

Navigating Cultural Differences in Global Business

How Culture Shapes Decision-Making, Negotiation, and Professional Relationships



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Foreword

Anbima's international agenda has become more central to our work year after year.

As Brazil's capital market engages more deeply in global debates, we have broadened our dialogue with regulators, industry associations, and partners around the world. Experience has also taught us a clear lesson: **successful cross-border engagement takes more than technical expertise.**

In multicultural settings, small differences in language, expectations, and professional etiquette can influence the direction of a meeting, a negotiation, or even a long-term partnership.

That experience is what led us to put this guide together. More than once, we found ourselves wishing for something straightforward and truly usable for the day-to-day work of those representing Brazil's market abroad—something that helps prevent misunderstandings, makes negotiations more effective, and protects long-standing professional relationships through consistency and trust.

We developed it as practical support for our own teams and for professionals at our member institutions. It offers a clear framework for how cultural differences shape communication, decision-making, hierarchy, risk management, and trust-building, along with guidance for common situations such as meetings, negotiations, and feedback conversations.

The underlying idea is simple: in global collaboration, the unspoken side of culture can be just as decisive as the business issues on the table.

By sharing these insights, Anbima reaffirms its commitment to helping members succeed internationally—strengthening relationships and enhancing our ability to represent Brazil with even greater impact.

José Carlos Doherty
Chief executive officer

 ANBIMA



Why This Guide Matters

As Brazilian financial market institutions expand their international activities, professionals increasingly operate in multicultural environments involving regulators, associations, global partners, and cross-border teams.

Recognizing the limits of technical expertise alone in today's complex global environment, **Anbima developed this guide to help its members navigate cultural differences and engage more effectively across borders.**

In global financial market engagements, cultural differences tend to surface in everyday interactions rather than in formal diplomatic settings. They often emerge in practical expectations—such as how quickly decisions are anticipated, how much contextual information is needed to move forward, how disagreement is expressed, and what is understood as a signal of commitment.

In cross-border settings, differences in professional practices can occasionally create friction, even among aligned and well-intentioned teams. While some prioritize momentum and clarity by deciding early and refining later, others prefer to confirm alignment and mitigate risks upfront. Without intentional coordination, these differing approaches can result in misunderstandings or additional effort.

This guide was prepared in collaboration with Global Business Culture, a consultancy specializing in cross-cultural business practices, and provides practical cultural awareness considerations to support professionals operating in global environments. Its primary purpose is to foster effective cross-cultural communication by clarifying expectations and working styles across contexts. In doing so, it aims to reduce the likelihood of misunderstandings, support engagement in sensitive discussions and negotiations, and help professionals navigate complex interactions with greater confidence.

Ultimately, the guide is also intended to contribute to the preservation of long-term professional relationships by promoting clearer communication, more constructive collaboration, and more consistent alignment across cultures.



The meaning of “Culture” in a Business Context

In international business, culture involves how people communicate and share information, how decisions are reached and validated, how authority and hierarchy are perceived, how risk, uncertainty, and change are managed, and how trust and relationships are built. This often shows up in who is expected to take responsibility: who speaks, who decides, what counts as sufficient evidence, and how risk is managed. The same behavior can be seen very differently depending on the group's culture.

It is essential to recognize that culture extends beyond nationality; it encompasses shared expectations and behavioral patterns that may feel intuitive to one group yet unfamiliar or unexpected to another.

The most significant risk in global collaboration arises from presuming that others share our perspectives, interpret messages as we do, and adhere to the same professional standards.

This guide introduces a practical framework to help identify and manage these differences, supporting more successful and sustainable international business interactions.



A Practical Framework for Understanding Cultural Differences

To make cultural differences easier to recognize and manage, this guide uses three key cultural dimensions. These dimensions do not label individuals or countries. Instead, they help explain common patterns of professional behavior.

These dimensions are particularly useful in meetings and negotiations, regulatory discussions, cross-border collaboration, and feedback and performance conversations.

The three dimensions are:



Power Distance

Hierarchy, authority, and decision-making

Power Distance refers to how comfortable people are with hierarchy and unequal levels of authority in professional settings. It reflects whether people accept differences in power and status, and how this affects the way they interact with leaders, colleagues, and subordinates. This concept helps explain how decisions are made, how information flows, and whether employees feel comfortable expressing their views across different levels within the organization or during a business meeting.

