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The Relationship Between Culture and Legal Systems and the Impact on Intercultural Business Communication

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Globalization and international business are buzzwords one hears everywhere. The last few decades have seen an acceleration of international business and trade. For example, in 1989 the United States exported a total of \$363,811.4 (all figures are in million \$) and imported \$473,210. By 2013 exports had risen to \$1,578,978.8 and imports to \$2,267,421.4. In those same years exports to Europe were \$163,272.5 and \$327,270.8 respectively while imports from Europe rose from \$460,217.3 in 1987 to \$181,439.7 in 2013. That means that trade has more than doubled (United States Census Bureau, 2014). And many products and companies have become truly global household names, such as Coca-Cola, McDonald's, Toyota, Apple, Microsoft, Samsung, Sony, Mercedes, among many others. International trade agreements such as NAFTA have further fostered the expansion of trade. The European Union came out of a trade agreement and today includes economic and political aspects. With the growth in international business the need for effective intercultural communication has increased, and at the same time the danger of intercultural problems and miscommunication has grown.

In this article we will examine the relationship between law and culture and the impact of both areas on intercultural business communication.

The influence of culture on international business and intercultural business communication has been examined for several decades now. Starting with Hofstede (1980) and Hall (1976), the field is well established. However, culture does not act in isolation. It is closely connected to law. Culture influences law, and law influences culture. For example, an egalitarian culture may establish laws that respect the rights of individuals and guarantee that these rights are not violated. By the same token, laws that enforce equal rights for men and women may foster a change in cultural values regarding the position of men and women in society. For example, several European countries now require a fixed percentage of women on corporate boards. The culture may change very slowly, but it does change. In contrast to culture, however, the influence of law on intercultural business communication is less researched and established. But an understanding of these connections could help us answer the following questions: "How do different legal systems influence professional communication patterns" relate to "policies and procedures, technical specifications, copyright/intellectual property, and joint business ventures?" (Thatcher 2010). And how do cultural differences influence the development of laws relating to business practices and international business? In order to find answers to these questions, we need to be aware of the context in which cultures and laws develop (Oslund and Bird, 2000).

The Role of Law in Intercultural Business Communication

Law is specialized and frequently left to the lawyers. However, a knowledge of the legal environment and an ability to clearly communicate legal ramifications in an international environment are important tools. Even though there is a growing body of international law, most laws are territorial. Laws are a crucial tool for a country to protect its interests. Germans regulate their businesses, the Swiss regulate theirs. The same holds true for the United States, Canada, and every other nation. Nations establish laws that promote and protect their interests. A German company that wants to expand its dealings to Australia, needs to know German law and Australian law. It needs to communicate the two legal systems to both the German and the Australian partners. If possible, the laws should be reconciled. If that is not possible, the company needs to adjust certain practices and explain the rationale for changes.

In this process it is helpful if the manager knows the cultural priorities that helped shape the laws of a country. An understanding of the historical background is useful to determine the most effective communication environment. For example, by contrasting the development in North America and Latin America Thatcher points out that the rhetorical traditions in North America and Latin America developed out of very different historical realities and resulted in different legal systems, cultural priorities, and communication patterns. The Spanish conquerors developed a society based on their Spanish backgrounds with an emphasis on strict hierarchy where everyone knew his place in society. The legal system reinforced the hierarchy. The Spanish rulers were interested in a smooth running of the colonies. Subordinates were expected to keep their place, and at that level connections between Spanish and indigenous people were encouraged as long as they did as they were told and did not threaten the political system. The colonial rulers frequently retired to Spain; they did not look at the colonies as separate systems.

