

Abstract

In Section 1, *Culture, An Elusive Concept with High Practical Value*, we look at “culture” from three disciplines: Academia, Business, and the US Military. By understanding these three perspectives, marketing professionals can determine how best to integrate culture into their marketing strategies to address the needs of multicultural audiences.

The reader will discover that academia has wrestled with the “concept of culture” for nearly 80 years without reaching a shared agreement on defining and applying it. While academia focuses on the philosophical aspects of culture, *what culture is*, business and the military focus on *what culture does*. This pragmatic approach provides insight into how culture can be used to improve and sustain communications with multicultural audiences.

In Section 2, *Cultural Intelligence, Seven Dimensions Across Eleven Clusters*, we discuss the importance of cultural intelligence (CQ) to meet the demands of global or diverse markets effectively and efficiently. CQ is a strategic leadership skill that is combined with EQ (Emotional Intelligence) to support cognitive agility (IQ) for enhanced decision making. Leaders use cultural knowledge and mindfulness to develop a repertoire of behaviors (toolbox of skills) that can be adapted to evolving situations.

Seven cultural dimensions are introduced in support of CQ. The dimensions function like a compass or GPS in planning engagements with diverse audiences or markets. The dimensions are then overlaid on 11 cultural clusters demonstrating the divergence of culture. Leaders can use their understanding of divergence to prep for engagements and hone their skills during and after engagements.

In Section 3, *Core Hispanic Cultural Values*, we discuss how these values align with the seven dimensions of culture outlined in Section 2. Through the behaviors of an audience, we identify emotions in play which point to cultural values. Understanding values embedded in emotions allows brands to communicate in a manner that makes them culturally relevant. An Allstate example is provided, and four mini-case studies from Herff Jones, a leading company in the Academic Achievement and Recognition Industry.

Implications for The Organization

This report provides the Organization with a broad understanding of the role of culture in society. It addresses the why, what, and how institutions have implemented multicultural strategies to achieve their goals. While the report begins by outlining the philosophical struggles within academia to define culture, what culture “is,” it quickly shifts to the pragmatic approach business and the military use to zero in on what culture “does.” Understanding these insights supports the organization’s leaders in launching multicultural strategies. Key takeaways include:

- Cultures are humanity’s operating systems that establish rules of engagement/interaction
- Culture affects how products and services are understood and considered essential
- The dimensions of culture provide a platform for identifying core cultural values

- While cultures are in a continual state of change, the core values are persistent
- Cultural insight can be leveraged to gain competitive advantage
- Cultural intelligence (CQ) provides access to leveraging cultural insight
- Strategic cultural insight drives direction while tactical insight drives action
- Cultural insight is the basis for:
 - Integrating cultural awareness into marketing strategies
 - Planning engagements with diverse audiences or markets
 - Improving and sustaining communications with multicultural audiences

About the Author

Ray Celaya is a senior consultant and practice leader in multicultural marketing. With over three decades of industry experience, Celaya brings deep knowledge and operating expertise in many industries including financial services. Within Financial Services, he has worked for or provided consulting services to the Allstate Insurance Company, Travelers Insurance of Florida, Wells Fargo, and Northwestern Mutual. Beyond financial services, he has advised or supported strategy development for Century 21, Herff Jones, and Meridian Health Services. Celaya also served as interim President of the National Hispanic Corporate Council from 2007 to 2009, assisting the Board of Directors and its 50 member companies in delivering on its mission of Hispanic Marketing, Executive Talent Development, Community Engagement, and Supplier Diversity.

At the Allstate Insurance Company, Celaya launched strategic initiatives in Corporate Diversity, Hispanic Marketing, Multicultural Marketing, and Supplier Diversity. From 1995 to 2001, Allstate more than doubled its annual Hispanic market premium from \$1.0 billion to \$2.2 billion. This success prompted the company to expand its multicultural marketing effort to the African American and Asian American markets.

As a U.S. Army advisor he implemented programs worldwide in a multitude of cultures. His tours of duty included South-East Asia, Europe, Middle East, and assignments to Latin America. He retired as a U.S. Army Major after 24 years of service.

Section 1: Culture, An Elusive Concept with High Practical Value

In this section, I report insights captured from various papers, research, and articles crafted by professionals in academia, business, and the military. At this point, you are likely asking, “why the military?” In my 50-plus years of working in multicultural environments, the military has delivered the most pragmatic approach to understanding culture and its significance for achieving intended outcomes.

This report is not an original script but a construct of excerpts, verbatim, when possible, from documents, reviewed. I’ve included endnotes from the original papers, so readers can do additional research as needed. The reference section at the end lists documents reviewed to assemble the report.

Culture, an Academia Perspective

Academia has been most prolific when it comes to publishing papers and articles on culture. Yet, the term remains elusive not finding a common definition or understanding across the academic disciplines.

Defining culture is a perennial debate in academia; as it focuses on what culture is, rather than what culture does, specifically the way that culture shapes norms and values, which in turn shape behavior. How culture is defined and how it is understood varies widely across academic disciplines. This is most likely because culture is a difficult to define facet of human behavior and society, and academic disciplines, such as anthropology, sociology, psychology, and social psychology approach culture through different lenses. Each of these fields has its own methods of inquiry and understanding of how culture shapes and is shaped by human thought and behavior. For example, some academic scholars shy away from culture and refuse to define it, while others refer to culture simply as a “concept.” Sociologist Orlando Patterson notes that “there is strong resistance to attempts to explain any aspect of human behavior in cultural terms,”¹ while anthropologist Alfred L. Kroeber explains, “the concept (culture) has had a name for less than eighty years and that until very recently only a handful of scholars were interested in the idea.”²

“In academic and intellectual circles, including an influential group of professional anthropologists and nearly all sociologists, there is strong resistance to explain any aspect of human behavior in cultural terms.”

Even the most cursory search on the topic of culture in a single field, such as anthropology, yields a wide range of descriptions on what culture is. In *Culture: A Critical Review of Concepts and Definitions*, Alfred L. Kroeber, Clyde

Kluckhohn, and Wayne Untereiner describe culture as, “one of the key notions of contemporary American thought. In explanatory importance and in generality of application, it is comparable to such categories as gravity in physics, disease in medicine, and evolution in biology.” Their comments demonstrate some of the challenges associated with understanding an amorphous and multifaceted phenomenon, such as culture.

Anthropologists Kroeber and Kluckhohn further demonstrate the challenges associated with defining culture in their comprehensive study of different definitions. Their examination produces over one hundred different definitions of culture.³ Some of their definitions include:

- “Culture is that complex whole which includes knowledge, beliefs, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society.”
- “The sum of all [a people’s] activities, customs, and beliefs.”
- “The beliefs, systems of thought, practical arts, manner of living, customs, traditions, and all socially regularized ways of acting are also called culture.”
- “The various industries of a people, as well as art, burial customs, etc., which throw light upon their life and thought.”

- “Culture...refers to that part of the total setting [of human existence] which includes the material objects of human manufacture, techniques, social orientations, points of view, and sanctioned ends that are the immediate conditioning factors underlying behavior.”⁴

Another major line of inquiry in academic studies of culture focuses on what culture does rather than what its specific attributes may be. For example, rather than attempting to define culture, Kaplan and Manners consider, “how do different cultural systems work and how have these cultural systems, in their considerable variety, come to be as they are?”⁵ In this study, Kaplan and Manners choose to refer to culture as, “a class of phenomena conceptualized by anthropologists to investigate specific questions.”⁶ They further understand culture as “phenomena which account for patterns of behaving that cannot be fully explained.”⁷ They add that, “culture is admittedly an omnibus term, it may be too omnibus to be useful as an analytic tool.”⁸ Using an example from Marshall Sahlins, Kaplan and Manners describe what culture does: “it (culture) is a system of things, social relations, and ideas, a complex mechanism by which people exist and persist. It is organized not merely to order relations, but to sustain human existence.”⁹

Anthropologist Clifford Geertz notes that “culture is most effective when treated purely as a symbolic system “in its own terms,” by isolating its elements, specifying the internal relationships among those elements, and then characterizing the whole system in some general way.”¹⁰ In other words, Geertz emphasizes not being overly concerned with what culture is, but rather understanding culture as a system and how it affects the people associated within that system. Geertz proposes, “culture is best seen not as complexes of concrete behavior patterns, customs, usages, traditions, habit clusters, but as a set of control mechanisms-plans, recipes, rules, instructions or programs for the governing of behavior.”

