

Cultural issues in business management



**ASSIGN
BUSTER**

1. On a recent trip to India, Mr. Yang, a prominent Chinese executive, dined with his client Himanshu Jain. Mr. Yang commented that the food was spicy, which Mr. Jain interpreted as an opportunity to discuss Indian cuisine. After lengthy explanations, Mr. Yang commented again that the food was spicy. Question: What happened here? What barriers are likely getting in the way of clear communication? How is it that people speaking the same language may still miscommunicate?

What happened?

- Mr. Yang most likely did not like the food.
 - Spicy meant that it probably was not tasty.
 - Mr. Yang is probably not used to this type of flavors. Chinese cuisine tends to be sweet, and sweet and sour, however, Indian cuisine is considered spicy.
 - Mr. Yang could have been more straightforward and asked for another dish and/or water.
- Mr. Jain took the comment as positive.
 - Since one of the characteristics of Indian cuisine is that it is spicy, Mr. Jain probably think that Mr. Yang meant tasty.
 - He should have asked what he meant by spicy and that if he could get something else for him.

Barriers:

- Indirect Communication: For Chinese individuals, cultural rules dictate some kind of indirect, discrete, subtle and even complex communication. It is possible that the message is not expressed with

words but with indirect messages/phrases, gestures, actions or taking measures designed to solve the problem, taking care of the image of all those involved. Therefore, Mr. Yang probably did not feel confident to engage in direct communication when it comes to him not enjoying the food.

- High Context Culture: Mr. Yang comes from a high context culture, which means that the verbal information offered by negotiators is limited and imprecise. This is connected to the previous point, the only difference with this one is that, usually, “ external observers will never know the explicit message that is being communicated” (Sapienza). This is what happened with Mr. Jain, he did not get Mr. Yang’s message.
- Indians are extremely good at hospitality: Perhaps this is not a barrier, but should be considered as a positive thing, which it is. However, in this case, it acted as a barrier because, since Mr. Yang was the guest in his country, Mr. Jain probably just wanted to make him feel at home and explain more about every aspect of India and its culture. He just wanted to be a good host and make him feel comfortable and that is why he decided to take the chance to explain about Indian cuisine.

Miscommunication:

- Despite the fact that both cultures are considered high-context cultures, both tend to engage in indirect communication, and both were speaking the same language, there was a misunderstanding between both of them. However, individuals from two different cultures, despite all their similarities, will not be able to communicate

with excellence in an intercultural meeting if they are not able to decode the utterances in other's language. This can only be achieved by studying the other individual's culture.

- Another aspect could be that there may have been non-verbal communication aspects, gestures, to be specific, that Mr. Yang made and Mr. Jain did not understand as showing a displeasing emotion. Moreover, other aspects in communication such as tone, volume, and silence influenced the situation. Instead of bringing up the issue again, Mr. Yang decided to stay quite while Mr. Jain kept explaining about Indian cuisine. The Chinese's silent is powerful because it can show that the person is so disgusted, upset, or even mad, that saying nothing is better than actually offending the other culture. (Bryant, 2018).
- Indians do not make much eye contact. Whereas Chinese prefer direct eye contact. This means that, perhaps, Mr. Yang did make eye contact to make his counterpart understand what was going on, but Mr. Jain did not notice it because his culture avoids looking at others directly in the eye.

2. Based on your readings and lectures, how would you develop a high CQ (Cultural Quotient) team? How would you train your team to work effectively with other cultures? How would you train yourself?

How to develop a high CQ team:

- The first step is contact with diversity in general and with other cultures. Individuals have to have intercultural experiences in order to analyze situations that create conflict and then learn from them.

- Depending on the budget, companies can send individuals to other countries in order to help them experience and learn from different groups of people.
- If the budget is tight, the organization can set a cultural immersion program.
- Courses, training and intercultural coaching can help the team analyze and understand different experiences through a conceptual framework that explains the roots of the why and how of human behavior.
- Understanding one's own cultural roots: The personal values and behaviors are the results of the individual's origin and of what he or she has been exposed from his/her earliest childhood. A complete appreciation of one's own cultural profile will allow employees to contemplate the real magnitude of its impact on their behavior
- Recognize and interpret cultural roots in others: If employees do not know these differences, they most likely attribute a meaning where there is none or they lose a meaning where there was (what happened in the previous example in question #1). This way they can react emotionally; feeling confused, angry or frustrated. The important aspect here is that others hold their values as unquestionable truths just as each person holds theirs.
- Develop strategies and adjustment skills: It is important to let employees know to remain authentic. As stated during the class sessions, developing cross-cultural skills does not mean compromising one's personal values. It means that individuals will be able to recognize the signals and adapt their behavior to them. In this way, I would make sure to show the employees how to look for culturally

adaptable alternative methods to achieve these behaviors without compromising their values.

