

Doing Business in the United States of America | US Social and Business Culture

A US Culture Overview

Fact file

- **Official name** – United States of America
- **Population** – 307,212,123 *
- **Languages** – English, Spanish (spoken by a sizable minority)
- **Currency** – US Dollar (USD)
- **Capital city** – Washington, DC
- **GDP** – purchasing power parity \$14.29 trillion*
- **GDP Per Capita** - purchasing power parity \$47,000*



Overview

The United States, a nation founded on the fundamental belief in equality, is today a multicultural mosaic of over 290 million people of varying race and cultural heritage. American culture portrays a strong sense of regional and ethnic identity, which is represented by a number of subcultures and influenced by the country's vast geographical and regional differences. America's influence on business culture across the globe is unmistakable. However, understanding the cultural concepts behind the surface appearance is just as important for your company when doing business in the US as in any other country.

American Culture – Key Concepts and Values

Individualism- The concept of individualism in the US plays a significant role in the lives of many Americans. American culture emphasises individual initiative and personal achievement. Independence and self-reliance are highly valued and also extends to the workplace where business is frequently carried out autonomously. Consequently, one's position in US society is determined by one's own achievements as oppose to status or age.

Low context culture – Generally speaking, those cultures described as low context tend to communicate meaning and information explicitly through words. Americans are task centred and thus the primary purpose of communication is to exchange information, facts, and opinions. In the US, conflict is dealt with directly and openly, and for this reason, Americans will not hesitate to say "no" or criticise others in public. This direct style of speech is often interpreted by foreign visitors as rude and may cause embarrassment to business people who are unaccustomed to such explicit communication. However, it is important to remember that in a business context it bears no relation to personal feelings and should not be taken as such.

Egalitarianism – An important element of American culture is the concept of equality. Despite the many differences within American society, there is a collective understanding of the notion of equality that underlines many social relationships in the US. Americans believe in having equal rights, equal social obligations, and equal opportunities based on the concept of individual merit. Consequently, there is a general lack of deference in the US to people of greater wealth, age, higher social status or authority. This is evident in the way in which titles are seldom used in business environments and how Americans call each other by their first names almost immediately. Egalitarianism also contributes to the system of merit frequently referred to as the “American Dream”, whereby hard work deserves success and financial prosperity. This in turn can often cause a dichotomy in the workplace and office hierarchy displaying a clear distinction between management and their subordinates.

Doing Business in the US

The world’s third largest country both in size and population, the United States is a nation moving forward rapidly and successfully with its unique cultural diversity. Throughout the years, America has experienced waves of immigration from virtually every corner of the world moulding the country into what it is today. After establishing its independence in 1776, the United States has endured civil war, the Great Depression, and two World Wars to become the richest and most powerful nation state in the world. Today, the US is considered to have the strongest and most technologically powerful economy. For those wishing to conduct business in the US, gaining a professional insight into the cultural design of this distinctive country is essential to your success.

US Business Part 1 – Working in the United States (Pre-departure)

- **Working practices in the United States**
 - In the US, punctuality is an essential part of business etiquette and as such, scheduled appointments or meetings must be attended on time. Americans perceive lateness as a sign of disrespect. Therefore, in situations where you know you will be late, a call should be made to inform your American colleagues of your delay.
 - Deadlines are strictly adhered to in American business culture. Americans place great emphasis on getting the best results in the quickest time. Your American counterparts may appear to be hasty in their decision-making. This, however, is due to the fact that the concept “time is money” is taken extremely seriously in the US.
 - Generally speaking, in the United States the working week consists of Monday to Friday, 9-5pm. However, due to the strong American work ethic the majority of Americans work long hours and overtime is common practice. It is also customary to take as few as ten days holiday per year.
- **Structure and hierarchy in American companies.**
 - In a country famous for its individualism and diversity, the organisation and structure of companies within the US may differ according to the industry, region or company history. However, you will generally find that office hierarchy within an

American company is extremely important. Therefore, it is advised to learn the rank and titles of all members of the organisation.

- Negotiations and final decisions in the US are frequently made by one person who has chief authority. Team negotiations are rarely carried out in American companies.
 - In accordance with American business culture, the hierarchical chain of command often supersedes personal relationships.
- **Working relationships in the US**
- Personal competence, professionalism, and accountability for individual performance are highly valued in American business culture. As a result, managers are only approached for help in essential situations. These concepts also contribute to the highly competitive work ethic often experienced in the US.
 - Developing personal relationships are not as significant in US business culture as they are in some Asian countries. In the United States, the overall goal of business is to secure the best deal, therefore forming company relationships are of greater value.
 - It is common for Americans to make clear distinctions between work colleagues and friends in their social life. In the US, meetings tend to be rather formal and little time is spent on cultivating social relationships.

US Business Part 2 - Doing Business in the United States

- **Business practices in the United States**
- It is customary to begin and end business meetings with a brief but firm handshake. Maintaining direct eye contact during this initial greeting and whenever in conversation is also essential, as it demonstrates to your American colleagues your interest and sincerity.
 - The exchanging of business cards is a casual affair in the US and as such demands no clear ritual or set of rules. Americans regard business cards as a resource for future information. On the occasions when they are exchanged, it may be done either during introductions or when leaving.
 - During negotiations, it is important to remember that the aim of most business discussions in the US is to arrive at a signed contract. Americans consider negotiations as problem-solving situations based on mutual benefit and personal strengths. Therefore, emphasis is placed on one's financial position and power.
 - When doing business in the US, you will be expected to adhere to rules and guidelines that your US business counterparts must also follow. Company policy and business procedures such as legally binding contracts, are aspects of American business culture that require strict compliancy.

US Business Etiquette (Do's and Don'ts)

- ✓ DO address your American business colleagues with a title, such as “Dr”, “Ms”, “Mr”, or “Mrs”, and their last name when meeting someone for the first time. You may find that, your American counterparts will insist on using first names almost immediately; this is not a sign of familiarity but simply reflects the casual business style of Americans and their emphasis on equality.
- ✓ DO say “please” and “thank you” to everyone for even the smallest kindness. Politeness is highly valued in the United States and Americans will expect you to be as polite as they are.
- ✓ DO be prepared to partake in preliminary small talk with your American counterparts at the beginning of a business meeting. This will often include topics such as sport or the weather and is seen as a way to lessen apprehension and create a comfortable environment before entering into business affairs.
- * DON'T expect all companies to be the same. Business culture in the US differs from company to company on many levels, including industry, region and business structure. It is advised to research as much as possible about the individual business culture of your American associates before meeting with them.
- * DON'T make any other form of physical contact such as hugging when greeting your American counterpart for the first time. Americans respect their privacy and personal space.
- * DON'T be offended or surprised if your American colleagues cannot accept a gift. Gift giving is often discouraged or limited by many US companies and therefore most employees are unable to accept them.

US Culture Quiz – True or False

1. The “O.K” sign, formed by making a circle of the thumb and index finger is used to show approval.
2. Business cards are infrequently distributed in the US and are not usually exchanged unless you wish to contact the person at a later date.
3. When conducting business in the US, it is vital to establish a good, solid relationship with your counterparts in order to secure successful future negotiations.
4. Americans have a tendency to dislike long periods of silence during negotiations and in conversations in general.
5. To slap someone on the back is a negative gesture in American culture and should be avoided.

Cultural Quiz – Answers

1. True.
2. True.
3. False. Building company as oppose to personal relationships and getting the best deal are valued higher in American business culture.
4. True
5. False. This gesture is often used to show camaraderie, appreciation or praise in America and as such should be taken as a compliment.

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* Source: CIA World Factbook 2007

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