Culture is a process through which man creates his living environment and can improve it progressively by retaining and modifying advances made by previous generations. The term culture is used in the general sense to describe the process of man’s species wide culture–building behavior.¹¹

The study of culture, according to GJ Hofstede, is aimed at better understanding the official and unofficial rules that bind groups of people together. Organizational anthropologist Geert Hofstede, father, and colleague of Gert Jan Hofstede, defines culture as “the collective program of the mind,”¹² and that, “culture is the glue that holds society together.”¹³ His research demonstrates the depth of the subject of culture and the level of importance culture plays in society.

Like Gert Jan Hofstede, Francis Fukuyama describes a useful subset of culture known as social capital. “Social capital can be defined simply as a set of informal values or norms shared among members of a group that permits them to cooperate with one another.”¹⁴

Culture influences action not by providing the ultimate values toward which action is oriented, but by shaping a repertoire or “tool kit” of habits, skills, and styles from which people construct “strategies of action.”

Social capital could be compared to rapport, or in other instances social capital could equate to

trust. Fukuyama describes that after gaining social capital, “members of the group come to expect that others will behave reliably and honestly, then they will come to trust one another; trust acts like a lubricant that makes any group or organization run more efficiently.”¹⁵

Ann Swidler, Stanford University, writes in the American Sociological Association Review, *Culture in Action: Symbols and Strategies*, “culture influences action not by providing the ultimate values toward which action is oriented, but by shaping a repertoire or “toolkit” of habits, skills, and styles from which people construct “strategies of action.” Strategies of action are cultural products; the symbolic experiences, mythic lore, and ritual practices of a group or society create moods and motivations, ways of organizing experience and evaluating reality, modes of regulating conduct, and ways of forming social bonds, which provide resources for constructing strategies of action. When we notice cultural differences, we recognize that people do not all go about their business in the same ways; how they approach life is shaped by their culture. The challenge for the contemporary sociology of culture is not, however, to try to estimate how much culture shapes action. Instead, sociologists should search for new analytic perspectives that will allow more effective concrete analyses of how culture is used by actors, how cultural elements constrain or facilitate patterns of action, what aspects of a cultural heritage have enduring effects on action, and what specific historical changes undermine the vitality of cultural patterns and give rise to others.”

And finally, below is a model developed by EJ Nichols in addressing the philosophical differences among major cultural groups. Nichols provides perspective for understanding how these groups developed different worldviews that anchor the past while guiding the future.

Philosophical Orientations of Different Cultural Groups				
Cultural Groups/ World Views	Value Orientation	Knowledge Orientation	System of Thought	Way of Living
European, Euro-American	<i>Person-Object</i> : The highest value is in objects or in the acquisition of objects.	<i>Cognitive</i> : One knows through counting and measuring.	<i>Dichotomous</i> : Either/or	<i>Technology</i> : All behavior is repeatable and reproducible.
African, African-American, Arabian, Hispanic	<i>Person-Person</i> : The highest value is in relationships between people.	<i>Affective</i> : One knows through feeling and rhythm.	<i>Diunital</i> : The union of opposites	<i>Ntuology</i> : All behavior is inter-related through human and spiritual networks.
Asian, Asian-American, Native American	<i>Person-Group</i> : The highest value is in-group unity.	<i>Conative</i> : One knows through self-transcendence.	<i>Nyaya</i> : The objective world is independent of thought and mind.	<i>Cosmology</i> : All behavior is inter-related in the harmony of the Polynesian universe.
From Nichols EJ. <i>Understanding the Philosophical Orientation of Different Cultural Groups</i> . Address at Northern Kentucky University, 1993.				

Table 1. Philosophical Orientation of Different Cultural Groups, by EJ Nichols

Culture, a Business Perspective

Another useful body of literature for understanding culture comes from the business world. The literature spends less time on attempting to define culture and focuses more on how to effectively interact and shape culture to achieve specific business goals. For example, business professor and negotiations trainer Stuart Diamond simply refers to culture as, “the affiliations from which individuals get their identity.”¹⁶ Economist, sociologist, and politician Daniel Patrick Moynihan notes that, “the central conservative truth is that it is culture, not politics, which determines the success of a society. The central liberal truth is that politics can change a culture and save it from itself.”¹⁷ Finally, economic strategist Michael Porter states that

attitudes, values, and beliefs that are sometimes collectively referred to as “culture” play an unquestioned role in human behavior and progress. However, the question is not whether culture has a role but how to understand this role in the context of the broader determinants of prosperity.¹⁸

This economic-based view of culture suggests that, if understood appropriately, culture could be leveraged to achieve a particular end state, thereby creating more prosperity in that area. More importantly these descriptions of culture show how powerful culture can be in a society, as it not only shapes people’s individual identities, but it can drive politics, progress, and prosperity.

...understanding culture can be the determining factor in the success or failure of a business. Likewise, a business’ ability to identify and market to specific cultural demands (groups) may be key in setting it apart from its competitors.

Moreover, when examining culture and its role in world markets, business professor Michael Hinner takes a strictly economic approach to explaining culture:

Culture determines what products and services are considered essential, how one negotiates with them, how one uses them, what they signify, what they are thought to be worth, etc. That is why it is essential to understand culture, to understand the principles of business. Essentially, business revolves around culture.¹⁹

Hinner’s comments demonstrate that understanding culture can be the determining factor in the success or failure of a business. Likewise, a business’ ability to identify and market to specific cultural demands (groups) may be key in setting it apart from its competitors.

In exploring the success of McDonald’s franchises in East Asia, James Watson describes culture as, “not something that people inherit as an undifferentiated bloc of knowledge from their ancestors, but is a set of ideas, reactions, and expectations that is constantly changing as people and groups themselves change.”²⁰ Watson describes how culture is used “to capture the feeling of appropriateness, comfort, and correctness that govern the construction of personal preferences, or “tastes,” and thereby make McDonald’s successful in East Asia.”²¹ By balancing

the different norms and traditions of the various regions and countries in East Asia, and a growing appeal for western culture, McDonald's franchises were able to "discern and appeal to customer needs."²² Understanding what aspects of culture should be adopted and what aspects of that culture should be influenced can have a significant impact on business goals. As demonstrated by numerous McDonald's franchises in East Asia, being able to identify and cater to key cultural aspects, while simultaneously promoting one's own values can yield success.

The marketing team shifted its approach to using universal terms understood and well accepted within Hispanic culture, recognizing that colloquial terms would be left to the sales force who had clarity on language differences within their markets.

At the Allstate Insurance Company, the entry way to multicultural marketing was language. Senior leaders supported the notion of marketing uniquely to an ethnic group because they spoke a different language. In time, the marketing team was able demonstrate that while language was important, the determining success factor was

a different cultural view. The Allstate team members emerged from the company's Hispanic ERG (employee resource group) formed by senior leaders a decade earlier to better understand the challenges faced by this ethnic group within the company and to identify opportunities to recruit more Hispanics into the company.

In the initial phases of Hispanic marketing, the team attempted to develop messaging that captured colloquial terms within regions of the country. This quickly became problematic as the firm that distributed advertisement to media outlets sent materials meant for the Southwest to the Southeast. The sales force in the Southeast, predominantly of Cuban descent, immediately questioned the team's ability to effectively communicate with their consumers. The marketing team shifted its approach to using universal terms understood and well accepted within Hispanic culture, recognizing that colloquial terms would be left to the sales force who had clarity on language differences within their markets. This shift acknowledged that the team would function strategically with the sales force operationalizing the support and applying tactical insight. In time Hispanic marketing included English language advertisements with Hispanic cultural themes. Language continued to be important, but culture was the difference that made a difference.

