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THE INFLUENCE OF CULTURE IN INTERNATIONAL BUSINESS

Despite globalization, cultural differences in the way of doing business are still very relevant, especially among Western economies and large emerging powers (China, India and Brazil), which are still very traditional societies in terms social behavior. so the concept appears **intercultural business**, on which in recent years they have published numerous books and studies, and has become part of the subjects taught in executive training programs for universities and business schools. In this article, a review of relevant publications and studies on the relationship between culture and international business, from the early works of Hall and Hofstede to the most recent, on models of cultural classification, intercultural communication and protocol ago in business. Finally, referring to the business culture in Asia is done.

Keywords: *intercultural business*, cultural differences, low-context cultures and high-context approach *win-win and win-lose*, verbal and nonverbal communication, protocol negotiation.

JEL classification: A11, A14, F02, F13.

1. Introduction

The dramatic increase in international economic relations has meant that companies, especially large multinationals, have to integrate into their organizational structures what has been called the *managers*

global, ie, those executives who have ability to manage business in countries with very different cultures. so the concept appears in Anglo-Saxon literature *intercultural business*

- also it used *cross-cultural business* - as regards the adaptation have to perform a business executives when traveling abroad, especially those powers

emerging that have very traditional and deeply rooted in the character of their professional cultures, such as China, India or Mexico.

In recent years there have been numerous books and articles on this topic Suffice it to say that the concept *intercultural business* there are more than two million links in the search Google- and there are also many universities and business schools that have introduced this subject in their training programs.

However, in Spanish, they are still very few authors and publications that analyze the influence of culture in the way of doing business. At the moment, studies have focused mainly on aspects of intercultural communication as a way to promote dialogue across cultures. However, there

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TABLE 1
CULTURES AND UNDER HIGH CONTEXT CONTEXT

high context	under context
<ul style="list-style-type: none"> - Relationships are durable and narrow. - Communication is fast, efficient and economical because a huge amount of information routinely communicates. - a wide range of expressions used. - People in situations of authority are personally responsible for the actions of subordinates. Loyalty is highly valued. - Many agreements are oral, and subject to further modification. - a big difference between group members and those who are not part of it is established. Foreigners have difficulty penetrating this closed circle. - Type family or "clan" company is the predominant commercial structure. - Cultural patterns are rigid and solidly established. They change with difficulty. 	<ul style="list-style-type: none"> - Relations between individuals are relatively short. Close personal relationships are not highly valued. - Messages must be explicit, to assume a reduced ability to extract meaning from the context of communication. - The authority is more dilute and more difficult to assign responsibility. - The agreements are translated into written contracts rigid. It is hoped that the legal system to resolve disputes. - The differences between near and foreign members are minors. It is relatively easy to establish contacts. - The large corporation and bureaucratic style is the type of economic organization most characteristic and providing more jobs. - Certain cultural patterns may change in the not very long run.

Source: *Strategy and management of foreign trade, ICEX-Superior Council of Chambers of Commerce. (Lopez, 1999).*

Note that the Royal Spanish Academy of Language has included intercultural adjective (concerning the relationship between cultures) as a new term in the twenty-third edition of its dictionary.

2. Early Work

As the first history of the cultural elements in the business world can be cited article, already in 1960, published in the *Harvard Business Review*, the American anthropologist Edward T. Hall, with the title *The silent language in overseas business*, in which it identifies four categories of cultural variables that affect the way we do business: personal / professional relationship, forms of communication, time and space. Is classic distinction between "low context cultures" and "high-context cultures." The first are those in which messages are transmitted orally, clearly and directly, that is, say what you mean. By contrast, in high-context cultures it is more important to the environment and non-verbal messages that what is said; premium ambiguity and uncertainty. Germans, Dutch or American are examples of low context, while Chinese, Japanese or Arabic, make high-context cultures.

Latin countries, including Spain, are located closer to the high context.

Hall completing studies, the Dutch professor Geert Hofstade, developed in 1980 a really complex and extensive study of cultural differences in the field of business. To do this, conducted surveys more than 60,000 employees of US company IBM in forty countries. The study is based on the identification and analysis of five cultural dimensions ranging from power distance to how to establish commitments. Cultural dimensions facilitate international negotiator understanding of the attitudes of his interlocutor and adapting to their culture.

