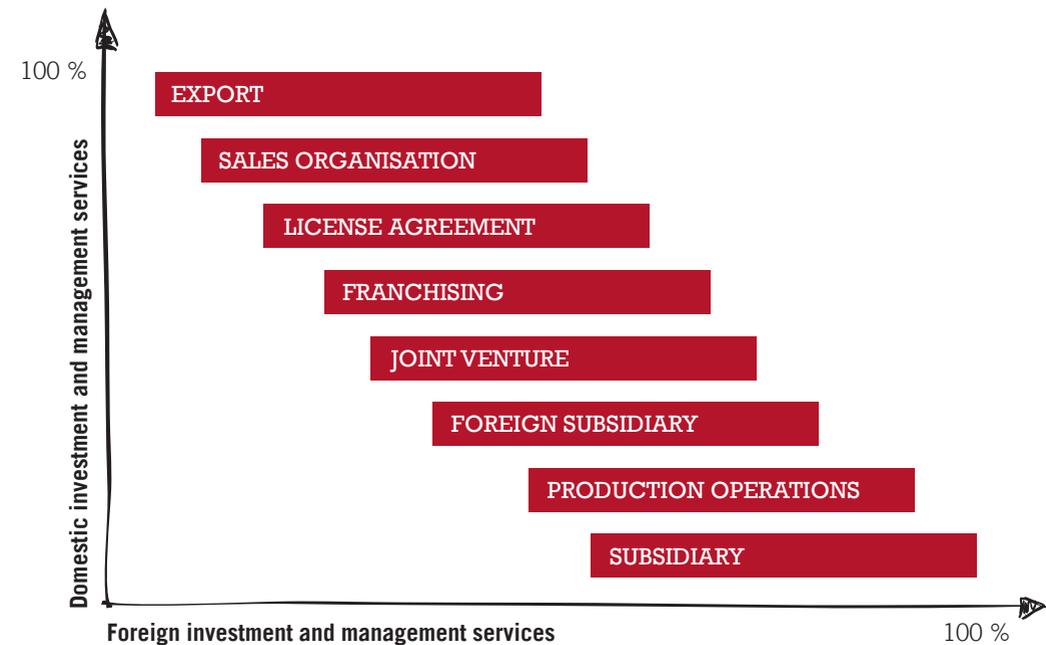


Fig. 1: Stages of corporate globalisation

## INTERNATIONAL CORPORATE STRUCTURES

Even companies, the breeding grounds for projects, are undergoing changes in an increasingly global environment.

In this process, the organisation structures can be classified as follows [2]:

	Multinational company	International company	Global company
Organisational structure	Loose federation of national companies. The local units perform all business operations independently and adapt global strategic decisions for local implementation.	Somewhere between a multinational and a global enterprise from an organisational perspective. Some strategic decisions are made centrally, others are made decentrally and locally.	Central organisation with lean management. Business operations and key strategic decisions are centrally managed. Subsidiaries are predominantly distributors, processes are jointly agreed and standardised.
Advantages	The company can quickly adapt to situational and local changes.	Information exchange within the organisation is easy.	Efficient top-down structure

Tab. 1: Comparison of multinational, international and global companies

A fourth type of organisation is a transnational organisation. It doesn't have a domestic market and generally has

operations in at least three countries - and it can have characteristics of all three of the above-described organisation forms.

## KEY PROJECT TYPES IN A GLOBAL ENVIRONMENT

The following constellations that have been selected are often referred to as international or intercultural projects, even though some of them aren't perceived as such:

- Project with an international customer
- Project involving international suppliers
- Local project team with international sub-teams
- Local team with members from other nations
- The project manager is sent overseas to manage the local project team
- Virtual project teams in an international environment
- Local project team with members from very different cultures



# ASPECTS OF AN INTERNATIONAL PROJECT

Project management in an international environment differs in many respects from national project management and it is far more than merely “project management in English”.

Many international projects fail or fall short of expectations due to **cultural differences** between project participants, not because of language barriers. The most important aspects of an international project are listed below [3].



## Cultural differences

Different styles of communication and working make collaboration difficult. Conflicts are more likely to occur and are harder to resolve. Different cultures have different values, which makes it difficult to define quality characteristics, assess risks and reach agreement on deadlines.

## Different languages – communication barriers

Even when a common project language is established, the different levels of language proficiency increase the likelihood of misunderstandings. Although interpreters can be used to eliminate this problem, they slow down the rate of project implementation and the project manager has no control over what is being said. However, language barriers aside, communication media such as e-mail and text message always harbour a risk of conflict because the person receiving them may not understand them properly.

## Different framework

Depending on the type of project, the project manager may be exposed to an environment that differs considerably from what he is used to – with different political and legal frameworks and possibly a special climate or geography. A well designed, detailed environmental analysis is absolutely essential and helps to prevent problems at a later stage of the project.

## Personal impacts

In some projects, depending on their type, the project manager and team members will have to deal with additional stress factors. For example, they may have conference calls in the middle of the night so that team members in all time zones can take part, they may face long separations from family and friends due to extensive travelling or time spent in other countries or be exposed to the stress of extreme local climatic conditions.

## Potential for success

However, international projects aren't just associated with challenges, they also have positive aspects such as shorter life cycles, cost savings and additional scope for creativity.

# INTERNATIONAL COMPETENCE - A REQUIREMENTS PROFILE FOR AN INTERNATIONAL PROJECT MANAGER

Ideally, an international project manager should be tolerant and open, and be familiar with the necessary project tools in order to cope with the additional complexities of international projects [4].

## **Personal and social skills**

Tolerance of ambiguity, intrinsic motivation (lat. intrinsecus, internally, on/in the inside, from within), ability to cope with stress, discipline, personal organisation, self-criticism ability, tolerance, empathy, leadership skills, teamwork skills, communication skills, positive approach to conflict resolution, curiosity

## **International competence**

Knowledge of the country's environmental factors, such as the political and legal framework, infrastructure, religion, geography and climate

## **Intercultural competence**

Language skills, knowledge of the country's culture and history, cultural evaluation tools, knowledge of customs, local experience



# CULTURAL DIMENSIONS – THE INTERNATIONAL PROJECT MANAGER'S COMPASS

Our planet's cultural groups have recently been mapped as cultural dimensions in a similar way to how the world was depicted on a two-dimensional map during the European Middle Ages. Obviously the map isn't detailed enough to describe individual people, yet like a compass coupled with a map, it does help us to navigate in different cultures. Before we provide a more detailed description of the cultural dimensions, let's consider what culture actually is on the basis of different cultural models.

## THE THREE LEVELS OF HUMAN CONDITIONING

The process of human conditioning can be portrayed by a three-layer model. The first layer represents human nature, which universally defines us as human beings and is genetically programmed. Above this is the second layer of learned cultural conditioning and at the top is the third layer, the layer that defines us as individuals.

It can therefore be concluded that culture cannot be the sole criterion in any evaluation of a person. Individual personality may strengthen or conceal their cultural identity. Thus, the project manager has to continuously question his perception of his environment and adapt it accordingly [5].

## CULTURAL IDENTITY BASED ON SOCIAL ENVIRONMENT

Cultural identity is established at various stages of life and in different environments such as the home, the circle of friends, the peer group, education and

the workplace. It is necessary to consider that different cultures have different and sometimes contradictory values.

### LAYERS OF CULTURAL IDENTITY BASED ON SOCIAL ENVIRONMENT

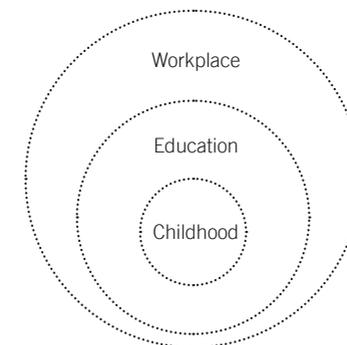


Fig. 2: Layers of cultural identity based on social environment

## CONCEPTS OF CULTURE

A culture is defined as a system of values and rituals, rules and standards, heroes and symbols that we internalise from childhood onwards. Like an iceberg, many of these culture-specific parameters are visible and reflected in daily life as the actions we take and the objects we use. The more deeper rooted values remain invisible to the outside world. Yet, at the same time, they are the core aspect of the culture. Values are the benchmark according to which we categorise and assess our environment and other people [6].

### THE FOLLOWING EXAMPLES ILLUSTRATE THE CONCEPTS OF CULTURE:

**Symbols:** Architecture, food, hair styles, clothing, flags, coats of arms, emblems, colours.

**Heroes:** Political, military and business figures, athletes, fictitious characters and media figures.

**Rituals:** Greetings, gifts, table manners, religious acts, festivals, parades and political celebrations.

**Values:** Typical word pairs with opposite meanings such as good-bad, brave-cowardly, dirty-clean, fast-slow, boring-exciting etc.

Environmental influences also have to be considered. These are specific factors relating to the culture or its geographic location such as drought, extreme weather, proximity to the ocean or to a mountain range.

The nature of human action must also be considered.

A project manager can easily learn how to deal with the visible and conscious aspects of cultures such as how to greet people or dining etiquette. "When in Rome, do as the Romans do!"

This is the first step towards intercultural understanding because, outwardly, the project manager is integrated and part of the team. On the other hand, we have to realise that a large portion of the "cultural iceberg" will remain invisible to us and that we may not understand what motivates our international partners to behave in certain ways or adopt specific views. Simply imitating the visible aspects of a culture is not enough to gain a deeper understanding of it or to manage people from different cultures in a project. So another, deeper approach is necessary.

## PREJUDICES AND STEREOTYPES

*„It's easier to split the atom than to break down a prejudice.“ - Albert Einstein*

Prejudices are not suitable as a means of explaining specific aspects of a culture or predicting reactions. In fact, they will always lead to a dead end in an intercultural project. A prejudice is a pre-judgement that is formed without an awareness of the specifics of a culture. It doesn't necessarily have to be a negative pre-judgement, but it is always final and irrefutable. Prejudices are also always applied to all individuals in a cultural group or nation.

**Example: All Germans are punctual, quality conscious and lack humour.**

A prejudice is therefore an established one-dimensional assessment that does not, however, provide any insights into the "why" of other cultures. Stereotypes, on the other hand, are more adaptable

and they attempt to describe a culture in terms of generalisations, and sometimes caricatures. A stereotype is a two-dimensional, widely held but fixed and oversimplified image or idea of a particular type of person or thing. Cultural stereotypes relate to the characteristics of people in a specific culture.

**Example: Germans tend to be punctual.**

According to this stereotype, the majority of Germans are punctual, though there are obviously some Germans who arrive early or late.



## STEREOTYPE OF "PUNCTUALITY"

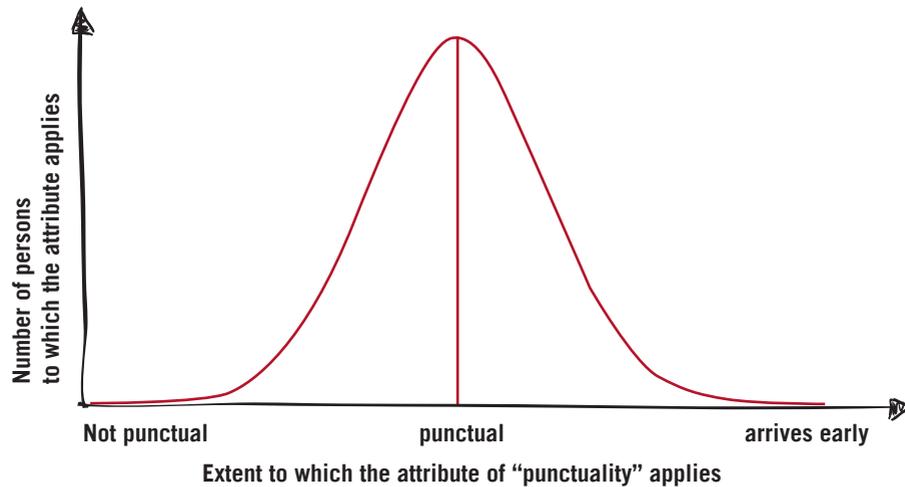


Fig. 3: Representation of the stereotype „punctuality“

A person who applies a stereotype has no idea about a person's motivation to take specific action and is often unaware of the stereotype's origins - and therefore how much truth there is to it.