In lower Power Distance contexts, hierarchies tend to be flatter, open discussion and debate are encouraged, and questioning senior leaders is often seen as constructive. In higher Power Distance contexts, hierarchy is clearly defined, leaders are expected to guide discussions and decisions, and openly challenging senior figures is often avoided.



Why this matters in global business

Power Distance influences who speaks first in meetings, who is expected to make decisions, how disagreement is expressed, and how silence or hesitation is interpreted.

For example, in the United States junior staff commonly speak up and debate ideas openly, while in China public challenges to senior leaders are rare and deference is expected; in Brazil hierarchy varies, but seniority often matters in institutions; in Germany clear role definitions shape participation; in India deference to senior figures is common in formal settings; and in France meeting dynamics are shaped by formality and rank.



Common risks

Common risks include silence being mistaken for agreement, direct challenges being perceived as disrespectful, and junior participants withholding critical information.



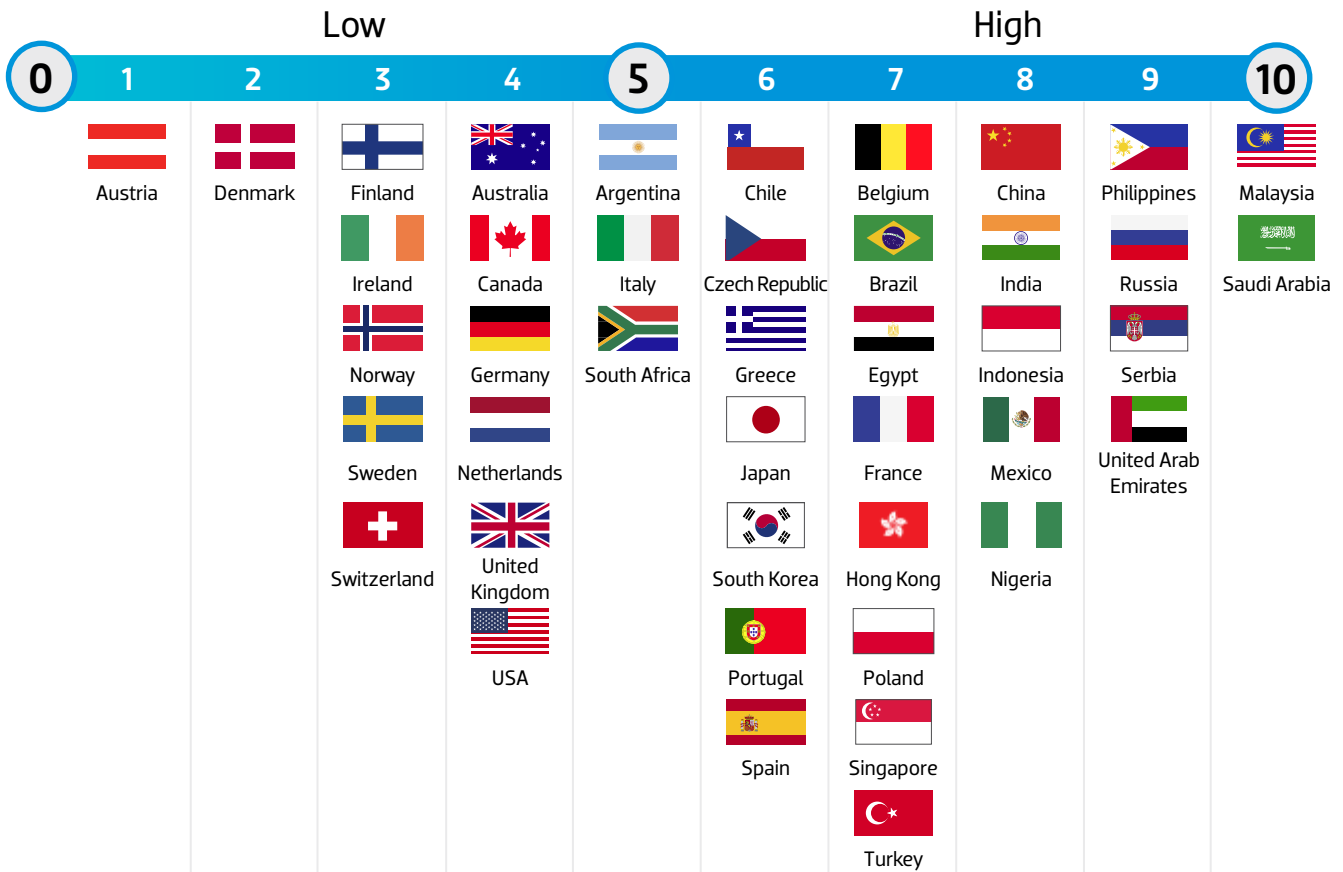
Practical reflection

Before an international meeting, consider who is expected to lead the discussion, how comfortable participants will be speaking openly, and how decisions are typically confirmed.