Training program:

- Recognize the impact of one's own culture: Cultural behaviors are external signs of deeply held values and beliefs that have been built in a society over time. By understanding what culture is, how they have been shaped by it and how their cultural values differ with people from other parts of the world, they can become more perceptive and successful in a global culturally diverse market.
- Analyze the situation in a new culture: When analyzing possible scenarios, the first step is for them to ask themselves a series of questions. These help them to be observers while interacting with a new culture. Sometimes they will not have answers, but nothing happens, since its purpose is to awaken their conscience in a new situation and collect information.
- Raise their focus within the cultural context: After analyzing the possible scenario and collecting information, they can define their approach based on your strengths and weaknesses in that context. An intercultural mentality involves analyzing the situation and formulating a strategy on how to approach it. The key to success is how they adapt.
- Evaluate progress and get feedback: Employees will have to define what success means depending on the culture and time orientation of their new situation. I will make sure to give them feedback from trusted experts so they find out if they have made progress in those

circumstances. The last step would be for them to ask themselves what they could have done differently and what they have to know about that new culture.

Train myself:

- To help improve my cross-cultural awareness it is important that I analyze the relationship with the culture of my country of origin before anything else. I would ask myself what are the typical products of my country, the most popular and practiced traditions and habits, how the most important social systems and institutions work, the norms and attitudes that influence the origins and functioning of such social institutions (e. g. family dynamics).
- I think another good idea would be to start taking language courses, even though non-verbal communication transmits a lot of useful information, the linguistic skills allow to increase the level of communication and they give access cultural knowledge.
- Lastly, I would get involved in a cultural immersion program in which I could “insert” myself in the traditions and habits of another culture. I could read tourist guides, cook new recipes, try their cuisine, buy books about living abroad, etc. In this way, I will be able to know the history, geography and politics of other countries, as well as useful tips to deal with certain social situations.

3. What is meant by the culture of a society, and why is it important for international managers to understand it? Did you notice cultural differences among your classmates? How did those differences affect the class environment? Your group projects?

Culture of a society:

- The social behavior of individuals, whether in an economic, political, moral, religious, etc. context is dominated by the culture to which they belong to.
 - The main reason of why this occurs is because the presence of culture implies the use of symbols through which individuals learn to modify their behavior by understanding the meanings of what it is communicated. This modification of the behaviors from symbols allows the establishment of societies. In general, culture generates values, institutions and tools that shape social relationships through a language of symbols that can be inherited to remain in society (e. g. traditions) or modified over time (e. g. views on same sex marriage, abortion, etc.).

Important for managers to understand it:

- In a world where crossing borders and doing international business is becoming a routine, understanding the culture of a society a company is working with is a vitally important skill if the organization wants to further expand and internationalize.
- It allows leaders to develop a way of looking, interpreting and relating from a deeper level, which is essential when they seek to establish solid work relationships based on trust and mutual respect.
- If managers learn to interpret and compare different cultures they will have a very useful tool at hand that will provide them with valuable information when designing and implementing specific strategies to obtain the desired business results.

Cultural difference among classmates:

- This was a really good class because it was diverse, so, yes I noticed cultural difference among my classmates. There were so many cultures and different backgrounds and origins (e. g. Egypt, Israel, Brazil, The Philippines, Colombia, Puerto Rico, etc.). There were also many international students (including myself!) and people that have traveled abroad.
 - This can be seen when some individuals talked/discussed more than others and share their opinions and thoughts. Perhaps they come from a culture in which challenging what the professor says is acceptable.
 - Or some were always late because that is the norm in their culture so it is part of their daily habits.

Affected class environment:

- All these factors helped to make the discussions very meaningful because, yes, we all had different perspectives and brought up things that maybe others had not noticed before.
 - This class made us see why each person thinks the way they do.
- On the other hand, it made us realize why we think the way we do and why our views are different from individuals from other cultures in the class.
- One particular aspect that I would like to bring up are the cultural similarities. I realized that, despite the distance of our countries and the different cultures we come from, Camila and Zein had very similar cultural habits as me (e. g. we are always late, we are loud, etc.). I

think it is good to share this because we tend to look at what makes us different rather than what brings us together.

Affected group projects:

- The four members of my group come from different cultures. Zein is from Israel, Erica is American, Camila is Brazilian and I am Honduran. Camila and I were almost always late, we were responsible and attended every meeting, but we were never on time.
 - In the same way, Zein and Erica wanted to finish everything a week before the due date. Camila and I were working on our parts the same day of the due date.
 - Zein and I liked to engage in small talk during the meetings. But Camila and Erica wanted to go straight to the point and finish the assignment.
- These examples just show how the dynamics of our group worked. At the beginning, it was difficult for each of us to understand the why behind every action. As the semester went by, we understood why each person acted the way they did.
 - In this sense, this class definitely made us more tolerant, self aware and cross-culturally competent.