When an action is observed, it isn't possible to tell whether the motivation is duty or inclination. For example, when somebody saves a drowning person, the rescuer might be a person who helped out because he happened to be on the scene, or he might be a paid lifeguard. Though their action is the same, each have different motivations.

A stereotype can, however, be an initial practical aid for someone learning about the specific aspects of a different culture. However, it can soon be necessary to adjust or discard the stereotype when the actual situation deviates from it.

## CULTURAL DIMENSIONS

Cultural dimensions classify cultures and enable their comparison.

They

- provide a useful and systematic compendium of tools that can be sharpened and adapted as local knowledge increases.
- make the actions of the people in a culture to some extent predictable.
- help the "foreigner" to behave and respond appropriately in an unfamiliar cultural environment.

Many countries' cultural dimensions have been mapped and relevant data is available.

We have provided a more detailed description of the following fourteen cultural dimensions

- Power distance index
- Individualism versus collectivism
- Masculinity versus femininity
- Uncertainty avoidance index
- Long-term orientation versus short-term orientation
- Indulgence versus restraint
- Internal control versus external control – relation to nature
- Universalism versus particularism
- Affectivity versus emotionality
- Specificity versus diffusion
- Achievement versus ascription
- Proxemics
- High context versus low context
- Monochronic versus polychronic concept of time

The charts include values on different cultural dimensions (if available) in the BRIC nations, Germany, Japan, Saudi Arabia, Turkey and the USA.

## POWER DISTANCE INDEX

The power distance index [7] indicates to what extent less powerful individuals accept and expect an unequal distribution of power. It indicates the degree of respect that is accorded to managers or superiors. However, the power distance index should not be viewed as a unilateral parameter. Not only does it imply social distance between more and less powerful individuals, it is also associated with the subordinates' expectations of their managers. In countries with high power distance, managers don't just enjoy social and monetary privileges, they are also expected to make decisions and to provide clear instructions on their implementation. There are low expectations of dialogue, but high expectations of assertiveness and charisma.

The typical approach of a European manager, who rolls up his sleeves and helps the team out, would cause confusion in a country like India, where the caste system is still widespread. However, a project manager in countries with low power distance, such as Scandinavian countries, is expected to have a more cooperative management style. Generally, the power distance there is lower than in central Europe. In countries with low power distance it is therefore acceptable to question the project manager's decisions and discuss them with him. On the other hand, project team members are expected to work independently and demonstrate own initiative, and the project manager doesn't have to formulate all instructions.

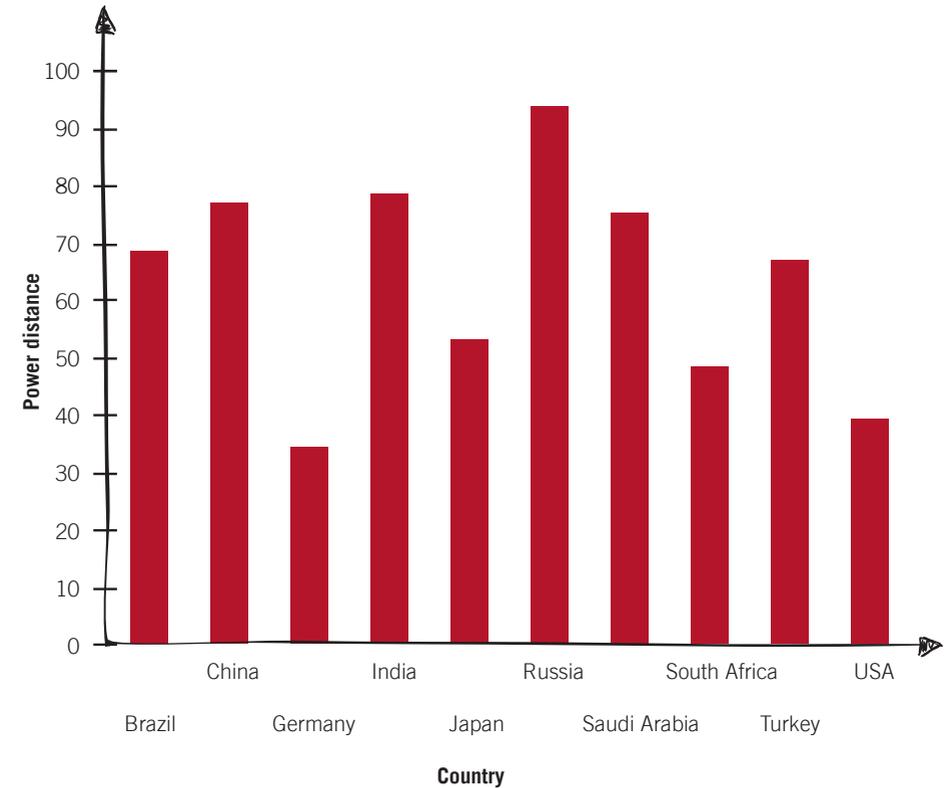


Fig. 4: Cultural dimension „Power Distance“



## INDIVIDUALISM VERSUS COLLECTIVISM

The individualism/collectivism index [8] indicates the extent to which individual self-actualisation is important in a culture. The higher the value, the more individualistic the culture is. The country with the highest individualism index of all surveyed nations is the USA, where the words of Frank Sinatra's song "I did it my way" could be said to reflect the nation's credo. Collectivist cultures differ because the focus is on group membership. Individuals are expected to hold an interdependent view of the self as part of a larger social network and the needs of the group are considered to be more important than the needs of individuals.

The following Japanese saying reflects the essence of a collectivist culture: "A protruding nail will be hammered down."

Cultures with high power distance also tend to be collectivist, while cultures with low power distance are generally individualist.

This cultural dimension has obvious consequences for the project manager. For example, individualist bonus and incentive systems are doomed to failure in a collectivist culture. They reward individuals for excellent performance outside the team framework, a behaviour trait that is frowned upon in collectivist cultures. Vice-versa, bonus systems that reward the entire team will fail in individualist cultures. "Why should I make the effort if I get the same reward as the lazy members of my team?"

It is up to the project manager to develop and implement appropriate reward systems.

Creativity meetings, at which individual people consider creative solutions and present them to the group for discussion, are another example. In a collectivist culture these creativity meetings would fail because participants won't want to stand out from the rest.

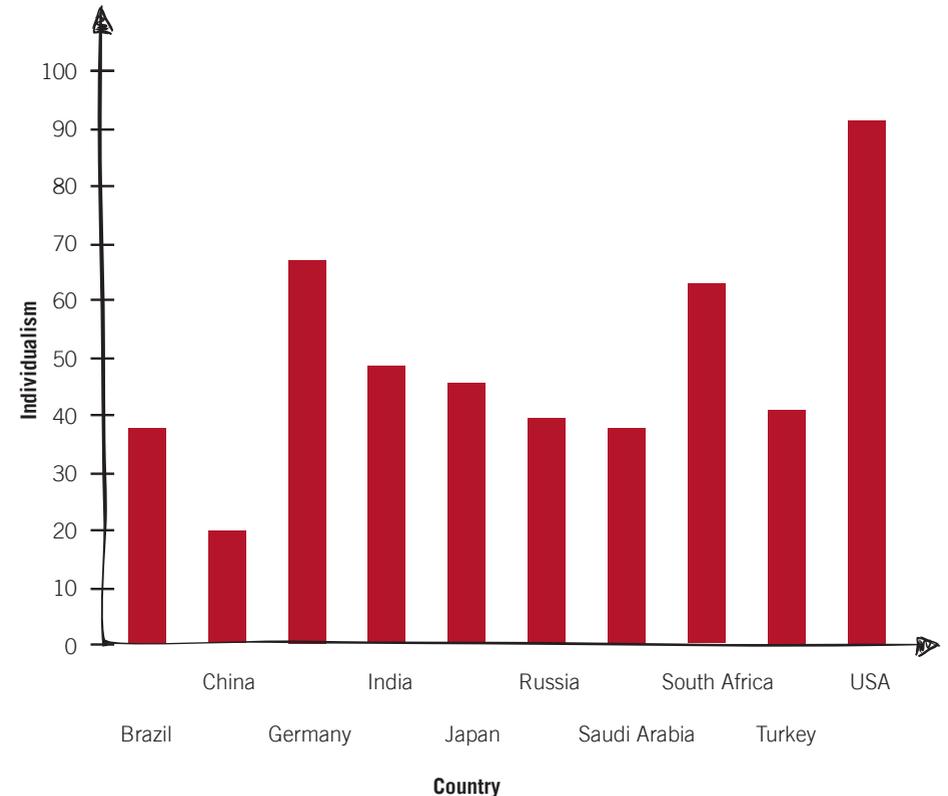


Fig. 5: Cultural dimension „Individualism“

# MASCULINITY VERSUS FEMININITY

Masculinity versus femininity [9] is another cultural dimension, though femininity has nothing to do with feminism. Rather, the culture is defined in terms of the gender-stereotypical characteristics of men and women. The higher the index value, the more masculine the culture is.

Typical feminine values are empathy, modesty, tolerance, solicitude and sympathy for weaker individuals. Countries

with feminine cultures are the Scandinavian nations and Thailand.

Masculine values are more militant and aggressive. They include assertiveness, ambition, claim to power, materialism and willingness to compete.

Masculine work environment	Feminine work environment
Strong and aggressive leadership	Management style based on intuition and consensus
In conflicts, the strongest person wins	Conflicts are resolved by negotiation and compromise
Corporations	Generally smaller organisations
“Live to work.”	“Work to live.”
A career is mandatory - particularly for men	A career is optional
Low number of women in management positions	High number of women in management positions
More money instead of compensatory time off	More compensatory time off instead of pay rises

Tab. 2: Comparison of the masculine and the feminine work environment

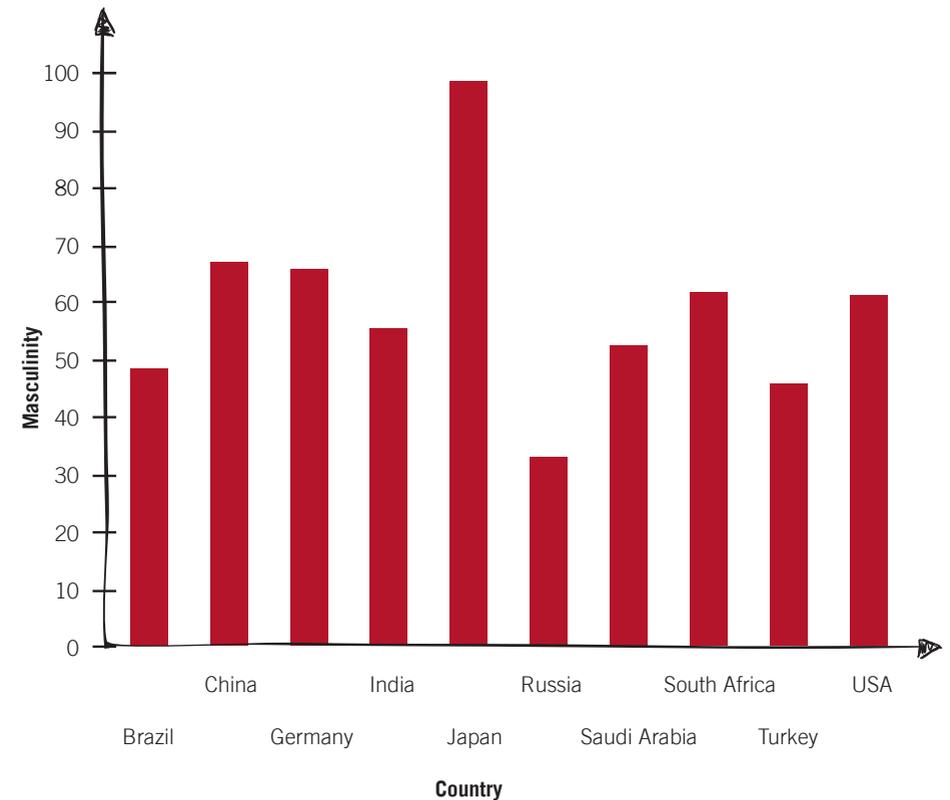


Fig. 6: Cultural dimension „Masculinity“

## UNCERTAINTY AVOIDANCE

This cultural dimension indicates the degree of a society's aversion to unforeseen and ambiguous situations [10]. It measures the way society deals with new and unfamiliar situations, unforeseen events, changes and the associated stress. Societies with a high uncertainty avoidance index tend to be intolerant of change and prefer to remain in their comfort zone. They are characterised by established laws and guidelines. Project managers will find it difficult to introduce new procedures, technologies or processes in these societies.