In the United States settlers came from many different countries. They fled from religious persecution and they were skeptical of the rule of a church over civil life. They established many independent communities that regulated themselves. "These two different foundations eventually yielded strikingly contrastive cultural and rhetorical traditions." (Thatcher, 2006, p.386). In the United States, writing reflected and reinforced traditions of individuality, universalism, equality, and common law reasoning (Thatcher, 2000). The Mexican rhetorical traditions, by contrast, reflected and reinforced an in- and out-group orientation that is common in collective cultures, hierarchical social organizations, and particular or relational thinking patterns (Thatcher, 2000). When American and Mexican business people negotiate, it is helpful if they understand the underlying legal and cultural realities of their partners.

The connection between culture and law can be rather complex. As Kocbek (2008) argues, "legal systems exist independently from the legal languages they use...There is no direct correlation between legal languages and legal systems (54). There is no universal legal language, but rather every legal language reflects the history out of which it comes. As a result, the translation of legal concepts is very complex and can lead to severe misunderstandings (Goode, 2014). One example is the concept and translation of *force majeure*. The term is French and refers to events that are beyond the control of a company including "acts of God, natural disasters, or acts by a government" (Rupert, 2011). In the United States there is no single federal definition of the term, and the interpretation is not standardized. To overcome some of these difficulties, Ainsworth (2012) argues that language teaching has to happen in the context of specific business discourse situations. For example, managers need to have a background in legal terminology as it is used in other cultures and languages.

The complexity does not end with the differences in legal systems, but it extends to different structures of the court systems and legal specializations. The European Union is attempting to establish some sort of "European Law" that if not binding would at least provide guidance in legal matters to all member states. However, Europe has two major legal systems: code law (most of the continent) and common law (Great Britain). On the surface legal term may be similar, but frequently in translation they may not reflect the exact nuances that the term may hold in the original language. "When ... the continental concept *bona fide* is translated into English, most frequently the expression *good faith* is used, which,

however, does not fully render the continental notion. The English concept of *good faith* excludes negligence” (Kocbek, 63). In international negotiations managers need to be aware of these differences and the implications for business.

One of the stumbling blocks in intercultural business communication is the Self-Reference Criterion or SRC (Varner and Beamer, 2011). That means we evaluate other cultures from our own viewpoint; our values and priorities are seen as natural and logical. They become the norm against which we judge other people’s behavior. Someone who comes from a culture with a precise time orientation considers that approach the standard. If a manager from another culture violates that norm, he is considered unreliable and maybe even lazy. “They said they would have the report tomorrow, but they did not. Therefore, they cannot be trusted.” That may be the case, but it might also be that “tomorrow” was not the correct translation, and the English word “tomorrow” meant “soon or in the near future.” The SRC is active in all cultures, and one of the goals is to overcome the negative evaluations of the other caused by the SRC. That means we have to understand our own priorities and those of our foreign partners. We also need to understand our own language and communication styles to become effective intercultural managers (Kameda, 2013).

The SRC also influences our view of laws and their impact on communication in international business. As was pointed out earlier, legal systems come out of a people’s history and culture, and in return, they also shape culture. Americans, for example, are raised with a very definite interpretation of legal systems: Citizens are entitled to a trial by jury. Judges are members of the judiciary and independent of the executive branch, enforcing the separation of powers. A person can be tried for a crime only once. Lawyers of both sides can cross-examine the accused and witnesses. A jury trial emphasizes the role of one’s peers in the legal process and is rooted in individualism and equality. It is not some prince or king who decides one’s fate but one’s equals. In Germany and other countries that follow code law the system works differently. Judges are civil servants and report to the Minister of Justice which in the American view violates the separation of powers. Judges are the ones that ask the questions; this is referred to as an “inquisitorial process” in contrast to the “adversarial process” in the US. For Americans the term brings up a scary reference to “inquisition” which by definition was not fair. Also, the concept of double jeopardy is missing, meaning that a person can be tried more than once for the same crime. These differences played out in the murder trial of Amanda Knox who was accused of having killed her roommate while studying in Italy in 2007. In the original trial she was found guilty. This verdict was reversed on appeal. She was free and went back home to Seattle. In a retrial she was found guilty again. Under the influence of the SRC one may be tempted to call the Italian system unfair, but it is important to see that the laws in Italy are fair in that legal system and tradition. When companies deal with partners in other countries, the understanding of legal systems and legal practices is crucial, and translations need to be checked for meeting the actual intended meaning in the original.