3. Models of cultural classification

From the nineties of the last century studies trying to classify styles and cultural behaviors of executives based on their geographical origin it occurs. In this field we can highlight the work of Schuster and Copeland as well as those of Salacuse.

Schuster and Copeland made a model of cultural classification of the business world in six areas. For each analyzed in great depth, how their executives behave in

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TABLE 2
CULTURAL DIFFERENCES IN Nonverbal communication

regards	<ul style="list-style-type: none"> - The handshake is the generalized form of greeting in most countries. - In Japan it is customary to bow. The steepness shows the status granted to the other party. - Arabs usually give two kisses on the cheeks to people they already know.
smiles	<ul style="list-style-type: none"> - Filipinos, Thais and Malays continually smiling courtesy. Indonesian smile before giving bad news to reduce the negative effect on the other party. - Japanese often do not laugh at something funny but to output situations of uncertainty, embarrassment, stress or grief. - Arabs look into the eyes all the time and intensively to discover what is behind the person looking. Scandinavians appreciate eye contact as a sign of sincerity.
glances	<ul style="list-style-type: none"> - The British tend to look to the other party after starting the conversation or to indicate that it is your turn to speak. - In Mexico or Japan's direct gaze gesture is considered an aggressive and disrespectful.
Physical contact	<ul style="list-style-type: none"> - Scandinavians, Americans and most Asians avoid physical contact with their partners. - In Latin cultures embrace -the physical contact occurs between people of the same social level they have developed a personal relationship. - Arabic and Russian are more prone to physical contact, positioning the arm or shoulder touching the other person first and hugging and kissing by effusive seconds.
gestures	<ul style="list-style-type: none"> - the left hand should not be used to move objects or food in Arab countries as it is considered to be impure hand. - Greeks and Bulgarians nod forward to say 'no'. - Hindus move his head from side to side to say yes.
positions	<ul style="list-style-type: none"> - For Northern Europeans and Asians the most correct posture is sitting upright with your feet together on the ground. In many Asian countries crossing your legs is frowned upon. - Americans prefer to be more informal meetings and tend to sit adopting a comfortable and relaxed posture.

Source: *How to negotiate successfully in 50 countries, Global Marketing Strategies. (LLAMAZARES, 2009).*

different phases that are part of a process of international sales: networking, business relationships, personal relationships, orientation, interests, influence and persuasion, concessions and commitments, agreements and maintaining relationships. Thus, for example, at the stage of influence and persuasion explain that in geographical areas such as Europe Central and North, or the United States, how to present proposals and argue should be objective and focused on facts, while in other areas (Latin America and Arab Countries) take precedence over all verbal and even emotional arguments.

Salacuse American author analyzes the influence of culture on how to negotiate international executives. Basically distinguish between those executives who seek negotiating mutual benefit to both parties (focus *win-win*) against others in which the pursuit of profit bonus itself (*win-lose*). First they understand that if we reach a final agreement the two sides should make a profit, while for the latter, in a negotiation you earn loses one another.

Through fieldwork surveys three hundred executives from twelve countries and seven different professions on **their attitude approaches *win-win* Y *win-lose* obtubvieron** the following results: the negotiators focused towards the **trading style *win-win* were Japanese (100 100), followed by Chinese (82 100) and Argentina (80 100); on the contrary the least likely to *win-win* were the Spanish (37 100), followed by Brazilians (44 100) and Nigeria (47 100). By professions, most supporters *win-win* were diplomats / public official (86 100), followed by executives *marketing* (81 100) and finance (76 100); the least the military (40 100) and lawyers (42 100).**

4. Communication Guidelines

Another aspect where culture acquires a relevant importance in the business world is the way they communicate executives

international. The most important instrument of communication is language, both spoken and written. Often international executives must communicate in a language other than the mother, and in this sense, to avoid misinterpretation is convenient to take a number of precautions such as: speak slowly, use simple vocabulary, memorize key phrases that convey the main arguments, repeating the same ideas but with different expressions or summarize the main conclusions after the meeting.

In addition to verbal communication, in an international context, especially relevant non-verbal communication, especially in countries with traditional cultures that are not used to transmit messages directly and clearly but by their attitudes and behaviors. It is estimated that between 30 and 60 per 100 messages exchanged in international negotiations occur through non-verbal communication.