Comprehensive risk analyses are also necessary. Countries with a high uncertainty avoidance index are Germany, Austria, Italy, Spain and France, and also Japan. The situation is very different in countries with a low uncertainty avoidance index. They are receptive to new ideas, operate according to vaguely formulated guidelines rather than iron-clad laws and sometimes act ingenuously. Risks are viewed as opportunities rather than threats.

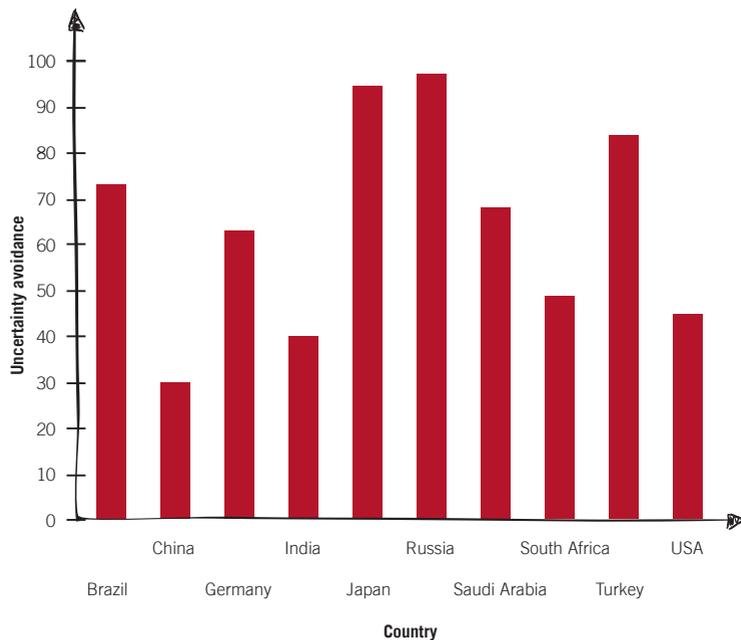


Fig. 7: Cultural dimension „Uncertainty Avoidance“

## LONG- VERSUS SHORT-TERM ORIENTATION

This index indicates the length of a society's planning horizon from past, through present to future [11]. Is it looking for long-term growth (which would be a high value) or short-term, immediate benefits (a low value)? A society may live according to centuries old traditions which form a constant and will result in future liabilities (low value) or it may adapt quickly to changing times and new situations if necessary (high value). Cultures with a long-term orientation seek future benefits through the use of thrift and patience, while cultures with a short-term orientation focus on benefits gained from the past and present.

Potential conflicts for the project manager include negotiations with suppliers, e.g. is he looking for a quick bargain with immediate benefits or a long-term partner who will grow with the organisation? The project manager should therefore always consider his own values regarding long-term orientation relative to those of the suppliers.

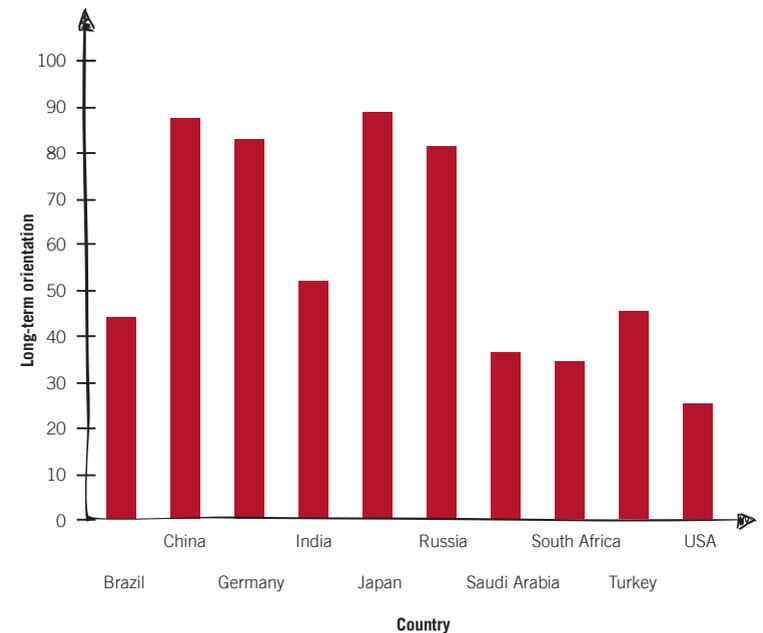


Fig. 8: Cultural dimension „Long-term Orientation“

# INDULGENCE VERSUS RESTRAINT

Indulgence is indicative of a society that allows a relatively free gratification of the basic natural needs of fun and enjoyment. Restraint is indicative of a society that suppresses the gratification of needs by means of strict social standards. A low index means 'restraint' and a high index means "indulgence" [12].

The following table shows a number of comparisons for better comprehension:

Indulgence	Restraint
Leisure time is important	Leisure time is unimportant
Positive basic attitude	Cynical
Low moral discipline	High moral discipline
Optimistic	Pessimistic
More extroverts	More neuroticism

Tab. 3: Comparison of the cultural dimensions „Indulgence“ and „Restraint“

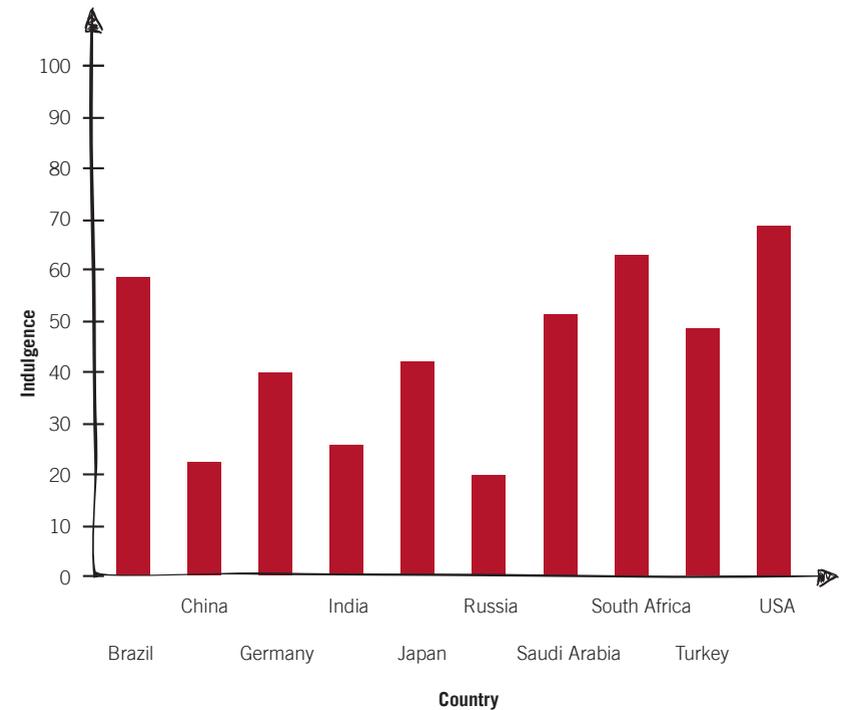


Fig. 9: Cultural dimension „Indulgence“

# INTERNAL CONTROL VERSUS EXTERNAL CONTROL - RELATION TO NATURE

If the culture considers itself to be the controller and user of nature, does it want to decode its secrets or to live in harmony with it as part of a whole [13]?

**Typical internally controlled** countries are the USA, the United Kingdom, Israel and Australia.

**Typical externally controlled** countries are Russia, China and Saudi Arabia.

## UNIVERSALISM VERSUS PARTICULARISM

This cultural dimension is about whether rules or relationships are more important. A universalist culture has rules and laws which are binding for everyone and everywhere (universalism). Particularist cultures also have rules, but adherence to them depends on the situation and personal relationship. This cultural dimension has a strong impact on how agreements and contracts are handled in the project [14].

**Typical universalist countries** are the USA, Canada, the United Kingdom, Poland, Germany, Scandinavia and the Netherlands.

**Typical particularist countries** are Russia, Latin America and China.

## NEUTRALITY VERSUS EMOTIONALITY

Does the respective culture accept the open showing of feelings or is it more appropriate to hide them behind a “poker face” and is it always tried to argue objectively? If feelings are shown, many messages such as commitment, anger, joy etc. can be expressed and negotiations can be pushed forward in an emotional culture - a neutral culture would at best deduce that the person in question is not in control [15].

**Typical “neutral” countries:** United Kingdom, Sweden, Germany, the Netherlands, Japan

**Typical “emotional” countries:** Poland, Italy, France, Spain, Latin America

## SPECIFICITY VERSUS DIFFUSION

In a specific culture, people separate the individual areas of their life such as work, family and leisure time. People in specific cultures generally only meet each other within a specific life area, i.e. work colleagues don't usually meet up outside work. However, if interactions between specific areas do occur, role behaviour will be adapted to the new environment. A line manager then becomes a ‘sport buddy’.

Diffuse cultures focus on the big picture in relation to the individual elements and people move between life areas without their relationships being affected by specific situations [16].

**Typical specific countries** are the USA, the United Kingdom, Germany, Scandinavia and the Netherlands.

**Typical diffuse countries** are Argentina, Spain, Russia, India and China.

## ACHIEVEMENT VERSUS ASCRIPTION

In achievement-oriented cultures people are expected to earn respect through hard work and competence. In ascription-oriented societies people behave appropriately and with respect towards people with a special status due to their background, age or relationships [17].

**Typical achievement-oriented countries** are the USA, Canada, Australia, Scandinavia.

**Typical ascription-oriented countries** are France, Italy, Japan, Austria, India, South Africa.

## PROXEMICS

This dimension portrays how people manage the various distance zones that they permit [18]. Do they keep their distance or are they more intimate?

Japanese people tend to stand quite far away from the people they are talking to. People in the USA stand moderately close and people in Mediterranean coun-

tries stand very close. In cultures that have large distance zones, somebody who comes too close is perceived as being pushy and threatening. On the other hand, people who stand too far away in cultures with low distance zones are perceived as dismissive and uninterested.

## HIGH CONTEXT VERSUS LOW CONTEXT

In cultures with a low context, it is customary to be absolutely frank and to provide precise information to the person being spoken to. People call a spade a spade in low context cultures. In high context cultures, the opposite is the case and the context of what is being said has to be additionally taken into consideration [19]. This context includes both the dialogue situation and non-verbal signals. It isn't just about what is being said - knowledge is also assumed by implication.

**Typical low context countries** are Germany, the Netherlands, the northern states of the USA.

**Typical high context countries** are India, China and Japan.

## MONOCHRONIC VERSUS POLYCHRONIC

This cultural dimension portrays an understanding of time. In monochronic cultures, the steps in a work process are carried out in sequence. There is no overlapping. Keeping to schedule is very important, as is reliability, and there is very little scope for deviation. However, the status of processes can be controlled. There is low tolerance for hold-ups, interruptions or delays in monochronic cultures. This is not so in polychronic cultures. Several activities are carried out simultaneously and

the time schedule is generally more flexible. Cultivation of relationships is more important than completion of tasks. Delays are more acceptable and perceived as normal [20].

**Typical monochronic countries** are Germany, the United Kingdom, the USA.

**Typical polychronic countries** are India, China.

## RELEVANCE FOR PROJECT MANAGERS

Sometimes, an organisation's corporate culture adopts aspects of the country's cultural dimensions and sometimes a country has different cultures with very different attributes. In a project, it is therefore important to view cultural dimensions only as a framework providing a

better understanding of the culture. They should never be viewed in isolation, but always in relation to two or more cultures. Later on, a project manager can adapt his behaviour to reflect his own observations and experiences.