In the following discussion we will examine on the relationship between culture and law and their impact on intercultural business communication with a focus on privacy, free speech, and employment issues.

Privacy and Freedom of Speech

Basic American rights are enumerated in a mere eight brief paragraphs in the 1789 Bill of Rights while the European Convention on Human Rights is much longer and considerably more detailed. How much knowledge can be drawn from these two documents regarding the prioritization and importance of various rights in American culture versus Europe?

The protection of free speech and a free press are of fundamental importance in American culture and that importance is in part indicated by housing those rights in the *First* Amendment to the U.S. Constitution. These rights enjoy pride of place and are accordingly revered in American society. In Europe, on the other hand, freedoms of speech and of the press are not mentioned until Article 10 of the Convention on Human Rights. No one would accuse the Europeans of lacking speech protections, but its placement down the list gives some indication that it is not prioritized in the same way as in America.

All legal systems must establish some equilibrium between free expression and social order. In the US, freedom is consistently favored with social order generally left to sort itself out as best it can. Europeans, however, tend to view this balancing act differently. Europeans often make the case in fact that Americans “fetishize” (Event Report: A Talk by Strasbourg Judge Boštjan Zupančič on Privacy and Freedom of the Press, 2013) free speech to such an extent that it serves to protect a line-up of society’s undesirable elements, such as neo-Nazis, the Ku Klux Klan, and even our comparatively unregulated corporate interests. In the 2010 case of *Citizens United v. Federal Election Commission* (558 U.S. 50), for example, business corporations and unions were found to have seemingly unlimited freedom to state and pay for the causes of favored political candidates (*Citizens United*, 2010).

Contrast the treatment of free speech in American versus Europe then with that of the right of privacy. Privacy as a right goes, in fact, unmentioned in the U.S. Constitution. There is some hint of it in the protections from government searches and seizures in the Fourth Amendment, but the specific word “privacy” is never mentioned. So the notion of an explicit right to privacy was more or less nonexistent in American law until Justice William O. Douglas’s opinion in the 1965 case of *Griswold v. Connecticut*. In this case the United States Supreme Court ruled that a Connecticut law prohibiting the use of contraceptives violated the privacy rights of married couples (*Griswold*, 1965).

Europe is different. Privacy is judged to be a human right (Schmidl, 2012; Sullivan, 2006). Largely due to the events of World War II, where personal information was often used as a way of targeting individuals and facilitating genocide, privacy is of greater significance in Europe. It is part of the criminal and civil codes as well as the constitutions of most European countries. It is also protected in Article 8 of the European Convention on Human Rights and in contrast to the vague penumbras of *Griswold*, it has strong teeth as it is enforced by the European Court of Human Rights. EU member countries were mandated to protect the privacy of individuals and investigate violations by establishing a Data Protection Agency (Sullivan, 2006). While criminal prosecution of invasion of privacy is so rare as to be

almost unknown in the U.S., it is not so in Europe. Under French law, for example, it can be punished by up to a year in jail (French Penal Code, art. 226-1, 2005).

The following is a summary of French privacy law as described by Jena Rivero in “Les Libertés publiques” (1991):

French law does not distinguish between public figures and ordinary persons, except for celebrities who choose to live their private lives on the public stage. The liberty of private life is that zone of activity that is improper to penetrate, including religious and moral convictions, family life, private associations, and leisure activities. Violation of another’s privacy is not just a tort (*faut*), but can result in a jail term of up to one year and a fine. Defamation is an attack on the honor or good name of an individual or group. Truth is no defense if the attack is on the private life of another and, most interestingly, truth is no defense on the public life of another if the events took place more than ten years earlier.

