

International entrepreneurship



Culture, not marketing is the greatest block to international entrepreneurship. This paper aims, by the use of examples and research, to defend the above statement and to prove that it is accurate. The essay is going to look at the validity of this statement in the case of small, medium and large businesses. There is an almost universal belief today that entrepreneurship is vital for a market orientated, globally competitive market.

(Du Bruin and Du Puis 2005). There is no doubt that there has been an increased move towards globalization in the last few years, facilitated by the advent of such things as the world wide web. Globalization can be seen as a process that enables the financial and investment markets to operate internationally, as a result of the deregulation of markets and the improvements made to communications technology. In other words, money can move freely around the world and decisions can be made affecting global production (Bized 2006). Globalization is not without challenges however – it has meant that a greater understanding of cultural beliefs is imperative. There can be no question that entrepreneurship allows freedom – take for example the mother who can now work from home and accommodate her children’s needs, whilst setting up her own business, as well as opportunity – it is now no longer necessary for the unemployed to depend solely on other corporations and employment agencies to offer him a job.

He can, using resources available such as the internet, set up a money generating venture from his own home or garage. There are however obstacles which need to be overcome in order to ensure the success of such

ventures. One of these is culture. Let's take a look at what entrepreneurship is and how culture can impact upon it. The word entrepreneur is borrowed from French.

An entrepreneur is someone who organizes a system to create a product or service in order to gain profit. However, there is a general sense that entrepreneurship involves the establishment of a new venture while adopting some of the risk. There is no general definition for the word, as it has been used in a large variety of ways and has been commonly defined differently by different people. Some scholars of entrepreneurship, such as Prof. W. Long have tried to develop a specific definition by looking at the historical use of the word, as it evolved.

Perhaps the first person to create a theory about modern entrepreneurs would be Schumpeter, although instead of using the French word adopted by the American literature, he used the German word “*unternehmer*”, and “*unternehmergeist*” (spirit of entrepreneurship). (Wikipedia 2006) The advantages of entrepreneurship are manifold – the alleviation of unemployment and poverty are direct consequences. Indirectly, there are many areas that can be looked into – the reduction in crime, improvement in education levels, improvement of a country's economy, overall and general morale improvement, increased mobility (those with internet based jobs can take their jobs with them wherever they go) etc. It stands to reason that countries should try to encourage a culture of entrepreneurship within their populations. By encouraging a culture of entrepreneurship, one would effectively do away with aspects of culture that go against entrepreneurship. But this may be easier said than done.

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In order to sufficiently answer the question asked by this paper it is also necessary to look at the meaning of the world culture. Americans for example constantly change things – homes, products and services, while Europeans believe that stability is strength (Becker, 1999). We can therefore see how the American culture would facilitate entrepreneurship, but European culture may hinder it. And in China, culture, age and experience are valued, whereas youth and inexperience are looked down upon (Mitchell, 2000). This may mean that opportunities offered by the Western world to the Chinese may be lost out on.

Miraglia (2006) gives a baseline definition of culture as the following: A primary concept of a shaping template and body of learned behaviors which might be further broken down into the following categories, each of which is an important element of cultural systems: Systems of meaning, of which language is primary, ways of organizing society, from kinship groups to states and multi-national corporations, the distinctive techniques of a group and their characteristic products. But is it possible to confine the concept of culture into such a limited scope as this? Cultural norms are real and they vary from country to country (Sarap, 2004). Culture is a diverse thing and has many meanings: it can refer to culture of religion, culture of a country, culture of a family, or even culture within organisations. A person actually adapts to different cultures of the different environments he finds himself in. He may go to a school which encourages a culture of learning, but come from a home which encourages a culture of loafing on the couch watching television. The person learns to adapt to fit into his surroundings.

It's this learning and adaptability that leaders can take advantage of in order to encourage entrepreneurship. Creating a learning culture in your company will take you one step beyond just acquiring the skills that your business needs to deliver its products and services. It will empower your organisation to achieve dramatically improved results compared to more traditional organisations, as it enables your business to easily adapt to change, actually anticipate change, be more responsive to the market place, generate more energetic, loyal and goal oriented employees and grow through innovation. (training. com, 2006).