# SPECIAL FEATURES OF PROJECT PHASES IN INTERNATIONAL PROJECTS

## GENERAL INFORMATION

In an intercultural context the project manager should always create an individual phase model that reflects both cultural and project requirements. The transitions between project phases help him to evaluate project results, costs and deadline adherence. The amount of planning deemed necessary differs from culture to culture, which means that the phase model has to be designed so that everyone involved will support it. It is necessary to remember that the phase model should reduce complexity without creating additional potential for conflict [21]!

## THE PHASE MODEL PHASES - SPECIAL ASPECTS IN INTERCULTURAL PROJECTS

### Initiation

As project manager, you have to ensure that you are involved in the project from the earliest possible stage. In this phase you establish the first information channels. You should arrange intercultural coaching for key project team members.

### Initialisation

In the initialisation phase of an international project the project is installed in an intercultural framework and a positive image is established. Are there any political, religious or social problems, or 'hidden agendas' in the project environment that might cause problems? You will have to get used to a new environment with an unfamiliar infrastructure, resource situation, climate etc. You will have to develop a network of relationships, find communication media and put together a team. This is why a stakeholder analysis is essential in this phase. Seek out people who can provide you with support on language and cultural issues.

### Planning

Important aspects of this phase are the communication and approval of the project plan. Different cultures have different ideas on how much planning is necessary and, as project manager, you have to ensure that approval isn't just being given out of politeness because this is customary in the culture, but out of conviction.

### Implementation

Agree suitable parameters to measure project progress and ensure that the team is willing to stick to the rules. Schedule plenty of time for meetings so that you can take the more complex communication situation into account. Different cultures have different concepts of risk and quality, and will evaluate them differently. If necessary, clarify the risk/quality situation. Consider that in some cultures the onus is on the provision of information and in others, the onus is on obtaining it. Adapt your style of management to the culture!

### Close-out

***"It's easier going out than coming back!"***

This is what a personnel director said to an expatriate.

People who work on projects abroad shouldn't sever their ties with their home country. Clarify what you will be doing when you return from a foreign assignment before you leave. This is also the time to document experiences, to close-out the project in a way that is appropriate for the culture and to ensure that your new network of contacts will be available to you in the future.

### Follow-Up

Review what went well and what didn't go well in the project after it has closed out. Draw the appropriate conclusions. Important: don't forget to cultivate your new network of contacts!

# ENVIRONMENTAL AND STAKEHOLDER ANALYSIS

Basically, the stakeholder analysis in an international project is the same as it would be in a national project [22]. However, it can be useful to allow interpreters or experts who are familiar with the culture to check possible implications when problematic areas are being analysed. Preparing an organisational chart can be useful to gain an overview. In some cultures you may have to go against your ethical principals to influence stakeholders. Gifts which demonstrate appreciation are generally acceptable, though you should avoid obvious bribery.

A list of stakeholder analysis elements, with remarks and questions, is provided below:



## **Political environment**

The political environment in some cultures can be difficult and involve lengthy decision making processes. Take advantage of your connections and establish a network of useful contacts as soon as you possibly can. In non-secular countries you may have to deal with people who are both religious and political leaders. In this case, you will have to act with great diplomacy. You should adapt your risk management concept to problematic political environments.

## **Economic environment**

Is the project financing secured? Who are your competitors and whose support do they have? What economic limitations affect the project?

## **Sociological environment**

Are there any ethical, moral, religious or social interests which conflict with or support project interests? Which emotions does the project arouse and what actions can be taken to influence them?

## **Technological environment**

There may be drastic differences between your customary work environment infrastructure and the infrastructure in a different country. For example, there may be regular power cuts, a poor road infrastructure or an inferior communication infrastructure.

How does your project fit into the country's technological environment?

## **Ecological environment**

Key aspects to consider are climate, geography and geology, environmental protection, water supply and raw materials.

## **Legal environment**

Find out which laws apply to negotiations and court cases and familiarise yourself with the country's employment law. What is the procedure for claim management? How are contracts concluded? What is the contractual language and legal venue, and how effective is a contract in reality?

You will have to work with local legal experts and other experts in this connection. Consider the role and influence of employee representatives and trade unions. Their influence differs considerably from country to country.

Extensive advance preparation is necessary for negotiations with stakeholders due to the specifics of other cultures. The objective should always be to use unequivocal language with the objective of gaining stakeholder support and avoiding any potential conflicts. Schedule plenty of time for negotiations and identify the decision makers among the stakeholders as soon as possible.

# PROJECT ORGANISATION

In addition to the familiar linear, matrix and autonomous project organisation forms there are also adapted organisation forms in global environments such as fractal and network organisations. There are also other functional roles to be performed in the project. These are generally people responsible for monitoring the interfaces between the core and sub-teams.

Within the organisation, the project manager has to ensure that culture-related expectations of communications held by team managers and members, particularly the provision of instructions and information, are adequately taken into consideration.



# DECISION MAKING PROCESSES

Decision making processes depend to a great extent on the culture and the environment in which the decisions are made. In many Asian cultures the objective is to achieve consensus. However, in ascription-based cultures, the highest-ranking or oldest person often has the 'final say'. Explain the concept of cultural diversity to your team and request their understanding and support. Define project-wide decision making processes and ensure that all team members understand and support them.

Decision making should be transparent and comprehended by all team members. Check at regular intervals whether the decision process has to be adapted as a result of changing circumstances. This can be necessary in both externally controlled cultures and other cultures.

**Ideally, you can establish the following decision making sequence:**

- Definition of the initial situation
- Procurement of the necessary information
- Consideration of alternative solutions
- Evaluation of the solutions and selection of the most suitable alternative
- Communication of the decision
- Implementation of the decision

# TEAM DEVELOPMENT

## PREPARATION

It is obviously ideal if the project manager can gain input from experienced colleagues and coaches at team workshops in advance. If you have this opportunity, take advantage of it.

However, a project manager is often thrown in at the deep end. In this case, you should at least prepare a team analysis based on the cultural dimensions. Compare your cultural dimensions with those of your team members and try to adapt your behaviour appropriately in daily interactions with them.

## TEAM DEVELOPMENT PHASES

The usual team development phases also apply in international projects:

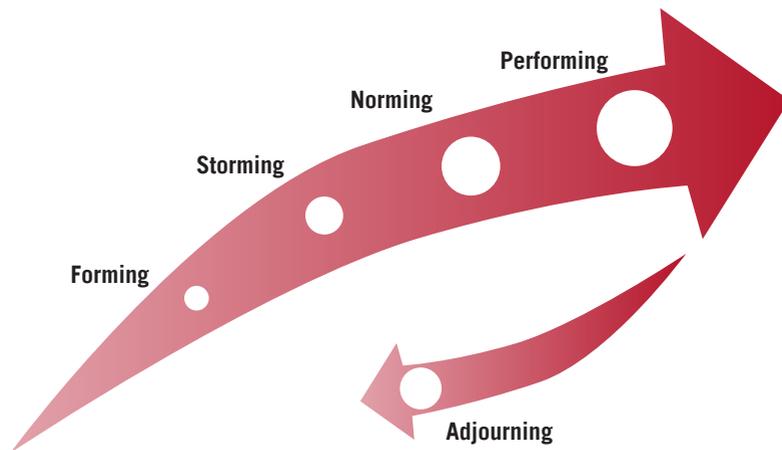


Fig. 10: Phases of team development [23]

However, team development can be difficult in virtual teams because they often only communicate in writing, by phone or in video conferences.

## THE PILLARS OF INTERCULTURAL TEAM DEVELOPMENT

Team development isn't easy, even when the team members don't come from different cultures. There are three main pillars for structuring and managing teamwork in an intercultural environment [24]:

### 1. Agreement, understanding and support of the common objective

Effective teamwork isn't just about a shared understanding of the common objective, it is also about supporting the objective and being motivated to implement the project. As project manager, you have to create a project vision, communicate it and ensure that it stays relevant.

### 2. Trust between team members

There are only two possibilities here: either you trust somebody or you don't. Trust is like a "delicate plant" that has to be cultivated. It grows slowly and is easily destroyed by inattentiveness or malice. You have to be empathetic!

Trust evolves from being able to predict a person's actions. Use unambiguous wording, think about what you say before you say it and be consistent.

### 3. Team communication and agreed work methods

Agree (a) common project language(s). You can even use a mixed language, such as German with English terms relating to the work environment. It is also necessary to establish the format and communication of work instructions. Take the team members' culture specifics into account. For example, find out whether the instructions are detailed enough for the culture in question, and whether they have to be precise or general.

# COMMUNICATION CULTURE IN INTERNATIONAL PROJECTS

Communication isn't just what's being said! Many non-verbal signals have an effect on the perceived meaning of what you say and put it in a new context. Some cultures focus more on the context, i.e. the body language, facial gestures or tone of voice, while other cultures focus more on the words. Initially, it is difficult and sometimes even impossible to notice and understand the special body language used by people in a different culture.

Ensure that cultural dimensions and the role of a person in the project environment are reflected in your communication concept. Are you communicating with a manager in a culture with high power distance? Is it customary in the culture to embellish reports or reduce them to the essentials?

An interpreter can soon provide you with clarity on this. Always show respect and ensure that other people do the same in communications. Define the communicators, the information processes and the scope of information, and create an infrastructure suitable for these processes.

# PROJECT CONTROLLING

There are three steps to the control process [25]:

## 1. Situation analysis

Collect and save information and ensure that it is interpreted in a culturally appropriate way. Select a reporting and communication language which is clearly understood by all key project participants.

## 2. Data analysis

Install a suitable controller and early warning system to identify deviations. Discuss the analyses and suitable corrective measures as a team. Consider the recipients and format of proposals, sug-

gestions for improvements and criticism. Ensure conformity with ethically appropriate rules. In some cultures it is customary to give people who fail to achieve targets a "dressing down" so that they lose face.

## 3. Intervention and control

Implement appropriate changes and install structures that will prevent further deviations as far as possible. Set up a change management and change documentation system that is appropriate for the culture.

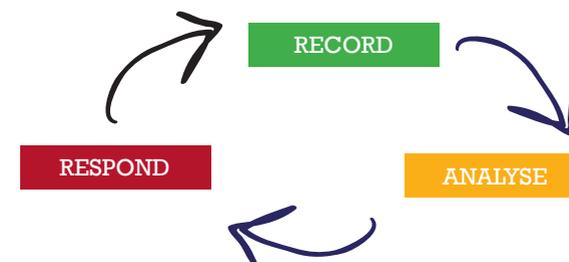


Fig. 11: Project controlling

# INTERNATIONAL RISK MANAGEMENT

A project manager of an international project in a foreign culture often finds it difficult to assess risks. Threats may be perceived differently and communicated to a different extent in a country with another culture. Some cultures, such as masculine and collectivist ones, and also countries with high power distance, tend to assess risks as less threatening or don't explicitly communicate them. Reach agreement as a team on risks. Before you do this, you should analyse the

project roles, cultural backgrounds and personalities of your team members and base your choice of risk management system on your findings. It can be an advantage to assign responsibility for risk management to one person.

# CONFLICT MANAGEMENT IN AN INTERCULTURAL ENVIRONMENT

Conflicts are practically unavoidable in international project management. There are simply too many possibilities for misinterpretation or misunderstanding, and latent conflicts between cultures. As project manager, you have to take the following things into account:

- Watch out for covert conflicts. Once the conflict breaks out, it is generally difficult and sometimes impossible to resolve amicably. Sometimes, it can be a good idea to let an interpreter who is familiar with the culture keep an eye out for conflicts.
- Install an escalation concept that is appropriate for the culture.

