

8

Smart Spacing: The Impact of Locations on Intercultural Trust Building and Decision Making

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1 Possible answers

1.1 Which of the actions of Katrin, Thomas and their business partners in Moscow, Tokyo, Cairo and Buenos Aires can be described as monochronic or polychronic?

Destination Moscow

Katrin is a typical German and monochronic character. For her, time is a firmly fixed concept. She puts great emphasis on a linear business schedule that is worked through step-by-step. Right after the business meeting she checks urgent messages with due priority on her smartphone. Germans usually orientate their scheduling processes around the job, primarily focusing on its outcome. Fixed deadlines and dates are adhered to precisely. Therefore Katrin would prefer to finish the important project plan in the evening than to join the Russian ladies for some amusement. When her monochronic scheduling is interrupted and she cannot carry on with relevant business tasks, she feels uncomfortable and distracted.

Thomas has the same time perception of monochronic time management. His comment: "It doesn't sound as if we have a choice" shows that he would also rather focus on the team's business purpose than going hunting with the male Russian hosts. Along with linear time planning goes a high degree of punctuality. Therefore, Thomas feels uneasy and immediately sorry when he cannot arrive at the appointed meeting time the next morning.

The Russian partners show clear characteristics of polychronic time management. After the business meeting, they decide all of a sudden to change the evening's plans. That night, instead of finalizing mutual business matters, they want to please their German guests with casual entertainment. In accordance with their polychronism and tendency to low uncertainty avoidance they do not mind cancelling the former plans; they are very flexible. The Russian working style is result oriented which means that the process and methods to achieve the objective are likely to be changed spontaneously as long as the goal is reached before the deadline. Getting familiar with their German hosts and deepening a friendly relationship is apparently important enough for the polychronic Russian hosts to ultimately cancel their former plans.

Destination Tokyo

Japanese people attach great importance to punctuality and accurate time management. Deadlines and appointments are mandatory. Therefore, three weeks in advance, the Japanese hosts had already sent the German business partners the accurately scheduled agenda with a fixed meeting time at 9 a.m. and lunchtime at 12 noon sharp. Both meeting and lunch are thoroughly planned and organized and their times are to be adhered to. Current changes would stir up difficulties due to the Japanese high degree of uncertainty avoidance and monochronic orientation. All meetings with the Japanese follow a slow and formal scheduling.

The agenda and linear process of meetings are equally suited to German monochronic time management. Yet the Germans' level of uncertainty avoidance is even lower than that of the Japanese. For this reason, Katrin and Thomas do not check the agenda before the flight despite having received it so early. They leave a little bit more space for surprises and flexibility than their hosts and, even as Germans, perceive all sequences of business meetings, lunch and others as being totally slow and formal.

Destination Cairo

The Arab understanding of time is quite different to the Western one. Katrin and Thomas grasp quite soon that there is "no time pressure" in Egypt. Indeed, according to Egyptian understanding time exists in affluence so interruptions, adjustments and delays are on the docket. Time management is less strict and there is more range for spontaneity resulting from a very high relationship orientation. The business meeting with the German guests is by and by interrupted and informal conversations very often occur "in between". The polychronic Egyptians are less concerned with linear scheduling and deadlines, as due to their relaxed temper they do not trouble about postponing tasks until tomorrow.

Destination Buenos Aires

Time perception in South American countries is also less rigorous than in Western European countries. Not linear but parallel time planning is predominant. Accordingly, The Argentinian partners organize the business meeting with the Germans, though some incidents are very likely to happen spontaneously rather than having been organized at all. Before the actual meeting starts, a long casual meeting is held to connect with the Germans in person. Getting to know each other is mandatory for Argentinians, for whom personal relationships and mutual support matter both professionally and privately. Companies in Argentina are seen as families rather than economic organizations. When the meeting itself finally starts, the hosts do not get down to business then, either. They begin with providing information about their common evening plans and continue with giving a lot of excuses for delay. Moreover, here and there promises are made constantly interrupting the sequence of the meeting that is anything but linearly scheduled. As South Americans always perform more than one task at a time, another more important business arrangement or deadline must have fallen due. Yet for them postponing one appointment on account of another urgent one does not pose any problems at all.

Katrin and Thomas are a little bit surprised at how the meeting proceeds. In Germany, agendas are set up to be followed and deadlines are to be observed and not to be postponed. Thomas tries to use the “before meeting” to check his smartphone for urgent and important emails. But Katrin has already learned a lesson from their stopover in Russia and is able to understand that human relationships play a vital role for good business partnerships in some mostly polychronic cultures. She even manages to read between the lines and sees the reason why their South American partners only seem to be unprepared and disorganized.

1.2 What expectations do the various parties in the case study have when it comes to the spaces in which trust can be created?

