

# How culture effects business?

Business, Management



HOW CULTURE EFFECTS BUSINESS? Cross-culture binds together fields which are not quite related such as cultural anthropology and communication within organisation. For understanding cultural issues in organizational setting against international perspective, it is essential to understand employee behavior. Five basic conclusions can be drawn about cross-cultural impact on business: First, individual behavior in organisational setting varies across cultures. Thus, employees based in India, Japan, U. S. and Germany are likely to have different attitudes and patterns of behaviour. The behaviour patterns are likely to be widespread and pervasive within an organisation. Second, culture itself is an important variable for this variation. There are also other factors like differing standards of living and varied geographical conditions which cause variations in behaviour. However, culture is a significant factor. Third, although behaviour within organisational setting remains quite diverse across cultures, organisations themselves appear to be increasingly similar. Hence, managerial practices at a general level may be alike, but the people who work within organisations differ markedly. Fourth, the same manager behaves differently in different cultural settings. A manager may adopt one set of behaviours when working in one culture, but may change those behaviours when moved into a different culture. Lastly, cultural diversity can be an important source of energy in enhancing organisational effectiveness. More and more organisations are realising the virtues of cultural diversity, but surprisingly, little do they know how to manage it. Cross-cultural management literature is replete with studies examining cross-national differences in individual behaviour, managerial attitudes, values and beliefs. Behaviour variations can be studied

in terms of individual differences, managerial responses, motivation, and rewards across cultures. When a business goes global and conducts cross-cultural business alliances and partnerships with either culturally diverse business associates or diverse employees having various cultural backgrounds, the organization is presented with challenges in many aspects such as language, cultural values, business ethics, etiquettes, world views, and expectations. A good example to demonstrate this is the differences between the Asians and Westerners in conducting business. It is important to understand the underlying differences in the way business people of both cultures think and act. Another example of cross-cultural management is a business operating at a multinational level where one team is in Asia and another team is in the United States, both under the supervision of a project manager in Europe. Most Chinese, even if they speak English, are much weaker conversationally than in reading and writing. They also are clumsy when put into positions to respond or react publicly, without prior preparation. In contrast, the Americans are generally very good at this. Consequently, if something is written down and a Chinese is given the time to read and to produce a written response, he/she will be able to come up with reasoned, well-thought-out responses. Cross-cultural issues can be about practical matters such as the following gaffe in advertising " Nordic vacuum manufacturer Electrolux used the following in an American campaign: " Nothing sucks like an Electrolux". Another example would be " In a team, Japanese members may not give their critical opinion as they want others to save face while Australians or Finns might feel that not saying what is on your mind shows a lack of honesty". These differences of perspectives

and mindsets are examples of cross-cultural issues. **Customs** When doing business with an affiliate from another country, consider the cultural differences that may be presented. This includes basic customs, mannerisms and gestures. For example, If a salesperson approaches a meeting with knowledge of a customer's cultural background, then his words, body language and actions can all be adapted to better suit those of the customers. This in turn may lead to being better liked by the customer, ultimately increasing the salesperson's opportunity to close the deal.

**Language Barriers** In some countries, like the United States and Germany, it is common for people to speak loudly and be more assertive or aggressive when sharing ideas or giving direction. In countries like Japan, people typically speak softly and are more passive about sharing ideas or making suggestions. When interacting with people from different cultures, speaking in a neutral tone and making a conscious effort to be considerate of others' input, even if it is given in a manner to which you are not accustomed, can help foster effective business communication.

**Target Audience** When launching a marketing campaign or advertising to members of a different culture, always research the target market prior to beginning the campaign. Levels of conservatism, gender views and ideologies can vary greatly between cultures. Presenting a campaign that is not in line with specific cultural norms can insult the target audience and greatly hinder the campaign. Being aware of cultural norms can also help your company narrow down the target audience. For instance, in Japan and Austria, men usually are in control of decision making, but women make the majority of purchasing decisions in Sweden.

**Technology** Due to globalization, people

from various cultures and countries increasing conduct business with each other. Technology enables people to easily connect with people around the world in a moment's notice, but there are a few rules to remember before doing so. If making an international phone or video conferencing call, be conscious of the time zone differences and make sure to set a reasonable time for all involved parties to interact. It is important to remember that cultural differences can also affect availability. For instance, just because you schedule a conference call for the middle of the business day does not mean that the time will be favorable for the people you are conducting business with. Many Spanish cultures have longer lunch breaks than Americans are accustomed to, which means there may be a two- to three-hour time period during the day in which the person you would like to meet with is unavailable. Politics Political influences, both past and present, can potentially affect the way a person or company does business. Some cultures have a very strong sense of nationalism and government pride, and therefore, are more comfortable and willing to purchase from companies with some sort of government backing. Conducting business with those of differing cultures can also impact negotiations if there are on-going political disputes between the involved parties' countries of origin. To avoid conflict, it is best to avoid discussing any political matter that does not directly pertain to the business at hand. This is also true for inter-office interactions.