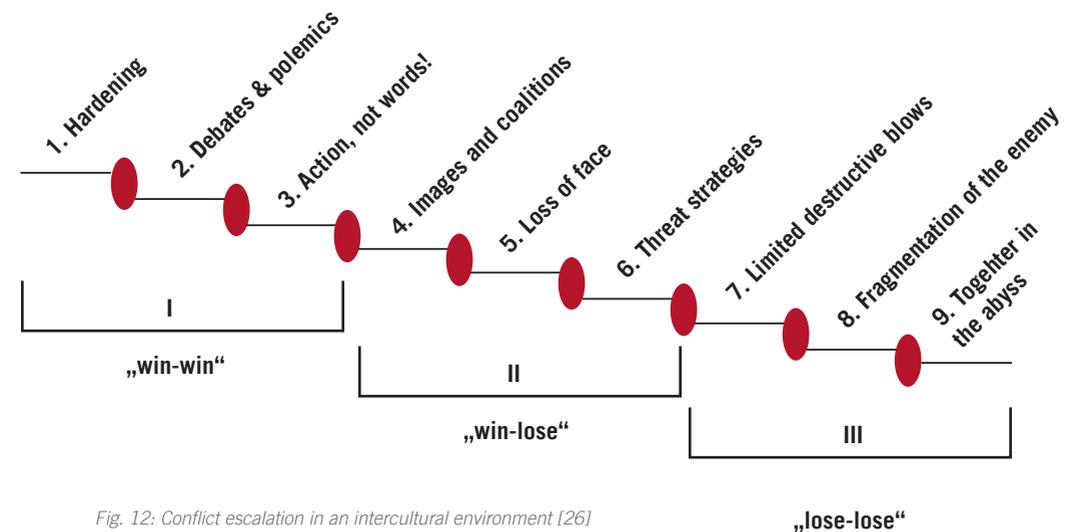


Fig. 12: Conflict escalation in an intercultural environment [26]

# QUALITY MANAGEMENT IN AN INTERCULTURAL ENVIRONMENT

Different cultures have very different concepts of quality. This can be because of their expectations or because of their living standards. Cultures with high uncertainty avoidance tend to attach considerable importance to reliability and functionality. Germany is a country with this kind of a culture and with high quality standards.

## **Here are two examples which demonstrate how different cultures view quality from different perspectives:**

- “Second best is good enough!” said an Australian engineer, who wanted to deliver a fast and pragmatic solution at a moderate price.
- The product’s design or image is more important than usability or durability.

You should agree the acceptance and quality criteria as a team and get them approved by the customer so that you are aware of his expectations.

However, quality isn’t just a characteristic of products, it also applies to processes and role assignment. Agree firm processes and rituals for meetings, risk and time management, decision making processes and the escalation procedure that everyone understands. The clear assignment of responsibilities within a defined and supported information network builds trust.

# SUPPLIER MANAGEMENT

When dealing with suppliers in an international context you may encounter problems relating to their different understanding of quality or their different attitude to deadlines. Get started with supplier operations as quickly as possible. If you can, start out by ordering non-urgent or non-essential supplies. This is the easiest and least stressful way of discovering how a supplier ticks. Think about possible alternative suppliers in advance. Always take different time zones into account because time differences make communication more difficult.



# MANAGEMENT ROLE IN THE PROJECT

## GENERAL INFORMATION

Intercultural management is a difficult task for project managers. The project manager not only needs technical competence and social skills, which are essential traits in any project manager, but also intercultural competence. One of the project manager's most important tasks

in an international project is to liaise with the customer in depth so that he can gain a precise idea of the customer's objectives. Comprehensive team, stakeholder and environment analyses at the outset of the project are also essential.

## PROJECT TEAM NEEDS

The hierarchy of needs reflects an individualist culture. It provides an idea of human needs and motivation options. The hierarchical levels apply universally to all people. However, their order of importance depends on the specific culture.

So, as project manager, to select suitable motivation tools and reward systems, you have to consider the hierarchy of needs for the culture that you are operating in and then the current needs situation of your project team and stakeholders.



Fig. 13: Maslow's hierarchy of needs [27]

## TEAM ANALYSIS

A team analysis involves the following steps [28]:

- List the names of the team members and their cultural backgrounds.
- Select the cultural dimensions of the team members' nations that are of interest to you.
- Enter the cultural dimension values for your team members in a table.
- Make a chart using the values in the table
- Make a graph showing the spreads for each culture in the team.
- Interpret the results and derive action recommendations

## MANAGEMENT STYLES

There are many different management styles and each are more or less effective depending on the cultural environment [29]. The following table lists some of them. An authoritarian management style is more suitable for a masculine culture or a culture with high power distance.

A laissez-faire management style would cause uncertainty in that kind of a culture. Adapt your style of management to the culture of the country where you are working. Be flexible.

Management style	Description
Transactional	Based on performance and consideration, target agreement, game rules, praise and criticism, e.g. management by objectives, management by exception, laissez-faire style of management
Transformational	Trust building, example setting, encouragement and support of creative and personal growth, vision creation, coaching, mentoring, supervision
Patriarchal	Benevolence and authority, accessibility to staff, encouragement of submission and obedience
Situational	A management style with four approaches that are applied depending on the employee who is being dealt with: telling, selling, participating, delegating

Tab. 4: Comparison of different management styles

# “WHEN IN ROME, DO AS THE ROMANS DO” QUICK REFERENCE GUIDES

Please note: We use commas as decimal separators instead of dots.





# BRAZIL

„Seja dono da sua boca, para não ser escravo de suas palavras!“  
 “Master what you say or you may be enslaved by your words!”

## Brazilian proverb

<i>Nation/continent</i>	Brazil/South America
<i>Longitude/latitude</i>	10 00 S, 55 00 W
<i>Form of state</i>	Federal republic
<i>Form of government</i>	Presidential democracy
<i>Capital city</i>	Brasilia
<i>Key historical dates</i>	<p><b>1500</b> Brazil was discovered by Cabral. At the time, it had an indigenous population of around 6 million.</p> <p><b>1531-1549</b> Colonisation by Europeans</p> <p><b>1549-1822</b> Brazil was a Portuguese colony</p> <p><b>1822</b> Declaration of independence</p> <p><b>1822-1889</b> Kingdom and empire</p> <p><b>1889-1964</b> Brazil was a republic</p> <p><b>1964-1985</b> Military dictatorship</p> <p><b>1985</b> Brazil returned to being a democracy</p>
<i>Famous Brazilians</i>	Pelé & Ronaldo & Ronaldinho (football players) Paulo Freire (Brazilian educator) Gisele Bündchen (model) Ayrton Senna (Formula 1 driver) Roberto Carlos (musician)

<i>Climate</i>	Tropical and arid, particularly in the north east
<i>Area</i>	8.514.877 km <sup>2</sup>
<i>Time zones</i>	UTC-2, UTC-3, UTC-4
<i>Population</i>	208 million
<i>Main ethnic groups</i>	White 48 %, “mixed-people” 43 %, black 7 %
<i>Language</i>	Portuguese (Brazilian)
<i>Religion</i>	Approx. 65 % Roman Catholic, approx. 22 % Protestant
<i>Currency</i>	Real (BRL)
<i>Resources</i>	Bauxite, gold, iron ore, manganese, nickel, phosphate, platinum, rare earth elements, tin, uranium, oil, hydro power, timber
<i>Key economic data</i>	GDP 2.053 billion US\$  Agricultural products: Coffee, soy beans, wheat, rice, cereals, sugar cane, cocoa, citrus fruits, beef  Industries: Textiles, shoes, chemicals, cement, timber, iron ore, tin, steel, aircraft construction, automotive, mechanical engineering and equipment
<i>Corruption Perception Index CPI</i>	37

## BUSINESS ETIQUETTE

Although more than half of the Brazilian population are descendants of European migrants, the country has obvious cultural differences to Europe. The Brazilian culture is relationship oriented. Personal contacts and relationships are considered to be important and have to be cultivated. The style of communication tends to be indirect. Don't expect any obvious criticism or direct opinions. One special aspect of the Brazilian culture is "jeitinho" - the art of solving problems through creativity and bending the rules.

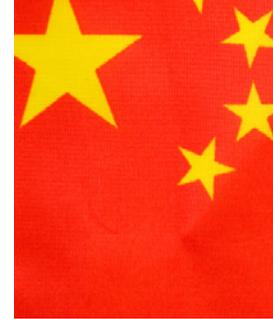
The hierarchies are vertical and a patriarchal management style is accepted. Negotiations can only be conducted between people with the same status. Negotiations and discussions can be expressive and emotional.

Make sure that you are appropriately attired for business meetings. Despite the hot climate, nobody wears shorts or patterned shirts. You should wear a suit, preferably in a dark colour, with an understated tie and smart shoes if you are a man, and an elegant skirt suit and light make-up if you are a woman. When you meet somebody, shake hands and look them in the eye. Once you are familiar with somebody, it isn't unusual to exchange shoulder pats or hugs.

Although Brazil has a polychronic culture, punctuality is expected. On some occasions you will be expected to bring a small gift with you. But don't give any personal gifts such as perfume or a purse. You should also avoid sharp objects such as knives. Gifts should be moderate in value and not make the recipient feel obligated to you. Ideal gifts include wine, chocolate or souvenirs from your own country.

Brazilians who work in an international environment will generally speak English, but don't count on it. If you don't speak fluent Portuguese, make sure you arrange the services of an interpreter. It is a good idea to prepare all presentations in both languages. Also ensure that they are professionally designed. Invest time in small talk and remember that the Brazilians are skilled negotiators and negotiations can take some time. A handshake is generally understood as binding, and contracts are often discussed and re-negotiated after they have been signed. It isn't the written word that counts, but the 'essence' of the agreement.

Finally, Brazil has a lot of red tape and a plethora of complex rules and regulations. In this country, contacts or "despachantes" are necessary in order to manage large-scale projects.



## CHINA

**"Men do not stumble over mountains, but over molehills."**

### Confucius

<i>Nation/continent</i>	People's Republic of China/East Asia
<i>Longitude/latitude</i>	35 00 N, 105 00 E
<i>Form of state</i>	People's republic
<i>Form of government</i>	Socialist, authoritarian single party system
<i>Capital city</i>	Peking
<i>Key historical dates</i>	<p><b>221-207 B.C.</b> 221-207 B.C. Qin dynasty, establishment of the empire and construction of the Great Wall</p> <p><b>206 v.Chr.-220 A.D.</b> Han dynasty, Confucianism became the state doctrine</p> <p><b>960-1279</b> Song dynasty, reunification of China, flourishing culture</p> <p><b>1279-1368</b> Yuan dynasty, founded by Kublai Khan, Marco Polo visited China</p> <p><b>1368-1644</b> Ming dynasty, the first dynasty to rule over all China again</p> <p><b>1644-1911</b> Qing dynasty, founded by the non-Chinese people of the Manchus, opium wars and resulting loss of Chinese</p> <p><b>1911</b> Boxer uprising</p> <p><b>1912-1949</b> Republic of China, civil war towards the end</p> <p><b>1949</b> Mao Zedong established the People's Republic of China</p> <p><b>1966-1976</b> Cultural revolution</p> <p><b>2001</b> The People's Republic of China joined the WTO</p>

<i>Famous Chinese people</i>	Bruce Lee (martial arts expert and actor) Zheng He (sailor) Pu Yi (The last Chinese emperor) Sun Yat-sen (politician) Sunzi (general, strategist and philosopher) Laozi (philosopher)
<i>Climate</i>	Continental in the west, north and north-east, sub-tropical to tropical in the south and mountain climate in Tibet
<i>Area</i>	9.596.961 km <sup>2</sup>
<i>Time zones</i>	UTC+8
<i>Population</i>	1.350 million
<i>Main ethnic groups</i>	Han Chinese 91,5 %, many minorities
<i>Language</i>	Mandarin (official language)
<i>Religion</i>	Secular nation, predominantly Taoists and Buddhists, Christians 3-4 %, Muslims 1-2 %
<i>Currency</i>	Renminbi (RMB)
<i>Resources</i>	Coal, iron ore, oil, gas, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminium, lead, zinc, rare earth elements, uranium, hydro power
<i>Key economic data</i>	GDP 13.368 billion US\$  Agricultural products: Rice, wheat, potatoes, maize, peanuts, tea, cereals, millet, barley, apples, cotton, oilseed, fish, pork  Industries: Coal and ore mining and metal working, consumer goods, textiles, cement, chemicals, mechanical engineering, automotive, agriculture, railways, ship building, aviation and aerospace, armaments, communications, electronics, food processing, toys, shoes, fertilisers
<i>Corruption Perception Index CPI</i>	41

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

Until recently, the rest of the world didn't pay much attention to China. Now, however, it has become a force to be reckoned with. China has managed to incorporate its traditional values in an industrial society. Contacts and relationship structures are very important. It takes a long time to build relationships, but once established, they last 'for a lifetime'.

