The Seven Cultures of Capitalism: 7 Ways of Wealth Creation is a research-based book on international business and successful cross-cultural navigation. It was written by Charles Hampden-Turner of Cambridge University in the UK and Alfons Trompenaars from the Center for International Business Studies in the Netherlands. These two scholars examined many cultures and nations worldwide, and they wrote about their findings, in order to promote mutual understanding. The original edition of the book was published in 1993, so the explanations and context are influenced by the end of the Cold War, but the research remains valid and useful for aspiring international professionals.

One of the main premises of the book is that during the Cold War, the US and its capitalist and democratic allies were intensely focused on banding together to win an ideological struggle against the Soviet model of communism. However, the real ‘threats,’ or challenges, for these nations came from an entirely different direction, and the ‘battles’ were completely different from what they thought they would be. The challenges came from within their own ranks, because the global capitalist and democratic order that they had built was leading them to compete with, communicate with, and influence each other in profound ways.

Therefore, after the fall of the Soviet Union and the end of the ideological struggle, it became clearer than ever that the world economy and global capitalist business were important subjects to understand. A key component of understanding global economics and business, and succeeding in that system, is being able to navigate between cultures. Capitalism is not the same around the world; it has variations in different nations.

7 key nations were chosen as representatives of different brands of capitalism, but there are many other capitalist nations. These other nations are mentioned in the book, but they tend to fit into one of the 7 key nations’ categories. For example, Italy has a business mentality and culture that in some ways is similar to the US. In other areas of its business mentality and culture, Italy is much closer to France.

High-context vs. low-context cultures – The general terms "high context" and "low context" (popularized by Edward Hall in his1976 book Beyond Culture) are used to describe broad-brush cultural differences between societies.

High context refers to societies or groups where people have close connections over a long period of time. Many aspects of cultural behavior are not made explicit because most members know what to do and what to think from years of interaction with each other. Your family is probably an example of a high context environment. Higher context Cultures include: French Canadian, French, Finnish, Russian, Italian, Spanish, Latin Americans, Greek, Arab, Chinese, Japanese, Korean, Filipinos, Indian, Brazilian

Low context refers to societies where people tend to have many connections but of shorter duration or for some specific, often transactional, reason. In these societies, cultural behavior and beliefs may need to be spelled out explicitly so that those coming into the cultural environment know how to behave. Lower Context Cultures include: German, Scandinavian nations, American, English, Irish, English Canadian, Australian

The US is a low context culture – what you say is what counts. Who says it, in what environment, etc. – i.e. the context of the communication is less important than the content. We can compare this to high-context cultures such as Japan and other Asian and Middle Eastern countries, where the context of any communication is as important as or more important than the content – example of Japanese and “yes”, never “no” – have to know the culture to realize that yes sometimes means no.

This means - Say what you mean and mean what you say. And it also means that you need to confirm, specify, codify things in writing – a verbal contract is not worth the paper it’s written on...

Key Success Factors (KSF) – for each communication of any type, think about:

• Objective(s) of the communication – what is my point? What do I need to convey?

• Who is the audience? Formal/informal; known/unknown; knowledgeable or not...Audience-centric – always focus on what your audience needs/wants to hear, and HOW they want to hear it (a kindergarten class vs. a group of scientists)

• Style & format – match to the audience, and message/content