Expectations in Moscow

The Russian business partners want to get acquainted with their German guests on a personal level as business is done via networking and good relationships. Higher importance is ascribed to the latter than to business tasks. In this matter the hosts in Moscow try to spend as much time as possible with their German guests. They invite Katrin and Thomas for leisure activities and some entertainment in the evening: a ballet performance, banya and hunting. In doing so they have the greatest expectations that both parties can get to know each other personally and form a friendly relationship that promises the construction of trust and success for their cooperation in business matters.

Germans are regarded as being rather task oriented. In this way all the parties concerned should profit from the benefits achieved by mutual work. Their primary focus is on the deal and then, only once business objectives have been determined, personal relationships are able to be created. Due to the German necessity for uncertainty avoidance they need to minimize risks. Therefore, they try to clarify all vague conditions by setting up precise rules, firm deadlines, fixed schedules and more. By meeting their business partners, Katrin and Thomas expect to find out more about their partners' progress regarding their common business goal. They seek to clarify unclear conditions which might prevent improvements or achievements of common business objectives. Being task oriented, it is mandatory for them that the Russian partners fulfil their part of the business contract, forming a basis of mutual trust. A friendly and personal relationship is of less importance and even rather inappropriate, as private and business matters are usually kept separate. For this reason, Katrin and Thomas would rather "escape" the evening entertainment organized by their Russian partners and instead work on the project in privacy after a long, exhausting day. They have different expectations than their hosts.

Expectations in Tokyo

The Japanese culture is likewise characterized by high relationship orientation. A strong collectivism determines the structure of society, rather than individualism. Company outings are very common and employees are regarded as major parts of the corporate family, hand in hand with company loyalty and mutual trust. In Japan, personal and working-life bonds are essential, so the creation of business relations and personal networks are the most time-consuming aspects of Japanese life. Therefore the Japanese hosts invite their German guests for some common activities in the afternoon and in the evening, intending to get to know them. According to the Japanese high level of uncertainty avoidance this is essential: the basis for a good relationship and the ability to construct cross-cultural trust. However, men and women go separately. While Thomas joins his male colleagues at the golf club in the afternoon, Katrin can choose between sightseeing with a lady from the Japanese office and relaxing in the hotel. Since management positions in Japan are predominately occupied by men, it is obviously more important for the Japanese to get to know Thomas. In the evening, they go to a karaoke bar together, yet only after Katrin's departure do the Japanese colleagues seem to become more open and relaxed. Trust is built up within the same sex and determined by hierarchy.

For Thomas, trust building is quite easy since he is included in every crucial event that takes part outside the Japanese office, which helps to secure the trust of his Japanese colleagues. Yet for Katrin trust building seems to be more complicated. She is excluded from important leisure activities with the managing partners in the afternoon. In the evening, first at the restaurant and then in the karaoke bar, she finds it equally hard to connect with the others. Katrin is trying to socialize yet the atmosphere is too formal for getting into a relaxed conversation and becoming acquainted with others.

Expectations in Cairo

All Arab countries are strongly relation-oriented cultures. Friends as well as foreigners are met with the highest hospitality and generosity. Entertaining is an essential part for building relationships. In this manner, the hosts in Egypt treat Katrin and Thomas primarily as guests rather than simply business partners. They leave enough space for lots of informal conversation outside the “boring meeting rooms” to allow people to personally approach each other. They believe that proximity and familiarity deliver the basis for mutual trust. They see themselves as an outdoor culture, characterized by a relaxed attitude. For this reason, the lunch takes place on the roof terrace, where they can feel entirely at ease.

Katrin and Thomas adapt very soon to the relaxed mood and attitude of the Egyptians and lose their impatience: For Katrin “bonding works especially well” with one of the female Egyptian business partners, which means that they get along with each other quite well. Both parties are able to build up a good relationship, a promising component for intercultural trust building.

Expectations in Buenos Aires

Just like the hosts at the prior destinations, the Argentinians seek to get acquainted with their German guests in person, yet on an even more personal scale. The Argentinians give the Germans a very warm and friendly welcome with lots of kissing and closeness. Being highly relation oriented they hope, and also expect, to be able to bond and build up a partnership based on friendship and mutual trust right from the outset. Therefore they start the regular business meeting with an informal long meeting offering snacks and sweets, creating an atmosphere without restraints. At the local tango bar the Argentinian hosts expect to come as close as is necessary, as there is hardly any physical distance between the people in the bar talking and dancing. Additionally, psychological proximity is also achieved and emphasized by the tango dance which is said to melt people together, expressing energy and communication, as one of the locals enthusiastically explains to Thomas.