In the project initiation phase, you may have to negotiate with entire delegations depending on how significant the project is. In discussions, open criticism is avoided and problems are not usually addressed. That's why it's important to discuss common ground first before moving on to controversial issues. It isn't customary to turn down a request flat in China. This would be considered impolite. This is why there are often misunderstandings, such as requested deadlines that are initially confirmed by the Chinese side and then not met. It is a better idea to ask what deadlines are possible and then to negotiate them if necessary. It is important to ensure that every discussion ends on a positive note.

Show respect and appreciation. Business cards are handed over and accepted with both hands. Don't simply slip a business card in your pocket.

In China the management style in some regions is authoritarian, while in others it is cooperative. However, you will often en-

counter micro management, which means everything is broken down, processed and checked. This is an attempt to avoid mistakes that might result in a loss of face. It is important to manage people as a team. Don't focus on individuals - in a positive or negative way - but address the group as a whole.

Meetings don't always start on time and interruptions are common. Wear conservative, clean clothes.

Small gifts are gladly accepted. Use red and gold gift wrap. Gifts are never opened in the presence of the person who gives them. Make sure you are able to use chopsticks to eat.

Please remember that the Chinese are superstitious. They often avoid the number 4 because the word 4 is very similar to the word for death.



# GERMANY

“The less people know about how sausages and laws are made, the better they sleep.”

**Otto von Bismarck**

<i>Nation/continent</i>	Germany/central Europe
<i>Longitude/latitude</i>	51 00 N, 9 00 E
<i>Form of state</i>	Federal parliamentary republic
<i>Form of government</i>	Parliamentary democracy
<i>Capital city</i>	Berlin
<i>Key historical dates</i>	<p><b>962</b> Establishment of the Holy Roman Empire of the German Nation (Otto I.)</p> <p><b>1618-1648</b> Thirty Years War</p> <p><b>1806-1866</b> Confederation of the Rhine and German Confederation</p> <p><b>1848</b> Frankfurt National Assembly</p> <p><b>1866-1871</b> Northern German Assembly</p> <p><b>1871-1918</b> German Empire (Wilhelm I.)</p> <p><b>1914</b> Start of the First World War</p> <p><b>1918</b> German surrender and November Revolution</p> <p><b>1919-1933</b> Weimar Republic</p> <p><b>1933-1945</b> National Socialism</p> <p><b>1939 -1945</b> Second World War</p> <p><b>1945-1949</b> Allied occupation</p> <p><b>1949-1990</b> Federal Republic of Germany and GDR</p> <p><b>1961</b> Construction of the Berlin Wall</p> <p><b>1990</b> German reunification and Berlin Republic</p>

<i>Famous Germans</i>	<p>Steffi Graf (tennis player)</p> <p>Albert Einstein (scientist)</p> <p>Johann Wolfgang von Goethe (author)</p> <p>Martin Luther (reformer)</p> <p>Karl Marx (philosopher, historian, journalist)</p> <p>Johannes Gutenberg (printer)</p> <p>Johann Sebastian Bach (composer)</p> <p>Otto von Bismarck (politician)</p> <p>Hans and Sophie Scholl (part of the resistance movement against the Third Reich)</p> <p>Loriot (actor, cartoonist)</p> <p>Friedrich II (King of Prussia)</p> <p>Immanuel Kant (philosopher)</p> <p>Franz Beckenbauer (footballer)</p>
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*Climate* Moderate climate

*Area* 357.022 km<sup>2</sup>

*Time zones* UTC+1, UTC+2 (March to October)

*Population* 81 million

*Main ethnic groups* Germans 87 %, Turkish 2 %

*Language* German

*Religion* Roman Catholic 28 %, Protestant 26 %, Muslim 5 %

*Currency* Euro (EUR)

*Resources* Coal, gas, iron ore, copper, nickel, uranium, potash, building materials, timber, arable land

*Key economic data* GDP 3.848 billion US\$

Agricultural products:  
Potatoes, wheat, barley, sugar beet, cabbage, beef, pork, poultry

Industries:  
Germany is one of the world's leading manufacturers with cutting-edge technology in the iron, steel, coal, cement, chemicals, mechanical engineering, automotive, tool engineering, electronics, food and beverages, ship building and textiles industries.

*Corruption Perception Index* 81  
*CPI*

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

Germany has played an important role in Europe ever since it was established as a nation. As a result of its central location, it has a special European status that has resulted in many conflicts throughout its history. “Too small to dominate – too large to be ignored!”. Throughout history, Germany has been much admired and much hated.

It is a very objective nation. Negotiations are brief, clear and to the point. Anyone who can make a convincing presentation supported by facts has a definite advantage. Great value is placed on objectivity. If you don't get to the point quickly, you'll meet with impatience because time is money!

Direct yet polite criticism is customary, and problems are addressed and discussed openly. Hierarchies are flat in Germany. It is generally possible to speak to your manager as an equal and make your own suggestions.

The onus is on the provision of information. Expect your staff to want you to give them space to do their jobs. Precise time

scheduling is typically German, both at home and at work. Tardiness isn't tolerated well. The Germans have a monochronic style of working and weak context dependency in communications. They like to keep their work and private lives separate. So they meet colleagues - if a meeting is necessary - at restaurants or other public places. If you do get invited to a German's home, it is customary to bring a small gift with you, such as a bottle of wine or flowers for the host/hostess. Red roses are not a good choice because they are associated with a romantic rendezvous.

A firm hand shake and eye contact signalise honesty and strength of character - avoid weak hand shakes!



## INDIA

**“First they ignore you, then they laugh about you, then they fight you and then you win:”**

**Mahatma Gandhi**

<i>Nation/continent</i>	India/South Asia
<i>Longitude/latitude</i>	20 00 N, 70 00 E
<i>Form of state</i>	Federal parliamentary republic
<i>Form of government</i>	Parliamentary republic
<i>Capital city</i>	New Delhi
<i>Key historical dates</i>	<p><b>1000 B.C.</b> Establishment of the caste system and Brahmanism</p> <p><b>1206</b> Establishment of the Delhi Sultanate</p> <p><b>1498</b> Vasco da Gama discovered the sea route to India, commencement of trading between Europe and India The British occupied most of India's territory</p> <p><b>1526-1857</b> The rule of the Muslim Mogul Emperors</p> <p><b>1600</b> Foundation of the British East India Company</p> <p><b>1856/1857</b> First revolt against British colonial rule</p> <p><b>1920</b> Mahatma Gandhi started to lobby for the abolition of colonial rule</p> <p><b>1947</b> Division of the country into the two independent nations of India and Pakistan and independence</p> <p><b>1948</b> Gandhi was murdered</p> <p><b>1971</b> India and Pakistan went to war about Cashmere, and Pakistan lost</p>

<i>Famous Indian people</i>	Mahatma Gandhi (human rights activist) Amitabh Bachchan (actor) Salman Rushdie (author) Buddha (founder of Buddhism) Phoolan Devi (politician and rebel leader) Sachin Tendulkar (cricket player)
<i>Climate</i>	Extending from a tropical monsoon climate in the south, through sub-tropical continental climate in the interior and moderate climate in the north
<i>Area</i>	3.287.263 km <sup>2</sup>
<i>Time zones</i>	UTC+5.30
<i>Population</i>	1.326 million
<i>Main ethnic groups</i>	Indo-Aryan 72 %, Dravidian 25 %, other ethnic groups and tribes (more than 600) 3 %
<i>Language</i>	There are more than 100 different languages in addition to the official languages of Hindi and English in India.
<i>Religion</i>	Hindu 80 %, Muslim 14 %, Christian 2,3 %, Sikh 1,7 %
<i>Currency</i>	Indian rupee
<i>Resources</i>	Coal, iron ore, manganese, bauxite, rare earth elements, mica, titanium ore, chromite, gas, diamonds, oil, limestone, arable land
<i>Key economic data</i>	GDP 2.719 billion US\$  Agricultural products: Rice, wheat, oilseed, cotton, jute, tea, sugar cane, linseed, potatoes, onions, dairy products, sheep, goats, poultry, fish  Industries: Textiles, chemicals, food, transport, cement, mining, oil, mechanical engineering, software, pharmaceuticals, film making
<i>Corruption Perception Index CPI</i>	40

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

India is a multi-ethnic country with many cultures and there are vast differences between the north and south, Calcutta and the capital city New Delhi, where traces of colonial rule are still evident. However, all Indian cultures are relationship cultures. Since the Indian culture is more long-term oriented, the Indians place high value on cultivating relationships. "Only do business with friends!" There are very distinct hierarchies in India.

Only people who are at the same hierarchical level negotiate with each other. Informality with subordinates isn't customary and it is frowned upon. Although the caste system was officially abolished, it is still reflected in many aspects of society. The manager should use an authoritarian yet friendly management style. The onus is on you to procure information, not on your staff to bring it to you. Decisions are made at the highest necessary hierarchical level. Suits and ties in conservative colours are appropriate business wear. Don't wear short sleeved shirts. Women wear trouser suits or skirt suits, though they can also wear a sari. The Indians like to show off what they have outside work, so brand name clothing is a good choice. Indians use body language extensively to support and in some cases replace verbal communication. Many of their gestures

indicate the opposite of their European meaning. So avoid gestures that might cause confusion. For example, the Indians shake their heads from side to side to indicate agreement, which Europeans sometimes mistake for a 'no'. Show respect for the many religious practices in India. Before you enter a house, ask whether you should remove your shoes. You always have to remove your shoes when you visit a mosque or temple. Many Indians are vegetarians or do not eat beef. As a guest, you should follow your host's lead throughout the meal. India is full of corruption. Obtaining official permits and access to the relevant decision makers is a process requiring great diplomacy and locals who are familiar with the customs and situation. The Indians tend to elaborate what is being said at meetings and in negotiations. A meeting agenda provides a basic idea of what the meeting is about, but it may be ignored at any time. Everyone is late and blames it on the traffic. Price negotiations can be theatrical and dramatic. If the price you've asked doesn't give you much leeway for negotiation, you'll be in trouble. Verbal agreements are statements of intent and written contracts can be re-negotiated under some circumstances. Always make notes to document the most important aspects.



# JAPAN

„Daiji no mae no shōji“

“To achieve big things you have to start off small.”

## Japanese proverb

<i>Nation/continent</i>	Japan/East Asia
<i>Longitude/latitude</i>	36 00 N, 138 00 E
<i>Form of state</i>	Parliamentary hereditary monarchy
<i>Form of government</i>	Parliamentary democracy
<i>Capital city</i>	Tokyo
<i>Key historical dates</i>	<b>57</b> Japanese ambassadors in China <b>400</b> Introduction of Chinese characters <b>552</b> Introduction of Buddhism <b>1274</b> First Mongolian invasion failed <b>1281</b> Second Mongolian invasion also failed <b>1542</b> First Portuguese in Japan <b>1573-1604</b> Azuchi-Momoyama period, the empire was united after more than 100 years of civil war <b>1603</b> Tokugawa Ieyasu becomes Shogun in Edo (now known as Tokyo) <b>1635</b> Seclusion of Japan <b>1707</b> Last eruption of Mount Fuji <b>1894</b> Japanese-Chinese war <b>1904</b> Russian-Japanese war <b>1910</b> Korea became a Japanese colony <b>1923</b> Kanto earthquake destroyed Tokyo and Yokohama

**1941** Japan attacked the USA at Pearl Harbour

**1945** Atom bombs were detonated on Hiroshima and Nagasaki

**1952** End of allied occupation

## *Famous Japanese people*

Hiroshi Yamauchi (businessman)

Yoko Ono (artist)

Fukuoka Masanobu (microbiologist and farmer)

Osamu Tezuka (doctor and artist)

Oda Nobunanga (warrior and ruler)

Hirohito (former emperor)

Toshiro Mifune (actor)

Kazuyo Sejima (architect)

Miyamoto Musashi (ronin and swordsman)

*Climate* From moderately cold to sub-tropical

*Area* 377.915 km<sup>2</sup>

*Time zones* UTC+9

*Population* 126 million

*Main ethnic groups* Japanese 98,1 %, Korean 0,5 %, Chinese 0,4 %

*Language* Japanese

*Religion* Shinto 70,4 %, Buddhism 69,8 %, Christian 1,5 %

*Currency* Yen (JPY)

*Resources* Very few mineral resources, fish

*Key economic data* GDP 4.971 billion US\$

Agricultural products:

Rice, sugar beet, vegetables, fruit, pork, poultry, dairy products, eggs, fish

Industries:

Japan is one of the world's leading manufacturers with cutting-edge technology in the automotive, electronics, tool engineering, steel and non-ferrous metals, shipbuilding, chemicals, textiles and food processing industries.