Within five years Hispanic household penetration grew from 850K to 1.5M. Annual premium grew from \$1B to \$2.2B. The success of marketing to an ethnic group culturally was expanded to African American, Chinese, and Korean markets.

Culture, a Military Perspective

The military conflicts of the 21st Century, have emphasized the importance of understanding culture and cultural differences of advisories and allies. The initial years of conflict in Iraq and Afghanistan proved to be chaotic as a multitude of cultures and tribal subcultures demanded to be heard and understood through their cultural worldview. It wasn't until General Petraeus

implemented cross-cultural strategies outlined in his co-authored manual FM 3–24 Counterinsurgency that the U.S began to stabilize the environment in Iraq.

As we approach the end of the first quarter of the century, we are seeing a similar demand from the multicultural consumers in the United States and in international markets. Businesses, even if their markets are domestic, must develop a sound understanding of culture and how it affects their ability to connect with consumers.

Culture... “the set of distinctive features of a society or group, including but not limited to values, beliefs, and norms, that ties together members of that society or group and that drives action and behavior.”

In two U.S. Army publications, *Culture and Foreign Language Strategy* and *FM 3–24 Counterinsurgency*, the Army defines culture as, “the set of distinctive features of a society or group, including but not limited to values, beliefs, and norms, that ties together members of that society or group and that drives action and behavior.”²³ The counterinsurgency manual offers more detailed explanations of culture, including that culture itself is complementary to social structure. The two are mutually dependent and reinforcing; a change in one result in a change in the other.²⁴ The counterinsurgency manual further clarifies culture by describing it as a “web of meaning” shared by members of a particular society or group within a society.²⁵ Specifically, the manual states that culture is:

- A system of shared beliefs, values, customs, behaviors, and artifacts that members of a society use to cope with their world and with one another. Learned, though a process called enculturation.
- Shared by members of a society; there is no “culture of one.”
- Patterned, meaning that people in a society live and think in ways forming definite, repeating patterns.
- Changeable, through social interactions between people and groups.
- Arbitrary, individuals should make no assumptions regarding what a society considers right and wrong, good, and bad.
- Internalized, in the sense that it is habitual, taken for granted, and perceived as “natural” by people within the society.²⁶

The manual adds that Culture could also be described as an “operational code” that is valid for an entire group of people; this observation corresponds to academic literature that describes culture as a motivating force. In other words, culture conditions the individual’s range of actions and ideas, including what to do and not do, how to do or not do it, and whom to do it with

We have learned many lessons over the last 10 years, but one of the most compelling is that—whether you are working among citizens of a country or working with their governments or Armed Forces—nothing is as important to your long-term success as understanding the prevailing culture and values.

or not to do it with. Culture also includes under what circumstance the “rules” shift and change. Culture influences how people make judgments about what is right and wrong, assess what is important and unimportant, categorize things, and deal with things that do not fit into existing categories. Finally, cultural rules are flexible and proactive; they change according to time and circumstances. Culture forms the basis of how people interpret, understand, and respond to events and people around them.

At the very beginning of this section, I highlight how critical it is to understand culture and cultural differences. In the essay *After the Arab Spring* by W. Andrew Terrill, he writes about the ongoing concern of US Army Chief of Staff General Raymond Odierno, who in March 2012 stated, “*We have learned many lessons over the last 10 years, but one of the most compelling is that—whether you are working among citizens of a country, or working with their governments or Armed Forces—nothing is as important to your long term success as understanding the prevailing culture and values.*”²⁷ Insight into cultural issues and values can be gained by examining the history of the countries we view as partners and those we view as potential adversaries. It is particularly important to consider the goals and aspirations of the Arab publics that participated in the Arab Spring and to find ways in which the US national interest can be advanced while respecting their concerns and values. To be engaged partners, we must be informed partners, and the Arab uprisings are perhaps the most important set of events to occur in this region in recent history. Moreover, a strong understanding of the regional trends will help military leaders provide valuable and relevant advice to the civilian leadership.

Section 1 Conclusions:

Culture is a human operating system, the MOS, iOS, or Android of humanity, that provides the primary rules (values) for understanding, interpreting, engaging, and learning within a group. Culture, inclusive of sub-cultures, is formed when two or more people subscribe to a set of values that establish a worldview, a way of living and interacting with others; hence “there is no culture of one.” Family and community transfer to new members, newborns, or immigrants their native cultural values. The values influence how members make judgments about what is right and wrong, assess what is important and unimportant, categorize things, and deal with things that do not fit into existing categories. Watching how adults react and talk to new babies is an excellent way to see the symbolic transmission of culture among people. Two babies born at the same time in different cultural groups may be taught to respond to physical and social stimuli in very different ways. For example, some babies are taught to smile at strangers, whereas others are taught to smile only in very specific circumstances. In the United States, and more specifically in Anglo culture, most children are asked from a very early age to decide what they want to do and prefer. In other cultures, a parent would never ask a child what they want to do but merely tell the child what to do.

The notion that a culture is acquired through the process of learning has several important implications for the conduct of business:

1. It allows businesses to see consumer preferences through the cultural views of others.
2. It provides understanding for greater tolerance of cultural differences, a prerequisite for effective cross-cultural communication within a business setting.
3. The learned nature of culture serves as a reminder that since we have "mastered" our own culture through learning, it is possible to learn to function in other cultures.

Thus, cross-cultural skills can be learned by acquiring knowledge and, as Ann Swidler advises, developing a repertoire or "toolkit" of habits, skills, and styles from which to construct "strategies of action."

Section 2: Cultural Intelligence, Seven Dimensions Across Eleven Clusters

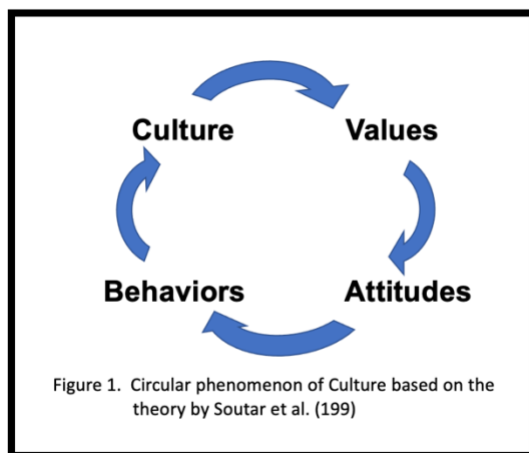
During a focus group session in Houston introducing new Spanish-language advertising, a participant asked if she could get the phone number of an Allstate agent in her community. I asked her, a Farmers Insurance customer for nearly 30 years, why she wanted to switch to Allstate. Her response was a game changer, *"before today, I knew what Allstate was, but now I feel what Allstate is."* We created the previously missing emotional connection with Hispanic audiences by delivering culturally relevant messaging in English and Spanish. A link that aligned the brand values with core Hispanic cultural values while remaining true to the brand's market position. In the following five years, Allstate nearly doubled Hispanic households serving to 1.5 million and more than doubled annual premium revenues to \$2.2 billion. The journey of applying Cultural Intelligence had begun.

What is Cultural Intelligence, and why does it matter? Before addressing this question, we need a shared understanding or alignment on how culture is acquired. As mentioned in Section 1, culture is a human operating system, the iOS, Android, or MOS of humanity, that provides the primary rules (values) for understanding, interpreting, engaging, and learning within a group. A culture is formed when two or more people subscribe to a set of values that establish a worldview, a way of living and interacting with others; hence *"there is no culture of one."* Family and community transfer to new members, newborns, their native cultural values. The values influence how members make judgments about what is right and wrong, assess what is important and unimportant, categorize things, and deal with things that do not fit into existing categories. Because one's native culture is acquired pre-cognitive maturity, its values are embedded through modeled behaviors and emotional conditioning in daily life.