When interacting with higher power-distance partners, use private channels to surface concerns and confirm agreements in writing to avoid misinterpretation.

Power Distance Countries Comparison



Example Scenario: United States

Business Impact: Misreading Active Participation as Disagreement



Situation

A Brazilian institution presents a proposal to a U.S. institution, and junior U.S. team members openly question assumptions and challenge details, and Brazilian participants interpret this as internal disagreement.

What went wrong

Key concerns raised by junior participants are intended to improve the proposal, but Brazilians perceive them as disruptive or inappropriate, slowing trust and momentum.

Practical takeaways for Brazilian professionals

Expect open participation across levels, including junior team members; treat questions and challenges as part of decision-making rather than opposition; clarify who holds final decision authority; and address concerns raised in the room rather than waiting for senior confirmation.

Individualism

Responsibility, relationships, and communication style

Individualism describes whether people see themselves primarily as independent individuals or as part of a group, shaping how they approach responsibility, relationships, and communication in professional settings.

In lower Individualism contexts, collective responsibility is prioritized, communication may be more indirect and contextual, and maintaining harmony and relationships is important; in higher Individualism contexts, personal responsibility and accountability are emphasized, communication tends to be direct and explicit, and feedback is often clear and straightforward.



Why this matters in global business

Individualism affects negotiation styles, feedback and performance conversations, ownership of tasks and decisions, and expectations around relationship-building.

For example, U.S. professionals tend to emphasize individual accountability and direct feedback, while Chinese counterparts typically prioritize group harmony and relationship-building; in Brazil personal relationships and team loyalty matter; in Germany clear individual roles and written responsibilities are expected; in India relationships and group consensus often guide decisions; and in France strong individual expertise and analytical debate are valued.



Common risks

Common risks include feedback being perceived as too blunt or too vague, misalignment around accountability, and relationship strain caused by a task-only focus.