Experiences with relation-oriented cultures during their previous business trips taught Katrin and Thomas how to interact with such cultures. They have come to understand that being open and friendly is the key to success for international business cooperation. Thomas is wise enough to show the hosts some photos. He is opening up and bonding with them on a personal and intimate level. In the tango bar, Thomas feels a little bit uncomfortable and intruded upon by the lack of space and the intense atmosphere. Yet he is proud of Katrin, who is entirely committed to creating proximity by dancing tango with one of the Argentinian partners. Thomas is quite impressed because Katrin is contributing an essential part of the success of the business project.

From destination to destination, Katrin and Thomas develop a certain feeling for their relation-oriented partner and what is needed to construct trust that ranges across different nations.

1.3 For Thomas and Katrin on the one hand, and their international colleagues on the other, what is the basis of the trust that they all desire?

For the Russian, Egyptian and Argentinian hosts, the overall basis for trust is human relationships. As they are all relation-oriented cultures, trust goes hand in hand with friendship with and familiarity towards their cooperation partners. Spatial distance in personal contact would create uncertainty. Being polychronic cultures, they easily feel excluded and shut off by a high degree of privacy, preventing a proper flow of information and thus arousing conflicts and mistrust. Therefore each of them organizes the German partners' visit according to a similar structure: They all create many possibilities outside the office and the meeting rooms which should help them to approach to the Germans in person. They want to get to know their business partners as guests and most of all as human beings and as friends. Their goal is to use personal space and create proximity to fill the gap of the unknown, the uncertain, to build up cross-cultural trust.

The Japanese culture is likewise characterized by a strong relationship orientation, though monochronic. For this reason they also organize the Germans' visit with many leisure activities and events in addition to the business meetings. They use local spaces such as the golf club, the restaurant and the karaoke bar to get acquainted with them. Yet Japanese society functions quite differently. They put an emphasis on vertical interpersonal relationships determined by hierarchy and the rule of seniority. Differing status is essentially based on gender: the Japanese are classified as being a quite masculine society. Management positions are reserved for men, even if Japanese women are equally educated and skilled. In this way the male hosts concentrate above all on Thomas and intend to build up a strong relationship with him. They do not offer Katrin a part in crucial events outside the official business meetings where trust is being developed. Obviously getting acquainted with Thomas and building trust in him is sufficient for their business cooperation. Yet, due to the Japanese high degree of high uncertainty avoidance, it is entirely necessary to get more familiar with Thomas in person to know if he is trustworthy or not – as he is the representative of the German part of the cooperation.

Katrin and Thomas are highly task oriented. In the beginning their focus is merely on the success of the business project with their foreign cooperation partners. They are primarily interested in business matters at each destination they are visiting. They want to learn about their cooperation partners' modes of operation, effectiveness in working and the progress of their common business objectives. The private remains private and is not part of business, as they strongly distinguish between personal and working life.

In Germany, even among colleagues, personal questions are only asked after knowing them for a long time. This is due to the Germans' individualistic orientation. Personal relationships are only built up once business matters have been settled and agreed and formal contracts are taken as being more binding than personal commitments. What matters to Katrin and Thomas is their foreign partners' commitment in business, which is the overall basis for trust in a task-oriented culture. Getting to know their hosts on a personal level is less important for them than the business's success. At first they feel uncomfortable, even disturbed in their privacy, when their hosts get too personal and penetrate their territory, their private sphere. Yet from destination to destination, Katrin and Thomas get more aware of a necessary cultural competence and how important human relationships apparently are in relation-oriented cultures for being seen as trustworthy and for constructing a well-functioning intercultural business-to-business partnership.

1.4 Can smart spacing be a strategy for trust building?

Behaviour in and comprehension of micro-spaces is determined by a specific cultural background. Territoriality is defined quite differently and some people need more privacy or distance than others. Additionally, some cultures keep business and private matters strictly separated while in other cultures they determine each other. A lack of understanding of the culturally specific use of micro-spaces ruins transnational business partnerships. Projects are endangered whenever misunderstandings provoke mistrust. But what triggers trust? What is needed to transform a business relationship to a promising and successful business partnership that brings synergies for both parties? The key to international success is awareness of intercultural competence for cultural dimensions. Moving interculturally in time and space influences the way business partners cooperate. Knowing about the foreign partner's use of time and space is a most profitable asset when both business parties meet up. If the business meeting takes place in the partner's home country, it is recommended to get acquainted with how the host culture deals with and acts in space and time. Conversely, when a business partner is invited to Germany, space and time can also be wisely used so that the guest feels comfortable and at home. Micro-spaces beyond the office and beyond working times should be used to create added value for any project in which international visitors to Germany are involved. In this way smart spacing and smart timing determine the construction of trust. To choose an example from the case study: in Buenos Aires Katrin and Thomas develop cross-cultural space awareness as they have learned how to behave in relation-oriented cultures. For instance, Thomas uses smart spacing to show some personal photographs to the hosts and Katrin is smart spacing in the tango bar.

2 Further reading for the lecturer

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