*Corruption Perception Index* 73

*CPI*

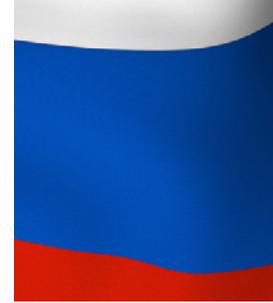
## BUSINESS ETIQUETTE

The Land of the Rising Sun is a very special country. On the one hand, it is one of the leading industrial nations with global markets. On the other, it was practically isolated from the rest of the world for 1000 years. During this time, a very self-contained and unique culture developed. It is based on values such as discipline, patience, sacrifice and loyalty. Even today there are few foreigners living in Japan, and not many Japanese speak fluent English, so you will have to ensure you are properly prepared for any business relations with Japan.

The customary greeting is to bow and exchange business cards. Business cards are perceived to be a part of the person's personality, so they are always given and received with both hands. Then the recipient studies the business card and handles it with care. Don't simply put a business card that is given to you in your jacket pocket. Never break the ice with a few jokes at a formal occasion. There are rigid and strong hierarchies in Japan. Employees will be introduced to you according to their rank.

Find out who your contact is so that you can conduct discussions with them as an equal. People in Japan don't make emotional gestures or express their emotions openly. You should also behave modestly in order not to make the wrong impression, and never criticise or reject something directly. Watch out for indirect communication and accept that the Japanese are very harmony oriented. You will generally only receive a 'yes' in response to closed-end questions - though this won't necessarily reflect the other person's opinion. You'll receive a more honest answer if you use "W" questions (why?, where?, when?).

In Japan, the borders between the work and private spheres are blurred and sooner or later you'll be invited to demonstrate your singing talent at a karaoke evening. Make sure you join in. Nobody is expecting you to sing like Pavarotti, and after a few glasses of sake you'll forget your nerves. Ganbei!



## RUSSIA

"All's well that ends well."

Leo N. Tolstoi

<i>Nation/continent</i>	Russia/Eurasia
<i>Longitude/latitude</i>	60 00 N, 100 00 E
<i>Form of state</i>	Federal republic
<i>Form of government</i>	Semi-presidential system
<i>Capital city</i>	Moscow
<i>Key historical dates</i>	<p><b>882-1240</b> Kievan Rus</p> <p><b>1223</b> First Mongol invasion of Russian principalities</p> <p><b>1240-1547</b> Mongol rule and battle for the Kievan Rus</p> <p><b>1326</b> Moscow became a religious centre</p> <p><b>1547-1721</b> Russia was a Czardom</p> <p><b>1547</b> Coronation of Czar Ivan IV. ("Ivan the Terrible")</p> <p><b>1581</b> Russian conquest of Siberia</p> <p><b>1721-1917</b> Russia was an empire</p> <p><b>1762-1796</b> Catherine the Great, partition of Poland</p> <p><b>1812</b> Napoleon's Russian campaign failed</p> <p><b>1914</b> Russia joined the First World War</p> <p><b>1917</b> October Revolution</p> <p><b>1917-1991</b> RSFSR and Soviet Union</p> <p><b>1992</b> Russian Federation</p>
<i>Famous Russians</i>	<p>Juri A. Gagarin (astronaut)</p> <p>Fjodor M. Dostojewski (author)</p> <p>Alexander S. Puschkin (poet)</p> <p>Wladimir I. Lenin (politician)</p> <p>Michail S. Gorbatschow (politician)</p> <p>Georgi K. Schukow (marshal)</p> <p>Garri K. Kasparow (former world champion chess player)</p>

<i>Climate</i>	Mostly continental climate with hot summers and very cold winters, and monsoon climate in the southern far east of the country.
<i>Area</i>	17.098.242 km <sup>2</sup>
<i>Time zones</i>	UTC+3 to UTC+12
<i>Population</i>	142 million
<i>Main ethnic groups</i>	Russians 77,7 %, Tatars 3,7 %, Ukrainians 1,4 %
<i>Language</i>	Russian, plus many minority languages
<i>Religion</i>	Russian Orthodox 15-20 %, Muslim 10-15 %, other Christian denominations 2 %, many unrecorded practised religions
<i>Currency</i>	Rubel (RUB)
<i>Resources</i>	Vast natural resources such as oil, gas, coal, strategic minerals, rare earth elements, timber
<i>Key economic data</i>	GDP 1.658 billion US\$  Agricultural products: Cereal, sugar beet, sunflower seeds, vegetables, fruit, beef, milk  Industries: Mining and raw material processing, automotive, agricultural equipment, rail, ship building, aviation and aeronautics, arms, electronic products, textiles, handicrafts, medical and technical equipment, power station building, construction
<i>Corruption Perception Index CPI</i>	29

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

Russia has nine time zones, but the trains operate according to Moscow time. Moscow is a cosmopolitan city and in many respects it is the country's main city. Despite being a cosmopolitan country, Russia still has many prejudices against minorities. Women in Russia do not have the same status as their western counterparts. Russia is a male-dominated nation. Old school etiquette still applies.

Men open doors for women and pay bills in restaurants. If you don't do this, you will be thought impolite. Take your time when you meet people for the first time. Small talk is the done thing. However, avoid controversial political and social subjects in small talk. If you are too direct in negotiations, or openly criticise, you risk the negotiations being broken off. It's normal in meetings for people to take mobile phone calls and there will probably be other interruptions. It isn't normal to smile and look friendly all the time, though. Appointments in Russia aren't always viewed as binding, so always ask for confirmation of the appointment to be on the safe side.

Time is a flexible concept in Russia. Although meetings don't often start punctually, you are expected to arrive on time. Slight lateness is acceptable and

blamed on the traffic. Negotiations are often lengthy and it can take a long time to reach agreement. Be patient and keep your nerve. There is a lot of red tape to get through and it's always helpful to be well connected. Negotiations in Russia are like a competition. There can only be one winner, so don't make any unilateral concessions and be sporting about the whole thing. Negotiations can also get quite emotional. Make sure you keep your calm.

In the daily work environment you should remember that information provided to you may not be complete and problems aren't always addressed. If you aren't sure, ask. And when you ask, make sure the person you're asking is on his own. Russians have a polychronic style of working, which means a lot of postponements. Be flexible and adapt. You should adopt an authoritarian management style and be prepared for your team members not being used to work independently at their own responsibility. Many Russians have a fatalistic outlook, i.e. they hope for the best and expect the worst.

Please note: We use commas as decimal separators instead of dots.



# SAUDI ARABIA

“Only talk if what you have to say is better than remaining silent!”

Arabian proverb

<i>Nation/continent</i>	Saudi Arabia/ Arabian peninsula, Africa
<i>Longitude/latitude</i>	25 00 N, 45 00 E
<i>Form of state</i>	Absolute monarchy
<i>Form of government</i>	The king is also prime minister
<i>Capital city</i>	Riad
<i>Key historical dates</i>	<p><b>Since the 18th century</b> the Saud tribe and the Wahhabi have been trying to reach agreement with Arabian Bedouin tribes</p> <p><b>1932</b> Establishment of Saudi Arabia</p> <p><b>1945</b> Saudi Arabia was a founding member of the UN and the Arab League</p> <p><b>1963</b> Abolition of slavery</p> <p><b>1980-1988</b> Saudi Arabia supported Iraq in the first Gulf War</p> <p><b>1990-1991</b> Saudi Arabia supported the Western Coalition against Iraq in the second Gulf War</p>
<i>Famous Saudi Arabians</i>	<p>Mohammed (military leader and religious founder)</p> <p>Muhammed ibn Saud (Imam of the First Saudi State)</p> <p>Muhammed ibn Abd al-Wahab (religious reformer)</p> <p>Abd al-Aziz ibn Saud (king and founder of the nation)</p>

<i>Climate</i>	Hot and dry desert climate, in some areas with extreme differences in temperature during the day and night.
<i>Area</i>	2.149.690 km <sup>2</sup>
<i>Time zones</i>	UTC+3
<i>Population</i>	34 million
<i>Main ethnic groups</i>	Arab 90 %, Afro-Asian 10 %
<i>Language</i>	Arabic
<i>Religion</i>	100 % Muslim (official statement)
<i>Currency</i>	Saudi-Rial (SAR)
<i>Resources</i>	Oil, gas, iron ore, gold, copper
<i>Key economic data</i>	<p>GDP 786,5 billion US\$</p> <p>Agricultural products: Wheat, barley, tomatoes, melons, dates, citrus fruits, sheep, chickens, eggs, milk</p> <p>Industries: Crude oil production, oil refineries, petroleum products, ammoniac, sodium hydroxide, cement, industrial gases, fertiliser, plastics, metals, commercial ship and aircraft repairs, construction</p>
<i>Corruption Perception Index CPI</i>	49

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

Saudi Arabia differs in many respects from western nations. It is an absolute monarchy founded upon the tenets of Islam. Basically, it is much more difficult for women because they face many restrictions based on gender. They are not permitted to drive a car, do not enjoy many of the freedoms that men do and there are strict rules on how they can dress. This doesn't mean that foreign women aren't accepted, but they do have to be diplomatic and respect the Saudi Arabian system.

Try not to be prejudiced and wait until you arrive there to form your impressions of the country. Women and men are not allowed to touch each other in public and you should avoid eye contact with local women. The daily schedule is tailored to prayer times. You are expected to arrive on time for appointments, but don't expect a meeting to end on time. It won't end until the objective of the meeting has been achieved and you have established a relationship with the person or people you are talking to. Generally, Saudi Arabians don't gesticulate and they never point at people. Also avoid showing the

soles of your feet when you sit because that is considered to be rude. Open and friendly physical contact between men is common. However, women may not even be introduced. Schedule plenty of time for meetings because the Saudi Arabians attach great importance to getting to know a person. If you aren't a Muslim, you should not exchange Islamic greetings or wear traditional garments or head coverings. In the worst case scenario, this could be perceived as an insult because the dishdasha and keffiyeh are exclusive to Muslims.

The family is a suitable topic for small talk, but don't ask about the women in the family. You'll have to get used to the Saudi Arabian's elaborate and polite way of talking. People are generally addressed with their title and surname. If you aren't sure, ask the person you are talking to how he would like to be addressed. Haggling is an intrinsic aspect of business. Establish your bottom line before the meeting and stick to it. If you intend to give a gift, remember that Muslims don't drink alcohol or eat pork. You may also find it useful to read up on Islam customs.



## SOUTH AFRICA

**“Europeans have watches. We have time.”**

**African proverb**

<i>Nation/continent</i>	South Africa/Africa
<i>Longitude/latitude</i>	29 00 S, 24 00 E
<i>Form of state</i>	Federal republic
<i>Form of government</i>	Unicameral system with executive branch
<i>Capital city</i>	Pretoria (seat of government) Cape Town (legislative capital) Bloemfontein (judicial capital)
<i>Key historic dates</i>	<b>1488</b> Bartholomeu Diaz landed at Mossel Bay <b>1652</b> Johan van Riebeck set up an outpost for the Dutch East India Company – which later became Cape Town <b>1795/1806</b> The British occupied the Cape Province <b>1833</b> Abolition of slavery in the British territories <b>1836-1854</b> The Boers moved north to escape the Cape colony and claimed their own territories. <b>1867</b> Diamonds were found near Kimberley <b>1899-1902</b> The Boer war ended when the Boers Surrendered <b>1913</b> Introduction of Apartheid and strict segregation of whites and coloured people <b>1951</b> The coloured members of the population were removed from the voter's roll <b>1976</b> Nationwide revolt by the coloured people against discrimination

Please note: We use commas as decimal separators instead of dots.