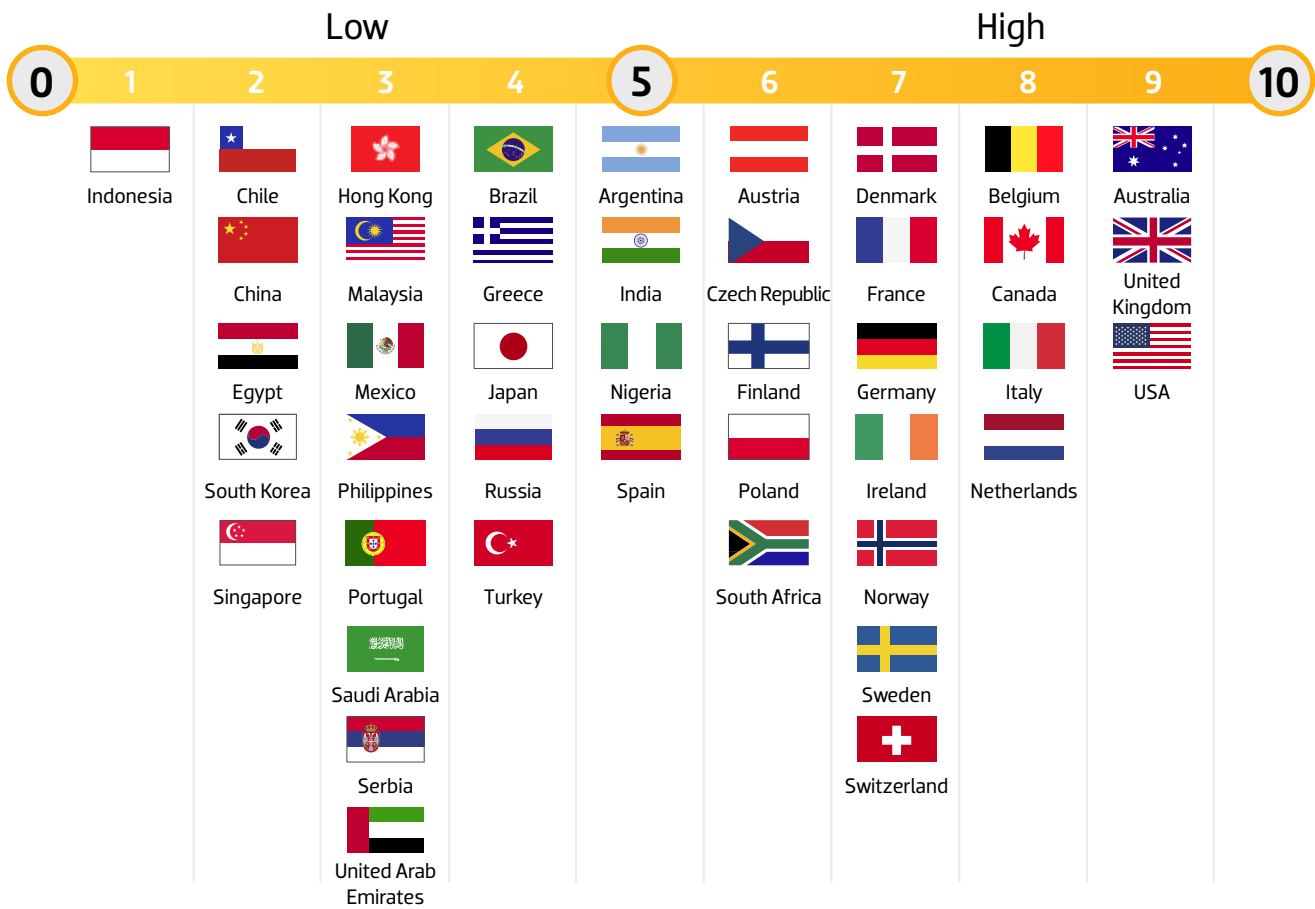
Practical reflection

Before giving feedback or negotiating, consider whether directness is expected or should be softened, whether relationship-building is part of the process, and how responsibility is typically shared.



When working with collectivist partners, invest time in building relationships before pushing for contractual detail; when working with individualists, document specific ownership and deliverables.

Individualism Countries Comparison



Example Scenario: Germany



Business Impact: Individual Responsibility and Clarity

Situation

Brazilian teams emphasize collaboration and group ownership, while German partners expect clearly defined individual accountability and measurable deliverables.

What went wrong

Unclear ownership increases perceived risk and slows approvals.

Practical takeaways for Brazilian professionals

Define individual roles and measurable deliverables clearly, provide written documentation covering responsibilities and timelines, treat direct questions as clarity-building rather than criticism, and balance relationship-building with structured accountability.

3 **Uncertainty Avoidance**

Risk, structure, and comfort with ambiguity

Uncertainty Avoidance describes how comfortable people are with ambiguity, risk, and change, as well as their preference for structure, rules, and clear procedures. It shapes how people respond to new situations, unexpected changes, and incomplete information, determining whether they embrace flexibility and experimentation or seek detailed planning and formal guidelines.

In lower Uncertainty Avoidance cultures, flexibility and adaptability are valued. Decisions may be made with incomplete information, and experimentation is more accepted. In higher Uncertainty Avoidance cultures, structure, rules and detailed planning are valued. Preparation and documentation are essential, and decisions may take longer but feel more secure.



Why this matters in global business

Uncertainty Avoidance influences regulatory discussions and approvals, risk management expectations, project timelines and documentation, and responses to change or incomplete data.

For example, the United States often accepts rapid decisions with evolving detail, while Germany values robust documentation and clear processes; India can be adaptive in execution but expects iterative negotiation; Brazil typically seeks practical solutions with built-in flexibility; China emphasizes formal approvals and careful documentation; and France expects detailed rationale and regulatory certainty.



Common risks

Common risks include perceived lack of preparation, frustration with extensive questioning, and tension between speed and caution.

For example, in multicultural teams, a perceived lack of preparation may arise when some expect comprehensive documentation, while others are comfortable proceeding with less detail.