Cultures and their values are not stagnant; they evolve as new members join or new ideas develop. However, the most universal and deeply seeded values remain constant and survive the passing of time. These core values unite and nourish the group while providing members with self-worth within the group. This human need to identify within a group is captured in the African value (cultural worldview) **Ubuntu**: *"I am because we are."* Ubuntu asserts that society gives human beings their humanity; thus, individuals reflect their society and its defining rules. Cultural conditioning begins soon after birth through modeled behavior and emotional conditioning integrated into daily life. Because most core values are anchored pre-cognitive maturity, most people default to describing their values as behaviors and emotions.

Cultural intelligence (CQ), which I also refer to as Cultural Fluency, is high-level social intelligence that goes beyond simply being intelligent, emotionally mature, or having good general social skills. Its characteristics include bridging divides and knowledge gaps in an organization helping transfer knowledge between otherwise disparate groups and helping to build interpersonal connections and smooth interpersonal processes in a multicultural environment. Leaders with high CQ develop a toolkit of skills and strategies to achieve intended outcomes and to gain a competitive advantage in markets. Culturally intelligent leaders and teams possess the potential to boost innovation and creativity due to their ability to help members make the best use of their multiple perspectives.

Central to cultural intelligence is self-awareness, the ability to reflect in real-time on one's worldview (cultural viewpoint) while concurrently recognizing audiences' worldviews. Leaders adjust their behavior (engagement style and communication) to align best with audiences' values. As depicted in Figure 1, cultural fluency reveals values in play in an audience's attitudes and behaviors.



Recognizing cultural values is a powerhouse strategy for achieving goals and affecting change. As the world has become more economically interdependent, leaders have become increasingly alert to the need for (cross) cultural intelligence. *"Leaders with high cultural intelligence and fluency understand how to encounter new cultural situations, judge what goes on in them, and make adjustments to learn and engage others appropriately in otherwise disorientating circumstances. They have repertoires of strategies (mental models) and behaviors for adapting when*

encountering unfamiliar behaviors and perspectives, so they can discern whether a seemingly bizarre behavior is explained by culture or is unique to a particular person or organization. Such discernment is critical in negotiations, understanding new markets and market segments, unifying dispersed leadership teams, and developing global marketing plans." (Livermore, 2010).

Strategic intelligence begins with acknowledging that culture is pivotal in how people interpret their environment, including categories, brands, and products, and their efficacy.

As a member of the U.S. military on assignments in Asia, Europe, and Latin America, I applied culturally specific knowledge for operating at the tactical level. Tactical capabilities are needed to

function effectively and efficiently. While this level of cultural knowledge is necessary on the frontline, e.g., in sales, distribution points, and customer service, strategic cultural intelligence is most empowering for organizations. This level of intelligence enables organizational leaders to support tactical operators as they engage audiences. Strategic intelligence begins with

acknowledging that culture is pivotal in how people interpret their environment, including categories, brands, and products, and their efficacy.

Cultural intelligence (CQ), the capability to deal effectively with people from different cultural backgrounds, is a multifaceted competency consisting of cultural knowledge, the practice of mindfulness, and a repertoire of behavioral skills. This skill is developed in an experiential, intuitive way, in which each repetition of the cycle builds on the previous one. The feedback from each cycle of experience leads to an ever-higher CQ. Specific knowledge gained in formal and informal ways is transformed into skills that can be applied to various new situations. In this world of work, there are three emerging realities for leaders²⁸:

Reality Number One: Globalization Has Changed the Game²⁹

We are all now living increasingly global lives. We are now beginning to understand the importance of a process known as globalization, particularly the way it impacts the lives of people involved in business. Globalization means an increase in the permeability of traditional boundaries, including those around countries, economies, industries, and organizations.

Even small firms now have the capability to be global. With a computer, a modem, and a telephone connection, it is possible to be a global business almost instantaneously. Because of "global liberation," the business environment is now more complex, dynamic, uncertain, and competitive than ever before. Most importantly, there is no evidence that these trends will reverse or decrease. As a result, tomorrow's leaders, even more than those of today, will have to learn to compete, and work, in a global environment.

Reality Number Two: CQ Builds on IQ and EQ³⁰

Psychologists characterize our ability to reason and its measure as intelligence quotient (IQ). More recently, through the work of Daniel Goleman, we have come to recognize that it is important how we handle our emotions; this is referred to as "emotional intelligence" (EQ). Cultural intelligence (CQ) is a relatively new idea that builds on IQ and EQ and focuses on an individual's ability to interact effectively across cultures. Cultural intelligence is easy to understand but challenging to put into practice on an ongoing basis. Developing a high CQ and related skills takes time and effort. Becoming culturally intelligent is learning by doing, which has valuable outcomes beyond creating skilled intercultural performance.

Reality Number Three: New Leadership Paradigm—Culture Matters³¹

Culture has a profound influence on almost all aspects of human endeavor. The culturally intelligent leader understands the possible effects of cultural variation in their behavior and that of others. Culturally intelligent leaders also know how and in what circumstances cultural differences are likely to exert their effect. Culture matters, but it matters to varying degrees based on circumstances. A culturally intelligent leader uses knowledge and mindfulness to develop a repertoire of behaviors (skills) that can be adapted to evolving situations.

In JSOU Press Report 16-10, 2009, Cultural Intelligence for SF Personnel, written by Russ Howard (BG, USA Retired) and researchers Greta Hanson and Carly Laywell, they report why

some people are more effective in new cultures or among people with unfamiliar backgrounds while others, even highly respected people within their own group, stumble in those same situations. They assert that cultural intelligence (CQ) makes the difference by providing proficiencies beyond simply being intelligent, emotionally mature, or having good general social skills. The proficiencies include bridging divides and knowledge gaps to transfer knowledge between otherwise divergent groups, build interpersonal connections, and smooth the multicultural teams' interpersonal processes. The authors further assert that culturally intelligent leaders enhance innovation and creativity by leveraging their organizations' multiple perspectives for developing and delivering on strategies. They identify eleven cultural clusters to enable comparison using a standard set of seven cultural value dimensions. While the selected dimensions by no means are exhaustive, they identify significant cultural differences and indicate which end of the spectrum a given culture falls on.

The Seven Cultural Value Dimensions³²

- | | |
|-------------------------------|---------------------|
| 1. Individualism-Collectivism | 5. Time Orientation |
| 2. Power Distance | 6. Context |
| 3. Uncertainty Avoidance | 7. Being-Doing |
| 4. Cooperative-Competitive | |

1.	Individualism: Individual goals and rights are more important than personal relationships Collectivism: Personal relationships and benefiting the group are more important than individual goals
2.	Low Power Distance: Status differences are of little importance; empowered decision-making is expected across all levels High Power Distance: Status differences should shape social interactions; those with authority should make decisions
3.	Low Uncertainty Avoidance: Focus on flexibility and adaptability; tolerant of unstructured and unpredictable situations High Uncertainty Avoidance: Focus on planning and reliability; uncomfortable with unstructured or unpredictable situations
4.	Cooperative: Emphasis on cooperation and nurturing behavior; high value placed on relationships and family Competitive: Emphasis on assertive behavior and competition; high value placed on work, task accomplishment, and achievement
5.	Short Term: Values immediate outcomes more than long-term benefits (success now) Long Term: Values long-term planning; willing to sacrifice short-term outcomes for long-term benefits (success later)
6.	Low Context: Values direct communication; emphasis on explicit words High Context: Values indirect communication; emphasis on implicit understanding
7.	Being: Social commitments and task completion are equally important; diffuse boundaries between personal and work activities Doing: Task completion takes precedence over social commitments; clear separation of personal and work activities

Following is the grouping of clusters with a brief description of their cultural centrality.