By American standards this right to privacy is quite extreme – and comes into conflict with our free speech protections in that truth is not a defense, even regarding words and deeds that are *public*. What did Presidents Clinton and Bush do during the Vietnam War? That question has been of great interest to many in the American electorate, but by French standards would be off-limits.

Following this European tradition of providing much more privacy protection than in the U.S., German law now protects Facebook pages and other social media from the prying eyes of employers or potential employers (Jolly, 2010). Employers may search publicly accessible sites, such as Google, or explicitly professional networking sites, such as LinkedIn. But they may not look at social networking sites like Facebook without permission and may not examine Facebook to see what it reveals about potential employees.

By contrast, the *Wall Street Journal* reported that a number of American colleges review Facebook pages of applicants for admission (Hechinger, 2008). Students are also under a general admonition to be careful of what they public on Facebook, as well as on other social sites like Instagram and Twitter. Even seemingly private pages are likely to get out as friends copy photos and other items, and it all goes out for eternity for the entire world to see. In contrast to France, where excavation of long-past scandal is illegal, think of what may turn up 20 years from now in the U.S., as political opponents dig through files to search out indiscretions of the generation that coined the term “sexting.”

Another source of contrast in the American versus European approaches to privacy comes from examining from whom one’s privacy is protected. To the extent that American law recognizes privacy protections at all, it is generally emphasized that one is protected from government intrusion. The Fourth Amendment protects people’s “persons, houses, papers, and effects” from search and seizure by the government. The aforementioned case of *Griswold v. Connecticut* recognized that married couples have a right to privacy that limits the government’s ability to regulate their access to birth control

(Griswold, 1965). Relationships between non-governmental entities, however, are only very rarely subject to privacy protections. Should an employer wish to peruse his employees' social media presences, he is free to do so. Celebrities, with very few exceptions, have no recourse against the unwanted attention of the paparazzi. And politicians and others may well fear public disclosure of long-past indiscretions.

In Europe, however, even these private, non-governmental interactions are subject to privacy protection. Princess Caroline of Monaco was photographed by a paparazzo while going about the activities of her daily life. Despite being in a public place when the photos were taken and even though no government actors were involved, *Bunte Illustrierte*, the magazine that published the photos, was held liable for invading her privacy. The court held that the Princess, while undoubtedly a public figure, had a right to be left alone as she went about in public affairs of her life that were essentially private (Von Hannover, 2004).

For multinational business, these differences in how the law deals with issues of free speech and privacy can have an enormous impact on operations. U.S. managers doing business in Europe must be mindful of the boundaries created by local law and how that can require them to behave quite differently than in the U.S. What are the implications of these differences for business communication?

Privacy in Issues in Job Interviews

During the interview and hiring processes, in the U.S. almost anything goes when it comes to looking into an applicant's background. While there are strong federal laws prohibiting discrimination on the basis of race, color, sex, religion, national origin, age over 40, and disability (as well as state and local laws that often include additional protected categories), there are virtually zero restrictions on investigating an applicant's online presence. Employers are free to mine the internet for any information, job-related or not, that may be of interest to them. The idea that the employee might have a privacy interest in something that is posted on the internet is non-existent. That, as was discussed earlier, is very different in Europe. It is generally illegal for a potential employer to look for information about an applicant on social media.

Collecting information

In recent years, most American consumers have come to take it for granted that when checking out in a store or online, they will often be asked to provide some personal information: phone number, home address, email address, sometimes even ones birthday. While there are some Americans who find this practice troubling, most have come to accept giving up these bits of data as a small price to pay in exchange for discounts or other benefits.