Similarly, extensive questioning during meetings can be interpreted by some as a lack of trust or unnecessary scrutiny, rather than a desire for clarity and thoroughness. The push and pull between those who prefer rapid, flexible decision-making and those who seek careful evaluation and risk mitigation can lead to misunderstandings, delays, or even conflict.

These risks reinforce the importance of having the correct approach to risk and structure in global interactions.



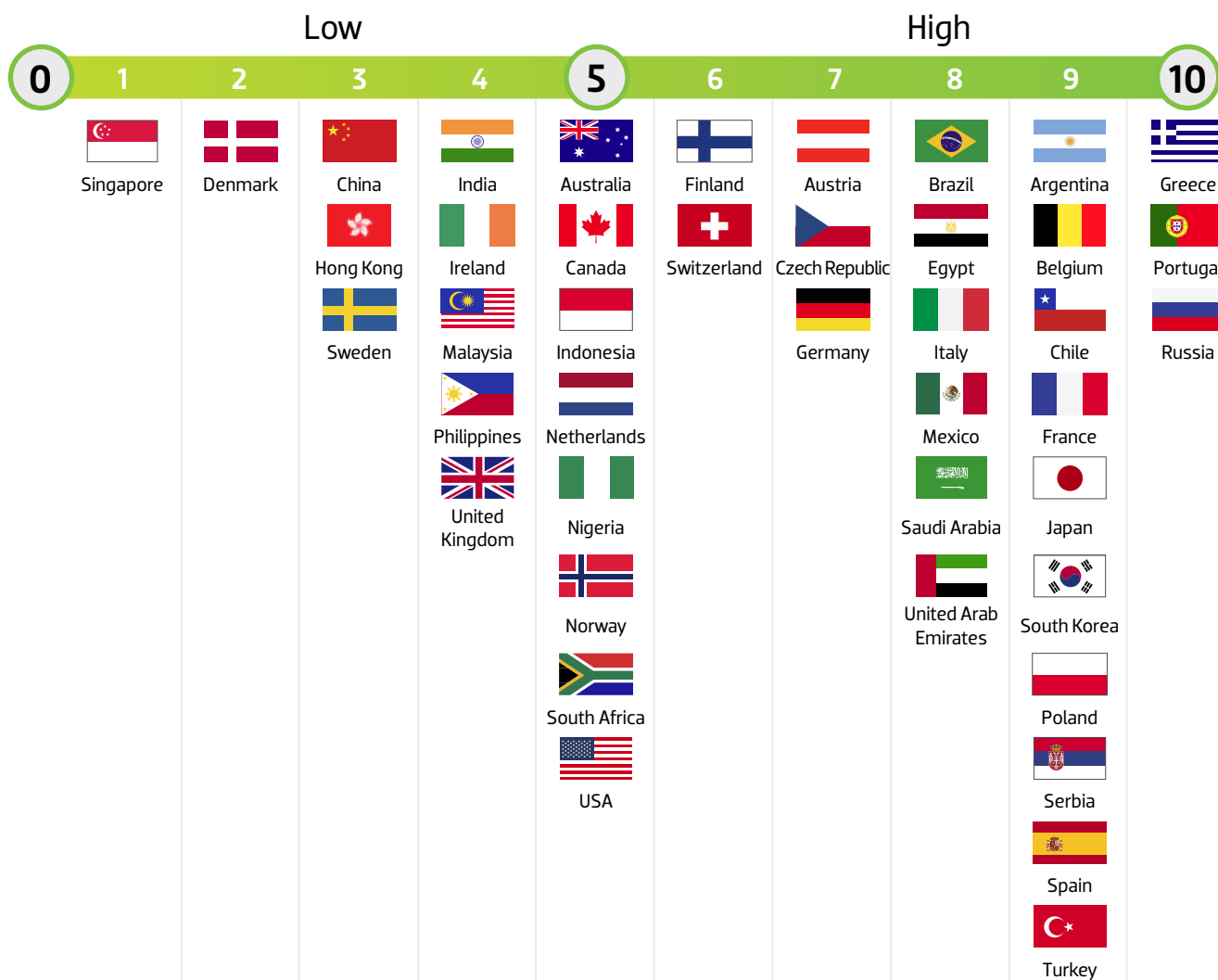
Practical reflection

Before proposing timelines or changes, ask how much detail is expected upfront, whether flexibility is acceptable, and how risk is perceived in this context.