Smart companies rely on people at every level to learn quickly and apply what they learn in often unanticipated situations. (fastcompany. com, 2006). Unanticipated situations are the order of the day when it comes to dealing with cultures. In effect, entrepreneurship itself can be seen as a culture. It is a new way of thinking, a new way of meeting challenges, a “ thinking out of the box” type of approach.

If encouraged by Governments and other bodies in a position of authority, great success can be achieved by it. New Zealand Trade and Enterprise has commissioned research to gauge youth attitudes to business and interest in business ownership. The research indicates that 79% of young New Zealanders (15-21 years) have considered owning a business. The industries they favour are fashion, hospitality, music and sport.

Stephen Tindall, Eric Watson, Dick Hubbard and Mike Pero top the list of most admired local business people. (New Zealand Trade and Enterprise, 2004) Culture is a thing that can work for or against a business depending on

how it is introduced and managed, both within the business and without. Mergers between two organisations have been known to fail simply because the culture of the two bodies of employees coming together has been incompatible. On a larger scale, there can be no doubt reasons for wars throughout the ages can be pinned down to differing culture and this has tremendous impact upon the businesses of the country. For example Iraqi businesses suffered dramatically when war was declared but anticipate a big improvement during peace time.

They have had setbacks, advances and prospects.(Dawisha, 2004) So it is not surprising that culture can impose threats to entrepreneurship. Culture can impose obstacles to entrepreneurship in two ways – firstly, the belief of the person may not allow certain aspects of business – for example, Christianity, which is by definition a religion but which also contains some traits common with the definition of culture, may not allow a person to trade on Sundays. Secondly, a Jewish entrepreneur may be disinclined to trade with an organisation which purports other beliefs. Stella Ting-Toomey describes three ways in which culture interferes with effective cross-cultural understanding.

First is what she calls “ cognitive constraints. ” These are the frames of reference or world views that provide a backdrop that all new information is compared to or inserted into. (University of Colorado, 2006) Second are “ behavior constraints. ” Each culture has its own rules about proper behavior which affect verbal and nonverbal communication.

Whether one looks the other person in the eye-or not; whether one says what one means overtly or talks around the issue; how close the people stand to each other when they are talking—all of these and many more are rules of politeness which differ from culture to culture. (University of Colorado, 2006) Ting-Toomey's third factor is “ emotional constraints. ” Different cultures regulate the display of emotion differently. Some cultures get very emotional when they are debating an issue. They yell, they cry, they exhibit their anger, fear, frustration, and other feelings openly.

Other cultures try to keep their emotions hidden, exhibiting or sharing only the “ rational” or factual aspects of the situation. (University of Colorado, 2006). Cultural guides are an excellent source for breaking through cultural barriers and connecting on a more intimate level with diverse ethnic communities. When Extension professionals reach out and make genuine efforts to increase their knowledge and awareness of others, they are often met with positive responses.

A cultural guide may be willing to engage in a learning/teaching process when approached from a position of equality and shared meaning. Cultural guides are invaluable to Extension professionals in the following ways: Planning the way lessons are taught in an effort to maximize learning style preferences; determining activities and learning experiences that would be most effective and meaningful for the specific cultural or ethnic group; designing marketing approaches to reach diverse audiences and ethnic communities; and obtaining volunteers from within the ethnic group to assist Extension professionals in providing the best service possible.(Guion and Walker, 2006) So how can culture impact upon the development of

entrepreneurship? Obviously the impact can be different based on the size of the entrepreneurial venture. Take for example the case of one small business owner known to me.

She runs a secretarial service, or virtual assistance business in South Africa, whereby she provides electronic transcription services to those requiring it. This is not a novel idea. Virtual assistance has been in existence for ten years or more and has been very successful the world over. But because South Africa is not quite as advanced as the rest of the world in either the physical technological aspect or in the aspect of realizing just what advantages technology offers, a lot of South Africans still record dictation using cassettes, and transcription is obviously a lot easier to do using audio files.