The information collected in this manner is generally free to be used by the company in whatever way it likes. Companies can and do use it in ways one would expect; to build relationships with their customers by providing discounts or information about their products and services, or to tailor each customer's shopping experience based on their unique history and demonstrated preferences. But that data may also be used in ways the customer wasn't expecting; it can, for example, be sold to data collection firms

or even turned over to governmental agencies. In the U.S. the general rule is that one cannot claim a privacy interest in information that was voluntarily provided to a third party. Consumers who object to this kind of data collection may refuse to provide the asked-for information, but once given, the business may do what it likes.

American companies doing business in Europe, however, must alter these practices when abroad, as privacy is much more carefully guarded. There are even limitations on sharing customer data *within* a single company. If a company wishes to share its EU customer lists with its U.S. headquarters, for example, it must first obtain the written consent of each individual customer on the list. What is a few simple keystrokes for a U.S. company here becomes a time-consuming, complex, and expensive undertaking. These practices may protect the private data of European consumers, but it makes it more difficult for companies to, for example, develop comprehensive marketing strategies or develop comprehensive internal communication systems. (Varner and Beamer, 2011). Europeans are not merely concerned about privacy but also about dignity. In Europe, the laws tend to protect consumers from public humiliation by businesses. For example, in the United States, everyone can request a credit report or credit score, and companies do regular checks if a person requests credit. In Europe, on the other hand, only people who have defaulted on a loan get such a report. People who pay their bill, do not get a “good” credit score. “The idea that any random merchant might have access to the ‘image’ of your financial history is simply too distasteful to people brought up in the Continental world” (Sullivan, 2006). At the same time European governments are largely exempt from these limitations of data collection. As Sullivan (2006) points out, the differences in attitude towards privacy emerge from fundamentally different attitudes. Europeans have a deep distrust of corporations, whereas Americans are mostly concerned about governments invading their privacy.

In 2001 a French court ruled that an employee who had done freelance work on company time using a company computer could not be fired even though there was proof of the misuse of time and company property. The incriminating emails were labelled ‘private’ and were, therefore, off limits. The French Court ruled that “the employer cannot, without infringing this fundamental liberty, examine the personal messages sent or received by the employee on a computer tool placed at his disposal for work, and this even in the case of the employer having prohibited a non-professional use of the computer” (Bensoussan, 2014). In the United States, on the other hand, employees give up most of their privacy rights – to the extent that they had any to begin with -- when they use or abuse company property.

Employment Law

When one compares the legal relationships that employees have with their employers, the differences between U.S. and European law are readily apparent. In the U.S., the default relationship is one of employment-at-will. In other words, barring a contract to the contrary (such as a collective bargaining agreement), either party is free to terminate the employment relationship at any time, for any reason or for no reason, no notice required. The case *Payne v. Western Atlantic Railway*, was the first case to articulate this doctrine. Payne was a successful businessman with a store near the railyards in Chattanooga, Tennessee. He claimed that the defendants “unlawfully, wickedly, wantonly, [and]

maliciously” decided to destroy his business by threatening to terminate the employment of any railroad worker who did business in Payne’s store. The court stated, in what was to become the standard well into the twentieth century, that the railroad was well within its rights to do so. The employment relationship could be terminated for any reason, good, bad or indifferent. “Defendants had the right to discharge employees because they traded with plaintiff, or for any other cause....or even for cause morally wrong” (Payne, 1884). There is no requirement that the termination be fair and employees have no right to any sort of due process.

In the case of *Darlington v. General Electric* the court upheld the termination of a General Electric employee. There had been some accounting irregularities in Darlington’s unit and he was fired without even being given the opportunity to explain or to defend himself. Even though the court recognized the unfairness of the situation, they were nevertheless bound by the employment-at-will standard, which requires not even a minimal level of due process (Darlington, 1986). Clearly, American workers enjoy little job protection.

Things are very different in Europe. While there are some differences from one country to the next, there are some general principles at work. European policy is that an employee has an important stake or even a property interest in employment. Social well-being is to a great extent built around stable employment and job security. The French will frequently have elaborate multi-page contracts for jobs which in the U.S. would be secured with no more than a handshake.