4. What is meant by international business ethics? Should the local culture affect ethical practices? What are the implications of such local norms for ethical decisions by MNC managers?

International Business Ethics:

- Each country or region of world has its culture and its ways of doing things, thus, these factors often entail ethical or moral conflicts related to the well-doing and positive behavior of companies.
- This concept is intrinsically related to the corporate social responsibility of organizations. This is a useful instrument capable of helping companies achieve their defined objectives in terms of benefits, return on investments or business volume, while making sure they make a positive impact in the society, culture, and country they operate. This term could also be used in a global scale as well.

Should the local culture affect ethical practices?

The local culture should definitely affect local practices to the extent in which things are not illegal and do not violate human rights.

- For example, in the class, we previously discussed child labor. Even though this practice is accepted in many regions and countries in the world. I believe it is not correct for companies operating in those parts of the globe to implement that as part of their practices or even contribute in any way to this type of labor. The main reason behind this belief is because child labor violates one of the most essential human rights. Plus, it is illegal in the country of origin (assuming it is the U. S.).
- Another example could be gifting presents to others in the business context. Even though in the U. S. this is an unaccepted practice because it can be seen as bribery, I believe that if a company operates in, for example, Mexico, where this is an accepted practice, they should take it into account. This example is different from the previous

one because gifting something does not affect one's integrity, whereas child labor does.

Implications MNC Managers:

- One of the most pressing implications supposes the prioritization of one's own good over the common good. In the sense, the good of the company versus the good of the local culture. This is sometimes referred to as internal politics. Managers have to keep in mind that the absence of relations that objectively seek the common good is a detriment to the progress of all societies, including the society of origin. In this sense, their moral conscience has to come into place and do what it is best for both groups.
- Certain international business practices may have certain differences in different countries, therefore, since on certain occasions the employees from the country of origin may feel a little disturbed with the behavior of the people of the host country, managers have to find a way for them to adapt to this new culture and adjust to its moral and ethical rules.
 - For example, when I lived in South Korea, one of my classmates was from Guatemala and she did not drink alcohol due to her religion. Korean culture involves alcohol in pretty much every occasion; after work, they like to get together at least once a week to eat chicken and drink beer. My friend always complained that she did not like to hangout with them because she always got water or a soda, and her boss felt offended. So where is the ethical line here? To ask a girl to leave her religion behind and

drink or to ignore the cultural value drinking beer with your boss has in Korea? I proposed to her to ask for beer, but root beer, in that way, she could enjoy that time with them.

5. Discuss the relative use of nonverbal behaviors from various cultural backgrounds. How does this affect the negotiation process in a cross-cultural context?

Nonverbal behaviors:

- One of the most important ways to express affirmation or denial in some cultures is that if you want to say “ no” in countries like Bulgaria, India, Pakistan and Turkey, you should move your head up and down (differently than we do in the U. S.).
- In China, Japan and Vietnam it is convenient to offer, pick up and receive objects with both hands to demonstrate consideration, gratitude, appreciation and commitment. In contrast, in Muslim countries it is essential to receive an object or gift with the right hand; the left is considered exclusively for moments of intimate hygiene.
- In Thailand people should refrain from caressing the head of a child (a gesture that in the U. S. is very normalized). For Buddhists, the head is the highest part of the body, where the spirit lives, therefore, it is offensive and discourteous to touch this area.
- Normally, in the U. S., if we step on someone unintentionally is an unimportant act; it is solved by simply apologizing. On the other hand, in Russia, they will give it back by gently touching you. The reason is pure superstition; the Russians believe that if they do not repeat the

gesture they will end up arguing with the person who stepped on them first.

How it affects negotiation:

- Differences in nonverbal behaviors may mean a loss of information and the impossibility of reaching an agreement that satisfies all parties. During a business negotiation, if one party perceives the non-verbal messages of the other party and they know how to interpret them, they can change the course of the negotiation to adapt it to their needs.
- Differences in nonverbal behaviors may mean a misinterpretation of signals. For example, as previously described, in some cultures, like the Asian ones, individuals are expected to give and take things using both hands. In countries like the U. S., there is no specific rule for this. So if an American takes something from an Asian individual with just one hand, the latter may interpret it as an act of disrespect and may create a conflict.
- Differences in nonverbal behaviors may mean that some things are ignored. For example, in the first example of the exam, Mr. Yang may have made eye contact or a gesture that conveyed a negative message about the food, but Mr. Jain may not have understood the message as such due to the cultural difference. This creates a conflict, indeed seen in the example.

In the end, what matters is to have a proactive and cooperative attitude, as well as to avoid gestures and factors that could spoil a good climate. To show interest during the meeting is also very important, especially when the other

is talking, one has to measure the movements and the tone of voice, keeping the arms in a neutral position, without crossing them, running away from the verbiage and maintaining eye contact are some of the main positive signals that will help in the course of a cross-cultural negotiation.

References

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