Anglo Cluster:

Australia, Canada, Ireland, New Zealand, United Kingdom, United States, etc.

Anglo culture Covering every corner of the globe, the geographically dispersed Anglo cluster is united by a common language and a historical connection to Mother England. Over the centuries, this cluster has fused its European origins' Old-World sensibilities with a pioneering and entrepreneurial spirit. These cultures are often seen as 'strictly business,' whether in their preference for direct communication or their tit-for-tat view of human interactions.³³ The common adage 'there's no such thing as a free lunch' concisely conveys

their firmly held belief that everything comes at a price. This applies to their perceptions of time as well. The Anglo cluster runs like clockwork, especially in professional environments, and punctuality is essential; as is often said, 'time is money.' Cultures in the Anglo cluster value individualism and personal space, both literally and figuratively. Its need for elbow room defines Anglo culture as they prefer much personal space. They guard their privacy closely and typically avoid discussing personal finances, religious beliefs, and politics.

Cultural Value Dimensions:

Individualist	Low Power Distance	Low Uncertainty Avoidance	Competitive
Short-Term Time	Low Context	Doing	

Nordic Europe Cluster:

Denmark, Finland, Norway, Sweden, etc.

Nordic countries consistently top the world rankings in quality of life and human development. Although decidedly secular and at times even antireligion, they have unwavering faith in work-life balance, and generous holiday and parental leave benefits are the regional standards. This egalitarian philosophy extends to nearly every facet of daily life in this cluster. Although the Nordics are individualists, they are equally committed to ensuring autonomy and personal freedom for all their citizens. Scandinavians go to great lengths to avoid standing out or calling attention to themselves, whether in their fashion choices or professional lives. Scandinavian furniture and clothing designs echo this understated ethos, as they promote functionality, simplicity, and minimalism. These values extend to personal interactions in the Nordic cluster, which favors direct communication, punctuality, and efficiency. These traits are often perceived as dry or impersonal.

Cultural Value Dimensions:

Individualist	Low Power Distance	Low Uncertainty Avoidance	Cooperative
Short-Term Time	Low Context	Being	

Germanic Europe Cluster:

Austria, Belgium, Germany, Netherlands, German Switzerland, etc.

This small but economically mighty cluster includes most of the countries of Western Europe. Although this group shares some traits with the Anglo, Nordic, and Latin European clusters, its unique differences merit a separate category. Like its neighbors, Germanic Europe is highly individualistic and characteristically blunt in terms of communication style. However, unlike its neighbors, this cluster values order above almost everything else. These cultures adhere strictly to rules and regulations and believe that proper planning and legislation mitigate risk. They tend to shy away from an ostentatious show of wealth or power and are markedly task and goal oriented. As such, a person's status is generally less important than their ability.

Cultural Value Dimensions:

Individualist	Low Power Distance	Moderate Uncertainty Avoidance	Competitive
Moderate Time	Low Context	Doing	

Latin Europe Cluster:

France, French-and Romansh-speaking Switzerland, Italy, Portugal, Spain, etc.³⁴

The powerful influences of the Catholic Church and the Roman Empire continue to define modern-day Latin Europe. In contrast to the Germanic and Eastern European clusters, Latin Europe is distinctly paternalistic in terms of both politics and, to a degree, gender relations. Politically, governments in this cluster expect the devotion of their citizens in exchange for stability and protection. Socially, while men and women enjoy equal rights, there are vastly different expectations around their societal roles and social norms. Despite this cluster's general tendency toward secularism, the Roman Catholic Church wields significant power, partially explaining these cultures' awareness of and deference to authority. Latin Europeans embody the aphorism 'work hard, play hard' and are motivated as much by professional status as personal contentment. They believe that one should not interfere with the other and thus put equal energy into ensuring the quality of their personal and professional lives.

Cultural Value Dimensions:

Moderate Collectivist	Moderate Power Distance	High Uncertainty Avoidance	Moderate Cooperative
Moderate Time	Moderate Context	Moderate Being-Doing	

Eastern Europe Cluster:

Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Poland, Russia, Serbia, etc.

Arguably the most diverse of the clusters, the Eastern European cluster encompasses a vast array of religious, linguistic, and cultural groups. Nevertheless, they all have a history of frequent invasion and conquest. Eastern Europeans have been colonizers and the colonized, and their recent history is marked by geopolitical upheaval. As a result, their loyalties lie more with ethnic groups and family clans than with the state.³⁵ These cultures have a strong sense of hierarchy, and when it comes to decision-making, they defer to and respect authority figures. They are collectivists within the confines of their tight-knit groups and are understandably wary of outsiders. Although they are often demonstrative and affectionate with one another, this rarely extends to foreigners. Harsh climates and unforgiving terrain dominate this cluster, and its people shoulder the burden with those closest to them. The threshold for earning their trust is high, but it is not easily lost once earned.

Cultural Value Dimensions:

Moderate Collectivist	Moderate Power Distance	Low Uncertainty Avoidance	Moderate Cooperative
Short-Term Time	Moderate Context	Moderate Being-Doing	

Confucian Asia Cluster:

Asia China, Hong Kong, Japan, Singapore, South Korea, Taiwan, etc.

The cultural value dimensions of the Confucian Asia cluster center on one single concept: promoting harmony. This tenet, called li in the Confucian tradition, is meant to bring about order and demonstrate respect and goodwill toward humankind. First-time visitors to this cluster region are often intimidated by the countless unwritten rules that govern everything, from personal greetings to table manners to business meetings. Still, these rules are simply the manifestation of li. This pursuit of harmony informs every facet of Confucian life, from birth to death, from the mundane to the sacred. Communication is also intended to promote harmony and preserve dignity ('save face'). This cluster prefers indirect communication and draws from a wealth of nonverbal gestures and facial expressions. Many languages in Confucian Asia are rich with metaphors and proverbs that allow speakers to convey their thoughts without appearing impolite or overly harsh. Li also dictates a specific hierarchy of interpersonal relationships. Confucian Asia is the most collectivist culture in the world, and the commitment to family and other intimates is unparalleled in the other clusters. Divided into five archetypal relationships, li clearly identifies authority in every situation and defines specific roles for the leader and follower in each scenario. Memorizing the five relationships is less important than understanding the overall dynamic. When visiting a culture within this cluster, one must be aware of this paradigm and attempt to determine which role they ascribe in each situation. Li is ultimately meant to bring about ren, or inner harmony and peace of mind.

Cultural Value Dimensions:

Collectivist	Moderate Power Distance	Moderate Uncertainty Avoidance	Moderate Cooperative
Long Term Time	High Context	Moderate Being-Doing	

South Asia Cluster:

India, Indonesia, Malaysia, Philippines, Thailand, etc.

Its vibrant diversity defines the South Asia cluster. The region provides a feast for the senses: the mouth-watering smells of a night market in Singapore, the soothing touch of a Thai massage, the awe-inspiring site of the Taj Mahal, the warming spice of Burmese curry, and the lively beat of Bollywood music. The most densely populated region in the world, South Asia embraces every major world religion, thousands of languages, and an abundance of cultural, artistic, and culinary traditions. Nevertheless, certain commonalities unite the broader region and distinguish it from Confucian Asia. While South Asia is highly collectivist, it is more accepting of individual self-expression and forgiving those who fall outside the social norm. However, South Asia still values social status. The Indian caste system is a prime example: each rung on the ladder is clearly defined, and people know which rung they occupy. Most of South Asia was subject to European colonization at one time, and certain vestiges of colonial influence remain. This can be observed in the enclaves of British, Portuguese, and Dutch ex-pats and in the value conferred on professional status over personal status. South Asians are consummate hosts and often go out of their way to make visitors feel welcome. When visiting

cultures within this cluster, it is vital to bear in mind the diversity of beliefs and expression throughout South Asia and to follow the cues given by local colleagues and hosts to determine appropriate behavior.