There are also important social policy concerns at work in European employment law. Losing one’s job can mean dislocation, family difficulties, personal stress, and a burden on the state. Such issues of social justice are routinely codified into European law, and employment matters are no exception. In contrast to the United States, people are reluctant to “follow a job”; the tendency is still to stay close to home. Typically a European worker will begin a job with a probationary period, and after that, he can only be terminated for cause. In France, for instance, the law requires a rather lengthy process to terminate workers, even when business is slow and layoffs are necessary. The European position is understandable: the worker is always in an inferior position of power compared to his employer, and so it is proper for the state to use its power to protect that worker from exploitation and unfair treatment (Tieben and Partner, 2014). In the United States people are less tied to a place and more willing to relocate and seek their fortune in a new place. They are willing to accept a greater risk if they have better opportunities somewhere else.

The differences start with the job application process. The résumé and the accompanying cover letter are influenced by cultural conventions and by legal considerations. While personal information is discouraged in American application information, the Germans, the French, and also the Japanese want to see it. German job applicants, for example, are to provide date of birth, marital status, number of children, and positions held by parents. The personal information provides context. Since it is more difficult to dismiss an employee, a company wants to be certain that they hire the right person to begin with, and it is the personal information which is an indication whether the potential employee will fit into the organization. American job seekers are encouraged to be assertive in interviews and talk about

their strengths. Such behavior would be seen as quite boastful in many other countries and would, therefore, be discouraged (Varner and Beamer, 2011). Once a job has been offered, the differences emerge even more strongly.

In Germany, elaborate written contracts are the norm and these contracts enumerate the critical components of the employment relationship, including the type of work to be performed, salary and benefits, vacation policies, etc. (Wilmer Hale, 2003). The law strictly enforces the number of hours worked; no more than 8 hours per day averaged out over a six-month period, and a maximum of 10 hours in any one day. German women are entitled to paid maternity leave beginning no later than six weeks before expected delivery and continuing for eight weeks after the child's birth. And German workers, male and female, are entitled to up to three *years* of parental leave *per child*. Employers are not required to pay workers during this leave, but neither may the workers be terminated (Jolly, 2010). Among international managers the story circulated in the 1980s when many American firms looked for expansion in Europe, that a company considered for purchase or takeover would be quite profitable once half the workforce had been fired. It took the Americans several such "purchases" until they realized that this practice was simply not allowed under the laws of several European countries.

If a German employer does wish to terminate an employee, written, signed notice is required, and depending on the length of the employment, that notice may have to be as long as seven months. And naturally, one can only be terminated for cause. Laws are to protect the worker and minimize risk and uncertainty for the employee.

These and many other legal requirements have led to workers who are very protected in their jobs and who need worry very little about arbitrary dismissal. Germany and most other European countries have favored this kind of stability and order over the Wild-West-style uncertainties of the American labor market.

As usual, in the United States freedom is valued over stability and state-enforced order. The economic and institutional flexibility allowed under the employment-at-will standard gives American business an edge when compared to their more static and restricted European counterparts. The American economy of the last 25 years has been highly dynamic and creative and, despite the recent, very serious recession, incredible wealth and employment have been generated. Among the factors in this success story is a fluid labor market. This, Americans argue, allows the air to clear and both sides to get a fresh start; a much better situation than an office of endless conflicts and disgruntled employees who can't be touched.

For most Europeans the current American discussion about health care is hard to follow. Health care is seen as another basic right, and ever since Bismarck established the first social security system in Germany, Germans take health insurance for granted. Up to an income of €60,000 the employee is covered under mandatory insurance. Above that income level people can choose "private" insurance. Typically, the insurance covers health insurance, home care, nursing, unemployment, and pension premiums. In most countries the company and the employee split the premiums. In Germany the

employees' share has gone up over the last few years. For example, the employee share of health insurance is 8.2% of gross salary and the company's is 7.3% (Rocholl, 2014). It does not matter whether a person works for a small or a large company; everyone works under the same rules. German employment law is first and foremost to protect the employee from unfair practices (German employment law, 2014).