Agree on governance and change processes up front so everyone understands what counts as a formal change versus an operational adjustment.

Uncertainty Avoidance Countries Comparison



Example Scenario: India

Business Impact: *Managing Unexpected Change After Agreement*



Situation

A contract is signed with defined scope and compliance expectations, but during execution the Indian team surfaces new factors and expects flexibility, while Brazilian teams insist on strict adherence to the original agreement.

What went wrong

Differences in expectations around flexibility create tension and slow delivery.

Practical takeaways for Brazilian professionals

Distinguish operational adjustments from formal scope changes, encourage early escalation of emerging risks or dependencies, build structured flexibility into governance and change processes, and use written change logs to preserve certainty while allowing adaptation.



Communication Styles Across Cultures

Differences in communication style are among the most common sources of misunderstanding in global environments, and key areas of variation include direct versus indirect communication, use of context and background information, interpretation of silence, pauses, nonverbal cues, and different ways of expressing disagreement.

What feels clear and efficient in one culture may feel abrupt or unclear in another.

Practical guidance

It is important not to assume silence means agreement. Confirm understanding without sounding confrontational, adjust tone and structure to your audience, and remain attentive to implicit messages as much as to explicit statements.

For example, U.S. counterparts often prefer concise and direct messages; Chinese and Indian counterparts may use more contextual cues and value face-saving phrasing; French colleagues may debate analytically and expect precision; and Brazilians often rely on relational context and storytelling.



When in doubt, close meetings with a short verbal summary of agreed next steps and send a concise written follow-up.

Example Scenario: France



Business Impact: *Direct vs Relational Communication*

Situation

Brazilian executives communicate in a relational and context-rich way, while French counterparts challenge ideas directly and analytically, which leads Brazilians to perceive this as overly critical.

What went wrong

Misinterpretation of intent slows alignment and creates friction.

Practical takeaways for Brazilian professionals

Expect direct questioning as part of problem-solving, state key messages and risks clearly and concisely, confirm understanding verbally and in writing, and use structured meeting summaries to avoid ambiguity.



Meetings, Etiquette, and Business Protocol

Expectations around meetings vary significantly across cultures and are strongly influenced by the three cultural dimensions: Power Distance, Individualism, and Uncertainty Avoidance. Common areas of difference include the level of formality and use of titles, order of introductions, role of senior participants, punctuality and preparation expectations, and preferred meeting materials and level of detail.

Practical guidance

Before meetings, participants should review roles and seniority of meeting participants, prepare appropriate documentation, and review relevant country information.

During meetings, it is important to observe participation dynamics, adapt communication approaches as appropriate, and ensure that decisions are not made hastily, particularly in contexts where building consensus is valued.

For instance, in the United States and Germany, punctuality and an agenda-driven structure are common; in China and Saudi Arabia, formal greetings and recognition of seniority of meeting participants matter; in Brazil, meetings often include more relational opening time, and in France robust debate and intellectual rigor are the norm.



Confirm meeting goals in the invitation and provide a short agenda and expected decision points.

Example Scenario: Saudi Arabia

Business Impact: *Formality and Hierarchy in Meetings*



Situation

Brazilian executives begin with informal introductions and move quickly into business discussion, while Saudi counterparts expect formal greetings, recognition of senior leaders, and initial relationship-building. Roles and hierarchy are not clearly acknowledged before discussion begins.

What went wrong

The meeting feels rushed and overly informal, reducing engagement and delaying decisions.

Practical takeaways for Brazilian professionals

Open meetings formally and acknowledge senior stakeholders first, allow time for relationship-building before moving into business topics, use appropriate titles and respect speaking order, and confirm next steps and decisions respectfully.



Negotiation and Relationship Management

Negotiation styles differ across cultures in terms of pace and structure, emphasis on relationships versus tasks, willingness to express disagreement, and expectations around flexibility and compromise.

In some cultures, trust must be established before progress is possible. In others, trust develops through effective task execution.

Practical guidance

It is important not to interpret resistance as definitive rejection. Recognize when additional context may be required, and look for a balance between clarity and relationship sensitivity.