Cultural Value Dimensions:

Collectivist	High Power Distance	Moderate Uncertainty Avoidance	Moderate Cooperative
Moderate Term Time	High Context	Moderate Being-Doing	

Afghanistan and Pakistan Cluster

These neighboring nations drive home the notion that the eleven cultural clusters need not be exhaustive to be effective. The cultures of Afghanistan and Pakistan do not fall neatly into one all-encompassing cluster but examining them through the lens of the cultural value dimensions and comparing them to nearby clusters sheds light on how to approach interactions with the Afghan and Pakistani cultures. Geographically speaking, Afghanistan and Pakistan belong to one of the clusters discussed above, South Asia. The British Indian Empire ruled Pakistan, along with India, Burma, and Bangladesh, until 1947. Despite the intense rivalry that persists between Pakistan and India, their cultural similarities are undeniable. Much like the South Asia cluster, most Pakistanis are highly aware of social status and adhere strictly to familial and societal expectations. Afghanistan was also subject to British invasion in the 19th century and subsequently suffered at the hands of the Soviets in the 20th century and the Taliban in the 21st. Lacking the political and economic stability that underpins civic society, Afghan culture is primarily a product of family and tribal structures. Afghanistan and Pakistan also have a great deal in common with the Arab cluster, as discussed below. However, it is imperative to note that although they are majority Muslim nations, neither is ethnically Arab nor do they speak Arabic.

Afghanistan Cultural Value Dimensions:

Collectivist	High Power Distance	High Uncertainty Avoidance	High Cooperative
Short Term Time	High Context	Being	

Pakistan Cultural Value Dimensions:

Collectivist	High Power Distance	Moderate Uncertainty Avoidance	Moderate Cooperative
Short Term Time	High Context	Moderate Being-Doing	

Sub-Saharan Africa Cluster:

Ghana, Kenya, Namibia, Nigeria, Zambia, Zimbabwe, etc.

Grouping the numerous countries of sub-Saharan Africa within a single cluster may belie their diversity, but the same cultural undercurrents flow throughout the region. Chief among them is kinship, an idea best expressed by the Bantu term Ubuntu, a philosophy of interconnectedness and codependence. This idea extends beyond the immediate family to include one's clan, tribe, or ethnic group. Ubuntu teaches that life should not be lived in

isolation and that personal success should not be sought at the expense of a brother's failure. The importance of family within this cluster cannot be overstated, and it is common to inquire about family matters during introductions and greetings. Family and relationships, rather than time, are of the essence, and being personable is valued over being punctual. Nevertheless, the evidence of European colonization in sub-Saharan Africa is plentiful, from the widespread use of French, English, and Portuguese to the prevalence of Christianity. Religion plays a critical role in daily life in this cluster, which perceives unity and connection between the spiritual and physical worlds. Islam and Christianity are widely practiced but tend to have a distinctly local flavor and are frequently mixed with animism and tribal religions.

Cultural Value Dimensions:

Collectivist	Moderate Power Distance	Moderate Uncertainty Avoidance	Cooperative
Short Term Time	High Context	Being	

Greater Arabia Cluster:

Arab Bahrain, Egypt, Kuwait, Libya, Morocco, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, etc.

This cluster is one of the most important on the global stage today, yet outsiders widely misunderstand it. 'Arab' implies a cultural and linguistic identity more than an ethnic identity within the region itself. While Islam is the predominant religion of the Arab cluster, Christianity and Judaism are also scattered throughout. Moreover, there are widely varying interpretations of sacred texts and differing schools of thought, even within Islam. This is evident in the various forms of dress for both men and women, as not all Arab women wear a headscarf or hijab, nor do all men wear a tunic or djellaba. Certain tendencies, however, are common throughout the region. The Arab cluster is extremely collectivist, and Arabs respect the patriarchal and hierarchical authority of the family. When faced with the unknown, Arabs frequently say Inshallah, meaning "God willing."³⁶ As a result, they tend to be more focused on the short term, leaving the future in the hands of God.

Cultural Value Dimensions:

Collectivist	High Power Distance	Moderate Uncertainty Avoidance	Moderate Cooperative
Short Term Time	High Context	Being	

Latin America Cluster:

Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Venezuela, etc.

Due to the long history of European colonization in Latin America, the Latin American cluster exhibits many of the same traits as Latin Europe, although often in a more exaggerated form. For example, Latin America is particularly paternalistic, both politically and socially. The Catholic Church also has an undeniable and palpable influence on daily life. That said, several significant differences distinguish Latin America from other clusters. First, family is the arbiter of social power in Latin America, more so than in almost any other region. Second, Latin

Americans are devoted first to their families and deeply respect the family hierarchy. Third, Latin Americans work to live rather than live to work, and they put their personal, family, and social lives ahead of their professional ambitions. Fourth, they value punctuality and devotion to schedules differently than their North American counterparts. Finally, when faced with uncertainty, they seek to alleviate it through their relationships with God, family, and friends.

Cultural Value Dimensions:

Collectivist	High Power Distance	High Uncertainty Avoidance	Moderate Cooperative
Moderate Time	High Context	Being	

Cultural clusters are intended to be descriptive; thus, they are most effective when used to compare multiple cultures rather than to define a single culture. They highlight how different cultures might approach the same situation, which often depends on overarching historical, religious, or social paradigms. One must be cautious not to generalize based on the clusters and one's own cultural biases and predispositions. The clusters do not reflect the full diversity of global behavior, but when used strategically, they can provide guidance without dictating every action—more like a compass than a GPS. To help the reader, below, I have assembled the clusters onto a table to provide a global GPS view of differences.

Source: Diverse Markets based on details provided in JSOU Report 16-10, Cultural Intelligence, JSOU University, Florida, 2016

Clusters → ↓ Dimensions	Anglo	Nordic Europe	Germanic Europe	Latin Europe	Eastern Europe	Confucian Asia	South Asia	Afghanistan	Pakistan	Sub-Saharan Africa	Greater Arabia	Latin America
Individualism-Collectivism	Individualist	Individualist	Individualist	Moderate Collectivist	Moderate Collectivist	Collectivist	Collectivist	Collectivist	Collectivist	Collectivist	Collectivist	Collectivist
Context	Low	Low	Low	Moderate	Moderate	High	High	High	High	High	High	High
Competitive/Cooperative	Competitive	Cooperative	Competitive	Moderate Cooperative	Moderate Cooperative	Moderate Cooperative	Moderate Cooperative	High Cooperative	Moderate Cooperative	Cooperative	Moderate Cooperative	Moderate Cooperative
Power Distance	Low	Low	Low	Moderate	Moderate	Moderate	High	High	High	Moderate	High	High
Uncertainty Avoidance	Low	Low	Moderate	High	Low	Moderate	Moderate	High	Moderate	Moderate	Moderate	High
Time Orientation	Short	Short	Moderate	Moderate	Short	Long	Moderate	Short	Short	Short	Short	Moderate
Being/Doing	Doing	Being	Doing	Moderate	Moderate	Moderate	Moderate	Being	Moderate	Being	Being	Being

Table 2, Seven Dimensions Across Eleven Clusters

The greater the divergence among culturally diverse audiences, the more discerning leaders should be in verbal and non-verbal messaging.

Cultural intelligence (CQ) provides proficiencies beyond simply being intelligent, emotionally mature, or having good social skills. The proficiencies include:

- Bridging divides and familiarity gaps to transfer knowledge between otherwise divergent groups.
- Building interpersonal connections.
- Smoothing multicultural teams' collaborative processes.

Culturally intelligent leaders enhance innovation and creativity by leveraging their organizations' multiple perspectives for developing and delivering on strategies. In addition, 21st-century adaptive leaders use CQ to develop cultural fluency to identify cultural differences to improve communication and gain a competitive advantage.