**1984** A new constitution transformed South Africa into a presidential system

**1994** The first free general election in South Africa was won by the ANC

*Famous South Africans*

Frederik Willem de Klerk (politician)  
Paul Kruger (politician)  
Miriam Makeba (singer)  
Nelson Mandela (politician)  
Charlize Theron (actress)  
J.R.R. Tolkien (author)  
Desmond Tutu (religious leader)

*Climate*

Arid desert climate (Kalahari) to sub-tropical climate in the south east, sunny days, cool nights.

*Area*

1.219.090 km<sup>2</sup>

*Time zones*

UTC+2

*Population*

56 million.

*Main ethnic groups*

Black African 80,9 %, Coloured 8,8 %, White 7,8 %, Indian and Asian 2,5 %

*Language*

Afrikaans, English, Ndebele, Northern Sotho, Sotho, Swazi, Tswana, Tsonga, Venda, Xhosa and Zulu

*Religion*

Christian 86 %, traditional african religions 5,4 %, Muslim 1,9 %

*Currency*

Rand (ZAR)

*Resources*

Gold, chromium, antimony, coal, iron ore, manganese, nickel, phosphate, tin, rare earth elements, uranium, diamonds, platinum, copper, vanadium, salt, gas

*Key economic data*

GDP 368,3 billion US\$

*Agricultural products:*

Maize, wheat, sugar cane, fruit, vegetables, beef, poultry, sheep, wool, dairy products

*Industries:*

Mining, automotive, metalworking, mechanical engineering, textiles, iron and steel, chemicals, fertiliser, ship repair, food

*Corruption Perception Index  
CPI*

43

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

In South Africa, people prefer to meet in person rather than correspond or talk on the phone. Arrange a meeting as early as possible. South Africans believe it's important to build a relationship of trust. Don't be in a hurry! Although the South Africans aren't always punctual, they expect you to be.

Casual business attire is generally acceptable. What you wear depends on the sector of industry you're dealing with. South Africans tend to be charming, but 'rough around the edges'. You'll probably be invited to a braai, which is a barbecue with typical regional dishes - which isn't so good if you're a vegetarian. Make sure your offers and quotations are realistic and point out common advantages. The tone of conversation is casual and business-like. People generally address each other by first name. Avoid politics when you're making small talk. Sports or the weather are much better choices of subject.

Good manners pay off, especially respect towards elders. Avoid unambiguous rejections and open criticism. Keep your prices realistic - the South Africans don't haggle. Deadlines and delivery periods are often open to interpretation. Try to obtain binding confirmation if you can. Finally, South Africa has nothing to do with Africa. Don't draw conclusions about the one based on the other.



# TURKEY

„Çok yaşayan bilmez, çok gezen bilir “  
“Knowledge comes through experience, not age!”

## Turkish proverb

<i>Nation/continent</i>	Turkey/Eurasia
<i>Longitude/latitude</i>	39 00 N, 35 00 E
<i>Form of state</i>	Parliamentary republic
<i>Form of government</i>	Parliamentary democracy
<i>Capital city</i>	Ankara
<i>Key historical dates</i>	<p><b>1281-1326</b> Establishment of the Ottoman dynasty</p> <p><b>1453</b> Mehmed II conquered Constantinople</p> <p><b>1529</b> The Turkish siege of Vienna ended unsuccessfully</p> <p><b>1829</b> Greece declared independence</p> <p><b>1914</b> The Ottoman Empire fought alongside Germany in the First World War</p> <p><b>1922</b> Abolition of the Ottoman Sultanate</p> <p><b>1923</b> Declaration of the Turkish Republic by Kemal Atatürk</p> <p><b>1960-1980</b> Military coup d'état, followed by an unstable phase</p> <p><b>1983</b> First free elections since the coup d'état</p>
<i>Famous Turks</i>	Mehmed II. (general) Mustafa Kemal Atatürk (politician) Orhan Pamuk (author) Yousuf Karsh (photographer) Elia Kazan (director)

<i>Climate</i>	Moderate climate with hot, dry summers and mild, wet winters
<i>Area</i>	783.562 km <sup>2</sup>
<i>Time zones</i>	UTC+2 to UTC+3 (March - October)
<i>Population</i>	82 million
<i>Main ethnic groups</i>	Turks 70-75 %, Kurds 19 %, other ethnic minorities 7-12 %
<i>Language</i>	Turkish (official language), Kurdish, other ethnic minority languages
<i>Religion</i>	Muslim 99,8 %, other (mostly Christian and Jewish) 0,2 %
<i>Currency</i>	Türk Lirasi (TRY)
<i>Resources</i>	Coal, iron ore, copper, chromium, antimony, barite, feldspar, celestine, mercury, gold, borate, diamond spar, marble, limestone, pyrite, perlite, magnesite, pumice stone, clay, arable land, hydro power
<i>Key economic data</i>	GDP 771,4 billion US\$
	<p>Agricultural products: Tobacco, cotton, cereals, olives, sugar beet, hazelnuts, pulses, cattle</p> <p>Industries: Mining, textiles, food, automotive, electronics, steel, petroleum, construction, timber and paper</p>
<i>Corruption Perception Index</i>	40
<i>CPI</i>	

Please note: We use commas as decimal separators instead of dots.

## BUSINESS ETIQUETTE

Whereas the Ottoman Empire was still considered to be the “sick man on the Bosphorus” during the 19th century, its successor, Turkey, is now a significant export country. Turkey is a country where east meets west from a cultural perspective. On the one hand, it is an informed, industrial and modern society. On the other it is a traditional, conservative Islamic nation. Whatever their cultural background, the Turkish are very hospitable people.

Conservative business attire is expected, which means suits for men and trouser or long skirt suits for women.

People often smoke at meetings, so ensure that there are plenty of ash trays and adequate ventilation. Don't blow your nose at the table. As in many other cultures, meetings in Turkey begin with small talk. Schedule plenty of time for your meeting. Avoid controversial and political topics. Ringing mobile phones aren't a problem. Remember that gestures can have a different meaning in Turkey. For example, shaking your head doesn't necessarily mean 'no'. It can mean you are unsure.

Gifts are not exchanged at a first meeting. Confectionery or small objets d'art make suitable gifts. You can also invite your Turkish business partners out for a meal. It isn't customary to open a gift in the presence of the person giving it. Since the majority of Turkish people are Islamic, familiarise yourself with their customs and make sure you have a basic understanding of Islam. Two of the Five Pillars of Islam are significant for your workplace: the Ramadan fast and the daily prayer ritual. Take these into account when scheduling appointments.

Contracts are merely paper. Interpersonal relationships are more important. Turkey is a society with strong power structures. As manager, you should adopt an authoritarian management style. Finally, the consumption of alcohol depends to a great extent on personal preference and religious belief - if in doubt, don't drink.



## USA

„I have a dream!“

**Martin Luther King, Jr.**

<i>Nation/continent</i>	United States of America/North America
<i>Longitude/latitude</i>	38 00 N, 97 00 W
<i>Form of state</i>	Federal republic
<i>Form of government</i>	Presidential system
<i>Capital city</i>	Washington, D.C.
<i>Key historical dates</i>	<p><b>1492</b> Landing of Christopher Columbus</p> <p><b>1565</b> First Spanish colony in Florida</p> <p><b>1620</b> Landing of the Mayflower</p> <p><b>1773</b> Boston Tea Party</p> <p><b>1775-1782</b> War of Independence between the colonists and the British ending with a peace treaty</p> <p><b>1776</b> Declaration of independence</p> <p><b>1789</b> George Washington was elected as the first President of the USA</p> <p><b>1791</b> Bill of Rights</p> <p><b>1848</b> Gold rush in California</p> <p><b>1861-1865</b> American civil war</p> <p><b>1929</b> Black Friday at the New York Stock Exchange</p> <p><b>1941</b> Pearl Harbour was attacked by the Japanese</p> <p><b>1945</b> Detonation of the first atom bombs</p> <p><b>1962</b> Cuba crisis</p> <p><b>1969</b> Moon landing</p> <p><b>1972</b> End of the Vietnam war</p> <p><b>1992</b> Serious race riots in Los Angeles</p> <p><b>2001</b> Destruction of the World Trade Center by terrorists</p>

<i>Famous Americans</i>	Walt Disney (film maker) Steve Jobs (businessman) Al Capone (gangster) Mark Twain (author) Michael Jordan (basketball player) Elvis Presley (musician) Abraham Lincoln (politician) Marilyn Monroe (actress) Thomas Alva Edison (inventor) Neil Armstrong (astronaut)
<i>Climate</i>	Largely moderate continental climate, influenced by a polar jet stream, sub-tropical climate in Florida and Hawaii, Arctic climate in Alaska.
<i>Area</i>	9.826.675 km <sup>2</sup>
<i>Time zones</i>	UTC-5 to UTC-10
<i>Population</i>	333 million
<i>Main ethnic groups</i>	White 73 %, Black 13 %, Asian 5 %, Red Indian 1 %, Hispanic 15 % (including whites, blacks and Asians)
<i>Language</i>	English, Spanish
<i>Religion</i>	Protestant 46,5 %, Roman Catholic 20,8 %, Mormon 1,6 %, other Christian denominations 0,9 %, Jewish 1,9 %
<i>Currency</i>	US-Dollar (USD)
<i>Resources</i>	Coal, copper, lead, molybdenum, phosphate, rare earth elements, uranium, bauxite, gold, iron, mercury, nickel, potash, silver, tungsten, zinc, oil, gas, timber
<i>Key economic data</i>	GDP 20.544 billion US\$  Agricultural products: Wheat, maize, cereals, fruit, vegetables, cotton, beef, pork, poultry, dairy products, fish, forestry products  Industries: Diverse industrial landscape, high-tech innovation, mining and raw materials processing, automotive, agriculture, railway, ship building, aviation and aerospace, arms, communications, electronics, timber
<i>Corruption Perception Index CPI</i>	75

## BUSINESS ETIQUETTE

The USA is one of the world's most important industrial nations and therefore a frequent business partner. Meetings are relaxed and casual. You will be expected to get to the point quickly and state the facts. Keep it short and simple. Unpunctuality is a definite no go. People generally address each other by first name and prefer more personal space and distance than Europeans. Small talk is the customary ice breaker. Talk about general subjects, particularly sports, family and hobbies. Avoid political or religious subjects and don't disclose too many personal details. The USA has a very performance-oriented culture, and it also has an internal locus of control. The secrets of the Americans' success are their unwavering optimism and high motivation.

In the USA, the onus is on the provision of information. In other words, you are expected to keep your customers and superiors up to date. Managers are expected to be very courageous, creative and highly motivating. Problems are addressed directly and solved effectively and constructively. You can criticise your staff if you are alone with them. Avoid pessimism and excessive control - your staff

expect you to give them plenty of freedom. Contracts are often very long and include provisions to cover all eventualities. You should seek legal advice when concluding contracts to avoid future pitfalls. Dress codes vary, depending on the sector of industry. Remember that 'casual Friday' doesn't mean you can dress as if you're going to a beach party.

If you are invited to private events, take a small gift with you. Business relationships are often cultivated with invitations to semi-business events such as cocktail parties, traditional dinners or power breakfasts.

If you are invited to one of these events, make sure you write a thank you letter. You can do this with a card or by e-mail.

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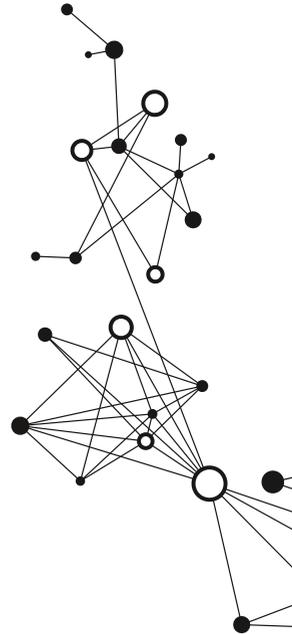
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