- ▶ With U.S. participants, lead with a concise value proposition and clear terms;
- ▶ With Chinese participants, invest in repeated meetings and relationship-building;
- ▶ With Brazilian counterparts, combine personal rapport with practical proposals;
- ▶ With German partners, provide precise contracts and responsibility matrices;
- ▶ With Indian partners, be ready for iterative bargaining and relationship-based assurances;
- ▶ With French participants, prepare for analytical debate and strong technical rationale.

Example Scenario: United States



Business Impact: *Pace and Decision Expectations*

Situation

Brazilians begin with relationship-building and contextual discussion while U.S. clients prefer moving quickly to concrete terms and decisions, and responses that appear cautious can be perceived as indecisive.

What went wrong

Perceived lack of preparation weakens credibility and delays decisions.

Practical takeaways for Brazilian professionals

Start with a concise executive summary that states the ask, key numbers, and the decision needed; move quickly from rapport to concrete proposals; prepare clear responses on timelines, pricing, and scope; and confirm decisions at the end of meetings verbally and in writing.



Feedback Across Cultures

Feedback is one of the most sensitive areas of cross-cultural collaboration. Differences include direct versus indirect delivery, public versus private feedback, focus on individual versus group impact, and emotional tone and language.

Practical guidance

When giving feedback, adjust your structure and tone to your audience. Focus on behaviors and outcomes, be mindful of hierarchy, preserve professionalism and respect, and understand how feedback is typically delivered in the local context.

For example, U.S. feedback is often direct and tied to individual performance, Japanese feedback tends to be indirect and private to preserve harmony, German feedback is direct and fact-based, Brazilian feedback can be more relational and contextual, Indian feedback may be softened to respect hierarchy, and French feedback can be candid and analytical.

Cultural Differences in Business Communication



Can be more relational and contextual



Indirect and private to preserve harmony



Direct and fact-based



Direct and tied to individual performance



May be softened to respect hierarchy



Candid and analytical



Adapt your communication style to the local culture and pair any critique with specific, actionable next steps, and express long-term support for development when giving cross-cultural feedback.

Example Scenario: Japan



Business Impact: *Delivering Feedback Across Hierarchies*

Situation

Brazilian executives provide candid, direct feedback during group discussions, while Japanese counterparts prefer feedback to be subtle, indirect, and delivered privately—public criticism is uncomfortable especially when hierarchy is present.

What went wrong

Japanese partners become less vocal and avoid raising concerns, slowing problem-solving and collaboration.

Practical takeaways for Brazilian professionals

Offer constructive feedback privately, especially with senior stakeholders present; use indirect phrasing and focus on process or outcomes rather than individuals; introduce sensitive points gradually rather than abruptly; and follow up in writing with supportive next steps and shared goals.

Social and Symbolic Aspects of Business Culture

Small symbolic actions can carry significant meaning in international contexts. Key areas include gift-giving and souvenirs, dress codes, courtesy norms, and behavior outside formal meetings.

Practical guidance

In this case, it is important to consult country-specific customs when in doubt and avoid assumptions based on personal experience. Seek advice discreetly when unsure.

Example Scenario: China



Business Impact: *First Impressions and Professional Signals*

Situation

Brazilians arrive business-casual and exchange cards informally, while Chinese partners expect formal attire and structured etiquette, and informality can be interpreted as lack of respect.

What went wrong

Initial impressions weaken trust and rapport.

Practical takeaways for Brazilian professionals

Dress conservatively for formal business environments, exchange business cards respectfully and observe protocol, choose modest culturally appropriate gifts, and follow up with a formal thank-you message.



Key Takeaways

Cultural awareness

is a core business skill, not an optional add-on.

Most misunderstandings

stem from unspoken expectations.

The three cultural dimensions

provide a practical way to analyze situations.

Awareness

adaptation, and curiosity reduce risk and build trust.

Masthead

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ANBIMA

international.anbima.com.br

Anbima Contacts

Rio de Janeiro
Praia de Botafogo, 501 - 704,
Bloco II, Botafogo,
Rio de Janeiro, RJ
ZIP Code: 22250-911
Phone: +55 (21) 2104-9300

São Paulo
Av. Doutora Ruth Cardoso, 8501,
21º andar, Pinheiros
São Paulo, SP
ZIP Code: 05425-070
Phone: +55 (11) 3471 4200

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Technical support

Gustavo Ortolan
Andrina Alves

Analysis

Global Business Culture

Layout design

Proxima Centauri



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international.anbima.com.br