Nonverbal communication can be active or passive. The first includes those elements that the executive can control and consciously planned, while the passive is an interpersonal communication and can be defined as the perception of signs result of tradition or custom. In the non-active communication, the main elements are: movement (hands, head, how to sit, etc.), appearance (supplements clothing, etc.), eyes (visual contact, orientation), body contact (greeting, farewell, handshake) or speech (voice volume, intonation). Among the non-verbal communication transmitters passive type can be distinguished: colors, numbers or symbols. As shown in Table 2, non-verbal communication each country has its own guidelines that must be known by executives who visit them.

5. The protocol in business

More recently, the study of cultural differences has focused on analyzing the

uses and customs in trade relations, in what could be considered as business protocol. The foundation of these works is that culture and tradition of each country make people behave differently and if international executives visiting this country know not adapt to this behavior can cause a decline in the other party that hinders or even endanger the success of his efforts.

In recent years, they have appeared, especially in the United States, other publications, all with a similar comprehensive approach is -the *Kiss, Bow or Shake Hands of Morrison* analyzing in detail the protocol standards in business, in areas such as:

- Names and titles: how treatments should be, by name, last name, you and you, and the use of titles (director, doctor, licensed) in presentations.
- Punctuality: the strict use of time and delays commonly accepted.
- Exchange cards: at what point should exchange and the use to be made of them.
- Table manners: choice of the position of the diners, use of cutlery, leftover food, toast, and so on.
- Tipping: in what places and situations, as well as desirable amounts.
- Gifts: Gift culture as more suitable objects, how to present them, and whether to open or not in the presence of who makes them.

6. Asian cultures

Given that cultural differences in the way we do business occur, especially among Western countries and the so-called traditional cultures and within these, which have more economic relevance are Asian, Japan, China and India, not Little wonder that have arisen several publications dealing with the business culture in Asia. Interest in this

TABLE 3
NEGOTIATIONS IN JAPAN AND CHINA

Japanese negotiators	Chinese negotiators
<ul style="list-style-type: none"> - They are impassive: Emotions should not be shown. - They appreciate the full benefit of a business or business relationship. - Demand perfection: the absence of errors, defects, delays and so on. - They are very polite in negotiation. They use a long silences. - Consider establishing lasting relationships is more important than signing a contract. - Besides the price value above all quality and reliability. 	<ul style="list-style-type: none"> - They are variables passed from enthusiasm to defensive positions. - They need financial gain in each transaction. - Requiring many concessions on the first proposals. - They are more aggressive. They are asking negotiators more. - Personal contacts (Guan Xi) are essential for doing business. - The price traded above any other consideration.

Source: Compiled from MARION B., *op. cit.*

approach emerged in the seventies of the last century on the initiative of Henry Kissinger, then United States Secretary of State, who began negotiations for trade liberalization with Japan and China.

Perhaps the most complete work on Asian cultures is the French auteur Bruno Marion, which discusses the basis for understanding the business culture in Asia and offers advice to manage in the major countries of the region, namely: China, Taiwan, Singapore, Malaysia, Indonesia, Thailand, Japan, India and Korea. In this work, a comparison between trading styles of Chinese and Japanese executives is also made. Although for a Western executive, inexperienced in those markets, you might think there are similarities, the reality is that differences can not be higher. For example, the Japanese seek global agreements that will maintain and consolidate long-term relationships, while it is economic benefit for every transaction they make to the Chinese. As regards communication patterns, the Japanese are impassive and educated, while Chinese gesticulate more, interrupt and ask a lot.

7. Conclusions

Despite the homogenizing effects of globalization, cultural differences in the way of doing business are very significant, especially among Western countries and traditional economies -including the asiáticas- consti-

Tuyen markets higher growth potential in the coming years.

Companies that aspire to expand their business internationally and, in particular, multinational structures of commercial and production subsidiaries in several countries should seek

managers they are also global managers

transcultural, in the sense of having the curiosity to know, respect and even integrated into the culture of the countries where they develop their professional careers. From the perspective of human resource management, it is not about creating homogeneous management teams in each country, but to find executives who have the ability to integrate different cultures at the same time.

Training and learning in intercultural management skills and knowledge of its executives will increasingly a requirement for successful companies in their international business.

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