Section 2 Conclusions:

CQ is a skill that reveals the world through the eyes of consumers, customers, and diverse, multicultural team members. Insights are provided by the audience's behaviors, attitudes, and emotions that point to cultural values. It is an experiential skill based on knowledge, mindfulness, and a repertoire of behaviors (toolbox) for adaptive communications. Combined with EQ (emotional intelligence), it supports cognitive flexibility for innovative and creative solutions.

Table 2, *Seven Dimensions Across Eleven Clusters*, provided a starting point for recognizing differences among major cultural groups. While the dimensions selected are not exhaustive, they identify core cultural differences and indicate which end of the spectrum a given cultural cluster falls on. The clusters enable comparison using a standard set of seven cultural value dimensions. The greater the divergence among cultural clusters, the more discerning leaders must be in their engagements.

Section 3: Core Hispanic Cultural Values

There are 21 countries where Spanish is the primary, if not the official, language. All but one, Spain, are in the Western Hemisphere. While these countries have many cultural variations, they share a handful of core values that align with the dimensions covered in *Section 2: Cultural Intelligence, Seven Dimensions Across Eleven Clusters*.

The following seven core values are foundational for understanding consumers who identify themselves as Hispanic. Marketers should use these values as a foundation for discovering how to align their brands' values/attributes with the cultural needs (emotional needs) of Hispanic consumers.

Simpatía (Respectful, Wellbeing, and Harmony)

(Cultural Dimensions: Being/Cooperative/Power Distance)

It means accord, agreement, and harmony in relationships, marriage, the family, and society. It denotes a feeling of community, work ethic, and compassion. Behaviors and actions promote pleasant relationships, including behaving respectfully and in ways that promote harmony and avoid conflict.

Familismo (Familism)

(Cultural Dimensions: Cooperative/Collectivism)

Defines the Hispanic family as a close-knit group, the most important social unit. The Hispanic "family unit" includes extended family members. In most Hispanic families, the father is the head of the family, and the mother is responsible for the home, including finances. An individual is strongly identified with and attached to his family. Individuals within this unit have a moral responsibility to aid other members of the family in need.

Collectivism

(Cultural Dimension: Collectivism)

The needs, objectives, and points of view of an in-group take priority over individual needs. Interdependence is highly valued in the Hispanic culture. The wellbeing of the group is more important than that of the individual.

Language, High-Context

(Cultural Dimension: Context (High-Low))

Language as a cultural element involves the influence of language's pragmatics on interpersonal communication. A significant factor is the degree to which context is necessary to derive meaning. Spanish-speaking cultures have a higher sensitivity to nonverbal communication that emphasizes warm, individualized attention, and responsiveness in interactions. Communication is focused on the relationship or on building relationships.

NOTE: Spanish is not a prerequisite for reaching bilingual and English-dominant Hispanics; however, it is an agent of culture. The use of Spanish recognizes differences and establishes commonality among messengers and audiences.

Respeto (Respect)

(Cultural Dimension: Power-Distance)

Emphasizes the importance of setting clear boundaries and knowing one's place of respect in hierarchical relationships. It dictates appropriate deferential behavior towards others based on age, social position, economic status, and authority. Value conformity and obedience and support autocratic and authoritarian attitudes from those in charge.

Fatalism / Faith

(Cultural Dimension: Uncertainty Avoidance)

In Hispanic culture, "Fatalism" is the belief that "what will be will be," since all past, present, and future events have already been predetermined by God. Philosophers use the word to refer to the view that we are powerless to do anything other than what we do.

Time-Orientation (Present)

(Cultural Dimension: Time Orientation (Short/Long))

Present-oriented societies include Spanish-speaking/Latin American countries and many African countries. They see the past as passed and the future as uncertain. In other words, “what is done is done, and tomorrow may never come, so we had better focus on today.” Time is best spent building relationships with others which is more important than what comes next. This results in time appearing to S-T-R-E-T-C-H.

“Today, I Feel What Allstate Is”

In Section 2, page 10, I referenced a focus group participant who said, “*Before today, I knew what Allstate was; today, I feel what Allstate is.*” This was Maria’s emotional reaction to culturally relevant communication about Allstate. But do consumers “feel” a brand, especially if the brand’s offerings are intangible, like a service? Can consumers feel brands that offer tangible products, like Nike? For that matter, what is a feeling?

A feeling is a mental association and reaction to an emotion that is personal and acquired through experience. Emotions come first and are universal.³⁷ An emotion is a physiological experience (or state of awareness) that gives a person information about the world, and a feeling is the conscious awareness of the emotion itself.³⁸ The main difference between emotions and feelings is that emotions are physical states, whereas feelings are mental associations.³⁹ Maria’s feeling was the embodiment, physical reaction, of her emotions, and her emotions reflected her cultural values. So, how are emotions and cultural values associated?

Emotions are cultural phenomena because we learn to have them culturally. We don’t recognize emotions when born; we only distinguish between pleasant and unpleasant. In interacting with others, we learn to categorize and experience emotions in specific ways. Universally, emotions emerge from interactions with others, and those interactions always happen within the framework of a culture. Almost everything about emotions is cultural: what we call them, how we think about them, and how we regulate them. We learn about emotions from observation and how others respond to us when we have certain emotions. We learn prescriptive norms that include rules about when to have what emotions.⁴⁰

Universally, emotions emerge from interactions with others, and those interactions always happen within the framework of a culture. Almost everything about emotions is cultural: what we call them, how we think about them, and how we regulate them.

Because emotions are learned in the context of culture, they are anchored in the cultural values that define our (cultural) identity. Our primary culture’s most pervasive core values are transferred to us in early development and pre-cognitive maturity. For this reason, most people describe their primary (native/original) cultural values as a collection of emotions.

When Maria said, "today, I feel what Allstate is," she expressed the emotional connection with Allstate in its messaging. Allstate had become culturally relevant.

So, how does a brand become culturally relevant? When targeting any market segment from a cultural perspective, we must comprehensively understand the audience's cultural worldview. While all

When targeting any market segment from a cultural perspective, we must comprehensively understand the audience's cultural worldview...

Then **"find the difference that makes a difference."**

values matter, not all values make a difference. As my Business School Professor, Joseph Cherain would say, "find the difference that makes a difference." With a deep understanding of the target audience, we next turn to the brand's self-confessed and marketplace-affirmed values and market position. Here is where I turn to Disney's *Snow White* signature line, "mirror, mirror on the wall, who is the fairest of them all," to discover the difference that make a difference. Continuing this analogy, the brand stands in front of the "market segment mirror," the target audience. It looks at its reflection to discover how its values align the values of the audience. This is done through quantitative and qualitative research, refining insights to the few that matter most.

With Maria's help and many more like her, we discovered the difference that made a difference. Over the next few years, Allstate nearly doubled Hispanic households served and their associated premiums. At no time did Allstate's brand position change from its strategically stated market position. It merely took the stated position and aligned it with the Hispanic market's self-awareness, values, and associated emotions.

Research conducted by Allstate determined that the children's education scored high, equal to homeownership as the American Dream for Hispanics.

Allstate agents leveraged the multicultural marketing (strategic) messaging by implementing local initiatives addressing tactical insights gained through interactions with Hispanic consumers. Because of the core

Hispanic values of Familismo, Collectivism, and Respeto, many customers integrated their Allstate agent into the extended family. Agents were invited to be role models for customers' children. Broadly, agents were asked to counsel, coach, and mentor children of customers. Universally, education was a prime topic that parents wanted agents to address. Research conducted by Allstate determined that the children's education scored high, equal to homeownership as the American Dream for Hispanics.

Allstate agents continued to leverage their relationships with customers by hiring their high school and college age children as part-time staff. This strengthened the agents' relationship within communities; and in many cases enhanced the bilingual capabilities of local offices. In time, as the children became adults and college graduates, agents hired them as full-time staff or sponsored them to open their own agencies.