Officially, German employers are not supposed to discriminate based on gender or family status; however, that law is frequently violated. Interviewers routinely ask for information on the number of children, profession of the spouse, and age. On the one hand, women have a right to all sorts of protection while at the same time their actual situations may create huge hurdles in the job market. Many employers hesitate to hire women during child-bearing years because of potential maternal leave and other child care issues (Rocholl, 2014). To overcome some of these issues, Germany is in the process of instituting a longer school day, places in nursery schools for all children. In addition, Germany is also considering mandatory percentages of women in leading positions and on corporate boards. All aspects of employment are codified and elaborated.

For American companies, used to a more flexible employment landscape, the focus on codifying all details of employment comes as a shock. And it is easy to see that there are many potential pitfalls in employment communication. In the 1980s U.S. companies frequently argued that they would use the same policies around the globe in order to avoid unfair labor practices. However, they realized fast that this approach was not workable. They faced very different cultural and legal environments in each location and to impose the same rule everywhere was not realistic and was, in fact, often seen as imperialistic. What is considered fair and equitable in one country may be seen as discriminatory in another. Managers, therefore, must familiarize themselves with the cultural and legal environments that will have an impact on effective communication within the multinational company and also with partners and governments from the host country.

Conclusion

As the previous discussion has shown, cultural and legal differences pose significant hurdles to effective intercultural communication in business. Cultural priorities have an effect on the legal systems of a country, and laws help shape and change cultural priorities. One of the cultural orientations that helps explain a key difference between the United States and Germany, for example, is the attitude towards uncertainty. In Hofstede's study (1980) Germany has an uncertainty avoidance index of 67, whereas the United States has an uncertainty avoidance index of 43. That means Americans are more comfortable with uncertainty than Germans. Germans want certainty and protection from risk. The difference can be partially explained based on historical developments. Over the centuries Germans have endured multiple wars and dislocations. Frequently they were subjected to arbitrary rulers and local princes. Two World Wars have brought destruction across the European continent and major dislocations. Germans long for stability. That shows in a variety of ways. German life is structured, and education until recently offered very distinct paths. One either followed a career towards the crafts, technical professions, or academic endeavors. To further reduce risk and uncertainty, craftsmen followed strict apprenticeships

that have their roots in the guilds of the Middle Ages. The test at the end assured a craftsman with superior skills who produced high quality work. Only a master craftsman could open and run a business thereby guaranteeing quality and high standards. This tradition is picked up by large companies which advertise “German workmanship” in their cars and other industrial products. Bismarck’s social legislation built on this longing for certainty. The result is a system that protects workers to an extent unknown in the United States.

In the United States the history is quite different. The people who came from Europe were looking for improving their lot; they were seeking out opportunities and individual drive became a strong marker for success. Official credentials were of no great help in taming the wilderness. A can-do attitude was of much greater value, and every person had to be able to perform a huge variety of jobs in order to survive and prosper. As a result, people were more eager to experiment; they changed jobs and invented new ones in the process. Even today, there are no official requirements to call oneself a carpenter or painter, bricklayer, or installer of tiles and wooden floors. Word of mouth and good work would build a reputation while bad work would do the opposite. Americans have been reluctant to put too much emphasis on credentials.

Any German company coming into the United States needs to recognize the impact this historical reality has on American attitudes. At the same time, American managers need to understand the German preference for certainty and stability. In this article we have shown the impact of culture and laws on two aspects of business communication, namely issues of privacy and employment, to illustrate the importance of understanding their impact on effective intercultural communication. Other aspects that should also be researched in greater detail are the impact of culture and law on intercultural business communication in areas of contract negotiations, marketing communication, and financial communication.

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