Appendix 2 through 5 are additional mini-case studies, examples of how Herff Jones used cultural insight to improve communications and business results. In addition, two video files provided separately, MassMutual and Herff Jones, demonstrate how cultural understanding is incorporated into advertising messaging.

Immigration: The significant influx of immigrants from Latin America over the past many decades is another potential prime source of applicants for the Organization. However, The Organization will need to reach these consumers in Spanish since it is their primary language, if not their dominant one. In addition, The Organization could be the entry point for new United States residents, regardless of their generation association, to engage and learn about the importance of health insurance in U.S. society. Unlike European immigrants of the past centuries who came to the U.S. in two major immigrant waves, Hispanics from Latin America will continue to move north, refueling the U.S. Hispanic population well into the future. As a result, their numbers will grow, and Hispanic culture will become more prevalent within mainstream culture.

Hispanics from Latin America will continue to move north, refueling the U.S. Hispanic population well into the future. As a result, their numbers will grow, and Hispanic culture will become more prevalent within mainstream culture.

Gen Z: This generation is well known for how close it is linked to technology and technology-based platforms; it is their preferred method for social engagement. They find it easier to connect with people through social media than directly. Instead of face-to-face interactions to curate their brand, they go online, which informs how this cohort sees themselves, how they see others, and how others see them. They seek instant feedback via online communication through text messages and online likes and dislikes on mobile devices. They socialize on connected platforms such as Twitter and TikTok. For Gen Z, technology is an extension of themselves, how they communicate, manage friendships, consume information, and learn.

Gen Z is the largest cohort among Hispanic generations at 36%, followed by Millennials at 29%. These two generations combined make up 65% of all U.S. Hispanics. According to the Pew Research Center, most Hispanic babies, 55%, are born to mothers in their 20s. This means a disproportionate percentage of Gen Z Hispanics are the children of Millennial Hispanics, not Gen X.

Gen Z is also the most racially and ethnically diverse generation. According to the Education Advisory Board (2019), 52% identify as White, compared with 61% of Millennials. Nearly 25% of Gen Z identify as Hispanic, compared with 18% of Millennials. The same report found that Gen Z is more open to different gender identities and views racial and ethnic diversity more positively than their Millennial predecessors. The report also found that higher education might be more

important to Gen Z Hispanics than their Millennial cohort, as more than half of the Gen Z Hispanics of college age, 55%, are enrolled in college, compared with 34% of the Millennial Hispanics.

Deep respect, affection, and support emerge as primary values in the context of the extended network of family and friends. Additionally, Latinos use the term *familismo* to identify their strong *Collectivistic* value system.

Just like their counterparts within their generation, Gen Z Hispanics are rewriting the rules. They have grown up to be relentless and unafraid to speak up and push back against cultural norms. For example, most Hispanics disagree with the term "Latinx," while 69% of Gen Z Hispanics like the term a lot or are okay with it. They are not afraid of using labels

that better represent them and choose to keep their options fluid, regardless of other people's strong opinions about them. Although most of them have grown up trying to navigate two cultures simultaneously, according to GWI USA, 39% of Gen Z Hispanics feel more connected to their heritage today than they did a year ago; this points to the phenomena of retro-acculturation. Research done by the California University System on the impact of culture and family on Hispanic students puts it this way:

The family represents a paramount medium wherein traditional Latino values may be expressed. *Familismo* is a concept that emphasizes loyalty and respect for one's family—both nuclear and extended. Latinos or Latinas generally adopt a cooperative rather than a competitive attitude within their family dynamics. Deep respect, affection, and support emerge as primary values in the context of the extended network of family and friends. Additionally, Latinos use the term *familismo* to identify their strong *Collectivistic* value system.

Looking back to prior Hispanic generations, Baby Boomers, and Gen X, Spanish played a significant role in reaching and connecting with them. For Gen Z Hispanics, Spanish will continue to be a factor for cultural connectedness and for engaging older Hispanic generations. For businesses to reach and win the Gen Z Hispanic market, they will need to develop strategies that address the following:

- This generation's use of social media and digital engagement platforms
- Not abandoning language, but moving from language to culture
- Embracing cross-cultural models
- Identifying and aligning commonalities among the brand's attributes and audience's cultural values

Section 3 Conclusions:

The core values of Hispanic culture align with the dimension of culture addressed in Section 2. These core values are common across all sub-groups, beginning with the 21 countries where Spanish is the native language. While Spanish per se does not exemplify Hispanic culture, it is a

vector of culture and cannot be discounted, even with most U.S mainstream acculturated Hispanics.

Gen Z is the most ethnically and racially diverse generation in U.S. history. They see their differences as added value and are comfortable defining themselves uniquely. Gen Z Hispanics, like their generational cohorts, are technologically savvy in using this medium to create their personal brand. They see technology as an extension of themselves, how they communicate, manage friendships, consume information, and learn. Education is a priority, with 55% of Gen Z Hispanics of college age attending universities or community colleges.

Gen Z Hispanics have grown up navigating two cultures and see this dynamic as empowering. As they mature, they feel more connected to their heritage, with an added 39% feeling this way than the year prior. California University System research puts it this way:

The family represents a paramount medium wherein traditional Latino values may be expressed. Familismo is a concept that emphasizes loyalty and respect for one's family—both nuclear and extended. Latinos or Latinas generally adopt a cooperative rather than a competitive attitude within their family dynamics. Deep respect, affection, and support emerge as primary values in the context of the extended network of family and friends. Additionally, Latinos use the term familismo to identify their strong Collectivistic value system.

There are many aspects of Hispanic culture that an Insurance Company can leverage, but none are more apparent in the Collective nature of this cultural group.

Appendix 1, Description of Generations

Generations from 1901-2020

Generation	Birth Years	Defining Characteristics
GI Generation	1901–1924	The GI Generation was protected by progressive parents and accounted for a high rise in school achievement. In midlife they built up postwar affluent society invented miracle vaccines. Later in life the term “senior citizens” is used to describe them.
The Silent Generation	1925–1942	The Silent Generation grew up during the age of Shirley Temple, the Great Depression, and World War II. This group became rebels and led America’s civil-rights movements, introduced rock and roll, became antiwar leaders, feminists, public-interest lawyers, and the spokespeople for divorce.
The Boom Generation	1943–1960	Also known as Baby Boomers, this generation was influenced by Dr. Spock. They are influenced by optimism perceived in sitcoms such as Father Knows Best. This generation set out to raise their children to become a group who would never follow a Hitler or a Stalin. In terms of societal effects, this generation saw a rise in crime rates, substance abuse, sexual risk, and a plunge in academic achievement and SAT scores. As parents, they were known to hover over their children and later in life reinvented themselves as yuppies and individualists.
Generation X	1961–1981	Generation X grew up as latchkey children, and often distrusted institutions. They lived in a world influenced by the sexual revolution, the rise in divorce rates, and R-rated popular culture. Generation Xers had to circumnavigate the AIDS pandemic, and were introduced to MTV, and a surge in business and military careers. They were the greatest entrepreneurial generation in history and innovated technology resulting in globalization.
Millennial Generation	1982–1994	Millennials arrived after society popularized babies as special and raised them in a hands-off fashion. There was a surge in births of children who were wanted. Child abuse, child safety, and family value books became best sellers. Educational policy, such as “no child left behind,” was prevalent with this generation. The influence of tax cuts and internet access defined the political agenda during the height of the Millennial Generation.
Generation Z	1995–2025	This cohort was originally identified as <i>Homelanders</i> because they stayed at home and engaged in technology. Now more commonly referred to as <i>Generation Z</i> , this generation was born to highly protective style of parenting and nurturing and were the first generation to be born with smartphone technology. Over half of this generation’s parents are Millennials. This cohort of individuals born sometime after 1995 are also known as Gen Zers, Post-Millennials, the Instant Generation, or iGens.

Source: Meeting the needs of Generation Z Latinx community college students, KS University Manhattan, Kansas, Alison Airhart, 2022







Endnotes

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